

Harbour Homes Scotland Limited
Minutes of Harbour Homes Board Meeting held on
Thursday 21 November 2024 at 5pm via teams

Present:

Kevin Anderson
 Leigh Eardley
 Anthony Gillespie
 Caitlin McCorry
 Liz McLean

Jim Sherval
 Chris Stone
 David Welsh (Chair)
 Campbell Whyte

In attendance:

Heather Kiteley, Group Chief Executive
 Gordon Cameron, Director of Group Operations
 Ngeme Ntuli, Director of Group Finance and Business Support
 Chris Thomson, HMT Managing Director (part of meeting)
 John Murray, Placemaking Manager, (part of meeting)
 Tina Bell, Group Business Support Manager

Action**1. Apologies and Welcome**

1.1 Apologies received from Iain MacPhail.

1.2 Approval of co-option of Chris Stone and Pauline Carter-Lee

Approved.

1.3 Following the formal approval of Mr Stone and Ms Carter Lee being coopted, the Chair stated how delighted he was to welcome two new tenant board members. Ms Carter -Lee will attend her first board meeting in March 2025.

1.4 The Chair, on behalf of the Board, warmly welcomed Mr Stone to his first meeting and invited Mr Stone to introduce himself.

1.5 Mr Stone said he brought 50 years of experience as a tenant and volunteered to join the Board as he believed it was his responsibility as a tenant to be involved. Mr Stone also explained he worked with the Scottish Housing Regulator's National Panel of Tenants and Service Users.

2. Declarations of Interest

2.1 Ms Eardley and Mr Stone, as tenant board members, declared an interest in Item 7 which concerns the approval of rent increase for Harbour Homes.

3. Approval of Minutes - Board meeting Wednesday 25 September

3.1 Proposed by Ms Eardley and seconded by Mr Whyte

3.2 Approval of Minutes – Joint Board Away Day Friday 4 October

3.3 Proposed by Ms McCorry and seconded by Mr Sherval.

3.4 Matters Arising and Outstanding Actions

3.4.1 None.

4. Matters Approved or Papers Issues Between Meetings - CEO

4.1 The Board **noted** the following papers issued between meetings:

- Boards Bulletin issued on 29/8/24
- Freedom of Information Policy issued on 15/10/24 which was approved by email
- Report from Harbour Connections
- Report from Harbour Multi-Trades.
- Schedule of Meeting Dates for the Group 2025-2026
- Harbour Homes Q2 Progress report

4.2 Verbal Update on Harbour Multi-Trades

4.2.1 The Managing Director of Harbour-Multi-Trades delivered a short presentation outlining the headlines, October accounts and finance update.

4.2.2 In response to a question regarding the proposed forecast at year end, the Board were advised HMT were confident about meeting the forecasted figure.

4.2.3 The Board asked a question about recoverable VAT. The Director of Group Finance and Business Support replied that Harbour Multi Trades is in a VAT group with Harbour Homes. As Harbour Multi-Trades acquires more private customers, more VAT will be recoverable.

4.2.4 The Board thanked Mr Thomson for an interesting and comprehensive presentation.

4.2.5 Mr Whyte, as Chair of the Harbour Multi-Trades Board, thanked Mr Thomson for the impact he has made on Harbour Multi Trades since joining the business. Mr Whyte went on to summarise some of the positive highlights from the last few months.

4.2.6 The Chair wished to record his thanks to colleagues from Harbour Multi-Trades, Harbour Homes and the Harbour Multi-Trades Board for their work in effecting positive change over the last few months.

Mr Thomson left the meeting at 17.37.

5. Approve – Harbour Homes New Membership Applications

- 5.1 Applications for membership of Harbour Homes from Zoe Curry and Pauline Carter-Lee were approved.

Group Matters

6. Discussion - Strategic Plan 2025-2028

- 6.1 The Placemaking Manager delivered a presentation on the draft Strategic Plan 2025-2028 outlining the draft outcomes associated with the four themes of:

- Customer
- Communities
- Colleagues
- Company

- 6.2 In response to a question about clarity on restarting development in the future, it was explained that although the Board had to pause development in the next strategic planning period, the Harbour Homes Business Plan would include activities, including feasibility studies to consider future development opportunities beyond 2028.

