

**Harbour Lettings
Minutes of Board Meeting
held on Tuesday 26 November 5pm
via teams**

Present:

Iain MacPhail (Chair)	Gordon Cameron
Vendula Tomasova (Vice Chair)	Kevin Anderson
	Heather Kiteley
Ngeme Ntuli	
Zoe Curry	

In attendance:

Mark Hastie, Harbour Lettings Manager
Alison Petretti, Business Support Officer (notetaker)

Acronyms

Harbour Lettings HL

1. Welcome**ACTION**

- 1.1 The Chair welcomed Mrs Curry to her first Board meeting.

Apologies

- 1.2 David Welsh and Campbell Whyte.

2. Declaration of Interest

- 2.1 Mrs Curry is an MMR Tenant therefore has a conflict of interest on item 5.

3. Minutes of Meeting Tuesday 6 August 2024

- 3.1 Proposed by Heather Kiteley and seconded by Vendula Tomasova.

3.2 Matters Arising

- 3.2.1 The points in August minutes were actioned.

- 3.2.2 **Point 8.1 from August minutes** – Rent levels defined as affordable as we cater to those on low to moderate incomes, but the word ‘affordability’ is a sweeping generalisation and something we need to look into further (what is affordable to one person, may not be affordable to the next). This was discussed at Harbour Homes Board on Thursday 21 November, one of the pieces of contextual information was consideration when setting the rents of affordability for tenants. The SFHA & CIH came up with a rent affordability tool to calculate the rents were being set at an affordability level, they have taken a percentage of income to be spent on rents, this figure to be confirmed. This is the tool most Housing Associations use. It is the responsibility of the Local and Central Government to set for us.

- 3.2.3 **Ceiling Amount** - The Harbour Lettings manager contacted Alex Blyth in Planning at Edinburgh Council regarding the maximum household income amount of £45,443 (where applicants earn over this, they are disqualified from MMR tenure). This 'median income' figure of £45,443 started as an annually-updated figure in the local affordable housing guidance, but it has not been refreshed since 2019 (making it an out of date figure that does not reflect the reality of income levels in Edinburgh in 2024 where the household is tipped into affordable housing need i.e could not afford to rent or buy on the open market). This aspect is not a criticism of Edinburgh Council and can be raised with CEC in the context of us having a "shared agenda", because the gap, in the required information, is that there is no standardised, recognised, authoritative and annually updated source of median income levels for Local Authorities. That gap can/should be filled by Scottish or UK government, so that the information is standardised (and updated annually) in a uniform manner across Scotland or the UK. It is an important gap in rent setting for affordable housing nationwide and is not something that an individual RSL or Council can fix by itself – it needs to be a nationwide approach. Suggestion was to raise it with Alex Blyth at CEC as an item for CEC to take to COSLA, and for Harbour to take to SFHA. **MH**
- 3.2.4 **Seeking Parity / Equality of Treatment** – While we have a shared agenda in terms of plugging the existing information gap (round the lack of a standardised, annualised source of a figure for median income for the local authority area) there is another aspect where we have an issue to raise with CEC, round equality of treatment in the meantime. It has been noted that some other providers, e.g. Edinburgh Living properties, were allowing people to earn over the amount of £45,443 depending on other circumstances such as number of people in household. This needs to be challenged with the Local Government. **MH**
- 3.2.5 Discussion took place around the council tax being higher for some new Harbour properties. This is something we need to take forward with the council.
- 3.2.6 Council tax is something we need to look at when accessing affordability in the future, looking at both rents and council tax.
- 3.2.7 We have challenged the Lothian Valuation Joint Board regarding our council tax prices in our newer properties being a higher band.
- 4. Noting of Matters Approved or Papers Issued between Meetings – Group CEO**
- 4.1 The Board **noted** the Board bulletin and various monthly reports.
- 5. Approve – Rent Increase for 2025/26 – Harbour Lettings Manager**
- 5.1 Discussion took place around the affordability of our rents.
- 5.2 The rent increase of 5% to each of the individual Private Residential Tenancies (PRT) and 3% to each of the Short-Assured Tenancies (SAT)

tenancies across all MMR developments. This percentage increase will help us offset costs whilst remaining affordable for our residents. Our rents are around 40% less than in the private market, and are significantly below the Local Housing Allowance levels, that come from UK Treasury, and which set the “maximum” affordable housing rent level for each area. Our rents are affordable, as defined.

