

WHEATLEY HOUSING GROUP LIMITED

SC426094

MEETING OF THE BOARD OF DIRECTORS

Wheatley House, Glasgow
on Wednesday 21 February 2024 at 10.30 am

Directors Present: Jo Armstrong (Chair), Maureen Dowden, Jo Boaden, Lindsey Cartwright, Bryan Duncan, Caroline Gardner, Eric Gibson, Bernadette Hewitt, John McCraw, Alison McLaughlin, Alastair Murray and Manish Joshi.

In Attendance: Steven Henderson (Group Chief Executive), Anthony Allison (Group Director of Governance and Business Solutions), Pauline Turnock (Group Director of Finance), Helen Shaw, Shaun Keenan and Kirsty Porter (all Scottish Housing Regulator), Lindsay Lauder (Director of Development and Regeneration – item 8 only), Stephen Devine (Director of Assets and Sustainability – item 9 only) and Hazel Young (Group Director of Housing and Property Management – item 11 only).

1. Apologies for absence

There were no apologies for absence.

2. Declarations of interest

The Board noted the standing declarations of interest.

3. a) Minutes of meeting held on 20 December 2023 and matters arising.

Decided: The Board approved the minutes of the meeting held on 20 December 2023.

b) Action List

Decided: The Board noted the action list.

4. Group CEO update

The Group CEO provided an update on a range of matters, including: the key updates as part of the refreshed Scottish Housing Regulatory (SHR) Regulatory Framework; the current position in relation to private rented sector rent regulation and the implications for Lowther Homes; an update on the Wyndford regeneration project; joint working with Glasgow City Council in relation to the City Building (Glasgow) review; and changes in senior staffing.

The Board discussed the Wyndford regeneration project, including the current planned timeline and issues which could impact our timeline, engagement and communication with the community, and the future letting arrangements reviewed by the Wheatley Homes Glasgow Board.

5. **Chair updates – Audit, RAAG and WDSL**

The Board received feedback from each Chair on the work of the Committees/Board since the last meeting. It was confirmed no issues were identified for escalation.

The Chair of the RAAG Committee also provided feedback from the Committee meeting held immediately prior to the Board meeting.

6. **2024/2025 rent and service charges**

The Board were provided with an update on the feedback from our consultation on the 2024/25 rent, service and other charges increases.

It was explained that over 7,600 responses received indicated a preferred option and this was supported by over 2000 respondents also giving qualitative feedback. It was noted that the high proportion of respondents, at nearly 30%, who indicated a preference for the higher rate of 7.9% on the basis this would support investment.

The Board received feedback on the discussions at each RSL Board on the results of their consultations and their respective decisions.

The Board discussed the themes of the feedback, particularly in relation to investment being a high priority for tenants and how this will factor into our future asset strategy and business plan assumptions.

Decided: The Board noted the rent increases as approved by RSL Boards, under delegated authority.

7. **Business plan financial projections**

The Board received a presentation setting out: our key assumptions; how we reinvest our revenue; RSL Borrower group key financials and sensitivity testing; the Wheatley Care, Lowther Homes and Wheatley Foundation key financials; and the Lowther Homes covenant projections.

The Board discussed our development plan assumptions, the level of associated grant assumed and the certainty we have over receiving future grant income. It was explained that we have a contractual offer of grant before we enter any contract to construct new homes.

The Board discussed the profile of future expenditure, the impact on this where we have front-funded elements from year four onwards and our assumptions in relation to future repairs costs. The Board recognised that repairs are a key priority for tenants alongside investment and the importance of achieving a balance between the two.

The Board discussed how we communicate with tenants on our investment programme, particularly in relation to the proportion which can focus on customer driven priorities within the context of our ongoing compliance obligations. It was explained that our new neighbourhood approach will support such engagement with communities and that part of this will be being clear about what can be delivered.

The Board discussed our level of repairs expenditure relative to the wider sector and the ability to source like-for-like comparators.

The Board discussed how we continue to focus on driving efficiencies and how this is reinvested or used to increase our headroom. It was explained that we have a number of streams focussed on this, including our workforce planning and running costs value for money group.

The Board considered the updated Pricing and Charging Policy which details our approach to charging and pricing for the services we provide our customers.

