

ITEM 2

MELVILLE HOUSING ASSOCIATION LIMITED

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

PRESENT:

Donna Bogdanovic	John Dalley
Clare Marshall	Paul Cameron
Bill Takhar	Tom Mallatratt

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.	CHAIR'S OPENING REMARKS The Chair welcomed everyone to the meeting, extending an especially warm welcome to Lorna Shaw of Research Resource.	
1b.	DECLARATIONS OF ANY OTHER BUSINESS <u>Noted</u> that there were no other items of competent business. <u>Noted</u> that extension to standing orders agreed at start of meeting as the meeting is expected to last more than 2 hours.	Note Note
1c.	DECLARATIONS OF INTEREST <u>Noted</u> that declarations from Ironmills Directors were duly noted. No new declarations.	Note

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1d.	APOLOGIES <u>Noted</u> that apologies were received from David Bond, Gayle Templeton, Brian Wilkie, Caron Quinn and Rebecca McLean.		Note
2.	2025 TENANT SATISFACTION SURVEY		
2.1	<u>Noted</u> that Lorna Shaw of Research Resource gave a brief presentation on the findings of the recently concluded tenant satisfaction survey, carried out face-to-face. 718 tenants were interviewed giving a plus/minus 3% degree of accuracy. Highlights included: <ul style="list-style-type: none"> Overall satisfaction sitting at 90%, up slightly from 2022 survey. Letters, email and newsletter were top three communication preferences. 94% have internet access, higher than for many other RSLs. This figure drops to 47% for the over 65s. 99% said Melville is good at keeping them informed. 73% are not interested in getting involved. This is a sector-wide issue. Almost everybody happy with opportunities to participate. Very high levels of satisfaction for the service provided by staff. 91% happy with the quality of their home. 81% satisfaction with repairs service, very similar to previous survey. This is below the Scottish average, but others may collect this figure differently. However there has been a decrease in dissatisfaction with the repairs service. The customer care side has improved while right first time has decreased. 86% happy with value for money. An increase from the last survey. 95% happy with neighbourhood management, a significant 5% increase. Overall, more tenants said they were satisfied rather than very satisfied. 		Note

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2.2	<u>Noted</u> that Lorna finished by saying that these were really positive figures, following surprisingly good results following covid (when others saw a steep decline).	Note
2.3	<u>Noted</u> that a discussion took place around overall satisfaction levels (particularly those only satisfied rather than very satisfied) and following up with respondents. It was explained that we can't follow up as the survey is anonymous and the researchers only further interrogate those who express dissatisfaction. Lorna added that the UK Customer Satisfaction Index shows an overall dampening of satisfaction throughout the country currently.	Note
2.4	<u>Noted</u> that there were discussions about participation and repairs, both of which threw up questions. There was agreement that it might be helpful if the participation question could be worded differently given that 75% of tenants don't want to get involved. It was pointed out that this is a core question, set by the Regulator, and as such can't be changed. It was suggested that participation might be boosted by involving communities in the integrated asset management strategy.	Note
2.5	<u>Noted</u> that on repairs carried out right first time, there was an observation that the figures from the survey are at odds with those reported by R3. The CEO noted that there was no way of knowing how recent repairs experiences reported in the survey were so might not tally with R3 for this reason.	Note
2.6	<u>Noted</u> that the very positive neighbourhood management findings were discussed. A new team has been set up to deal with estate issues and more work done on this than ever before. All agreed that it was good to see the hard work paying off.	Note
2.7	<u>Noted</u> that the top three housing priorities to come out of the survey were energy efficiency, building more homes, and improving existing homes.	Note

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2.8	<u>Noted</u> that the Chair thanked Lorna for her time and congratulated staff for an excellent set of results.	Note
3.	MINUTES OF PREVIOUS BOARD MEETING 29 JANUARY 2025	
3.1	<u>Noted</u> that the Chair invited the Chief Executive to lead on the minutes on behalf of the Secretary.	Note
3.2	<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 Donna Bogdanovic and <u>seconded</u> by Clare Marshall.	Note Approve
4.	MATTERS ARISING AND OUTSTANDING ISSUES	
4.1	<u>Noted</u> that the Chief Executive led on this item, explaining that the Corporate Plan would be covered later in the meeting.	Note
4.2	<u>Noted</u> that the only other item raised was the Settlement and Severance Policy. The CEO said that confirmation sought from member had now been resolved and he was therefore now seeking approval.	Note
4.3	The Board <u>noted</u> the contents of this report and <u>approved</u> the policy.	Note/ Approve
5.	DEVELOPMENT REPORT	
5.1	<u>Noted</u> that the Head of Assets updated Board on the latest Development activity including: <ul style="list-style-type: none"> ▪ Handover of the last 4 units at Oak Place completing this development of 39 homes, celebrated recently with the widely publicised visit of Minister for Housing Paul McLennan MSP. ▪ Progression to tender of Newbattle HS site B with 8 expressions of interest on the SPA framework. Of these 5 have said they intend to submit, 1 is still considering and 2 have declined. Those contractors that are interested are (redacted commercially 	Note

