

**Harbour Homes Scotland Limited
Minutes of Harbour Homes Board Meeting held on
Thursday 22 August 2024 at 5.30 pm at 108 Constitution Street**

Present:

David Welsh (Chair)	Anthony Gillespie (v)
Caitlin McCorry	Jim Sherval
Leigh Eardley	Marc Greco
Campbell Whyte (v)	
Liz MacLean (v)	

In attendance:

Heather Kiteley, Group Chief Executive
Ngeme Ntuli, Director of Group Finance and Business Support
Chris Thomson, Harbour Multi-Trades Interim Managing Director
Kevin Wilson Group Housing Services Manager
Alison Petretti, Business Support Officer (note taker)

Action**1. Apologies and Welcome**

- 1.1 Apologies received from Brian Reilly, Gordon Cameron, Kevin Anderson, Iain MacPhail and Tina Bell.

2. Declarations of Interest

- 2.1 None.

3. Approval of Minutes Thursday 23 May 2024

- 3.1 Proposed by Leigh Eardley and seconded by Caitlin McCorry

3.2 Matters Arising and Outstanding Actions

- 3.2.1 None

4. Note - Matters Approved or Papers Issues Between Meetings - CEO

- 4.1 The Board **noted** the bulletin issued on 7 June and 25 July 2024.

Parent Matters**5. Review – Reports from Finance and Risk Committee and Subsidiary Boards – Chairs****5a Finance and Risk Committee (FRC) – Anthony Gillespie**

- 5a.1 The Board welcomed a new Board member, and said goodbye and thanked Mr Reilly for his nine-year service on the Committee.
The meeting was a positive one, focused on the annual accounts and the internal audit.

5b Harbour Multi-Trades (HMT) – Campbell Whyte

Action

- 5b.1 The Board's view is the business is moving in the right direction. Further update will be given with a presentation from the interim Director in section 6.

5c **Harbour Connections (HC) – Jim Sherval**

- 5c.1 The loan from Harbour Homes is reducing considerably, which is a positive development. The team is providing training for First Aid, Mental Health and more. If members have any contacts who may be interested in this training, please contact John Murray, Placemaking Manager. The Placemaking team are working on a LinkedIn post for colleagues to repost.

Community groups in particular Spartans have been working with tenants at our Granton development to encourage children to get involved in activities and bring the community together. A very positive meeting.

5d **Harbour Lettings (HL) – Group CEO**

- 5d.1 Board noted a successful year for Harbour Lettings and acknowledged the hard work put in by staff.
- 5d.2 The Board noted a process to seek clarification of affordable rent definition. It's the responsibility of central & local Government to keep annual figures on earnings to help establish where the "cut off" point lies, in any area at any time, for what rental/earnings figure is considered "in affordable housing need". This hasn't been updated since 2019. Harbour Lettings Manager will approach City of Edinburgh Council in first instance to seek clarification on what the current definition is for affordability / earnings, and how this is expected to be updated annually going forward.
- 5.1 The Board **noted** the committee and subsidiary updates.

6. Approve – Annual Account – Group Director of Finance and Business Support

- 6.1 The accounts have been scrutinised by the Finance and Risk Committee and in the case of Harbour Lettings, Harbour Connections and Harbour Multi-Trades, these were approved by their respective Boards. The Finance and Risk Committee recommend that the Harbour Homes Board approve the annual accounts if they are satisfied that there is no impairment to the Harbour Multi-Trade investment.
- 6.2 The auditors stated a clean audit report will be issued. There were no significant finding or difficulties noted.
- 6.3 At the Finance and Risk Committee meeting the auditors posed a question to be considered by the Harbour Homes Board as to whether the investment made in Harbour Multi-Trades should be impaired due to the losses reported in the year and previous year. Due to the loss, they have requested a letter of support from Harbour Homes.

Action

[Due to IT issues Liz McLean, Anthony Gillespie & Campbell Whyte left the meeting at 6.05pm]

- 6.4 Harbour Multi-Trades Interim Managing Director presented to the Board the position of the business.
- 6.5 An operating loss was noted of £367k. Assurance was given to the Harbour Homes Board that the business is a going concern and made a case that there should be no impairment of the investment made in the company.
- 6.6 A presentation, based on a prudent and business as usual forecast, was given highlighting work has increased from Harbour Homes, Manor Homes work will continue for a few years, and Muirhouse advised their contract is due for tendering this financial year.

