



**WHEATLEY HOUSING GROUP LIMITED
BOARD MEETING**

**Wednesday 27 August 2025 at 10.30am
Wheatley House, Glasgow**

AGENDA

1. Apologies for absence
2. Declarations of interest
3. a) Minutes of meeting held on 19 June 2025 and matters arising
b) Action list
4. Group CEO update
5. Chair updates

Main Business



7. 2026-2031 strategy update
8. Governance update
9. Stock condition assurance
10. Group unacceptable actions policy
11. Performance report
12. a) Financial Statements 2024/25
b) Annual Internal Audit Report and Opinion 2024/25

Other Business

13. Finance report



15. AOCB

Report

To: Wheatley Housing Group Board

By: Anthony Allison, Group Director of Governance and Business Solutions

Approved by: Steven Henderson, Group Chief Executive

Subject: Group strategy – 2026-31 update

Date of meeting: 27 August 2025

1. Purpose

- 1.1 To update the Board on the progress in developing our 2026-31 Group strategy and seek agreement of:
- a working title, vision and values for our 2026-31 Group Strategy;
 - the core content of the key themes within our 2026-31 Group strategy; and
 - the next steps in engaging staff, customers and stakeholders.

2. Authorising and strategic context

- 2.1 The agreement and any subsequent amendments thereto, of the Group strategy is reserved to the Group Board. Under their Terms of Reference, our partner Boards are responsible for approving their own strategies, within the context of the overarching Group strategy.
- 2.2 Our organisational values are an expression of principles which guide the way we operate, shape the behaviours we ask of our people and serve as broad guidelines in our decision-making. A key strength of our Group is a shared set of values and on this basis, we have always operated under a common set of values. The importance of our values is reflected in their approval being reserved to this Board.

3. Background

- 3.1 At our June strategy workshop, the key area of focus was the development of our 2026-31 strategy. As part of this, the Board considered our external operating context, feedback from staff, customer focus groups and partner Boards, our vision for Wheatley in 2031 and a number of thematic areas such as the role of AI and technology in how we will work in future, investment in existing homes and communities and delivering new supply to support tackling the homelessness crisis.
- 3.2 The Board considered and agreed on four overarching strategic themes as the basis of the next phase in developing our 2026-31 strategy:
- Homes and neighbourhoods to be proud of;
 - Personalised services;
 - Better Lives; and
 - Delivering sustainable value.

3.3 The Board discussed a number of priorities to develop within those themes, including:

- A commitment to playing a strong role in supporting the Scottish Government and Strategic Housing Authorities in tackling the housing emergency, with an emphasis on how we can increase overall supply;
- Creating additional funds to increase investment in existing homes by exploring options, with a focus on internal, external and environmental conditions with a single view of a property;
- Focusing in the early years on the fundamentals of good quality data, technology platforms, automation and people skills,
- Our technology, data and AI focus should prioritise enhancing the repairs experience, customer communication and having a strong understanding of our building assets;
- [REDACTED]
- Using our skills and experience to work with Strategic Housing Authorities to develop new and underutilised funding models, to deliver affordable home ownership in areas where there is vacant land in our communities; and
- Leveraging our procurement scale to deliver greater value for our customers and communities.

4. Discussion

4.1 Following the Board strategy workshop in June we have further refined the proposed Group vision, developed a refreshed set of Group values and fleshed out the key priorities and areas of focus within the four strategic themes.

4.2 These formed the basis for a further cycle of engagement with our partner Boards, who considered them within the context of both the wider Group strategy and their own individual priorities. The majority of partner Boards have already met, with the remainder scheduled to meet in advance of this meeting.

4.3 [REDACTED]

4.4 The proposed structure for our strategy, reflecting the feedback to date, is as follows:

Our Purpose, Vision and Values

Purpose and strategy title

4.5 The restatement of our core purpose was consistent for Boards, our staff and our customers and, as such, it is proposed that it is retained as: *Making homes and Lives Better*.

4.6 Based on feedback from our initial discussions with customers, staff and Boards, the prospect of our strategy name replicating the purpose '*Making homes and lives better*' has emerged as one that would provide absolute clarity.

- 4.7 This has been strongly supported by all the partner Boards to date. Subject to this Board's feedback, it is proposed '*Making homes and lives better*' is adopted as the working title for our 2026-31 Group strategy.

Vision

- 4.8 At our June workshop, the Board discussed that our vision and the potential for the wording to be more specific. The feedback from our partner Boards, as well as our staff across the Group, has also been to keep the overarching Group vision concise, relatable and memorable. Based on this, we have refined the draft Group vision, and the revised proposal is as follows:

"Our homes and neighbourhoods are places that we, and our customers, are proud of.

The services we deliver are shaped by what matters most to our customers, always feel personal and consistently exceed expectations."

- 4.9 The key theme in the vision, and the proposed central theme for our strategy overall, is one of pride. We want our staff to be proud of the work we do and answering this in the affirmative as a guide of what the right thing to do is. The proposed vision and central theme of pride were strongly supported by partner Boards across the Group in their discussions to date. The Board's feedback and agreement is sought on the proposed working 2026-31 Group vision.

Values

- 4.10 We want our values to set the tone for the behaviours we expect of all our people to exhibit, which is also linked to the central theme of pride. It is intended that we will continue to have a single set of values that apply Group-wide. Based on the discussion and feedback, the proposed values, with some indicative descriptors, are:

Excellence - *We proactively pursue the highest standards.*

Inclusion - *Every voice matters and is treated with respect.*

Trust - *We take pride in always doing the right thing.*

Ambition - *We are bold, innovative and challenge ourselves to go further.*

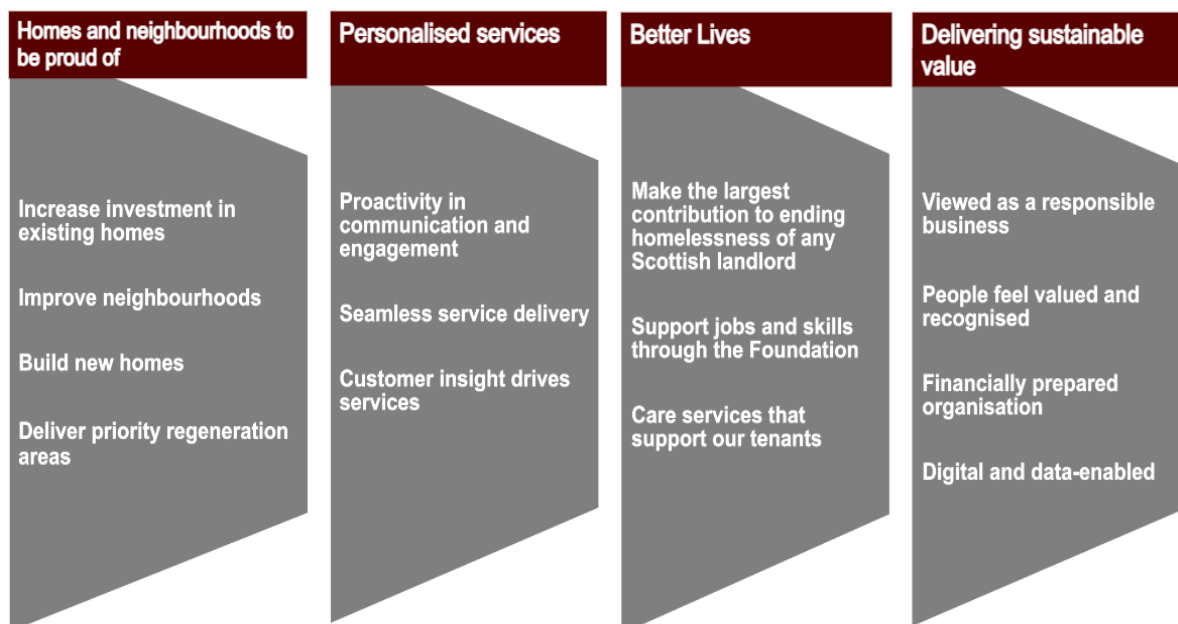
- 4.11 The feedback from our partner Boards to date has been that the proposed values resonate with who we are as a Group and the types of behaviours we would expect our staff to exhibit. The Board's feedback is sought on the proposed values.

Summary

- 4.12 The Board's agreement on the purpose, vision and values is being sought in principle at this stage. There will be further opportunities to consider them as we develop our 2026-31 strategy.

Strategy structure

- 4.13 Following engagement with partner Boards, no changes are proposed to the themes and sub-themes discussed at the Board at the June strategy workshop:



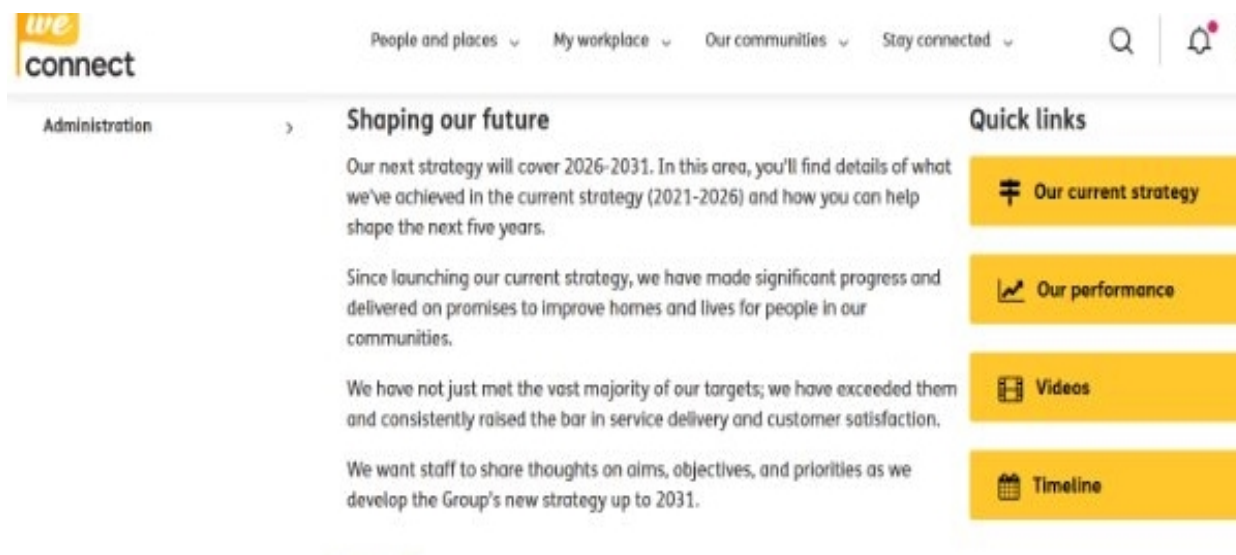
- 4.14 Each of the partner Boards has been exploring the headline areas of focus in each theme. Many of these themes are common across either our RSLs or the wider Group, albeit they will be delivered in a way which reflects the individual contexts. The combination of the areas of focus, which will form the building blocks of the development of our 2026-31 Group strategy, is set out in more detail in Appendix 1.

Next Steps - customer engagement

- 4.15 To inform this strategy, we set an ambitious target that we want to engage with or receive feedback from at least 2,500 customers from across the Group. We have already engaged over 230 customers from across the Group through the focus groups in March and over 70 further through our Group Scrutiny Panel held in May and Customer Voice panels held in June.
- 4.16 For phase two engagement we therefore aim to involve a further 2,200 customers. This engagement must be meaningful to customers and focused on understanding our proposed practical response to the six customer priorities identified during phase one.
- 4.17 Each relevant partner Board has, or will shortly, consider and agree responses which reflect their own customers' feedback. Phase two engagement will launch at the end of August/early September for a period of six weeks.
- 4.18 It will primarily be promoted to our registered social landlord and Lowther customers through digital channels with a link to a digital survey. Wheatley Care will undertake local engagement with the People We Work For to provide support to enable small group discussions.
- 4.19 We will also send out a survey to those on our waiting lists via our MyHousing platform to ensure our future customers' views and needs are also shaping our plans. This will also be an opportunity to gain prospective customer insight to inform our Group homelessness policy, due for review next year to align with our future strategic ambitions.

