

Please note – these Minutes have been edited to remove any commercially sensitive or confidential discussions

ITEM 3

MELVILLE HOUSING ASSOCIATION LIMITED

Minute of the Board Meeting held on Wednesday 12 November 2025
at 6.00 pm Hybrid Meeting - Office and Zoom Video Conference Call

PRESENT:

Donna Bogdanovic	Clare Marshall
David Bond	Rebecca McLean
John Dalley	Caron Quinn
Tom Mallatratt	Laura Harris
Clare Marshall	Victoria Watson

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

D BOGDANOVIC IN THE CHAIR

	Agenda Item Details	Action Required
1a.	CHAIR'S OPENING REMARKS The Chair welcomed everyone to the meeting extending an especially warm welcome to new members Laura Harris and Victoria Watson. She also passed on congratulations to staff for putting on an amazing 30 th anniversary celebration event, for recent positive coverage of the association, and to Housing Manager Jane Burnett for her 32 years at Melville.	
1b.	DECLARATIONS OF ANY OTHER BUSINESS <u>Noted</u> that there was one other item of competent business.	Note
1c.	DECLARATIONS OF INTEREST <u>Noted</u> that aside from Ironmills, there were no declarations noted.	Note

	Agenda Item Details	Action Required
1d.	APOLOGIES <u>Noted</u> apologies sent by Bill Takhar and Julie Smith.	Note
2.	MINUTES OF PREVIOUS BOARD MEETING 2 OCTOBER 2025 2.1 <u>Noted</u> that the Chair invited the Chief Executive to lead on the minutes on behalf of the Secretary. 2.2 <u>Noted</u> that members agreed that these were a true and accurate minute of the meeting. The minutes were <u>approved</u> by Donna Bogdanovic and <u>seconded</u> by David Bond.	Note Note/ Approved
3.	MATTERS ARISING AND OUTSTANDING ITEMS 3.1 <u>Noted</u> that the Chief Executive gave a brief update on matters arising and outstanding items. 3.2 <u>Noted</u> that feedback on the recently conducted health and safety training was very positive, with all agreeing it had been a very useful session. 3.3 The Board <u>noted</u> the contents of this report and approved the removal of completed items from the register.	Note Note Note/ Approved
4	GOVERNANCE 4.1 <u>Noted</u> that the CEO gave an update on governance, highlighting: <ul style="list-style-type: none"> ▪ One new notifiable event (redacted) previously approved by Board ▪ One SPSO request for further information (provided) ▪ Receipt of one EIR, two SARs and one FOISA request ▪ The appointment of consultant support for 2025 appraisals ▪ Good feedback on the Board away day in October ▪ A successful event to celebrate Melville's 30th anniversary ▪ Update of Board code of conducts completed ▪ Details of the next audit committee meeting which is to be held on 1 December 2025 	Note

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	<ul style="list-style-type: none"> Donations totalling redacted made to various organisations this year so far 	
4.2	<p><u>Noted</u> that the following policies have been reviewed with the expenses policy compared with other RSLs:</p> <ul style="list-style-type: none"> Serious complaints against CEO (only change is to date) Board expenses (some increases to payable rates) Risk management (only changes are to date and risk appetite definitions) 	Note
4.3	<p><u>Noted</u> that a brief discussion took place on the Board away day and the usefulness of sessions with general agreement that it had gone well.</p>	Note
4.4	<p><u>Noted</u> that a question was asked about whether Melville had provided feedback on the Regulator's new accounting requirements. The answer was no as the feeling was, they contain nothing of concern with the additional backstop of the annual external audit. One member said they would be happy to provide support on the (quite complex) changes if it would be helpful.</p>	Note
4.6	<p><u>Noted</u> that there was a detailed discussion on the Board expenses policy and the limits set on certain claims. While some members felt the policy was too restrictive, the CEO explained that it was in line with other RSLs and reflected good practice to ensure a minority didn't abuse the system. It was agreed that the wording of the policy would be looked at again and presented at the next meeting.</p>	Note
4.7	<p><u>Noted</u> that a mistake was pointed out in the carers payment section of the expenses policy. This will be corrected before the policy is resubmitted.</p>	Note
4.8	<p>The Board <u>noted</u> the contents of this report.</p>	Note
5.0	MANAGEMENT ACCOUNTS	
5.1	<p><u>Noted</u> that the Depute CEO presented an overview of the financial results for the three-month period ending 30</p>	Note

