

**Harbour Homes Scotland Limited
Minutes of Harbour Homes Board Meeting held on
Thursday 22 May 2025 at 5pm at 108 Constitution Street**

Present:

Leigh Eardley	Chris Stone
Anthony Gillespie	David Welsh (Chair)
Iain MacPhail	Pauline Carter-Lee
Caitlin McCorry	
Liz McLean (virtual)	

In attendance:

Heather Kiteley, Group Chief Executive
Gordon Cameron, Group Director of Operations
Ngeme Ntuli, Group Director of Finance and Business Support
Chris Thomson, Harbour Multi-Trades Managing Director
Tina Bell, Group Business Support Manager
Angela Morgan, Assets Manager
Alison Petretti, Business Support Officer (minute taker)

Action

1. Apologies and Welcome

- 1.1 Apologies received from Campbell Whyte, Jim Sherval, Kevin Anderson and Blair Beaton.

2. Declarations of Interest

- 2.1 None

3. Approval of Minutes

3a Board Meeting Thursday 6 March 2025

Proposed by Leigh Eardley and seconded by Chris Stone.

3b Joint Board Away Day Friday 25 April 2025

The Board agreed the day was very informative, inspiring and held at a lovely venue.

Proposed by Anthony Gillespie and seconded by Iain MacPhail.

3.1 Matters Arising and Outstanding Actions

- 3.2.1 None

4. Matters Approved or Papers Issues Between Meetings - CEO

- 4.1 The Board **noted** the following papers issued between meetings:
- Board Bulletin and Membership Applications.

Group Matters

5. **Approve – Sustainability Policy and Verbal Update on Progress Following Internal Audit – Group Asset Manager**

- 5.1 The Group Sustainability Policy was reviewed in line with its three-year review cycle timescale and updated to align with the Group's 2025–2028 Strategy. No substantive changes have been made to the content of the policy.
- 5.2 In response to a question “how do Harbour Multi-Trades fit in with sustainability e.g. fitting solar panels”?
- 5.3 This is an area we're reviewing and currently exploring ways to upskill our operatives to become more multi-skilled.
- 5.4 The Board **approved** the policy.

Parent Matters

6. **Review – Reports from Finance & Risk Committee and Subsidiary Boards – Appropriate Chair**

6.1 **Finance and Risk Committee (FRC)**

- **New Internal Auditors Quinn** - Following our regular five-year tender process, Quinn Internal Audit has been appointed as our new internal auditors.
- **Audit Plan** – Quinn presented the future Audit Plan with content & timings discussed. The plan was approved.
- **Treasury Management Strategy** – Discussed the possibility of ending some of our existing loan arrangements.
- **Identity & Access Management Audit** – The organisation received strong overall assurance.
- **Review of staff Terms & Conditions** – Mixed views from FRC committee and further consultation to take place.
- **CEO and Director Packages** – The Committee approved the paper.

6.2 **Harbour Multi-Trades (HMT)**

Cash flow continues to be challenging, however we have come from a £350k loss to an anticipated profit of £2k.

An overview of the headlines for the next quarter were discussed:

- MRI phase 1 in place – SOR codes for all trades by May 2025
- HMT staff integrated with Harbour staff and working across three locations
- Over 25,000 repairs carried out

- Van trackers have been implemented across the fleet
- Integration of compliance and assets teams this is working well
- Termination of Manor Estates contract by June 2025
- MRI gas certification upgrade and the introduction of SOR codes for gas
- MRI portal for sub-contractors and suppliers expected May (potential delay)

HMT Vice-Chair advised it had been a challenging year and thanked Harbour Homes for their continued support and assistance.

Harbour Homes Chair thanked the wider team for all the progress that has been made, noting that HMT business has firmer foundations for the future.

6.3 **Harbour Connections (HC)**

- Delighted to announce HC are making a profit and the loan has been paid back to Harbour Homes
- Unfortunately, due to being unable to generate sufficient external training and justify the salary, we had to release our training officer early from the two-year contract
- A planning application has been submitted to City of Edinburgh Council for the Porthaven Project to be turned into a community garden
- HC's reputation as a community anchor has grown, along with our increased involvement in the Leith Network over the past year
- Discussion took place around the Ethnicity and Diversity of the community and the importance of having diverse Boards to represent the community. This is a topic for consideration at the October Away Day

6.4 **Harbour Lettings (HL)**

- Strong Performance – high satisfaction rating, returning a profit, while keeping rents affordable
- Use of Profits - Investment in Existing Stock during pause in development programme
- Clarification of KPIs/Business Plan – exploring additional revenue streams including offering MMR management service to other RSLs
- Note the return of Gift Aid to Harbour Homes

6.5 The Board **noted** the subsidiary updates.

RSL Matters

As a preface to subsequent reports, the Board was reminded of the operating circumstances over the last year; in particular, at the turn of the year when Harbour's biggest development to date was being allocated at the same time as the new system was going live.