Next steps - staff engagement

- 4.20 We have and continue to undertake wide-ranging engagement with our people to understand staff priorities and perspectives to inform our strategy. As well as the staff sessions that took place earlier this year, we have kept staff engaged throughout the strategy development journey with regular updates through our intranet 'Shaping Our Future' microsite – including video updates, blogs and the AI podcast summarising customer priorities the Board considered.
- 4.21 We will continue to drop content on the microsite throughout the development period to keep staff engaged and informed, in addition to engagement which will be ongoing at the local level.



- 4.22 We have also sought further feedback through team meetings and Communities of Excellence and have launched a staff survey soliciting thoughts on the proposed strategic themes and key areas of focus under each of these, as well as how we should measure success.

Stakeholder engagement

- 4.23 We regularly engage with wider stakeholders, for example, through our strategic partnerships, including with our local authority partners, with national government and local government, such as through elected member briefings, and conversations with partners and suppliers, supported by our contract management system.
- 4.24 We will explore the potential for us to utilise these well-established mechanisms to gauge and evidence the needs and expectations of key stakeholders in terms of our 2026-31 strategy.

Draft strategy

- 4.25 Following feedback from this Board, alongside the feedback we have received from our partner Boards and the next phase of customer engagement, we will develop a draft 2026-31 strategy for the Board's consideration and review at its December meeting.
- 4.26 As part of this, we will also develop proposals for how we intend to engage with staff in launching our strategy with a focus on making it real, relatable and tangible for them.

5. Customer engagement

- 5.1 As detailed in this report, customer engagement is a core element of the development of our 2026-31 Group family of strategies. The proposed approach is set out in the body of the report.

6. Environmental and sustainability implications

- 6.1 There are no direct environmental or sustainability implications associated with this report. We understand that investment, particularly to ensure energy efficient homes, is a top priority for customers, and our 2026-31 strategy will reflect this.

7. Digital transformation alignment

- 7.1 There are no direct digital transformation implications associated with this report. As identified in the report, the role of digital transformation will be a key feature within our 2026-31 Group strategy.

8. Financial and value for money implications

- 8.1 There are no direct financial or value for money implications associated with this report.

9. Legal, regulatory, and charitable implications

- 9.1 The Scottish Housing Regulator (“**SHR**”) Regulatory Standards of Governance sets out a number of requirements which are relevant for the development of our strategy, including that:

- “[the] governing body sets the RSL’s strategic direction”;
- “The RSL gives tenants, service users and other stakeholders information that meets their needs about the RSL, its services, its performance and its future plans”; and
- “The RSL actively seeks out the needs, priorities, views, concerns and aspirations of tenants”

- 9.2 Our strategy development process has taken these requirements into account.

10. Risk appetite and assessment

- 10.1 As part of the strategy development process we will consider how the strategy both reflects our existing risks and our future risk appetite in relation to how it is delivered.

11. Equalities implications

- 11.1 As part of our engagement, including with staff, customers and wider stakeholders, and the development of our strategy we will take into account the key principles in our Equity, Diversity and Inclusion (“EDI”) and Human Rights policy and associated action plan. In particular, are seeking to ensure our engagement represents a diverse range of customer voices and perspectives.

- 11.2 Our strategy is also being informed by key partners and stakeholders. In terms of EDI, this includes best practice guidance from Business in the Community. Our strategy will be subject to an Equality Impact Assessment to inform its implementation.

12. Key issues and conclusions

- 12.1 Our 2026-31 strategy is developing well, driven by a significant range of engagement with Boards, customers and staff. We now have a clearly defined purpose, vision and structure for our 2026-31 strategy as well as clearly defined priorities.
- 12.2 The engagement-focused approach to developing our 2026-31 strategy will continue over the coming months ahead of the Board considering a draft strategy by the end of the calendar year.

13. Recommendations

- 13.1 The Board is asked to:
 - 1) Consider and agree the working title, vision and values for our 2026-31 Group Strategy;
 - 2) Consider and agree the core content of the key themes within our 2026-31 Group strategy; and
 - 3) Note the next steps in engaging staff, customers and stakeholders.

LIST OF APPENDICES:

Appendix 1: Strategic theme key priorities

Appendix 1

Strategic theme	Key areas of focus
Home and neighbourhoods to be proud of	▪ We will define a ‘Wheatley standard’ for properties and every property will be assessed against the standard over the life of the strategy ▪ We will develop bespoke strategies for property types or issues e.g. mixed tenure common closes, secure entry systems, doors and lifts will supplement Strategic Investment Plans ▪ We will leverage data and technology to strengthen our understanding of our building assets and create a ‘Single view of the home’ ▪ We will explore how we heat our homes for the future – including district heating and links to wider heating networks for existing and new properties ▪ Our investment will meet the Scottish Housing to Net Zero fabric requirements ▪ Our Neighbourhood Plans will create a pride of place, empowering local communities to shape their local environment and services by working with customers to identify local priorities ▪ In collaboration with local partners, we will tackle key community issues such as antisocial behaviour, waste management and underused greenspaces ▪ We will undertake a strategic review of our Community Improvement partnership and ensure that it remains focused on supporting our customers to feel safe and secure in their home and neighbourhood ▪ We recognise that tackling the housing crisis needs new homes of all tenures and we will deliver new social, mid-market and private rented sector homes ▪ We will prioritise regeneration in areas identified for significant investment with partners such as Wyndford, Milton, Red Road, Drumchapel and Lochside ▪ We will support Lowther Homes to lead the way in exploring new financing models in the early years of the strategy, including joint ventures, Special Purpose Vehicles with partners and different grant models.

Personalised Services	▪ We will refresh our approach to customer communication, which will feel personal, local and relevant, with information such as local investment plans and events ▪ Our staff will be empowered to and accountable for taking ownership of ensuring service delivery is seamless for and meets the needs and expectations of customers ▪ We will refresh our operating model and core processes to minimise hand-offs and ensure services which span different areas are seamless for customers ▪ We will offer consistent, quality service regardless of method of contact (online, phone, email, in-person) ▪ For owners, we will launch a digital platform providing self-serve and automated communication ▪ Staff will have more data at their fingertips that allows them to understand each customer's needs and deliver a personalised service ▪ We will ensure our IT systems and data are interconnected, with data flowing smoothly across business areas, reducing duplication and delay and supporting a 'Single view of the customer' ▪ We will continue to refine and expand the ways we garner customer insight through a combination of real-time digital feedback, complaints, satisfaction surveys and customer engagement ▪ We will refine our approach to customer engagement to expand the range of ways customers can engage, respond flexibly to different customer groups and localities and make our services more accountable
Better lives	▪ We will work with partners to identify ways to increase supply by bringing empty homes back to a lettable standard whilst delivering value for money ▪ Our RSLs will continue to attach the highest priority to homeless households and let at least 10,000 homes to homeless households ▪ We will provide tailored support to help customers at risk of homelessness to sustain their tenancies ▪ We will focus on the wider contributions to society and local communities, particularly through the work of our Foundation to tackle social mobility, measuring our impact ▪ We will explore enhanced digital offerings to support customers in getting online and developing skills and confidence ▪ We will enhance our partnership working and influencing, both within the Group and the external care sector, to improve our care service offering and customer outcomes ▪ We will ensure a synergy between care and wider Group services, delivering care in homes and communities to help customers feel safe and secure

Responsible business

- **We will renew** our Group Sustainability Framework with a continued focus on how we can reduce our carbon footprint, support mitigating climate change and a just transition for our customers
- Over the life of our strategy, **we will increase** our rating under the Business in the Community responsible business map
- Through our EDI activities **we will continue to** be an inclusive organisation and we will benchmark as a top quartile organisation under the ENEI TIDE (Talent Inclusion and Diversity Evaluation) framework
- **We will introduce** a structured systemic approach to continuous improvement (EFQM), to drive efficiencies, design out waste and underpin a culture of curiosity
- **Purpose through procurement** - We will leverage our size and scale to deliver a positive impact for our communities and customers
- We will **embed leadership principles consistently at every level of** leadership as part of a renewed, values and culture-driven Leadership Development Framework
- **We will continually reinforce our** ThinkYes culture so staff feel trusted and empowered to make decisions that support better outcomes for customers and our organisation
- **We will sustain our financial security**, innovatively funding our future aspirations whilst retaining our A+ credit rating and our Golden Rules
- **We will evaluate** our governance and funding models, exploring new approaches to unlock new homes e.g. Joint Ventures, non-traditional funding models
- In the early years, the key priority will be **establishing the strong foundations of good quality data, technology platforms, automation and people skills** to support further digital adoption
- **In advancing our** data maturity, we will undertake high-quality data analysis and reporting, data will increasingly drive decision making and supporting proactive interventions
- **We will initially focus on** using AI to improve tasks, especially those that can be automated or semi-automated, limiting adoption in areas requiring significant judgment, enhancing staff experience and capacity
- We will **explore innovative new technologies** that can improve the way we deliver services and manage our assets, including jointly developing new technologies
- **We will collaborate** with third parties to explore opportunities, considering modest equity stakes in start-ups to support innovation.

Report

To: Wheatley Housing Group Board

By: Anthony Allison, Group Director of Governance and Business Solutions

Approved by: Steven Henderson, Group Chief Executive

Subject: Governance update

Date of Meeting: 27 August 2025

1. Purpose

- 1.1 To update the Board, seeking approval where appropriate, on the following governance-related matters:
- that a strategic governance review be initiated and the scope and Terms of Reference for the strategic governance review;
 - the approach to individual Board member and Chair appraisals for 2025;
 - our Annual Assurance Statement (“**AAS**”) for submission to the Scottish Housing Regulator (“**SHR**”);
 - Annual General Meeting arrangements; and
 - Proposed schedule of meetings for 2026

2. Authorising and strategic context

- 2.1 The Board is responsible for the overall governance of the Group. This is codified through our wider governance framework, including the Group Standing Orders, subsidiary constitutions and Intra-Group Agreements. Any review of these arrangements is subject to approval by the Board.
- 2.2 Under its Terms of Reference the Group Remuneration, Appointments, Appraisal and Governance (“**RAAG**”) Committee is responsible for agreeing the approach to Board effectiveness review and individual appraisal.
- 2.3 The Senior Independent Director (“**SID**”) is responsible for the process to appraise the Group Chair which also requires to be agreed by the Board. The approach set out in the report for the Group Chair appraisal was reviewed and endorsed by the RAAG Committee at its meeting in August. The approach to be followed mirrors that from last year’s appraisals, which the RAAG Committee agreed had been effective.
- 2.4 Under the Terms of Reference, the Group Audit Committee is responsible for reviewing the Group’s AAS and for making recommendations to the Group Board on the submission to the SHR. The Group Audit Committee considered our AAS at its meeting on 13 August 2025 and has recommended it to the Group Board for approval. Approval of the AAS and its submission to the SHR is subject to the Board’s approval.

- 2.5 Under the Articles of Association, the company is required to hold an Annual General Meeting (“**AGM**”). The process for calling General Meetings and the business they must consider are set out in the Articles of Association.