- 6.3 A question was asked about influencing politicians and policy makers as discussed at the Joint Boards Away Day. It was confirmed that Harbour meets with Scottish Government, City of Edinburgh Council and membership bodies to discuss the impact of challenges facing the sector.

- 6.4 There was some discussion around whether being a Community Anchor is an outcome on its own, consideration could be given to expanding this outcome to explain how this would benefit the community.

- 6.5 A survey will be sent to board members to capture their feedback and thoughts on the high-level objectives.

Survey to be sent

- 6.6 The Board thanked the Placemaking Manager for an interesting and comprehensive presentation.

Mr Murray left the meeting at 18.00.

Parent Matters

None.

RSL Matters

7. Approve – Business Planning & Budget assumptions, including approval of rent increase for RSL tenants and commercial properties – Group CEO

- 7.1 The Group CEO gave an overview of the paper and advised that the Board were being asked to discuss and agree a rental increase for social rents, approve the budget assumptions detailed, note the

increase of 1.7% or the rate at the lease anniversary date indicated in the lease, in line with lease terms and conditions to commercial properties and note the variance between Harbour policy rents and Scottish Government benchmark rents.

- 7.2 The proposed rent increase for our social rented properties is 3.5% based on the following;
- Comparable rents of other social landlords
 - Affordability based on the SFHA and Housemark affordability tool
 - Rental income required to undertake statutory and regulatory requirements
 - Rental income required to undertake a minimum level of improvements and upgrades
 - Tenant opinion from the 2024/2024 rent consultation.
- 7.3 The key assumptions for use in the preparation of the budget are:
- Void income loss – 1% of gross rental income
 - Asset management costs – restricted to compliance and regulatory only
 - Staff costs – overall increases will not exceed 5%
 - Interest rates – 4.49% for 25/26
 - Property disposals – 25 disposals in 2025/26.
- 7.4 Concern was raised regarding affordability for pensioners, and it was agreed that Tenant Advice service be promoted in the Wave and on the website and other events.
- 7.5 It was recognised that Harbour rents have kept in line with CPI quite well over the last few years and that there has been a commitment to bring rents in line with other social landlords.
- 7.6 In response to a question about heating at Shrubhill, it was advised that this is the only development we have which has district heating. As part of a wider development, the decision to install district heating was made by a third party. It is considered to be more energy efficient. District heating is considered as commercial, not residential and is therefore not subject to the energy cap. It is expected that the energy efficiency ratings of the building will result in lower energy bills generally and that bills were lower than average, however it is acknowledged that tenants have seen an increase in their bills which is challenging for them.
- 7.7 An observation was made that several of the tenant comments in the consultation were concerning condensation. Damp and mould are a concern sector wide and is treated very seriously by Harbour and these comments were followed up if contact details were provided.
- 7.8 In response to a question regarding the follow up of concerns raised it was confirmed that where tenants had provided contact details, issues were followed up by the relevant team in line with the

Customer Contact policy (available on website). This policy sets out timescales for replying to customer contacts.

- 7.9 A discussion followed around the definition of affordability. It was confirmed that this is measured as 30% of net income.

- 7.10 The Chair thanked Board for their contributions in a difficult and sobering discussion.

- 7.11 The Board **agreed** the proposed level of the 2025/2026 rent increase for social housing at 3.5%.

The Board **approved** the other key assumptions detailed for use in the preparation of the budget for the business year ending 31 March 2026.

The Board **noted** that commercial property rents will be increased by 1.7% or the rate at the lease anniversary date indicated in the lease, in line with lease terms and conditions.

The Board **noted** the variance between Harbour policy rents and Scottish Government benchmark rents.

8. **Approve – Health & Safety Policy – Group Business Support Manager**

- 8.1 The Health and Safety Policy has been reviewed in line with the 5 yearly review cycle and sets out colleague responsibilities within Harbour Homes and Harbour Lettings.