Board and staff members at the time have been advised that the priority was compliance and to get the new system up and running as it would solve quite a few issues, and the delay in its implementation was causing a fair amount of extra work. Extra resources had been provided to teams where appropriate and possible, and it had been acknowledged that performance would slip over this period.

While the results in the reports to follow would reflect this anticipated decline in performance, it was still disappointing and even more so to be reporting to Board members on some compliance issues.

When reporting the performance and compliance results, the focus would be on facts, and what was being done to resolve the issues, with a priority on compliance.

Board members were advised that the non-compliance issues were being taken very seriously, and it was acknowledged that they would quite rightly be concerned and were invited to probe and ask questions as required as the reports were presented

7. **Approve – Scottish Housing Regulator Return – Group Business Support Manager**

7.1 **Annual Return on the Charter (ARC) – Group Business Support Manager**

- 7.1.1 The annual submissions for the Annual Return on the Social Housing Charter ARC, the Five-Year Financial Plan and Loan Portfolio require approval from the Harbour Homes Board before submission to the Scottish Housing Regulator (SHR) by 31 May 2025.

7.2 **ARC Comparison Report – Group Business Support Manager**

- 7.2.1 The report was discussed, as outlined below:

- 7.2.2 **Complaints** – There has been a decline in complaints being responded to in full and being reported to the SPSO (the *Scottish Public Services Ombudsman*) within the 5-day target. To address this, training on complaints module in MRI and complaints handling process will be delivered in 2025/2026.

- 7.2.3 **Repairs** – There has been a slight increase in time taken to complete non-emergency repairs primarily due to the reduction in availability of operatives from our contractor. The implementation of our new digital system has had an impact on our contractor's staff, contributing to scheduling challenges. Additionally, issues in follow-up visits have led to longer repair completion times and further reduced operative availability.

- 7.2.4 **Gas Servicing** – Unfortunately we did not meet the statutory duty to complete gas safety checks within a one-year period in fourteen properties. This will be reported to the Scottish Housing Regulator (SHR) as a notifiable event. This was due to a

combination of factors, including system date errors and persistent no access to properties. Actions have been taken to ensure this does not happen again by setting up a Compliance team dealing with Gas Servicing and EICRs Electrical Installation Condition Reports).

7.2.5 The Board noted these performance issues were concerning but were reassured to see processes have been implemented to ensure this does not happen again. Board have asked for an update on progress made regarding gas servicing especially.

Regular
updates
to the
Board

7.2.6 **Rent Loss** – Void properties have taken longer to re-let due to the condition in which they have been returned to the organisation.

7.2.7 **Refusal of Tenancy** – Some properties have been refused at the viewing stage by homeless applicants moving from furnished temporary accommodation to unfurnished tenancies. This is often due to financial constraints, as many individuals are unable to afford essential furnishings and household items.

7.2.8 **Rent** – The implementation of our new digital system, along with the opening of our new Granton development and related reporting requirements, impacted the resources available to manage rent arrears and rent collected in the second half of the year.

7.2.9 **Increase in time to Re-Let Homes** – The increase is due to properties being returned in poor condition, limited availability of trade operatives, contractor, and resourcing issues with staff being allocated to the new digital project.

7.2.10 **Increase in Staff Absence** – Staff involved in the new digital implementation experienced increased workload and additional pressures. The organisation is actively supporting those affected by work-related stress.

7.2.11 The Board acknowledged this was a sobering report and queried whether we should expect engagement from the Scottish Housing Regulator (SHR) due to the exceptional high number of outstanding gas servicing checks.

7.2.12 While we anticipate receiving an engagement plan from the Scottish Housing Regulator (SHR), we are confident that we can clearly evidence the factors that contributed to the situation and actions we are taking to rectify the issues.

7.2.13 The Board requested a copy of Harbour Homes action plan, and any report received from Scottish Housing Regulator (SHR) to be shared with them.