3. Background

- 3.1 Since 2019 we have been required to submit an AAS. The AAS is a way for us to assure ourselves, the SHR and stakeholders that we comply with our regulatory obligations.
- 3.2 The SHR considers our AAS as part of its annual risk assessment and uses this to help inform how it will engage with us throughout the year, including within the SHR’s engagement plan for us. For group structures such as ours, the SHR requires one AAS covering all Registered Social Landlords (“**RSLs**”).
- 3.3 From time to time, the SHR will require specific areas to be covered as part of the AAS may request specific assurance on particular areas or issues.
- 3.4 The Board agreed in 2019 that to provide an additional layer of assurance our self-assessment against the SHR Regulatory Framework and supporting evidence should be independently reviewed each year by either our Internal Audit team or a suitably skilled and experienced external consultant.
- 3.5 We keep our operational governance under review incrementally through well-established processes such as annual Board appraisal and Board effectiveness reviews. These reviews focus on how well the constituent parts of our governance are operating within each part of the Group.
- 3.6 We have also undertaken periodic strategic governance reviews to consider how our governance operates in totality, how it reflects or should adapt to reflect our strategic direction and our governance framework as a whole. These to elements together have been the foundation of how we continue to comply with the SHR Regulatory Framework.
- 3.7 Our last strategic governance review was completed in 2021, with the key driver being the level of consolidation in previous years and reflecting on how our governance has operated during the pandemic. We were also just commencing the implementation of our 2021-2026 strategy.

4. Discussion

- 4.1 As we develop our 2026-2031 strategy, the timing is appropriate to initiate a strategic governance review to ensure our governance remains aligned with our strategic direction.
- 4.2 It is proposed that the scope of the review cover four key areas:
- 1) The overarching Group structure
 - 2) The role and remit of Boards and Group Committees within the Group structure
 - 3) Board compositions
 - 4) Board practice

A detailed proposed Terms of Reference for the review are attached at Appendix 1. A summary of each is set out below:

Group structure/ role and remit of Boards and Group Committees

- 4.3 Our Group structure has continued to evolve, with a strong focus on consolidation to release benefits for customers and financial capacity, reduce the overall complexity of the Group and align with our strategic direction.
- 4.4 It is proposed that this review will consider the role of each part of our Group structure relative to our strategic direction and key strategic priorities. Within this context, it will also consider the relative risks and complexity within each part of the Group structure. This will include areas such as intragroup relationships, ongoing legal and regulatory compliance requirements and decision making.
- 4.5 The review of the Group structure is inherently aligned to the role and remit of Boards and Committees, given that they will, in part, determine some intragroup relationships. This element of the review would be expected to consider whether the current structure, roles and remits lead to any unnecessary duplication which impacts the effectiveness and agility of decision making. The review will also draw on lessons learned and good practice from elsewhere within and outwith the sector.

Board and Committee compositions

- 4.6 Our Board compositions are considered annually as part of each individual Board effectiveness review. The review provides us with an opportunity to subject this to independent consideration within the context of our future strategic direction, wider Group structure and the interplay of Board compositions through intra-group appointments.
- 4.7 Given the importance of such roles, it is proposed that the review include consideration of office bearer eligibility and the appointment process. At present, certain office bearer roles have restricted eligibility, come with additional ex-officio roles or individual approaches to appointment.

Board practice

- 4.8 It is proposed that the review also consider our general Board practices such as Board agendas and reporting, how meetings are managed and the schedule of meetings.

Methodology

- 4.9 It is proposed that we engage an independent governance expert to undertake the review. We have identified a suitably skilled and experienced consultancy who are in a position to commence immediate and meet the proposed timescales. As with previous reviews, a foundation of the review will be direct engagement with all Group Board members. This allows all Board members to express individual views confidentially, whilst providing a basis to ensure any proposals reflect the themes and patterns within the overall Board feedback.
- 4.10 It is also proposed that a workshop be held with each individual subsidiary Board on the key themes of the review. In previous reviews, we have undertaken subsidiary Board workshops and they have been an effective way to ensure the review reflects the voice of all Boards in the final recommendations. We would seek to align the workshops with existing Board dates where possible.

- 4.11 Prior to the individual Group Board member interviews, an extensive desktop review process and contextual research will have been undertaken to ensure that the independent governance expert is well informed.

Timetable

- 4.12 The proposed timescale for the review is as follows:

Step	Timescale
Group Board approves strategic governance review Terms of Reference	27 August 25
Independent expert appointed and conducts review	September/October 25
RAAG Committee update on initial recommendations	October 25
Report and recommendations to the Group Board	12 November 25

- 4.13 In advance of the appointment of an independent expert advisor, we engage with Group Board members to establish availability for interviews.

Board member and Chair appraisal

- 4.14 The approach to reviewing Board effectiveness is normally agreed annually and contained within the wider appraisal process. As set out on the ToR, it is intended that this is covered by the strategic governance review for this Board.

- 4.15 The RAAG Committee agreed the process of individual and Chair appraisal which replicates what Board members have consistently fed back is a positive process in recent years. The process for this Board is again based on one-to-one meetings between the Group chair and Board members, which cover the following:

- Personal effectiveness – interviewee's and Chair's perspective;
- Succession planning;
- Board CPD and group events;
- Areas for refinement; and
- Subsidiary Chair appraisal (where applicable).

- 4.16 As with previous years, a key issue for the RAAG Committee was ensuing the process limits the requirement for multiple interviews, so far as practically possible. Based on the planned approach we will have the opportunity for one to ones to cover multiple Boards or Committees. For example, the Group Chair would cover Group Board members, subsidiary Chair appraisals and RAAG members in a single one-to-one. No Board member will be required to meet the Group Chair multiple times regardless of how many other Committee or Chair roles they hold.

- 4.17 The process for subsidiary Chair appraisals is that subsidiary Board members, following their one-to-one with the Chair, will be asked to complete a Chair appraisal form. A copy of the form is attached at Appendix 2. The Group Chair would receive the forms for subsidiary Chairs to discuss in the one-to-ones.

- 4.18 It is recommended that the same approach applies to the Group Chair, with the same form completed by Group Board members after their one-to-one. The only difference would be that the forms would be sent to the SID who would then discuss the responses with the Group Chair during an appraisal interview.

Statement requirements

- 4.19 The SHR requires our AAS to confirm compliance or otherwise. Any areas for improvement should be recorded in the AAS, but only where these are of such materiality and significance that we are unable to say confidently whether we were complying with a particular requirement.
- 4.20 We have taken account of updates to the SHR's guidance in the preparation of our AAS and used the toolkit developed by the Scottish Federation of Housing Associations ("**SFHA**"). This year, the SHR issued a requirement for RSLs to

Confirm whether you meet all duties in relation to tenant and resident safety, and in particular that you have obtained appropriate assurance about your compliance with all relevant safety requirements including:

- *Gas safety*
 - *Electrical safety*
 - *Water safety*
 - *Fire safety*
 - *Asbestos*
 - *Damp and Mould*
 - *Lift safety*
- 4.21 These are not new elements to what we have assured on in our previous AASs i.e. tenant and resident, rather they are being made more explicit by the SHR.

Self-assessment and review

- 4.22 As part of the completion of our self-assessment of compliance against the Regulatory Standards (the "**Standards**") and the requirements set out in the Framework we identify sources of assurance relative to each requirement and catalogue these in a detailed evidence file.
- 4.23 In assessing materiality, we take account of the SHR's Statutory Guidance which states we should consider whether the issue could:
- seriously affect the interests and safety of tenants, people who are homeless or other service users;
 - threaten the stability, efficient running or viability of service delivery arrangements;
 - bring the landlord into disrepute, or raise public or stakeholder concern about your organisation or the social housing sector; and
 - in the case of RSLs, put at risk the good governance and financial health of the organisation.
- 4.24 This year we are required to have our self-assessment externally reviewed. Campbell Tickell has carried out and completed its review and confirmed that we are materially compliant, stating:

"Wheatley has carried out a comprehensive self-assessment that clearly evidences compliance with the SHR Regulatory Standards, Requirements of RSLs and the Constitutional Requirements."

- 4.25 Campbell Tickell has highlighted that there are no areas of non-compliance. A copy of the full self-assessment is available on request.

Tenant and resident safety

- 4.26 Tenant and resident safety remain a key focus of our work. We have robust processes in place to support our approach to tenant and resident safety. This includes teams dedicated to building compliance, supported by a Health and Safety Team which provides support and guidance when required. We also have a dedicated fire safety team which has suitably skilled and experienced individuals.
- 4.27 We include building compliance and fire safety reports to the Group, Lowther and each RSL Board on an annual basis and provide comprehensive health and safety reports bi-annually.
- 4.28 In April this year the Group Board approved an updated Group Health and Safety policy and considered fire safety within the context of the Grenfell Phase 2 report, Multi Storey Flat cladding and fire door checks.
- 4.29 Where practical, we would combine compliance activities taking account of asset compliance cycles, property attributes and individual customer requirements. Our compliance processes and delivery programmes are regularly reviewed by both internally by our Assurance Team and externally by bodies such as CORGI for Gas, NEIC for electrical safety and relevant lifts inspectors arranged through our insurers.
- 4.30 We further strengthened our building compliance activity through our Group Asset Management Strategy and associated subsidiary Strategic Asset Investment Plans. These have a strong focus on compliance-related activity, which keeps our tenants and residents safe.
- 4.31 In the intervening period, any other matters arising either as a consequence of our work or wider public/customer interest are raised separately to the Board.

Social Housing Charter

- 4.32 The Charter, distinct from the Framework, contains a total of 16 outcomes and standards that social landlords should aim to achieve. As two of the standards only apply to Local Authorities, 14 apply to us. The Statutory Guidance in relation to the AAS requires us to also include a statement of compliance with the Charter.
- 4.33 The SHR sets a wide range of specific performance measures that RSLs must collect as part of compliance with the charter. The measures form what we report to the SHR each year as part of the Annual Return on the Charter. The Charter measures are augmented by the SHR prescribing a wide range of specific questions that RSLs must ask as part of their tenant satisfaction surveys relating to the Charter standards. We ask these as part of our satisfaction surveys.
- 4.34 We have in place a very robust approach to assurance and evidence of how we are performing relative to the charter through our core performance reporting framework.

- 4.35 There is a requirement to evidence renewal of EICRs every 5 years. Reasonable efforts including making at least two appointments have been made to complete this work for all customers. Where, despite these efforts, access was not achieved, the properties are reported as in abeyance in our Annual Return on the Charter.
- 4.36 In relation to the AAS, the SHR has advised that given the importance of tenant and resident safety, if all due EICRs have not been carried out at the point of submitting the AAS then this should be identified in the AAS, including the timeframe for completing all due EICRs. We have included a note to confirm that approximately 0.06% of properties are recorded as not having an up to date EICR. In all cases, reasonable attempts to obtain access had been unsuccessful and enforcement action is being pursued.

All relevant legislative duties

- 4.37 The AAS requirement covers a broad scope. Compliance is addressed through adherence to the relevant legal framework and the application of internal policies that reflect applicable laws and regulations.
- 4.38 These policies are reviewed by specialist teams and, when necessary, by external advisors. Legislative compliance mapping conducted by our Assurance team has contributed to clarifying our responsibilities.
- 4.39 We operate a 3 Lines of Defence Model that provides assurance to senior management and Board members about the operation of internal controls in place to confirm we are meeting our legal obligations.
- 4.40 Beyond our core 3 Lines of Defence Model, we are subject to external scrutiny for example through the annual external audit process in specific areas of legislation and spot inspections, such as HMRC. We have not had any instances where a judgement has gone against the Group that we are materially not meeting legislative duties.
- 4.41 Over the last 12-18 months, our Assurance Team have undertaken compliance mapping activity. The results of this have been reported to the Group Audit Committee and provide both additional assurance on our understanding of and compliance with our legislative duties.