	Agenda Item Details	Action Required
	September 2025, reported against the budget approved in January. A summary of the financial position is set out within the report and detailed further in the Statement of Comprehensive Income (SOCI) at Appendix 1.	
5.2	Noted that the organisation concluded the quarter with a pre-FRS102 surplus of redacted, representing a redacted positive variance against budget.	Note
5.3	<p>Noted that key variances, as detailed in Appendix 1, were noted as follows:</p> <ul style="list-style-type: none"> ▪ Total income is redacted ahead of budget, driven primarily by improved bad debt performance (£53k favourable), unbudgeted Rechargeable Repair income, and higher interest received. ▪ Programmed Expenditure is £122k under budget to date. Areas of under- and overspend are highlighted in the report, with further detail to be provided in the Half-Year Property Report later on the agenda. ▪ Overheads are redacted underspent at the half-year point. All areas are on or under budget except for employment costs, which are higher due to the additional 1% pay award above the budgeted level. ▪ Loan interest costs are redacted below budget, reflecting lower interest rates and contingency provisions within the budget. 	Note
5.4	Noted that as set out on page 2 of the main finance report and in Appendix 2, the organisation continues to maintain a strong cash position and remains comfortably within its covenant requirements. Cash balances are lower than budget due to the assumption in the budget that loan drawdown would have occurred by this stage.	Note
5.5	Noted that a question was asked about the reasons for the underspend on the tenant participation budget. It was explained that this was due to sustainability that hadn't yet happened, and also digital projects put on hold until after the full implementation of Rubixx. Budget will be spent by year end.	Note

	Agenda Item Details	Action Required
5.6	<u>Noted</u> that a discussion also took place about overall investment and whether Melville should be spending more given the very comfortable financial position presented in the accounts.	Note
5.7	The Board <u>noted</u> the contents of this report.	Note
6.0	BAD DEBT AND CREDIT WRITE OFFS	
6.1	<u>Noted</u> that the Depute Chief Executive requested permission to write off bad debts totalling redacted made up of 3 accounts all of which were former tenants. 2 of the cases were following a death and the other because of a lack of a forwarding address.	Note
6.2	<u>Noted</u> that permission was also requested to write off credits which are now older than a year worth redacted (5 accounts), all of which were due to the death of the tenant with no contact from the next of kin (NOK) within a year.	Note
6.3	<u>Noted</u> that a discussion took place about following up with NOK, Jane noted that we do where we can, but we don't continually pursue them.	Note
6.4	<u>Noted</u> that a question was asked about the timing of credit write offs particularly in light of the large sum for DWP that was delayed in 2004. Board were advised that any credit written off would be returned if NOK came forward at a later date. It was noted that the auditor had highlighted this as best practice and one member also commented that this was good housekeeping.	Note
6.5	The Board <u>noted</u> the contents of this report and approved the write offs.	Note/ Approve
7.0	MID YEAR FORECAST	
7.1	<u>Noted</u> that the Depute Chief Executive explained that, following the standard process each September, the year-end financial position has been reforecast. Performance for	Note