Include in
updates
to the
board per
7.2.5

7.3. **Five Year Financial Return – Group Director of Finance & Business Support**

7.3.1 The five-year plan was discussed as outlined below:

- Income projections have been adjusted to account for inflation
- Disposal of 18 properties per year is planned

- The development programme has been paused, resulting in no new income generation
- The financial plan has been reviewed to ensure compliance with lender conditions
- The plan remains healthy, with strong cash balances reported

7.3.2 In response to a question “the report references a dip in net cash in year one”?

7.3.3 This is due to the final payment for the Granton development and the repayment of several smaller loans.

7.4. **Loan Portfolio Return**

7.4.1 This return outlines our current facilities and outstanding loans. We are actively working to reduce interest payments by paying off smaller loans. The balance sheet is being streamlined. We plan to engage in discussions with our lender, Santander, regarding the outstanding balance, with a view to gradually pay off the loan over the next 2 years. This will result in additional properties being available to provide security for future borrowing.

7.4.2 The Board discussed and **approved** the ARC, Five-Year and Loan Portfolio returns.

8. **Review – Assurance Report on Compliance and Matters Delegated to Managers – Group Business Support Manager**

8.1 The Assurance report was presented to 31 March 2025, and reports on any non-compliant items by exception.

- **Policies** – Currently we have eleven outstanding and anticipate policies to be up to date by end of August 2025.
- **SLA & Lease Tracker** – On-going discussions are being held for both. SLAs are in the approval stage.
- **Leonard Cheshire Lease** – on-going discussions between Leonard Cheshire and City of Edinburgh Council are taking place. We hope this will be completed by summer 2025.
- **AAB People Health & Safety Report (Jamieson Place Sheltered Housing development)** – Report presented to the Board under agenda item 9.
- **Gas Servicing** – Fourteen gas failures were identified. An explanation was provided to the Board and reported to the Scottish Housing Regulator as a notifiable event.
- **Electrical Testing (EICRs)** – Several properties did not meet the five-year electrical inspection target. An explanation was provided to the Board.

- **Complaints** – There has been an increase in our Stage 1 complaints, as well as in the timescales for reporting complaints to the SPSO. This is primarily due to staff training needs related to the complaints module in the new system. A training plan will be developed for 2025/2026 to address this.

8.2 The Chair thanked the Group Business Support Manager for the helpful and honest report.

8.3 The Board **noted** the report.

9. **Review – Jamieson Place Health & Safety Report – Group Asset Manager**

9.1 An annual Health & Safety building inspection was carried out by AAB People on 14 August 2024 at the sheltered housing complex at 23 Jameson Place. The inspection identified a substantial number of penetrations in fire walls between common areas and residents' flats. Concerns were also raised regarding inadequate fire breaks above doors in the common areas.

9.2 Following the Health & Safety inspection, AAB People were commissioned to carry out an investigation into the events leading up to 14 August 2024. Interviews were conducted with staff from Harbour Homes and Harbour Multi-Trades and the specialised sub-contractor involved with the upgrade works. A report was presented to our Assets Manager and Group Leadership team on 4 March 2025.

9.3 An action plan has been implemented to prevent this from happening again in the future.

9.4 This will be reported to the Scottish Housing Regulator (SHR) as a notifiable event.

Regular
updates
to the
Board

9.5 A Board member advised they were shocked by the findings outlined in the report. But impressed with the immediate actions taken in response to the situation. They expressed interest in reviewing the processes in place for future projects.

Board
member
to
review
process

9.6 A Board member recommended that AAB People be involved in reviewing future projects to ensure they are managed appropriately.

9.7 The Board **noted** the summary.

Any Other Business

10.1 None

11. **Date of Next Meetings**

- 11.1 ➤ Leith Gala Day – Saturday 14 June 2025
- Board Meeting - Thursday 21 August 2025

The meeting closed at 7.10pm

Outstanding Actions		
Item	Action	Management Response
7.2.5	Gas Servicing Notifiable Event – Regular updates to the Board	Please see item 9 on the agenda for 21 st August 2025
7.2.13	Gas Servicing Notifiable Event – Board to review Harbour action plan and the response from SHR	
9.4	Jamieson Place Notifiable Event – Regular updates to the Board	
9.5	Review the processes in place for future projects after the issues at Jamieson Place - Board member would like to review the updated processes.	