

**Meeting: Eastbourne Housing Investment Company Limited
Board of Directors (Company No. 09571387)**

Date: 24th June 2021

Venue: Virtual (due to COVID-19)

Start: 2.00 pm

Board of Directors

Present:

Board Directors:

Roger Eastwood (RE) (Chair)

Margaret Bannister (MB)

Ian Fitzpatrick (IF)

David Tutt (DT)

Tim Whelan (TW)

Staff

In Attendance:

Tayo Adejumo, Project Accountant (TA)

Robert Cottrill, Chief Executive (RC)

Nathan Haffenden, Head of Commercial Business & Development (NH)

Gary Hall, Head of Homes First (GH)

Homira Javadi, Chief Finance Officer (HJ)

Jane McCarthy-Penman, Company Secretary (JMP)

Ola Owolabi, Deputy Chief Finance Officer (OO)

Item	PROCEDURAL MATTERS	ACTION
1.	Apologies for Absence Andrew Clarke	Noted
2.	Declarations of Interest In accordance with section 177 of the Companies Act 2006 and the Articles of Association of the Company, Directors declared their interests as set out below: Margaret Bannister <ul style="list-style-type: none">● Eastbourne Liberal Democrats● Association of Liberal Democrat Councillors● Liberal Democrat Party Roger Eastwood <ul style="list-style-type: none">● Director and Chair of EHL● Director of SEILL	

	<ul style="list-style-type: none"> ● Director and Chair of South Essex Homes ● Board Member of the NFA 	
	<p>Ian Fitzpatrick</p> <ul style="list-style-type: none"> ● Director of Regeneration and Planning (EBC/LDC) ● Managing Director (EHL) ● Director of Eastbourne Downs Water Company Limited ● Director of Lewes Housing Investment Company Limited ● Director of Eastbourne Downs Water Company Limited ● Director of Investment Company Eastbourne Limited ● Director of South East Environmental Services Limited <p>David Tutt</p> <ul style="list-style-type: none"> ● LGA Member Peer ● East Sussex County Council Councillor ● 3 Star Solutions – Consultant ● IESE Transformation Ltd ● EDEAL ● East Sussex County Council - East Sussex Pension Fund Committee Member ● IESE – Director ● Hazel Court School Governor ● People Matter Advisory Board ● Young Enterprise Board ● Association of Liberal Democrat Councillors ● British Computer Society ● Communication Managers Association, National Trust ● Save the DGH Campaign ● Eastbourne Sussex Fire Authority Member ● Member of the Executive Committee of Aspiration Homes LLP ● Director of South East Environmental Services Limited <p>Tim Whelan</p> <ul style="list-style-type: none"> ● Director of Service Delivery (EBC/LDC) ● Director of Eastbourne Downs Water Company Limited ● Director of Lewes Housing Investment Company Limited ● Director of Eastbourne Downs Water Company Limited ● Director of South East Environmental Services Limited <p><i>In respect of item 9 of the agenda, DT refrained from any discussion in respect of Victoria Mansions.</i></p> <p>It was noted that notwithstanding any such interests, all Directors were entitled to vote at, and be counted in the quorum of, the meeting.</p>	
3.	<p>Minutes of Previous Meeting of the 11th March 2021</p> <p>Agreed.</p>	Noted