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5.2	<p>sensitive). The tender quality submissions are scheduled to be assessed on 14 May by a panel made up of staff and Board members.</p> <ul style="list-style-type: none"> Provision of development services to (RSL name redacted) has now started, albeit slowly due to lack of requirement, however it may increase and could extend into the next quarter. Nothing further to report on potential purchase of 16 units from (redacted commercially sensitive) Place. We are still awaiting word from Scottish Government on possible funding. No further update on the Scottish Government's Development and Energy Efficiency Strategy, as this has been delayed again following the pulling of the Heat in Buildings Bill. A further update will be brought to the June board meeting with the next scheduled development update. <p>Noted that the Board passed on their thanks for a good report and for the work done.</p>	Note
6.	GOVERNANCE REPORT	
6.1	<p>Noted that the Chief Executive gave an update on governance asking that the Board:</p> <ul style="list-style-type: none"> Once put into a suitable format, consider the draft Corporate Strategy Summary for consultation with key stakeholders. Note Key Performance Indicators (KPI) outcomes. KPI issued for consideration. Note Audit Committee update and consider frequency, format and level of detail of finance reports. Note calendar of returns outcomes and requirements for the next three months. Approve Code of Conduct for Staff Members policy following limited amendments from SFHA. Once approved this will then be issued to staff. 	<p>Note</p> <p>Consider</p> <p>Note</p> <p>Note/Consider</p> <p>Note</p>

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	<ul style="list-style-type: none"> ▪ Note Annual Assurance Statement action plan. Updates as reported in report: <ul style="list-style-type: none"> ○ Significant Performance Failures reminder published ○ External consultant agreed – to be progressed 	Note
6.2	<p>Note that since writing the report the SHR have issued letter dated 11 March 2025. Melville to confirm whether we meet all duties in relation to tenant and safety in particular:</p> <ul style="list-style-type: none"> • Electrical safety • Water safety • Fire safety • Asbestos • Damp and Mould • Lift safety 	Note
6.3	Note that the May report will provide an update on each of these elements.	Note
6.4	Noted that there was a discussion about the corporate strategy consultation. It was explained that consultation would be done digitally involving social media/email/SMS and a short online survey. Once the summary has been finalised, document to be circulated around Board members before consultation begins.	Note
6.5	<p>Noted that there was a discussion on the frequency of Finance reports, their format and level of detail, including those prepared for the Audit sub-committee. It was explained that papers have to satisfy lenders as well as the Board and that it was difficult to satisfy everyone without creating substantial additional work. Several members supported the idea of simpler summaries, and it was also pointed out that all members are given the opportunity to sit down with the finance team so they can understand budgeting better. Board member (redacted) to provide a template for consideration.</p> <p><i>Tom Mallatratt left the meeting at this point</i></p>	Note

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6.6	The Board <u>noted</u> the contents of this report and <u>approved</u> the Staff Code of Conduct.	Note/ approve
7.	QUARTERLY FINANCE UPDATE	
7.1	<p><u>Noted</u> that the Depute Chief Executive gave an update on 9 month results to end of December 2024, reported against forecast as approved in November and with comparison to original budget and previous year as requested.</p> <ul style="list-style-type: none"> ▪ The quarter ended with a pre-FRS102 surplus of £791k, £229k ahead of forecast. <ul style="list-style-type: none"> ○ Total income is £32k ahead of forecast. ○ Rental income & voids are £12k less than forecast due to timing differences in the handovers at (redacted) – £18k loss of rent claimed at this stage (other income). Final handovers earlier this week. ○ Shortfall more than offset by our bad debt performance (both rental and non-rental) which are £32k better than forecast and Grant Funding received (LACER). ○ Programmed Expenditure is £25k under forecast at December and £115k under once adjusted for capital items. ○ Main overheads variances are in line with or under forecast. <ul style="list-style-type: none"> ▪ IT is due to additional consultancy fees required ahead of Rubixx delay. ▪ Consultancy costs significantly under as EWI funding not yet spent. ▪ Remain in a strong position in terms of cash and our covenants. 	Note
7.2	<u>Noted</u> that IDL is reporting an operating surplus of £3.5k compared to a budgeted surplus of £1.6k. Positive variances arose on bad debts and rental income.	Note