2025 Assurance Statement

- 4.42 Based on the above, it is proposed that the following statement be recommended to the Group Board:

Wheatley Housing Group Limited: Annual Assurance Statement 2025

As the parent in a Group structure, the Board confirms that we have appropriate assurance that all Registered Social Landlords (“RSL”) which are part of Wheatley Housing Group Limited (being Wheatley Housing Group Limited, Wheatley Homes Glasgow Limited, Wheatley Homes East Limited, Wheatley Homes South Limited and Loretto Housing Association Limited) materially comply with:

- All relevant regulatory requirements as set out in Section Three of the Regulatory Framework
- The Regulatory Standards of Governance and Financial Management
- The relevant standards and outcomes of the Scottish Social Housing Charter
- Our statutory obligations in respect of tenant and resident safety, housing and homelessness and equalities and human rights

We have gained this assurance following a review and assessment of the evidence provided at our Board meeting on 27 August 2025 and from our ongoing oversight and scrutiny of the Group’s affairs throughout the year 2024/25.

The Board has overseen the assurance exercise that supports this Statement and is satisfied that it is comprehensive in its scope to include each of the group members. The Boards of each of the subsidiaries are involved in the Group assurance exercise insofar as it relates to their RSL and have also, through their representation on the parent Board, contributed to the Group assurance review.

The Group Board confirms that we are assured we have established appropriate systems for the collection of equalities data and confirms that we are compliant with our obligations in respect of equalities data collection.

The Group Board also confirms compliance in relation to our tenant and safety obligations. In particular, we have gained assurance of our compliance in respect of duties relating to gas safety, electrical safety, fire safety, water safety, lift safety, asbestos and damp and mould.

We recognise that we are required to notify the Scottish Housing Regulator of any changes in our compliance during the course of the year and are assured that we have effective arrangements in place to enable us to do so.

We are required to carry out Electrical Installation Condition Reports on our properties every 5 years. Approximately 0.06% of properties were recorded as not having an up to date EICR. In all cases reasonable attempts to obtain access have been unsuccessful and enforcement action is being pursued to ensure that all properties have a valid EICR by year end March 2026.

2025 Annual General Meetings and remaining meeting schedule

- 4.43 It is proposed that we formally call our AGM for 24 September 2025 at 10.30am, followed by a Board meeting immediately thereafter. The meeting and business thereof will be called in line with the requirements of our Articles.
- 4.44 Our AGMs in September mark the dates when appointments/retirements of Board members takes effect. At this year’s AGM Bernadette Hewitt and Lindsay Cartwright will be retiring from the Board.

- 4.45 Each of our RSL partners and Wheatley Group Capital plc will also hold their AGMs in September. Under their constitutions, all RSL partner appointments and re-appointments at the AGMs require formal approval from the Parent. The Group RAAG Committee, under its Terms of Reference, is responsible for approving Subsidiary Board appointments and will therefore be asked to provide this approval on behalf of the Parent.
- 4.46 All partner General Meetings require the Parent member to be in attendance, in order for the meetings to take place. It is proposed that any of the lead Executives, the Group Company Secretary or Head of Governance be authorised to act as the Parent representative.
- 4.47 The representatives shall act on the basis that they are instructed to, and only authorised to, vote in favour of the resolutions. In accordance with partner constitutions, formal notice confirming which person is being appointed will be given prior to the relevant meetings.

2026 draft schedule of meetings

- 4.48 In keeping with the scheduling for this year and in previous years the proposed schedule of meetings for 2026 is as follows:

Date	Time	Venue
Wednesday 25 February	10.30	Wheatley House
Wednesday 29 April	10.30	Brasswell
Thursday 18 June and Friday 19 June (Board and strategy residential)	Thu am - Fri lunchtime	External
Wednesday 26 August	10.30	Wheatley House
Wednesday 30 September (following AGM)	10.30	Wheatley House
Wednesday 11 November	10.30	New Mart Road
Wednesday 16 December	10.30	Wheatley House

5. Customer Engagement

- 5.1 As governance-related matters, the content of the report is reserved to the Board and is of an internal focus. As such no customer engagement has been appropriate.

6. Environmental and sustainability implications

- 6.1 There are no environmental or sustainability implications associated with this report.

7. Digital transformation alignment

- 7.1 There are no links to the digital transformation programme.

8. Financial and value for money implications

- 8.1 There are no financial or value for money implications.

9. Legal, regulatory and charitable implications

- 9.1 The AAS process allows us to annually confirm our compliance with the SHR Regulatory Framework, bolstered by independent scrutiny of our evidence to support an assessment of materially complaint.
- 9.2 The Housing (Scotland) Act 2001 created a legal requirement for social landlords to actively develop and support tenant participation; we achieve this through our Group Engagement Framework. The Group Scrutiny Panel is one way we support tenants to undertake scrutiny activities linked to the Scottish Social Housing Charter and related regulatory framework.

10. Risk appetite and assessment

- 10.1 Our risk appetite in relation to governance is cautious, which is defined as “Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward”.
- 10.2 The AAS process, strategic governance reviews and ongoing updates to the Board are consistent with our risk appetite level and ensuring that the Board is consistently monitoring any governance related risk.

11. Equalities implications

- 11.1 Our annual review of our Modern Slavery Statement is consistent with our EDI and human rights approach.
- 11.2 The Group Scrutiny Panel’s Code of Conduct details that Panel members should ‘undertake their responsibilities for the benefit of all customers irrespective of race, age, sexual orientation, class, disability, gender, religious beliefs, nationality or ethnic origin or any other protected characteristic and comply, support and promote the Group EDI and Human Rights policy.

12. Key issues and conclusions

- 12.1 The report covers routine governance matters which require to be considered on an annual basis or which are subject to Board approval.

13. Recommendations

- 13.1 The Board is asked to:
 - 1) Approve the initiation of a Strategic Governance Review and the Terms of Reference for the review;
 - 2) Approve the approach to individual Board member and Chair appraisal;
 - 3) Approve the Annual Assurance Statement for submission to the Scottish Housing Regulator;
 - 4) Agree to call our Annual General Meeting for 24 September 2025 at 10.30am;
 - 5) Note a Board meeting will be held following the Annual General Meeting;
 - 6) Approve the Parent representatives for the subsidiary General Meetings as set out in the report and instruct them to vote in favour of all resolutions; and
 - 7) Approve the 2026 schedule of meetings

LIST OF APPENDICES:

Appendix 1: Strategic governance review Terms of Reference

Appendix 2: Chair appraisal form

Strategic governance review

- Terms of Reference

1. Context

Wheatley Housing Group (“WHG”) is the Parent within a Group structure (“the Group”). The group structure contains entities legally constituted and regulated in a range of different ways, including:

- Registered Social Landlords (“RSLs”)
- Companies Limited by Shares
- Companies Limited by Guarantee
- Registered Societies (via the Financial Conduct Authority)
- Registered Charities (via the Office of the Scottish Charity Regulator)
- Registered Care services (Via the Care Inspectorate)
- Registered factor and letting agent (via the Scottish Government)
- Financial Conduct Authority (insurance mediation via Wheatley Solutions)

As WHG is a Registered Social Landlord, the Group is principally regulated by the Scottish Housing Regulator.

As a group, we have routinely undertaken strategic governance reviews: to reflect our strategic direction in our governance arrangements; take into account any material changes in our group context; learn lessons from previous governance reviews; learn lessons from the wider sector; review the effectiveness of our current governance arrangements.

We are in the process of developing our 2026-2031 Group strategy and following a series of Board strategy workshops have an increasingly clear strategic direction. As this strategic direction is codified into our 2026-2031 Group and subsidiary strategies, the timing is appropriate to initiate a strategic governance review in parallel with this process.

2. Scope of review

The scope of the review is based on our overarching governance structure and arrangements. The strategic review should cover four key areas:

1. The overarching Group structure
2. The role and remit of Boards and Group Committees within the Group structure
3. Board compositions
4. Board practice

Further detail on each is set out in the proposed approach and methodology.



3. Review Area

Group structure

Our Group structure is attached at Appendix 1. In recent years, the focus of our group structure has been twofold: what delivers the best service and benefits for tenants; and what reduces risk and complexity. This is set within the context of understanding that our operating context and stakeholders are factors in the decisions we make regarding our group structure.

The review of our group structure should incorporate the following:

- the role of each part of our Group structure, now and in the future, relative to our strategic direction and key strategic priorities
- the external legal and regulatory compliance requirements of the current structure;
- intragroup relationships
- decision making within the current group structure
- reference to lessons learned and good practice within and outwith the wider sector

Recommendations should be made for how the Group structure is best aligned with our future strategic direction and where there is scope to reduce complexity and risk.

Role and remit of Group/Subsidiary Boards/Committees

Review and assess the role and remit of each Board and Committee within the Group. This should include:

- the delineation of roles and responsibilities of Boards and Committees
- the effectiveness and agility of decision making and the identification of any inherent or unnecessary duplication
- Areas where integration of roles and responsibilities could enhance our governance
- any gaps in the role and remits of Boards or Committees
- reference to lessons learned and good practice within and outwith the wider sector

Recommendations should be made on the role and remit of Boards and Committees, including where amendment or integration could improve the overall governance of the Group.

Board and Committee compositions

Taking into account the findings in relation to the role and remit of Boards and Committees and our future strategic direction, Board composition should be assessed and reviewed. This should include consideration of:

- the skill and experience requirements of each Board and Committee relative to its role and responsibilities – current and future
- the composition of each Board – including the size, balance of the different constituent memberships and reliance on intra-group appointments
- Office bearer eligibility and appointment process
- reference to lessons learned and good practice within and outwith the wider sector

Recommendations should be made on the size, composition and skills and experience required for Committees and Boards. These should be accompanied by revised skills matrices for each Committee and Board.

Board practice

Our general Board practices such as Board agendas and reporting, how meetings are managed and the schedule of meetings.

4. Methodology and approach

The methodology and approach should incorporate the following elements:

Element	Approach
Desktop review	▪ Review of existing Group structure and intragroup relationships ▪ Review of Board and Committee roles and responsibilities - Reserved matters - Devolved matters - Committee Terms of Reference - Board level Schemes of Delegation - How the roles were discharged during pandemic ▪ Review of all existing Board and Committee compositions - Size of Board - Constituent membership - Office bearer eligibility ▪ Review of Board and Committee papers ▪ Review of self assessment evidence
Board/Committee engagement	▪ One to one interview with all Group Board members (which also covers all partner Board and Committee Chairs and Group CEO) ▪ Discussion with Group RAAG Committee ▪ Board workshops with subsidiary Boards
Contextual research	▪ Group Strategy workshop materials and notes ▪ SHR Regulatory Framework
Good practice	▪ Review/research of good and emerging practice and lessons learned within and outwith sectors in which the Group operates

5. Timescale

The target timescale for completion of the review will be as follows:

Milestone	Completion date
Group Board agree Terms of Reference for strategic governance review	27 August 2025
Desktop review completed	End September 2025
Board member interviews	End September 2025
Board workshops	Mid-October 2025
Initial findings and recommendations	October
RAAG Committee review of draft report	Late October/Early November 2025
Final report to Group Board	5 November 2025
Group Board agree what recommendations to adopt	12 November 2025
Update to all partner Boards/Committees	November 2025
Implementation plan to Group Board	December 2025

Chair appraisal questionnaire

Introduction

We expect high standards from our Board members and are committed to continuous improvement of our governance. As part of the overall Board appraisal process, each Chair also expects to be appraised and welcomes the chance to learn from feedback offered by colleagues. This form is confidential - completed forms will be seen only by the Group Secretariat and the Group Chair.