Harbour Multi-Trades is projecting a surplus for the next three years as follows:

Period	Surplus/ (Loss) £000	Net Assets £000	Goodwill (NBV) £000
Last Year – ending March 2024	(306)	907	1,715
Year 1 - ending March 2025	16	923	1,412
Year 2 – ending March 2026	43	966	1,109
Year 3 – ending March 2027	45	1,011	806

- 6.7 The trade capacity has increased over the summer period and although there was a small loss, this was significantly lower than in previous years.
- 6.8 There is a timing issue with issuing invoices, which is currently being reviewed: work is ongoing to get outstanding monies paid.
- 6.9 The current operating model hasn't changed, this may change if there is a group restructure. Options are being considered for leasing the vans.
- 6.10 After discussion, the Board agreed the business must improve this coming year and were comforted that there was evidence that the improvements were being made.
- 6.11 The Harbour Multi-Trades Board **agreed** they were happy the business was a going concern, there was no impairment and confirmed they were happy with the letter of representation.

Action

- 6.12 The Chair agreed Harbour Multi-Trades was in a more positive position compared to 12 months ago.
- 6.13 The Board **approved** the accounts. Permission was given for the letters of representation to be signed electronically.

[Chris Thomson left the meeting 6.40pm]

7. Approve – Revision to Standing Orders – Group CEO

- 7.1 A minor amendment was made to the “Powers made by the Subsidiary Boards”.
- 7.2 The Board **approved** the revision.

RSL Matters

8. Note – Points of Note from CEO and Chairs Meeting – Group CEO

- 8.1 The 1:1 meetings indicated the Boards are very effective and have sufficient numbers and skills for the coming year. Succession planning was discussed for Finance and Risk Committee.
- 8.2 The Board **note** the update.

9. Approve – Annual Governance Assurance Return to Regulator - Group Director of Finance and Business Support

- 9.1 The Paper was not available for the meeting and will be available for approval at the SGM meeting after the AGM on Wednesday 25 September.

10. Approve – Stock Rationalisation Annual Report – Group Housing Services Manager

- 10.1 The disposal programme has now exceeded the agreed 113 properties within the original HAG recycling agreement with City of Edinburgh Council and Scottish Government. Meetings will be held to discuss the future reinvestment of disposal income with a view to:
- Purchasing properties on the open market to increase our share in stairs where we already have ownership and bring them up to SHQS standards.
 - Reinvestment in existing Pre 1919 to maintain SHQS standards and consider net zero options.
- 10.2 The Board **approved** the report.

Action

- 11. Review – Q12024/2025 Performance Against the Business Plan at 31 June 2024 - Group Housing Services Manager**
- 11.1 The report was discussed. The Chair asked if it was possible for a RAG colour indicator with completed/incomplete actions could be added and an anticipated forecast to the end of the year. **RSL Mgrs**
- 11.2 The Board **reviewed** the plan.
- 12. Review – Assurance Report on Compliance and Matters Delegated to Management – Group Housing Services Manager**
- 12.1 The report was reviewed with conversations around the Electrical Safety Checks.
- 12.2 The Board **reviewed** the plan.
- 13. Approve – Former Tenant Right Offs - Group Housing Services Manager**
- 13.1 The Chair asked for individual customer names to be removed from future reports. **KW**
- 13.2 The Board **approved** the write offs.
- 14. Note – Financial Conduct authority – Annual Assurance Report - Group Housing Services Manager**
- 14.1 Assurance was given that Harbour Homes are meeting all the regulations.
- 14.2 The Board **noted** the plan.
- 15. Note – Update on MRI Implementation (verbal) - Group Director of Finance and Business Support**
- 15.1 Good progress is being made with the digital transformation project. Go live date is Tuesday 1 October 2024.
- 15.2 The Board **noted** the update.
- 16. Note - Update on Shoosmith's Claim (verbal) – Group CEO**
- 16.1 Confidential paper.
- 17. Any other Business**
- 17.1 The Chair thanked Mr Reilly for his contributions to the Board.
- 17.2 The Scottish Housing Day event (Housing for Older People) is being held on Wednesday 18 September. Details of the event will be shared on Harbour social media.

Action

- 17.3 The Chair advised the Board of his attendance at the Sheltered development Summer BBQ at St Nicholas Court on Ferry Road. The visit was very successful, listening to the excellent work that takes place within the development and speaking to our residents. Members are encouraged to attend these events where possible.

18. Date of Next Meetings

- 18.1
- AGM followed by Special Board Meeting Wednesday 25 September 2024
 - Joint Board Away Day Friday 4 October 2024
 - Board Meeting - Thursday 21 November 2024 via teams

The meeting closed at 7.30pm.