- 8.2 The review cycle has been reduced from 5 years to annual to reflect the importance of health and safety and align with the annual signing of the General Statement of Health and Safety by the Group Chief Executive, Chair of Harbour Homes and Chair of Harbour Lettings.

- 8.3 The Board **approved** the Health & Safety Policy.

9. **Discussion– Board Skills Matrix – Group CEO**

- 9.1 In line with the annual process set out in the Group Boards Membership Policy and Procedures, each Board is asked to review the skills matrix to ensure that the skills, knowledge and experience adequately reflect those needed to drive the strategic plan and best represent the diversity of the community it serves.

- 9.2 It was suggested that the wording relating to representing the diversity of the community may be ambiguous and the wording could be considered by the Harbour Connections Board at their next meeting.

HC Board to look at wording.

10. **Note – SHR Benchmarking Report – Group Business Support Manager**

- 10.1 Landlords must provide accurate information on the Charter indicators and contextual indicators to the Scottish Housing Regulator (SHR) through the Annual Return on the Charter (ARC). **Full Presentation to be made available to Board**
- 10.2 The benchmarking report compares ARC performance data for the period April 2023 – March 2024 with selected peer groups. This was presented at the meeting.
- 10.3 The Chair asked for thanks to be passed on to colleagues for their hard work throughout the year in achieving such positive results and favourable comparisons with the selected peer groups.
- 10.4 The Board **noted** the report.
11. **Approve – Code of Conduct - Group Business Support Manager**
- 11.1 The Regulatory Standards of Governance and Financial Management (Standard 5.2) require all Registered Social Landlords (RSLs) to adopt and comply with an “appropriate” Code of Conduct **Whistleblowing Policy to be circulated to Board**
- 11.2 Harbour has adopted the Scottish Federation of Housing Association’s Model Code of Conduct for Governing Body Members.
- 11.3 The Code of Conduct for Governing Body Members provides guidance and framework of expected behaviours from Harbour Board members and must be signed before joining the board and annually following the Annual General Meeting.
- 11.4 The Board **approved** the the adoption of the revised Code of Conduct and the model protocol for managing breaches of the Code.
12. **Review – Assurance report on compliance and matters delegated to management – Group Business Support Manager**
- 12.1 The areas of non-compliance were highlighted to the Board and discussed.
- 12.2 Progress is being made towards areas of non- compliance in relation to:
- Policy and procedure management
 - SLAs and leases’
- 12.3 **Health & Safety – 23 Jameson Place**
- Whilst undertaking major remodelling at the sheltered housing development and putting in a new heating system issues with penetrations of fire barriers were identified. We have commissioned our external health and safety consultants AAB People to carry out an investigation on health and safety practices, major repairs project management and resident and site staff communications.
- 12.4 **RSL Performance Management**

The September reporting of the monthly rental income performance was adversely affected by the data migration from QL to MRI. The monthly report was generated from QL. Due to close down of the QL system a week before period end, £549,608.77 was not included in the monthly report. This amount was collected. From October, monthly reporting is run from MRI.

12.5 **Electrical Testing**

Whilst still non-compliant, the situation is improving with priority being given to the statutory certificates required. Harbour Homes Compliance team and Harbour Multi-Trades colleagues are reviewing processes to make more seamless. In response to a question regarding reporting, it was advised that the Scottish Housing Regulator are proposing a new ARC indicator recording Electrical Safety and this is welcomed by Harbour.

12.6 The Board **noted** the report.

Any other Business

13. Confidential Minute

14. **Date of Next Meetings**

14.1 ➤ Board Meeting - Thursday 6 March 2025

The meeting closed at 7.19 pm

Outstanding Actions		
Item	Action	Management Note
6.5	Survey to be sent to Board Members re Strategy	Will be sent via Microsoft Forms w/c 25 November
7.4	Promotion of Tenant Advice Service in Wave and website	Comms to progress with Tenant Advice Service
10.1	Full Benchmarking Report to be made available	Sent via e-mail on 26/11/24
11.1	Whistleblowing Policy to be made available	Sent via e-mail on 26/11/24