



WHEATLEY HOUSING GROUP LIMITED

SC426094

MEETING OF THE BOARD OF DIRECTORS

New Mart Road, Edinburgh
on Wednesday 8 November 2023 at 10.30am

Directors Present: Jo Armstrong (Chair), 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) and (item 6 only) Hazel Young (Group Director of Housing and Property Management), (item 7 only) Laura Pluck (Group Director of Communities)

1. Apologies for absence

Apologies for absence were received from Maureen Dowden

2. Declarations of interest

The Board noted the standing declarations of interest.

3. a) Minutes of meeting held on 27 September 2023 and matters arising.

Decided: The Board approved the minute of the meeting held on 27 September 2023.

b) Action List

Decided: The Board noted the action list.

4. Group CEO update

The Board was updated on a range of matters including: UK asylum applications and the potential impact on homelessness; our Think Yes Together staff awards; the outcome from our Customer Service Excellence (CSE) assessment; recent political engagement; and the range of awards received.

5. 2024 rent setting - consultation and engagement approach

The Board received a presentation with an update on our business plan which reflected changes in our cost of funding, higher repairs demand and expenditure, efficiency and rent increase assumption.

The proposed rent increase range, the level of investment it could support and the impact on financial viability and covenant headroom were set out in detail. The Board discussed the proposed range at length, including the rate of inflation, the level of inflation we are experiencing on our business costs, and the wider economic climate.

The Board discussed at length the capacity we have to deliver investment in homes, particularly the proportion that is left for energy efficiency after compliance requirements and associated costs. It was noted that our current year increase was amongst the lowest in the sector and the impact that had on our capacity for next year. The Board recognised that we must be cognisant of our future obligations in relation to building compliance and continuing to meet the increased tenant demand for reactive repairs.

The Board agreed that the planned continuation of the Helping Hand Fund would continue to help us support tenants. It was emphasised that the deployment of the fund must be appropriately targeted.

The Board discussed the plans to engage with focus groups and it was agreed this should be undertaken, with a focus on how well our rent brochure communicates our proposed range and the key drivers for the levels.

The Board considered affordability and the expectation is that the National Minimum Living Wage and pensions will be increased at a level greater than our rent increase range.

The Board agreed that the final decision should be taken within the context of the feedback from the focus groups, a better understanding of the wider sector position and the economic climate. It was agreed the final decision therefore be agreed upon at the December meeting when this would be available.

Decided: The Board

- 1) Agreed that we undertake an initial consultation with rent focus groups on a range of 6.9% to 7.9% for the 2024/25 rent and service charge increase;**
- 2) Noted that the proposal above will be presented to RSL subsidiary Boards at their next meeting for approval;**
- 3) Noted that the final approval of the rent increase for consultation with all tenants will be presented for approval at the December 2023 meeting; and**
- 4) Agreed that subsidiary RSL Boards be delegated authority to agree the 2024/25 rent and service charge increase where it is within the agreed range.**

6. [redacted]

7. [redacted]

8. Performance report

The Board were updated on performance delivery against targets and strategic projects for 2023/24. The Board noted the sector comparisons for Annual Return on the Charter indicators following the publication of 2022/23 sector wide data by the Scottish Housing Regulator.

The Board were updated on the continued focus on rent arrears and non-emergency repairs, with a particular focus on improving performance in certain types of repairs.

The Board sought confirmation there were no issues in relation to current fire risk assessments or related recommendations being implemented. It was confirmed this was the case.

Decided: The Board noted the report.

9. Treasury report

The Board were provided with a overview on the liquidity position, cashflow forecast and covenants on our debt facilities to 30 September 2023.

The Board was asked to note that the new [redacted] Allia funding was received on 2 October 2023, permitting us to repay [redacted] of the Revolving Credit Facility loans.

Decided: The Board noted the report.

10. Finance report

The Board were provided with a report which detailed the financial position up to September 2023, noting the forecast full-year out-turn following the completion of the 6 months to 30 September 2023 and the RSL Borrower Group management accounts to 30 September 2023.

Decided: The Board

- 1) Noted the Group management accounts for the period ended 30 September 2023 at Appendix 1; and**
- 2) Approved the RSL Borrower Group accounts for submission to the Group's lenders.**

11. Governance update

The Board were provided with an update on the Scottish Housing Regulator ("SHR") consultation on its Regulatory Framework, Committee appointments, corporate dissolutions, policy update and the 2024 meeting schedule.

The Board considered the consultation on the regulation of social housing in Scotland and agreed that we affirm our support for the proposed changes which struck a balance of proportionality and positive refinements.

Decided: The Board

- 1) Approved our proposed response in support of the SHR's changes to the Regulatory Framework;**
- 2) Approved the Committee appointments for the next 12 months;**
- 3) Approved the remuneration of David Rockliff as a member of the Group Audit Committee at £[redacted] per annum;**
- 4) Approved a change to the Terms of Reference for the Group Remuneration Appointments Appraisals and Governance Committee;**
- 5) Approved the update to our Group Damp and Mould Policy to reflect the response time of two working days;**
- 6) Noted the update on our corporate dissolutions; and**
- 7) Noted the meeting schedule for 2024.**

12. Contract award - Grounds maintenance

The Board were provided with a paper outlining the award of the contract for the provision of Grounds Maintenance Equipment and how we affirmed the proposals best met our priorities of financial efficiency, an integrated supply chain for related goods and services and enabling the delivery of high-quality services to our customers.

Decided: The Board: Approved a Group-wide contract for the supply of Grounds Maintenance Equipment, Maintenance and Repairs Service to Fraser C Robb Limited for a contract period of three years starting December 2023 based on a maximum contract value of £950,000 excluding VAT.

13. Contract variation - Mechanical and engineering compliance

The Board were provided with an update on our mechanical and electrical ("M&E") compliance for the variation of our contract with Equans Ltd to reflect the increasing scale of our operations.

The Board were advised that our M&E contractor Equans undertakes our essential statutory compliance mechanical and electrical works on our behalf and that we have an obligation to undertake this work and as such the variation proposed to support us is necessary to allow us to meet these obligations.

The Board noted that the proposed variation allows us to ensure we continue to meet our statutory requirements without risking continuity ahead of a relatively close re-procurement planned for 2025.

Decided: The Board approved the proposal to extend the approved spend with Equans Ltd by [redacted] excluding VAT to a total value of £25m excluding VAT.

14. AOCB

There was no other competent business.

Signed _____ (Chair)