4.	<p>Matters Arising</p> <p>IF confirmed that he had recently met with L&G in respect of new business. It was noted that they are looking to buy new properties in the area. There may be opportunities for EHICL.</p>	Noted
5.	<p>Outstanding Board Actions</p> <p><i>Confidential – not for publication</i></p>	
Business Matters		
Non-Confidential		
6.	<p>Victoria Mansions Update</p> <p>It was noted that the transaction of Victoria Mansions took place on the 31st March 2021.</p> <p>It was noted that five out of six blocks have been leased to AHLLP on a 125-year lease, following legal advice. It was noted that this was more cost effective.</p> <p>All due diligence has been completed. The LLP undertook their own due diligence before they took on the lease.</p> <p>It was noted that following this transaction, a capital receipt had been generated for EHICL.</p> <p>It was noted that two flats will be ready to let through Homes First in August 2021 and a further three flats in September 2021.</p> <p>EHICL are only responsible for a proportion of the works. All other liabilities are that of the LLP.</p> <p>It was noted that block 262 (above Harry Ramsden's) lends itself for other opportunities and EHICL has taken the opportunity to use these as a model for holiday lettings. These will be managed by the Tourism and Enterprise Team under an SLA which will be drafted and presented to the Board for adoption.</p> <p>It was suggested by the team that the holiday lets were rebranded, to separate them and ensure they are marketable with their own identity.</p> <p>Tourism currently operate holiday lets already so this is an added bonus for them to take this forward to generate income for EHICL. It was felt that EHICL could capitalise on the UK staycation.</p> <p>It was confirmed that this differs from previous experience where transactions are shown on the exchange date? It was advised that from an audit perspective, the numbers are correct and there is no impairment.</p> <p>It was suggested that the Tourism and Enterprise Team talk the Board through their strategy and viewings. It was agreed that this would be presented at the next Board.</p>	Complete

	<p>Given due regard to Duty 2, Section 172 CA (06) Recommendation and Resolution by the Board: The Board is asked to</p> <ul style="list-style-type: none"> ● Note the verbal update 	
7.	<p>Quarterly Financial Performance Report – Q4</p> <p>The Board noted that the financial performance of the business for 2020/21 is a profit before tax of £450k mainly resulting from revaluation of assets carried out at year-end. It was confirmed that the Fair Value gain on investment properties with the exception of Victoria Mansions, amounts to £308k (2020:£1.3m). It was noted that Victoria Mansions has not been included in the fair value assessment due to the ongoing work.</p> <p>Adjusting for the gain in Fair Value, the business reported a profit of £143k (2020:£456k loss) which is mainly due to the service charge income of £300k recovered from Eastbourne Borough Council (EBC), leaseholder of the commercial units being recoverable costs in respect of the ongoing work on Victoria Mansions.</p> <p>Repairs and maintenance costs are £1k higher than budgeted, outlay on major repairs is £10k adverse to budget on account of work undertaken on some of the properties.</p> <p>Going Concern – it was noted that a comfort letter would be required from the Shareholder. This will come back to Board with the accounts when they are in a position to be signed off, likely September 2021.</p> <p>It was noted that there is a project starting with TEL Solutions which will target EHL/EHICL/LLP's Former Tenant Arrears.</p> <p>It was suggested that the Company may wish to adopt a different strategy in respect of arrears, it could adopt a risk averse approach, rent in advance/deposits, which will mitigate risks. It was agreed that a report would be presented to the next Board on what this strategy could look like.</p> <p>It was noted that tenant screening and debt collection is key as the company is exposed to a greater risk. It was agreed that a report would be presented to the next Board on cashflows, revenue streams and future opportunities for the Company.</p> <p>It was noted that the draft statement of accounts, compared to last year, were in a very good place with appropriate controls in place, and in line with the agreed timetable.</p> <p>It was requested that Note 8 is amended from 'net liabilities' to 'assets' (page 10).</p> <p>Given due regard to Duty 2, Section 172 CA (06) Recommendation and Resolution by the Board: The Board is asked to</p> <ul style="list-style-type: none"> ● Note the financial performance for the period ending 31st March 2021 ● Note the draft Annual Reports and Financial Statements for the period ending 31st March 2021 	
<p><i>MB left the meeting at 2.32 pm.</i></p>		

8.	<p>Rent Arrears and Tenancy Management</p> <p>This report provided an update on the position of arrears and any action taken on any EHICL owned property as at the 31st March 2021 (Q4), and to update on tenancy and property management arrangements for EHICL properties.</p> <p>It was noted that there were no major issues to report.</p> <p>Elm Park Mansions was the biggest challenge for the team.</p> <p>It was further noted that the void work and arrears management and recovery were very challenging for the team.</p> <p>Given due regard to Duty 2, Section 172 CA (06) Recommendation and Resolution by the Board: The Board is asked to</p> <ul style="list-style-type: none"> ● Note the report 	
9.	<p>Any Other Business</p> <p>None.</p>	
<p>Meeting closed at 2.50 pm.</p>		
<p>Signed: _____ Position: _____</p> <p>Dated: _____</p>		