The form sets out a series of statements about the Chair's competencies – as you will see, you are asked to rate these on a scale of 1-5, with 5 being the 'excelling' score (described on the right hand side). There is then space for you to add any comments. These will be used to prepare feedback to the Chair by the Senior Independent Director, but on an unattributed, confidential basis.

Name	
Date	

COMPETENCY 1: BOARD MEETINGS			
'Learning' stage Score 1 There is little sense of purpose to the meetings. The Chair does not ensure that satisfactory progress is made through the agenda.	◀◀ 1 2 3 4 5 ▶▶	'Excelling' stage Score 5 The Board's business & meetings are conducted efficiently. Meetings start on time and finish at a reasonable hour. Decisions are reached and recorded correctly.	
	Please add any comments about your score and if possible explain any scores that are below 3.		
	Comments: 		

COMPETENCY 2: INCLUSIVENESS		
'Learning' stage Score 1 The Chair may lead the discussion but fails to take account of different perspectives or allow/encourage contributions from all members.	◀◀ 1 2 3 4 5 ▶▶	'Excelling' stage Score 5 The Chair brings people in and encourages useful contributions. Appropriate standards of behaviour are maintained.
	Please add any comments about your score and if possible explain any scores that are below 3.	
	Comments:	
COMPETENCY 3: STRATEGIC FOCUS		
'Learning' stage Score 1 The Chair allows the Board to become over-focused on operational and detailed matters that should be delegated to staff.	◀◀ 1 2 3 4 5 ▶▶	'Excelling' stage Score 5 There is sufficient delegation to senior staff. The Board remains focused on its strategic role.
	Please add any comments about your score and if possible explain any scores that are below 3.	
	Comments:	

COMPETENCY 4: ASSURANCE			
'Learning' stage Score 1 The Chair does not facilitate the Board seeking the appropriate level of advice at the right time to enable it to reach good decisions.	◀◀ 1 2 3 4 5 ▶▶▶	'Excelling' stage Score 5 The Chair ensures that the Board receives professional advice when needed from its senior staff or external sources.	
	Please add any comments about your score and if possible explain any scores that are below 3.		
	Comments: 		

Further Comments	
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What does the Chair do best, and in what areas does the Chair add the most value?	
What does the Chair need to focus on as a priority?	
Do you have any other comments?	

Thank you for filling in this questionnaire
Please save this file and email it back to
[REDACTED]

Report

To: Wheatley Housing Group Board

By: Frank McCafferty, Group Director of Assets and Development

Approved by: Steven Henderson, Group Chief Executive

Subject: Stock Condition Assurance

Date of Meeting: 27 August 2025

1. Purpose

- 1.1 To provide an update on our approach to Stock Condition Surveys and proactively managing safety risks in complex buildings.

2. Authorising and strategic context

- 2.1 The Board has overall responsibility for our responsibility for asset management, including via the approval of a Group Asset Strategy and Group five-year investment plan. It is also responsible for monitoring compliance, including an ongoing role in monitoring our approaches to risk and performance.
- 2.2 The Board has had a strong strategic focus on stock condition and how we create capacity for additional investment in tenants' homes. As a result of this focus we initiated a strategic project in 2024/25 to develop a data and technology enabled approach to managing and monitoring building compliance. For this year we also agreed a strategic project to create bespoke asset management plans for our Multi-Storey blocks.
- 2.3 This work will continue into our next five-year strategy, as we bring our different sources of data together to allow us to assess and report on all aspects of the condition of our properties. This means developing integrated data and reporting on all aspects that matter to tenants – condition inside the home, in communal areas and the external environment, including gardens.

3. Background

- 3.1 Following the approval of the Strategic Asset Investment Plans (“SAIP”) by each RSL in 2024, this report provides the Board with an update on the work being carried out to deliver on the main priorities of the plans in relation to stock condition.
- 3.2 The five priority areas in our plan were:
- Compliance
 - Neighbourhoods
 - Component Replacement
 - Energy Efficiency
 - Particular Stock Types

- 3.3 The Board agreed to receive regular updates on the work being carried out to enhance the information we collect on the condition of our stock and how this will be used to inform our investment plans.

4. Discussion

Stock Condition Surveys

- 4.1 An integral part of the SAIPs is to ensure the information that we have on the condition of our stock is accurate and kept up to date. This information is essential to allow us to make informed decisions on where investment is prioritised, together with the ability to undertake more focused and accurate long-term investment planning.
- 4.2 This approach has enabled us to achieve compliance with legal property condition standards, including the Scottish Housing Quality Standard (“**SHQS**”) and the Energy Efficiency Standard for Social Housing (“**EESH2**”). We currently hold comprehensive lifecycle and component detail at an individual property level in our PIMMS system.
- 4.3 This information has previously been informed and updated by validation surveys, instead of routine stock condition surveys, which cover approximately 5%–7% of our stock annually. This approach supported our risk-based methodology, using insights from external surveys to validate our stock data and inform future investment planning.
- 4.4 These surveys are conducted by Jones Lang Lasalle (“**JLL**”) as part of the annual valuation process. Where sample surveys identify issues requiring further investigation, we may increase the sample size to ensure a more comprehensive assessment. We have used our stock condition validation JLL data to inform the financial provisions we make in our business plan.
- 4.5 As part of our new SAIP, we are strengthening our approach by creating an in-house team to assess the condition of our stock. We will undertake condition surveys of each property on a 5-year cycle. This increased survey programme will enable us to collect more information on our stock than the previous JLL surveys, more frequently. We have also been increasing the use of technology to inform our investment plans, such as drone surveys of the external condition of our Multi Storey Flats (“**MSFs**”) in WHG.
- 4.6 Our surveys will include an assessment of the condition of each element of the building. This will cover external surveys of building fabric, such as walls, windows, external doors, rainwater goods, roofs and common closes; and grounds – including common garden areas, fencing, paving, steps, handrails. Internal surveys will include heating, electrics, kitchen, bathroom and internal doors.
- 4.7 The surveys will also assess the remaining anticipated life, which will be used to update our asset management database, PIMMS. Our survey programme will continue to be externally validated/audited to provide additional assurance.

- 4.8 This enhanced survey programme, together with consultation with stakeholders, including customers and frontline staff, will feed into the annual planning programmes as follows:
- 30-year Business Plan - our high-level planning tool.
 - 5-year Business Plan - standard finance planning tool for all investment. Information will be drawn from the annual and 3-year plan, as well as information from PIMMS.
 - 3-year Delivery Plan - The 3-year delivery plan will be utilised to ensure a 12-month rolling programme of investment works and will identify planning and design resources required to deliver each project. It will also identify projects which may cover multiple financial years.
 - Annual Investment Programme - our annual investment programme approved by the Board each year. This cyclical programme approach of survey, analyse, consult and report will help improve our ability to ensure our investment decisions have the correct balance of customer and business priorities.

Stock Categorisation

- 4.9 Across Group, we have a huge variety of property construction types within our housing stock, ranging from homes constructed over 150 years ago to new homes being delivered in 2025. To allow for more efficient analysis of information we have grouped these typologies into the following proposed clusters
- Multi Storey Flats (over 18m)
 - Houses
 - 4 in a block flats
 - Inter war tenements
 - Post war tenements
 - Pre 1919 tenements
 - Sheltered housing (Living Well)
- 4.10 Each of these clusters of stock will present different challenges and require different approaches to meet the investment requirements, however our enhanced programmed approach in assessing condition will assist in our prioritisation and investment planning. The MSFs in WHG are one of the identified clusters and are complex building types that commonly face specific challenges, particularly around cladding, ventilation, and issues related to damp and mould.
- 4.11 As part of the SAIP for WHG we have prioritised a review the MSF cluster and to support this we have appointed third-party building surveyors, Graham & Sibbald, to carry out a building pathology assessment of targeted MSFs to identify any common themes which require to be included within future investment programmes.
- 4.12 Graham & Sibbald will also provide recommendations on a standardised approach to the remediation works required in our MSFs, aimed at effectively addressing issues related to ventilation, damp, and mould.
- 4.13 Our 132 MSFs were built using various construction methods, including Large Panel Systems (“LPS”). Significant investment has been made to our MSFs over the last 20 years including, external wall insulation, new heating systems and lift replacements.

- 4.14 We have twelve blocks that were built using LPS, six of which are 8-storeys. Documents issued in 1968 by the UK Government, subsequently codified in Building Research Establishment (“BRE”) publications over several decades, contain guidance for structural risk assessment of LPS blocks. Risks are deemed to be higher in the case of LPS blocks with a gas supply or basement.
- 4.15 It was established through surveys prior to the creation of GHA and Wheatley that our LPS blocks met the required structural standards. None of our blocks have a gas supply or basement level. Since stock transfer in 2003, as part of our regular survey programmes, we have continued to assess the condition of these blocks, in particular the concrete, through surveys carried out by independent structural engineers. The most recent, in 2024, stated that the blocks were in good condition.
- 4.16 BRE guidance recommends – subject to risk assessment – that every 30 years intrusive surveys of LPS blocks should be carried out. As part of our regular structural inspection regime, we are developing such a programme in conjunction with independent structural engineers, which will take account of this guidance.
- 4.17 As part of our proactive approach to managing all aspects of building safety risk, we maintain Building Safety Assessment (“SBA”) documents for the 12 LPS blocks. These assessments contain information on the buildings and the work that we do to ensure they are safe and meet the necessary standards. They also contain details on building safety systems and the checks we undertake, together with the timescales for these checks. The SBAs will be updated on an annual basis, with an example of an SBA provided at Appendix 1.

5. Customer Engagement

- 5.1 It is important that we communicate proactively with tenants about how we keep them safe in their homes, how we monitor stock condition and our plans to invest in improving homes and neighbourhoods. We do this through a range of methods, such as dedicated sections of our website, our annual report to tenants, the rent consultation, housing officer visits, and social media updates.
- 5.2 As we review our approach to tenant communication and engagement this year, and moving into our new strategy period, we plan to increase the range and frequency of this communication, in response to tenant feedback that we should provide more detail, more regularly, on future investment plans and how rent is spent.

6. Environmental and sustainability implications

- 6.1 Our properties perform well against energy efficiency standards. At present, 92.3% of our homes meet the current required Energy Performance Certificate (“EPC”) of Band C or above. Maintaining the fabric and components of our stock, such as kitchens and boilers, has a positive impact on the environment through delaying the production of CO₂ associated with manufacturing process.
- 6.2 In addition, the interrogation and validation of our asset management data will provide the assurance that the environmental impact of our homes (as measured by EPC/SAP score) continues to be up-to-date and accurate. This robust data will also support and inform decisions for the investment programme towards achieving regulatory requirements for future energy efficiency standards.

7. Digital transformation alignment

- 7.1 Our Asset Strategy includes the proposal to explore, through developing appropriate pilot projects, how digital techniques including AI can support asset management. This will build on our already extensive use of data to support our asset investment and management through our PIMSS asset management system.

8. Financial and value for money implications

- 8.1 The stock validation process augments the condition reporting undertaken by our in-house teams through repairs, investment and compliance programmes. It provides the assurance that the £270m we plan to invest in our customers' homes in the next five years is targeted and effectively delivering the right measures, in the right properties at the right time.