- 5.3 We have not increased our rents in line with inflation in past years to keep rent affordable for our tenants, whilst our costs have continued to increase.
- 5.4 The rent increase process is done twice per year, once for PRT and once for SAT tenants. In the future, we may look at delaying the April increase and having one increase per year for all tenancies, every 1 August.
- 5.5 In response to a question “the costs of the business have increased, with a small profit and we have not increased rents in line with inflation”? This is a concern the increases proposed are not sufficient for the business.
- 5.6 The maintenance of our properties has been scaled back/reduced. We need to ensure we protect our assets and improve/increase our income over the year.
- 5.7 In response to a question “do we have any MMR tenants who are getting assistance with their rent e.g. universal credit”?
- 5.8 Currently we have around 5% of tenants who are getting assistance with their rent. If tenants are struggling to pay their rent, we point them to our in-house Tenancy Support team.
- 5.9 With MMR properties we are not required to have the same policy as with social rent. It is within our gift to have different rents for different properties.
- 5.10 It is very complex to try to set the rents. Our new building maintenance cost will be higher, and we need to think about the long-term future.
- 5.11 The increase proposed is not allowing money to be put into the major repair cycle and we will soon see a deterioration in our stock.
- 5.12 In response to a question “can we increase our properties when they become void”?
- 5.13 How would the tenant feel if they were paying more for a void property than their neighbour, this is something to consider. Is this a fair way to bring income into the business.
- 5.14 As a commercial organisation we need to keep within Local Housing Allowance (LHA). This increase is the minimum we can ask.
- 5.15 In response to a question “if we have a large number of repairs and the income will not cover the expenditure what will happen”?

5.16 Currently we have enough reserves to cover the finances short term.

5.17 The Board **Approved** the rent increase.

6. Approve - Allocation Policy – Harbour Lettings Manager

6.1 There have been a few minor changes made to the policy.

- Minimum earnings have been increased from 36 to 40 x the monthly rent not exceeding £45,443 (set by CEC in 2019)

6.2 The Chair commented the changes in the paper were very clear.

6.3 The Board **approved** the policy.

7. Review – Latest Monthly Business Report (including Finance Report and Risk Register) - Harbour Lettings Manager

7.1 The business is moving in the right direction, see below:

- Behind on chasing arrears due to working on the new system;
- Assisting tenants who have payment plans to stay in their tenancy or ending tenancies as required;
- Involvement in community work by attending the garden party at Plot S. The MMR properties are now fully occupied;
- We are advertising our services as a Letting Agent to other RSLs. This would help supplement our income.

7.2 The Board **reviewed** the reports.

8. Review – Board Skills Matrix – Group CEO

8.1 The Board reviewed the skills matrix. After discussion, it was agreed currently no changes were required to the skills matrix.

8.2 The Chair advised he was delighted to have a MMR tenant member on the Board.

9. Any Other Business

9.1 None

10. Agree - Items to bring to the attention of the Harbour Homes Board (verbal)

10.1 Rent Increase balancing with the future requirement of the organisation. Engage with the Council on the cap on income at £45,443, seeking to raise awareness at national (ScotGov / UK Gov) level that there is a need for a standard, authoritative, nationwide and annualised source of a figure for median income level in each Local Authority area to assist with the definition of affordability. And to query inconsistencies in how the £45,443 figure is currently being applied.

11. Date of Next Meetings

11.1 Board Meeting - Tuesday 18 February 2025 at 5pm via teams

The meeting closed at 6.15pm