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	the first six months has been reviewed against original budget assumptions, and reporting will now be based on the reforecast for the remainder of the financial year.	
7.2	<u>Noted</u> that key variances to budget in the first half of the year include a 4.5% pay award, improved void-loss performance, strong bad-debt performance, and lower interest rates. Development expenditure at Newbattle is lower than anticipated, and the assumed number of additional units at redacted location has been revised from 16 to 8.	Note
7.3	<u>Noted</u> that the reforecast projects a year-end surplus of redacted, which is redacted above budget. Key variances include: <ul style="list-style-type: none"> ▪ Rental Income: Expected to be £11k ahead of budget due to lower void losses in the first half; second-half performance assumed in line with budget. ▪ Rental Bad Debts: Strong performance to date; provision reduced from 1% to 0.75% for the remainder of the year, with potential for further outperformance. ▪ Interest Received: Forecast to be slightly lower over the next six months but still materially ahead of budget. ▪ Other Income: Forecast £68k ahead of budget, primarily due to Rechargeable Repairs. ▪ Other Grant Income: Reflects LACER funding; no forecast for associated expenditure. 	Note
7.4	<u>Noted</u> that planned maintenance expenditure is forecast to be redacted over budget across the remainder of the year. Overspends are expected in Fencing & External Works, Damp & Mould, and Reactive Maintenance, based on year-to-date trends. These pressures are partly offset by projected underspends in Electrical Testing and Void Maintenance.	Note
7.5	<u>Noted</u> that most overhead categories are forecast to be below budget for the remainder of the year, with the exception of employment costs, reflecting the full-year impact of the 1% adjustment.	Note

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7.6	<u>Noted</u> that depreciation on housing assets was originally budgeted using pre-Oakwood Edge cost data; the reforecast corrects this error.	Note
7.7	<u>Noted</u> that loan interest costs are forecast to deliver a redacted saving against budget, in line with first-half performance and the expectation of a further rate reduction before year-end.	Note
7.8	<u>Noted</u> that covenant headroom remains significant.	Note
7.9	<u>Noted</u> that the report includes scenario analysis indicating that, even in the event of increases in bad debts or interest rates, performance would remain within budget and available contingency.	Note
7.10	<u>Noted</u> that a discussion took place about the depreciation error with the Oakwood Edge units. It was explained that the 39 units had been missed from the calculation at budget prep time as they completed March and we based the calculation on Novembers' housing stock levels. Sorted now at forecast. The Board <u>noted</u> the contents of this report and approved the forecast.	Note Note/ Approve
8.0	PROPERTY MAINTENANCE REPORT	
8.1	<u>Noted</u> that the Head of Asset Management gave an update on Property performance and issues, across the 3 main areas of reactive maintenance, empty homes, and planned maintenance, up to 30 September 2025.	Note
8.2	<u>Noted</u> the following updates on reactive maintenance: <ul style="list-style-type: none"> Contract is with East Lothian-based R3 (offshoot of ELHA) and is a PPP fixed cost but with an element of variable cost (exclusions from PPP). Spend to date redacted against a redacted budget (3.1% overspend), mainly due to additional exclusion works such as roofing and drainage. Contractor performance remains strong — 99.5% satisfaction, 98.7% repairs right first time, and average completion within 5.6 working days for R3 non-emergency work. 	Note

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8.3	<ul style="list-style-type: none"> ▪ Damp and mould cases actively monitored through Rubixx (102 total, 44 resolved, 58 ongoing). <p><u>Noted</u> the following updates on empty homes:</p> <ul style="list-style-type: none"> ▪ 43 properties processed at an average cost of redacted. This is slightly up on last year. ▪ Void repair spend of redacted is below the redacted mid-year budget mainly due to the timing of invoice processing for some larger voids; year-end spend forecast within target. ▪ Average relet time 15.2 days (target 16 days) — performance remains on track. 	Note
8.4	<p><u>Noted</u> the following updates on planned maintenance:</p> <ul style="list-style-type: none"> ▪ Strong progress with 63 kitchens, 3 bathrooms, 36 heating systems, 11 roofs, 29 doors, and 2 windows installed by the end of September. ▪ Bathroom and heating programmes behind schedule due to access refusals and contractor programming but expected to recover in the second half of the year. ▪ Kitchen and door programmes performing ahead of schedule. ▪ Overall spend (redacted vs redacted budget) remains manageable and expected to balance by year-end. 	Note
8.5	<p><u>Noted</u> the following updates on compliance and safety:</p> <ul style="list-style-type: none"> ▪ Gas servicing 100% compliant. ▪ 99.95% of properties have valid EICRs; only one outstanding (now resolved). Smoke/CO detector programme ongoing. Asbestos work under budget due to fewer removals required. 	Note
8.6	<p><u>Noted</u> the following updates on energy efficiency (EESH):</p> <ul style="list-style-type: none"> ▪ 98.97% of properties meet the EESH standard. ▪ 22 properties (1.03%) currently below standard; improvement works ongoing. ▪ Melville collaborating with Midlothian Council and a number of other RSLs through the recently formed Midlothian Retrofit Partnership Forum (MRPF) to 	Note