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7.3	<u>Noted</u> that there was a brief discussion on how the figures were presented. It was agreed that it would make more sense to present the full year figures rather than those for 9 months. This will be done in future.	Note
7.4	Board <u>noted</u> the contents of the report and congratulated staff on a positive set of results.	Note
8.	BAD DEBT AND CREDIT WRITE OFFS	
8.1	<p><u>Noted</u> that the Depute Chief Executive requested permission to write off bad debts to the value of £6,560.25 and credits worth £580.31. She explained that:</p> <ul style="list-style-type: none"> ▪ The bad debts balance has previously been provided for by way of the management accounts. ▪ Of the bad debts, all 8 of which are all for former tenants, 41% relates to arrears and 41% to rechargeable repairs: <ul style="list-style-type: none"> ○ 2 were under limit for chasing ○ 3 (£1.2k) was closed by Scott & Co (debt recovery) ○ 1 (£3.2k) was an abandonment ○ 2 (£2.1k) no address found after traces were run by Stirling Park ▪ If any debts were to be repaid, or a former tenant reappeared, then the debt would be reinstated. ▪ 5 accounts (total of £508) of credit write offs which are now older than a year. <ul style="list-style-type: none"> ○ 1 (£250) death with no contact from NOK ○ 1 (£238) was a tenant on full HB and no payments ever made by the tenant. Council account is clear ○ 3 (£18) are minimal balances 	Note
8.2	The Board <u>noted</u> the contents of this report and <u>approved</u> the write offs in the March management accounts which will have a net impact of £6,051.94.	Note/ Approve

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9.	IDL 10-YEAR FORECAST	
9.1	<p><u>Noted</u> that the Depute Chief Executive gave a brief update on the 10-year forecast for Ironmills (IDL) a Melville subsidiary company explaining that this had been approved at a meeting of the IDL Board on 26 February 2025. She explained that:</p> <ul style="list-style-type: none"> ▪ Key assumptions noted in the report and Appendix 1 shows some sensitivity analysis that was carried out on bad debts, voids and rents. ▪ Figures from the proposed site at Newbattle have not yet been included but the plan will be updated and recirculated once this is formally approved. ▪ Any surplus within IDL is gifted to MHA following IDL Board approval each year which is why no profit or loss is shown. 	Note
9.2	<u>Noted</u> that a discussion took place around void assumptions. It was suggested that with such small numbers, the figures could be easily skewed therefore a more realistic number might be better.	Note
9.3	<u>Noted</u> that the Depute CEO was asked about money made on management fees. She replied that she thought 10% but would confirm. Board were assured that MMR properties involved very little work for Melville staff currently although this would have to be looked at again, including staffing levels, should numbers increase considerably. It was agreed that this should feed into Melville's development strategy.	Note
9.4	<u>Noted</u> that there was a conversation about MMR and the overall demand for these types of properties. Board were informed that because of demand Melville had closed its MMR waiting list and therefore the proposed new properties shouldn't require too much marketing.	Note
9.5	The Board <u>noted</u> the contents of this report and <u>approved</u> the forecast.	Note/ Approve

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10.	REGISTERS		
10.1	<u>Noted</u> that there were only two updates to the registers. CEO will be attending the CIH Leaders dinner and the Community Based Housing Association's event celebrating 50 years of community housing.		Note
11.	AOCB		
11.1	There was no other competent business discussed at the meeting. All Staff except the Chief Executive and Depute Chief Executive left the meeting at this point.		Information
12.	(CONFIDENTIAL ITEM) ANNUAL PAY REVIEW This item was minuted separately.		
13.	DATE OF NEXT MEETING		
13.1	<u>Noted</u> that a special meeting of the Board is Wednesday 26 March 2025 at 6pm and that this will be a hybrid meeting.		Note
13.2	<u>Noted</u> that the next scheduled meeting thereafter of the Board is Wednesday 14 May 2025 at 6pm and that this will be a hybrid meeting.		Note
13.3	Meeting closed at 20.20		

Minutes Approved By:

Signature:

14 May 2025