9. Legal, regulatory and charitable implications

- 9.1 The Scottish Housing Regulator (“SHR”) provides guidance on Business Planning which advises:

“An RSL’s ability to deliver good services for customers and provide a solid platform for improvement depends on its ability to make the most of its housing assets. The business plan should be underpinned by a robust approach to strategic asset management. RSLs should therefore develop strategic asset management alongside, and to complement, the business planning process”.

- 9.2 Our business plan 30-year investment assumptions are cross-checked to the independent assumptions made by JLL in their stock valuations, which are discounted cash flow calculations, including the investment they consider would be necessary to manage and maintain the stock appropriately over the period.

10. Risk Appetite and assessment

- 10.1 Our agreed risk appetite in investing in existing homes and environments is cautious. Ongoing financial strength is crucial to enable us to continue to improve, modernise and maintain our homes. We will revise our well-established investment processes to include more focus on what creates most value for our customers. Value for money will still be the key factor in our decision making, but wider benefits, such as reducing levels of emergency and reactive repairs and customer satisfaction, will also be considered.
- 10.2 Our agreed risk appetite in ensuring compliance with legal and regulatory requirements is minimal. Keeping customers and staff safe is a key priority and we must be able to demonstrate that we comply with health and safety legislation in relation to our investment activity.

11. Equalities implications

- 11.1 There are no equalities implications arising from this report

12. Key issues and conclusions

- 12.1 We have a strong and robust approach to asset management across the Group. Our Asset Management Strategy sets out how we will continue to build on this, by increasing our in-house surveying capacity, covering every property over a five-year cycle, and retaining that knowledge in-house rather than solely using external consultants. We are also using technology effectively to support this approach, such as drone surveys of cladding on high-rise flats and sensors in properties where mould and damp may have previously presented.
- 12.2 As part of our cluster approach within our Asset Management Strategy, we have begun developing bespoke strategies for our MSFs, taking into account ongoing survey work.
- 12.3 Our data strategy – overseen by the Wheatley Solutions Board - is critical in supporting our Asset Management approach; as we aim to draw together asset information from different sources to allow us to assess and report on all aspects of the condition of our homes and neighbourhoods.

13. Recommendations

- 13.1 The Board is asked to note the contents of the report.

LIST OF APPENDICES:



- 4.4 There are currently 35 recorded cases with unacceptable actions in place across the Group, which are managed in line with the existing Policy.

Staff and stakeholder engagement

- 4.5 Given the direct relevance to our staff, the review process involved a wide range of engagement with our staff. This was bolstered by engagement with our Trade Union partners and stakeholders. The key feedback from our staff included:

- A need for the language in the Policy to be clearer and simpler;
- Greater clarity around the consequences of unacceptable behaviour;
- Clearer language of the zero-tolerance approach to unacceptable behaviour;
- Clearer definitions of who is considered a customer, and to whom the Policy applies; and
- Clarity on the use of social media when it comes to unacceptable actions.

Customer engagement

- 4.6 Alongside staff and stakeholder engagement, we undertook a digital survey to seek customer feedback. We received 185 responses from customers, with the key feedback as follows:

- 46% of customers knew about the Policy
- 63% agreed it's reasonable to restrict contact for unacceptable behaviour
- 54% thought reviewing restrictions after six months is appropriate.

- 4.7 Customers indicated through the survey that incidents and individual circumstances should be evaluated independently. In particular, respondents expressed a view that vulnerabilities should be taken into account when applying the Policy.

Policy benchmarking

- 4.8 We also undertook a benchmarking exercise to compare our policy with those of similarly sized RSLs and partner organisations. The exercise found that our current Policy was in alignment with these policies, with a common focus on the repercussions of unacceptable behaviour being proportionate and considered on a case-by-case basis.

Key changes to policy

- 4.9 Based on our internal review and the feedback from staff, stakeholders, customers and benchmarking a number of changes are proposed to the Policy. The revised Policy is attached at Appendix 1, with the key proposed changes set out below:

- Definition of which groups are considered customers and to whom the Policy applies.
- Emphasising zero tolerance for unacceptable behaviour towards staff.
- Clarifying consequences for such actions, including possible eviction.
- Providing details on support for affected staff.
- Adding information on the Right of Appeal.
- Covering unacceptable behaviour on social media.

Implementation

- 4.10 It was proposed that the implementation of the Policy could be facilitated by providing various supplementary materials, such as better promotion of staff support; improved staff guidance with detailed flowcharts; standardised template letters; both internal and external communication initiatives; and additional training, including face-to-face conflict resolution sessions.

5. Customer Engagement

- 5.1 As set out above, customers have been engaged as part of the review of the Unacceptable Actions Policy.

6. Environmental and sustainability implications

- 6.1 There are no specific environmental and sustainability implications from the Policy.

7. Digital transformation alignment

- 7.1 Based on staff feedback, we will seek to enhance the use of our digital platforms to enhance the visibility of alerts for the Policy. This will take place in the coming months.

8. Financial and value for money implications

- 8.1 There are no financial or value for money implications associated with this report.

9. Legal, regulatory and charitable implications

- 9.1 There are no current legal, regulatory or charitable implications for this report. The Employment Rights Bill is moving through the UK Government's policymaking process and is likely to receive Royal Assent later this year. Under the Bill, employers could be held responsible for 'third-party harassment' unless they can show that reasonable measures were taken to prevent it.
- 9.2 Additionally, should we decide to restrict a customer's contact, we must be careful to follow the process set out in our Policy to minimise any restrictions on a customer's access to the complaints process. This should be a last resort, as we are required to signpost the customer to the Scottish Public Services Ombudsman in these instances.

10. Risk Appetite and assessment

- 10.1 Our agreed risk appetite in the application of this Policy is cautious. Each instance of unacceptable behaviour towards our staff or contractors is assessed on a case-by-case basis by a senior manager.

11. Equalities implications

- 11.1 The Group Unacceptable Actions Policy is closely linked to the Group Equity, Diversity and Inclusion ("EDI") Policy, and reasonable adjustments will be provided for customers whose unacceptable actions are attributable to a disability or another protected characteristic.

12. Key issues and conclusions

- 12.1 The Policy is a key mechanism to ensure that we are clear with customers the types of behaviour we will not tolerate and what actions we will take to protect our staff, stakeholders and the organisation as part of a zero-tolerance approach.

13. Recommendations

- 13.1 The Board is asked to approve the Group Unacceptable Actions Policy, as attached in Appendix 1.

LIST OF APPENDICES:

Appendix 1 – Group Unacceptable Actions Policy (Tracked)

Group Unacceptable Actions Policy

We can produce information on request in large print, Braille, tape and on disk. It is also available in other languages. If you need information in any of these formats please contact us on Freephone 0800 479 7979.

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Approval body	Group Board
Date of approval	25 <u>28</u> th August 2022 <u>2025</u>
Review Year	2025 <u>2028</u>
Customer engagement required	No <u>Yes</u>
Trade union engagement required	Yes— for info
Equality Impact Assessment	No

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1. Introduction

All our customers have the right to be heard, understood and respected. Our staff ~~also~~ have the same right to be heard, understood, and respected, and also protected against any form of unacceptable ~~actions or~~ behaviour ~~from~~. For the purpose of this policy, we consider “customers” to be tenants of our Registered Social Landlord (RSL) subsidiary organisations, people we work for within Wheatley Care, Lowther tenants and owners, as well as non-factored owners and members of the public.

~~As~~We take a zero-tolerance approach towards unacceptable actions against our staff. Aggressive, abusive, or unacceptable behaviour of any kind will not be tolerated from customers and serious consequences will apply should this behaviour be displayed and/or persist. Our ambition is to create a safe environment for our staff to conduct the full range of their duties and are committed to tackling any behaviours that compromise this in a robust and timely manner.

Our ambition is for the prevention and/or recurrence of unacceptable behaviour against our staff.

To achieve this, as a responsible ~~Employer and Landlord,~~employer we will:

- ~~provide~~Provide an accessible service ~~while for our customers with an understanding of their unique personal circumstances, including any vulnerabilities, whilst~~ retaining the right to restrict or change access to our service if we consider ~~the customer’s~~their actions to be unacceptable ~~and;~~
- ~~make~~Make sure our staff ~~and other customers,~~ do not suffer any disadvantage from customers who act in an unacceptable manner.
- Ensure that ~~the any~~ staff member reporting ~~the~~ unacceptable ~~behaviours~~behaviour or who has witnessed an incident of unacceptable behaviour, are fully supported and ~~has~~have access to support from their line manager and our range of employee wellbeing services.
- Provide the staff ~~members~~member(s) concerned, with regular updates on ~~the any outcome and~~ actions taken against the perpetrator.

~~2. Definition of unacceptable actions~~

~~Our staff should treat customers with courtesy and respect and in return we expect the same courtesy and respect from our customers.~~

~~2. We appreciate that there~~Definitions: Unacceptable Actions

There may be times where a customer feels as though our levels of service have not met their expectations ~~and for~~. Whilst we expect our staff members to be empathetic and strive towards achieving an agreeable resolution for our customers, this we will

~~be sympathetic as is necessary however, does not justify~~ unacceptable actions or behaviour ~~towards our staff members will not be being exhibited.~~

Unacceptable actions and behaviour can be perceived, and tolerated under any circumstances.

~~The~~, differently by our staff members. We consider the following ~~actions are considered~~ types of behaviour to be unacceptable:

- Aggressive or abusive behaviour (verbal or physical)
- Unreasonable demands
- Unreasonable persistence
- Vexatious behaviour
 - ~~Use of Social Media~~

- Inappropriate use of social media

Please note that this list is not exhaustive and that we will always treat certain behaviours as unacceptable when they have made staff feel unsafe, threatened, afraid or abused. In such cases we may also have cause to contact Police Scotland to further address and report the behaviour and provide support to our staff.

Aggressive or abusive behaviour (verbal or physical)

Aggressive or abusive behaviour ~~we consider to be inappropriate or unacceptable~~ can be —conducted face to face, by written or ~~oral~~ spoken communication and in the public domain, by for example by using, use of social media.

Examples of this type of behaviour can include:, but not limited to the following:

- Language (~~oral~~ spoken, written or electronic communication) that may cause staff to feel upset, afraid, threatened or abused.
- Aggression that may result in physical harm.
- Any form of discrimination
- Threats.
- Sexual harassment
- Physical violence.
- Personal verbal abuse.

- Shouting.
- Swearing.
- Derogatory remarks.
- Rudeness.
- Inflammatory statements.
- Unsubstantiated allegations.
- Using audio or video recordings within the public domain for the purpose of harassment, victimisation, slander ~~and~~or stalking.
- Vandalism or damage to personal or work property.

We recognise that the list above is not exhaustive and ~~many forms~~any form of engagement that ~~make~~makes a staff member feel threatened or abused will be taken into consideration.

We recognise that a customer may wish to record an interaction (audio and ~~/~~or video) in connection with and in support of a concern or issue they have with Wheatley Group and may be able to legitimately do so.

We consider this behaviour to be unacceptable if the recordings are used in the public domain for the purpose of harassment, victimisation, slander ~~and stalking or stalking.~~
We will remove any content of this nature on our social media sites if it is within our power to do so. If the recordings are on a private site, we will seek to contact the provider to explore the potential to remove the content if it is felt appropriate and proportionate to do so.

Where a staff member is concerned with the nature of any recording, feels threatened, uncomfortable or does not want to participate in recorded communications, they shall be entitled to end the engagement and consider other forms of communication moving forward with the customer e.g., written communication or escalation to their Line Manager to explore alternative options.