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	coordinate local energy procurement, works, and funding.	
8.7	Noted that news of the retrofit partnership was welcomed and a brief discussion took place on the importance of partnership working. The recent success of a modular project in the Borders to convert garage sites into housing was cited, made possible thanks to the strong relationship between the RSL and local authority.	Note
8.8	Noted that a brief discussion took place about the maintenance of solar panels which will be of increasing importance going forward.	Note
8.9	Noted that there was then a longer discussion on a number of void issues including who carries out inspections (Melville's Property team) and whether they are categorised (they aren't as numbers are too low to justify). Staff were asked whether there has been an increase in the number of poor voids in recent years with general agreement that this was definitely the case primarily due to budget and service cuts. The result is a massive challenge for Melville staff with a huge consequent increase in time and expense for the organisation. Staff took on board the suggestion that Melville might collaborate with other local organisations to share dedicated staff members to tackle the problem.	Note
8.10	The Board noted the contents of this report and thanked Rich and his team for their work and strong performance.	Note
9	REGISTERS	
9.1	Noted that since the Registers were last presented to the Board the following entries have been made: Declarations of Interest - 5 entries in this register (annual updates for Board members). Entitlements, Payments and Benefits – 3 entries (although 2 declined) - details are available in the register.	Note
9.2	Noted that there were 2 new entries in the register of seals	Note

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9.3	<p><u>Noted</u> that there were no entries in the following registers:</p> <ul style="list-style-type: none"> ▪ Bribery & Corruption ▪ Fraud 	Note
9.4	<p><u>Noted</u> that the Chair signed the registers at the end of the meeting and members were reminded that these registers are available for review on BoardEffect at any time.</p>	Note
10.0	ANY OTHER COMPETENT BUSINESS	
10.1	<p><u>Noted</u> that there was one other item of competent business, the disposal of an asset at redacted. This item was led by the Head of Asset Management who said that the proposed disposal of the property is in line with Melville's development strategy, explaining that:</p> <ul style="list-style-type: none"> ▪ The property is located in North Lanarkshire, some distance from Melville's other homes, and was bought in 2007 through the Scottish Government's Mortgage to Rent scheme. ▪ The fabric of the block the flat is in is now in very poor condition as all other properties are owned with no agreement on common repairs. ▪ The flat is currently empty. ▪ The disposal would be a notifiable event. ▪ The sale price is estimated at around redacted however it was likely that at least a large percentage of this would be returned to the Scottish Government. 	Note
10.2	<p><u>Noted</u> that a brief discussion took place with RM confirming that North Lanarkshire Council had been approached but weren't interested in purchasing. One member also requested that in future, should similar situations arise, a fuller financial evaluation be presented to the Board.</p>	Note
10.3	<p><u>Noted</u> that the Board approved a similar disposal (of a flat at redacted, Penicuik) some 5 years ago. This flat is now vacant, for the first time since then, and should be sold shortly.</p>	Note
10.4	<p>The Board <u>noted</u> the contents of this report and approved the disposal of the property.</p>	Note/ Approve

	Agenda Item Details		Action Required
11.0	DATE OF NEXT MEETING		
11.1	<u>Noted</u> that the next meeting of the Board is Wednesday 10 December 2025 at 6pm and that this will be a hybrid meeting.		Note
11.2	Meeting closed at 19.41		

Minutes Approved By: Donna Bogdanovic

Signature: _____

10 December 2025