

HARBOUR HOMES SCOTLAND LIMITED

**MINUTES OF HARBOUR SPECIAL BOARD MEETING^(after AGM)
HELD ON WEDNESDAY 20 SEPTEMBER 2023
at 6 pm 108 Constitution Street**

Present:

David Welsh (Chair)	Iain MacPhail
Leigh Eardley	Jim Sherval
Caitlin McCorry	Campbell Whyte

In attendance: Heather Kiteley, Group Chief Executive
Ngeme Ntuli, Group Director of Finance & Business Support
Gordon Cameron Group Director of Operations
Alison Petretti, Business Support Officer

ACTION**1. APOLOGIES AND WELCOME**

1.1 Apologies were received from Anthony Gillespie, Liz McLean and Brian Reilly

2. BOARD MEMBER ROLES 2023-24**2.1 Election of Chair**

2.1.1 Mrs Kiteley advised that Mrs McCorry had stood down as chair and Mr Welsh was nominated as Chair. As there were no other nominations, Mr Welsh was elected unanimously.

2.2 Appointments**2.2.1 Vice Chair**

Mr Welsh nominated Mr Whyte. As there were no other nominations, Mr Whyte was elected unanimously.

2.2.2 Finance & Risk Committee Members

Membership of the Finance & Risk Committee was noted as currently Mr Welsh (ex officio), Mr Reilly, Mr Gillespie (both from Harbour Homes), Mr Whyte (Harbour Multi-Trades), Mr Sherval (Harbour Connections) and Mr MacPhail (Harbour Lettings). Mrs Kiteley advised the Finance & Risk Committee would elect its own chair at its next meeting.

2.2.3 Harbour Lettings Board Member nominated representatives

Current nominees to the Harbour Lettings Board were noted as Mr MacPhail, Mr Anderson, and Mr Welsh and Mr Whyte (both ex officio).

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2.2.4 Harbour Connections Board Member nominated representatives

Current nominees to the Harbour Connections Board were noted as Mr Sherval, Mrs Eardley and Mr Welsh and Mr Whyte (both ex officio).

2.2.5 Harbour Multi-Trades Board Member nominated representatives

Current nominees to the Harbour Multi-Trades Board were noted as Mr Whyte and Mrs Eardley (new appointment) and Mr Welsh (ex officio)

3. Co-optees to the Board (if any)

None

4. Development Update –Director of Group Operations

4.1 It was reported that Harbour Homes continued to face budgetary challenges due to high inflation and the increase in costs experienced to date and the cost-of-living crisis being experienced by tenants and their inability to afford a rent increase anywhere close to inflation.

Rising costs, high interest rates and procurement issues had made it impossible for new developments to demonstrate viability when employing the Associations standard NPV model.

4.2 The Development Manager had researched many options on how sites could continue to be developed but none of the options had proved to be viable. Due to the current increase in supplies etc, the unit price had increased making it unaffordable to build.

4.3 Developments on hold were noted as:

- Porthaven
- Constitution Street
- Madeira Street

4.4 In response to a question “is there an option for Harbour Homes to extend their landbank”?

4.5 This was certainly something that had been done in the last recession, however it would depend on HAG being provided for this.

4.6 It is envisaged that the last committed project (Plot S Granton Harbour) would be completed in early 2024. Following this, the Associations development programme would be complete with no further work being undertaken in the near future.

4.7 The Associations primary responsibility was to ensure the existing stock was properly maintained and meets the standards as set out by the

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ACTION

Scottish Housing Regulator. Financial resources were required to meet this challenge at the expense of the development programme.

- 4.8 Many conversations had taken place over several months, along with other developing Housing Associations, with the housing minister, Scottish Government, MSPs and the SFHA regarding the challenges in developing, unfortunately with no success.
- 4.9 The Associations Development Team comprised of four members of staff.
- 4.10 Concerns were for the staff and the risks to the business of losing a significant number of years skills and expertise. Re-deployment opportunities within the organisation would be investigated for the staff.
- 4.11 The Board was asked to approve the recommendation to cease the development programme and serve the four members of staff in the Development Team with notices that their posts were at risk of redundancy.
- 4.12 The Board regrettably noted and approved the recommendations in the report.
- 4.13 The Board requested a communication be issued to advise key **CEO** stakeholders about the decision:
1. City of Edinburgh Council
 2. Housing Minister
 3. Local MPs/MSPs
 4. SFHA
- 4.14 Meeting closed at 7.30pm