Unreasonable Demands

What amounts to unreasonable demands depends on the issues presented by the customer and the manner and behaviours they exhibit in doing so. This might include:

- The amount of information sought ~~by a customer;~~
- The nature and scale of service ~~they expect; and~~expected.
- The number of approaches ~~they make~~made.

Examples of this type of behaviour include, but are not limited to the following:

- Demanding responses within an unreasonable timescale.
- Insisting on seeing or speaking to a particular member of staff.
- Excessive contact, including phone calls, letters, digital messages or emails.
- Repeatedly changing the substance of a complaint or raising unrelated concerns.

Unreasonable Persistence

~~Wheatley Group staff~~We will always try and encourage customers to use existing arrangements, such as ~~the Group~~our Complaints Policy, where appropriate. Customers will be advised on how they can progress a complaint following response and review if applicable, including the appeal process.

Vexatious Behaviour

~~This category may apply following~~Vexatious behaviour usually applies when a final decision has been delivered on a matter at the end of the process or when a customer does not pursue the matter through the relevant procedure and continues to raise it.

~~This category covers:~~

Examples of vexatious behaviour include, but are not limited to:

- Failure to accept that we are unable to assist the customer further or provide a level of service other than that provided already.
- Persistence in disagreeing with action or decision taken.
- Contacting ~~the~~ staff persistently about the same issue.

Examples of this type of behaviour include, but are not limited to:

- Persistent refusal to accept a decision made.
- Persistent refusal to accept explanations in relation to our decisions or actions.
- Persistent refusal to follow relevant procedures.
- Continuing to pursue an issue that Wheatley Group and subsidiaries consider resolved or closed, without presenting any new information.

~~Demands~~Excessive and unreasonable demands and persistence ~~is~~are considered unreasonable if they have a substantial impact on the work of the ~~office~~officer and our ability to provide a service, such as taking up a disproportionate amount of staff time and/or resources to the disadvantage of other customers or functions.

Inappropriate use of social media

It is unacceptable to use social media to abuse, insult or harass our staff members on social media sites.

We will remove any posts or comments containing unacceptable communications from Wheatley social media sites, where we have the ability and functionality to do so.

Where we are unable to remove this content, we will report this to the social media company and/or the owners of other social media pages and request its removal by them.

If there is anything of a criminal nature contained within the post(s) (e.g., threatening behaviour) then we will contact Police Scotland to report this and seek further advice and support on this.

3. Managing unacceptable actions

~~To manage a customer's actions~~Any action taken under this policy, ~~we must make sure we have gathered~~will always require to be substantiated by sufficient information and evidence ~~to support any application of this. We will work to ensure that no individual experiences unfair treatment in the provision of our services and.~~

We are committed to ensuring that any and all actions taken are in line with our Equality, Diversity and Human Rights Policy, ~~where~~ and our Equal Opportunity Policy.

Where a customer has a Disability which has a bearing on managing the customer's~~disclosed~~and/or known vulnerability that may impact their actions or behaviour, this will be taken into account where known, and any reasonable adjustments~~considered,~~in assessing the proportionality of action to be taken. We will also consider any reasonable adjustments that are in place and/or required by the customer when determining the most appropriate course of action to be taken.

Our response to unacceptable behaviour will be reasonable and proportionate. In most cases, we will always give our customers the opportunity to consider, acknowledge and rectify their behaviour in the first instance.

However, in cases where serious unacceptable behaviour has been displayed or threats of such have been made, such as physical or verbal violence, assault or

sexually motivated conduct or violence, then we will take immediate action. As part of this action, we will also contact Police Scotland to report this conduct and seek advice and information to best support our staff member(s) impacted by the behaviour.

The consequences of unacceptable behaviour will be considered on a case-by-case basis. In most cases, customers will receive a warning letter for the behaviour to desist. However, should this behaviour continue, we could restrict contact with a customer.

In cases where behaviour continues after we restrict contact with a customer, this could lead to further consequences, such as issuing of a tenancy warning. In extreme circumstances, for RSL and Lowther tenants, we may pursue action at court, which can include activity up to and including obtaining an antisocial behaviour order (ASBO) and/or seeking to end a customer's tenancy.

Informing the customer

In all cases, we will contact the customer to explain what actions we consider unacceptable and why. ~~We~~Wherever possible, we will ask the customer to ~~moderate~~modify their behaviour and explain what actions we may take if they do not.

~~Wherever possible, we will give a customer the opportunity to modify their behaviour or actions before a decision is taken to apply the unacceptable actions policy. In the first instance unless involving physical or sexually motivated conduct or violence we will always write to a customer and ask them to amend their behaviour.~~

We may offer to meet the customer to discuss the unacceptable actions and agree a way forward. It may be appropriate in some cases to engage a third party, for example independent mediators, to assist us in resolving a situation.

Decisions to restrict contact will only be taken after careful consideration of the situation and circumstances by a relevant Manager, Director or Senior Wheatley Group Service ~~leader~~Leader.

~~In cases of exceptional circumstances, an incident may which require immediate action. This could include incidents where staff directly experience aggressive or abusive behaviour involving physical or sexually motivated conduct or violence from a customer.~~

~~In these cases,~~ the relevant Manager, Director or Senior Wheatley Group Service ~~leader~~Leader will have the authority to deal with that behaviour immediately in a manner they consider appropriate. ~~Which can include an immediate safety alert being~~

~~placed on customer and or customer address in addition to contacting Police Scotland to report the incident.~~

This can include an immediate safety alert being placed on our customer(s) record and or customer address, in addition to contacting Police Scotland to report the incident(s).

Where we ~~have to~~ take direct action, we will ~~tell~~notify the customer in writing what action we are taking and why, the details of the restricted contact arrangements and the length of time that the restriction will be in place. ~~The length of time the restrictions remain in place will last a minimum of 6 months and be reviewed at 3 monthly intervals thereafter.~~

All incidents of unacceptable actions and any decision taken to restrict customer contact are recorded on our system and we will ensure relevant employees are informed of any restrictions put in place; ~~this.~~ This may also include contractors and other statutory agencies who will engage with our customer during the course of carrying out their duties.

A review will be undertaken in advance of the restriction elapsing. ~~This~~Consideration will be given to determine if the restriction ~~will~~should be lifted or continued based on the customer's recent actions, conduct and behaviour.

Consequences of Unacceptable Actions; Restricting ~~contact~~Contact and Services

We will restrict contact in a way that allows the customer to continue receiving a service from us and continue to progress through any ~~process~~processes they are currently involved in, ~~for.~~ For example, a current complaint, a housing application or an ~~on-going~~ongoing repair.

Possible actions ~~will~~ include:

- ~~We will end~~Ending telephone calls if the caller is considered aggressive, abusive or offensive. Employees have the right to make this decision, tell the caller that the behaviour or language is unacceptable and end the call if the behaviour does not stop.
- ~~We may advise~~Advising the ~~tenant or~~ customer that we consider the issue(s) fully responded to and that continuing correspondence on the issue(s) would serve no useful purpose. In these circumstances future correspondence relating to the issue will be noted and filed but will not be acknowledged or responded to unless it contains new significant information which we consider ~~to require~~requiring action or response.

~~We may advise~~

- ~~■ Advising the tenant or~~ customer that we can only consider a certain number of issues within a given time period and ask them to limit or focus their request accordingly.
- ~~■ We may restrict tenant or~~ Restricting customer contact with ~~our offices or specific staff members.~~
- ~~We may restrict~~ Restricting contact to a named individual for all matters ~~with the exception of reporting repairs (particularly~~
- ~~■ Restricting our service provided to customers by only responding to emergency repairs) which will be through the Customer First Centre.~~

In some exceptional circumstances, where we consider the situation with an individual or individuals to be challenging ~~to resolve conflict then,~~ we may require all contact to be through a third party, such as an advocacy service, solicitor, mediator or independent representative. This decision will be made in conjunction with a Wheatley Group Litigation and Wheatley Group Manager, Service Lead or Group Chief Executive Managing Director.

When we receive correspondence that is abusive to staff or contains unsubstantiated allegations, we will ~~tell~~ advise the customer in writing what we consider unacceptable and why.

We will ask the tenant or customer to stop communicating in this way and advise that we will not respond to future correspondence if it continues. If this behaviour continues, we may require future contact to be through a third party and will advise the customer accordingly of the decision.

The threat or use of physical violence, verbal abuse or harassment towards staff will result in restricting or ending all direct contact with the customer and the matter being reported to Police Scotland. This includes abuse or harassment on the basis of race, sex, colour, ethnic origin, sexual orientation, physical ability, religion, mental health or other grounds.

~~We will not waiver to pursue legal action, such as an Antisocial Behaviour Order or the recovery of tenancies, where circumstances merit this.~~

Supporting our Staff

Where we have taken action or consider action necessary against unacceptable behaviour, the relevant manager will ~~tell~~ inform the staff member(s) involved of the actions they have taken against the perpetrator to reduce the likelihood of ~~this~~

~~happening again~~ the reoccurrence of unacceptable behaviour and to provide the necessary support mechanisms and assurance to staff.

Staff shall be informed of any ongoing dialogue or actions being progressed as they continue to ensure ~~that~~the staff member(s) ~~are~~ is fully informed of the action be taken against persons who have displayed unacceptable actions.

Line managers shall communicate with the staff member(s) regularly and ensure that any employee support is maintained particularly where, Employee Advisory Resource has been advised to provide additional support and counselling.

In the event ~~that~~of Police Scotland involvement, staff members should be offered advice and guidance on proceedings should unacceptable behaviour result in criminal proceedings. Group Legal Team ~~and Group Protection~~ should be contacted in the first instance.

Employees can access support from PAM Wellness or, alternatively from Wheatley Group's bank of specialist counsellors. Details of both services can be obtained from the Wellbeing team #Wheatley Employee Wellbeing Employee.Wellbeing@wheatley-group.com. All enquiries will be treated as strictly private and confidential.

4. Review Period

Dependent on the nature of the behaviour displayed, cases will be reviewed by a Senior Manager six months from the application of this Policy, and every six months afterwards.

Should the behaviour continue to persist, then restrictions may continue to apply. Where incidents involve unacceptable behaviour that is physical or sexual, the restrictions will remain in place for a year without review.

5. Right to Appeal

Customers have the right to appeal against a decision to apply restrictions or consequences in alignment with our Unacceptable Actions Policy. They can do so through our Housing Appeals Process, by emailing us at housingappeals@wheatley-group.com, or writing to us at Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL.

~~4.~~

6. Policy review

The Group Unacceptable Actions Policy will be formally reviewed every three years.

- Wheatley Group Complaints Policy
- Wheatley Group Health and Safety Policy
- Wheatley Group Antisocial Behaviour Policy
- Wheatley Group Neighbourhood Management Policy
- Wheatley Group Social Media Policy
- Wheatley Group Equity, Diversity, Inclusion and Human Rights Policy
- Wheatley Group Equal Opportunities Policy

Report

To: Wheatley Housing Group Board

By: Anthony Allison, Group Director of Governance and Business Solutions

Approved by: Steven Henderson, Group Chief Executive

Subject: Performance report

Date of Meeting: 27 August 2025

1. Purpose

- 1.1 The purpose of this report is to provide an update on performance against targets and strategic projects for 2025/26 to the end of quarter one.

2. Authorising and strategic context

- 2.1 The Group Board agreed on an updated programme of strategic projects and performance measures and targets for 2025/26 at its meeting in April 2025. Under the Group Standing Orders the Board also has an ongoing role in monitoring the performance of subsidiaries across the Group against the agreed measures. It is also responsible for overseeing the delivery of board-level strategic projects.