Decided: The Board

- 1) **Approved the updated projections for investment in assets and services in support of our strategy, *Your Home, Your Community, Your Future*;**
- 2) **Approved the RSL Borrower Group and Lowther financial Golden Rules;**
- 3) **Approved the financial projections for each of the subsidiaries;**
- 4) **Agreed that the projected 2024/25 figures form the basis of next year's annual budgets for each subsidiary and the Group overall; and**
- 5) **Approved the Group Pricing and Charging Policy 2024.**

8. [redacted]

9. **Five-year investment plan**

The Board were provided with a summary of the five-year investment plan for 2024-2029, how our plan will be linked to our neighbourhood approach and the development of our future asset strategy.

The Board discussed how our investment programme targets the prevention of dampness and mould, particularly in relation to ventilation. The Board reiterated that communication with tenants on how to operate ventilation systems is a crucial element of our investment approach.

The Board noted that the plan underpins our strategic ambition to make the most of our homes and assets, specifically, our commitment to investing in our existing homes and environments.

Decided: The Board approved the Group's five-year Investment Plan 2024-29.

10. Repairs Update

The Board were provided with an update on progress with repairs service enhancements; ongoing customer engagement to inform future service enhancements; and the revised repairs budget forecast for 2023/24.

The Board discussed the demand for repairs which remains higher post-pandemic, in line with the sector across the UK. It was noted that the rate of increase in demand was slowing.

The Board discussed the legislative context of Awab's law and advised that having assessed our processes against the proposals we would comply and, in most cases, exceed upon the requirements. It was confirmed the only area we planned to refine was the provision of a written summary of the findings from any initial visit pertaining to damp and mould.

Decided: The Board:

- 1) **Noted the progress with repairs service enhancements;**
- 2) **Noted ongoing customer engagement to inform future service enhancements; and**
- 3) **Noted the updated repairs budget position for 2023/24.**

11. Customer Engagement Framework

The Board were provided with an overview of the review of the *Stronger Voices, Stronger Communities* Customer Engagement Framework and the proposed updates to the Framework.

The Board discussed the findings from the review of the 'Stronger Voices, Stronger Communities' Customer Engagement Framework and in particular the ongoing need to focus on communication with tenants.

The Board discussed how we utilise our Customer Voices to gain a more diverse range of feedback and also target engagement opportunities to customers in areas they wish to engage.

Decided: The Board approved the updated Customer Engagement Framework.

12. Performance report

The Board were provided with an update on the performance delivery against targets and strategic projects for 2023/24 to the end of the third quarter.

The Board noted our strong performance in several key areas including days to let, lets to homeless, tenancy sustainment, new build handovers, emergency repairs and adaptation completion timescales.

The Board discussed performance levels within the Customer First Centre relative to our targets, particularly in relation to customer satisfaction. The Board were updated on ongoing work to enhance the level of quality assurance.

Decided: The Board noted the contents of the report and approved the proposed project milestone change.

13. Risk management update

The Board discussed the strategic risk register, in particular those which are outwith risk appetite. The Board discussed the commonality of the risks outwith our agreed appetite level being the limitation of the mitigations available. It was noted that the risk workshops planned for later in the year would explore these risks in further detail.

Decided: The Board noted the content of the report and approved the Strategic Risk Register.

14. Finance report

The Board were provided with a summary of financial performance for the year to date and the forecast full-year out-turn. The Board discussed the proposed endowment to the Wheatley Foundation and the upper limit of what would be made available.

The Board discussed the key variances which were consistent with expectations. It was noted that the full-year outturn has also been reflected, particularly in repairs, in our business plan assumptions for the year ahead.

Decided: The Board

- 1) **Noted the Group management accounts for the period ended 31 December 2023;**
- 2) **Approved the RSL Borrower Group accounts for submission to the Group's lenders; and**
- 3) **Approved an endowment of up to £5.0m to the Wheatley Foundation agreeing that the RSL Borrower Group will deliver an interest cover covenant position outwith Golden Rule policy parameters but will remain within the interest cover covenant limits.**

15. [redacted]

16. Contract Award: Ground Maintenance

The Board were provided with a report on the contract for the provision of Grounds Maintenance Services on behalf of Wheatley Homes South (WHS) to Idverde Limited for a contract period of three years, with the option to extend for a further 12 months.

The Board discussed our requirements for an experienced, reliable, and responsive contractor to deliver high-quality grounds maintenance services that reflect the rural and geographic spread of WHS. The Board noted that the proposed contract award allowed us to manage this in a consolidated way which balances the specialist contractor we need with achieving the best economic and operational efficiency.

Decided: The Board approved the award of the contract for grounds maintenance services to Idverde Limited for a period of 3 years with an option to extend for a further 12 months starting February 2024 based on a maximum contract value of £2.4m including VAT.

17. ACOB

There was no other competent business.

Signed _____ (Chair)