3. Background

- 3.1 This report outlines our performance against targets and strategic projects for 2025/26. Unless specified otherwise, results for all measures are based on year-to-date (“YTD”) figures. This includes progress with those measures that will be reportable to the Scottish Housing Regulator (“SHR”) as part of the Annual Return on the Charter (“ARC”) 2025/26.

4. Discussion

- 4.1 The following sections present a summary of key measures and strategic projects. Strategic and Other key measures can be found in Appendices 1 and 2 respectively, and strategic projects are found in Appendix 3.



Delivering Exceptional Customer Experience

Customer First Centre (“CFC”)

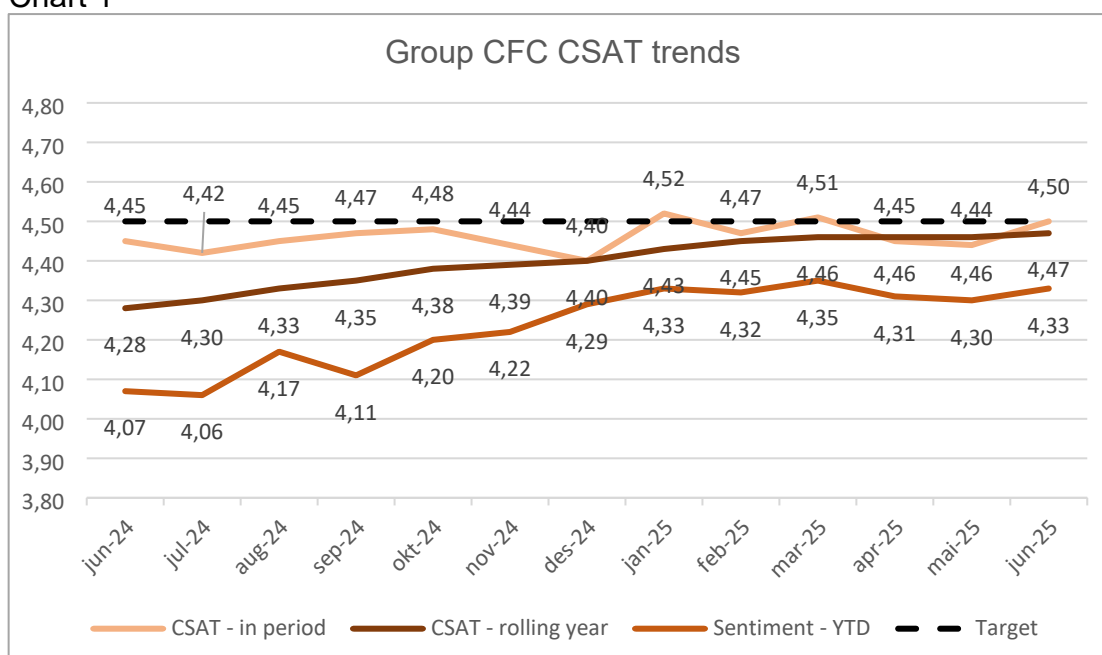
- 4.2 For the year-to-date results as of the end of quarter one, our core CFC measures are set out in the table over:

Table 1

Measure	2025/26		
	Value YTD (unless stated)	Target	Status
Group - CSAT score	4.46 (Quarter 1)	4.50	■
Group - Call abandonment rate - those waited over 30secs and abandoned	8.64%	5.40%	■
Group - % of contacts to CFC resolved within CFC	89.47%	95%	■

- 4.3 Customer satisfaction based on direct customer feedback with the CFC (known as “**CFC CSAT**”) remains the key measure. We met our 90% (4.5/5) target in-month for June 2025. With a score of 4.46 in quarter one, our overall CFC CSAT score for the rolling 12-month period was 4.47 to the end of quarter one.
- 4.4 The chart below shows that both CFC CSAT and customer sentiment, that is, the analysis of the emotion and language of the feedback, have been on an upward trend over the last year. This improvement reflects the continued emphasis on resolution quality and responsiveness - both drivers of customer satisfaction.

Chart 1



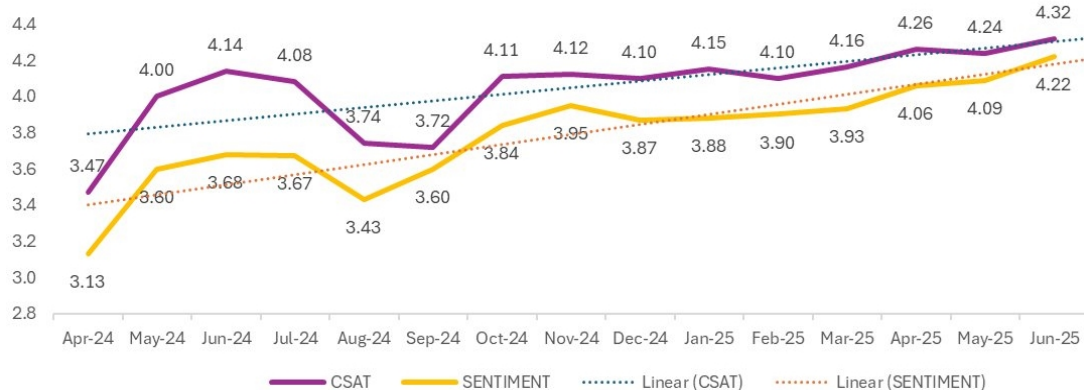
- 4.5 The call abandonment rate after 30 seconds, whereby our customers have waited over 30 seconds and then abandoned their call, has increased in quarter one to 8.64%, from 5.12% at the end of 2024/25 and against a 5.40% target.
- 4.6 New staff started in May and began taking live repair calls in June. This has helped to distribute workload more evenly and reduce queue pressure during peak periods. This also supports reducing the abandonment rate.
- 4.7 The percentage of contacts to the CFC resolved within the CFC, without the need to be passed to either Housing Teams or MyRepairs, was 89.47% against a 95% target at the end of quarter one (89.79% in 2024/25). This includes resolution on the phone, with specialist teams and via digital contact.

- 4.8 A key driver of improving this under target performance is the First Contact Resolution (“**FCR**”) pilot programme, which tasks participating staff with taking personal ownership of handling customer queries end to end. This includes, for example, liaising with internal teams on behalf of the customer and calling the customer back with updates. Prior to the pilot’s launch, the selected team of four advisors had a FCR of 88.93%. During the pilot, this increased significantly to 92.81%, indicating the potential of this focused approach.
- 4.9 Building on this success, we have now launched a second pilot group consisting of eight advisors and two Housing Specialist Officers and are monitoring their performance closely, extracting insights and best practices that can be scaled across the wider team. Our objective remains to embed a culture of first-contact resolution throughout the CFC, thereby enhancing customer satisfaction and operational efficiency.
- 4.10 Our geographical team approach, established to better respond to demand and ensure that customers speak to a CFC advisor who is upskilled to support them and, wherever possible, to resolve the enquiry, continues to drive improvements for our customers.

Repairs Satisfaction

- 4.11 Tenant satisfaction with our repairs service and individual repair experiences continues to be a key measure when it comes to overall customer satisfaction. In addition to our independent satisfaction surveys undertaken at least every three years, we also use in-house surveys on an ongoing basis throughout the year to assess and monitor how well we are doing.
- 4.12 ‘Book It, Track It, Rate It’ aims to improve visibility and communication during the repair journey. The Rate It element provides an opportunity for customer feedback on their experience on the day of a repair. Our Rate It score continues to be strong to the end of quarter one as set out below:
- West is 4.6/5 from 6,280 ratings – 18.66% feedback rate;
 - East is 4.5/5 from 642 ratings – 15.05% feedback rate; and
 - South is 4.7/5 from 1,481 ratings – 17.02% feedback rate.
- 4.13 We also digitally survey customers, known as MyVoice surveys, to gauge their satisfaction after the repairs have been completed (known as “**Repairs CSAT**”). The rating for both Repairs CSAT and customer sentiment, that is, the analysis of the emotion and language of the feedback, has been at a high level, reflecting the scores for the Rate It element, during this period as set out in the chart below:

Chart 2, West Repairs MyVoice Trend (in-month)



- 4.14 Over quarter one our combined average Repairs CSAT in the West was 4.28/5, up from 4.14 in the previous quarter. Rolling year Repairs CSAT shows improvement to 4.18/5 (to June 2025), from 4.10/5 (to March 2025). WHG has a score of 4.19 in the rolling year, up from 4.12, and Loretto 4.10, up from 3.99.
- 4.15 Feedback is monitored, and we contact customers with low satisfaction to discuss how their issues can be resolved. The results of these surveys are also discussed at monthly Customer Insight meetings to learn from any issues and, where appropriate, take action to address them.

Volume of Emergency Repairs

- 4.16 The table below shows our position against the strategic result to reduce the volume of emergency repairs by 10% by 2026. It was recognised that this was within the context of certain types of repairs requiring an emergency repair under our policy, the Right to Repair requirements and this being a demand-led indicator.
- 4.17 The target for 2025/26 is a reduction of 3.34%. At the end of quarter one, emergency repair numbers are 2,724 more than last year, a variance of +11.3%, behind target. To put this into context, 26,840 emergency repairs in 2025/26 are 29.95% of all responsive repairs completed. This percentage has decreased compared to the same point last year when it was 32.51%, driven by the increase in non-emergency repairs outstripping that of emergency repairs.
- 4.18 Emergency repair volumes are a consequence of customer reports and are affected by external factors such as weather conditions. We will continue to review the raising of emergencies locally with the CFC teams to ensure that repairs being raised are appropriately diagnosed as emergencies.

Table 2

Completed emergency repairs	YTD 24/25	YTD 25/26	Variance	
WHE	1,938	2,372	22.39%	
WHS	3,314	3,219	-2.87%	
WHG	17,871	20,095	12.44%	
Loretto	993	1,154	16.21%	
Group	24,116	26,840	11.30%	

Repairs Timescales and Right First Time

- 4.19 Our Group RSL average time taken for emergency repairs was 2.79 hours at the end of quarter one, within the 3-hour target. This is an improvement on 3.25 hours last year and is better than the Scottish average of 4 hours, as reported by the Scottish Housing Regulator ("SHR") in 2023/24. 2024/25 averages will be available from late August 2025.
- 4.20 The average time to complete non-emergency repairs for our Group RSLs and Lowther to the end of quarter one is set out over:

Table 3

Repairs completion timescales (Charter)	Emergency (hours)			Non-emergency (days)		
	Target	Value		Target	Value	
WHE	3.00	3.16		7.5	8.76	
WHS	3.00	2.59		7.5	8.92	
WHG	3.00	2.77		7.5	9.00	
Loretto	3.00	2.97		7.5	10.34	
Group RSLs	3.00	2.79		7.5	9.02	
Lowther Factoring	3.00	3.83		No target	23.24	
Lowther Residential	3.00	3.25		7.5	9.91	
Group including Lowther	3.00	2.84		7.5	9.87	

- 4.21 To the end of quarter one, Group RSLs took an average of 9.02 days to complete non-emergency repairs, an increase on 8.25 days last year and in line with the 2023/24 Scottish average of 9 days as reported by SHR. Although above our 7.5-day target, performance has improved each month in quarter one from 9.6 days in April to 9.36 days in May to 9.02 days at the end of June.
- 4.22 The Right First Time indicator was subject to a change in recording guidance from the SHR. Previously, repairs which were overdue were not considered as Right First Time, however, this is no longer the case.
- 4.23 Under the guidance, the only repairs which are now not Right First Time are those repairs completed during the reporting year where the repair is 'reported again' within the same reporting year.
- 4.24 This change in methodology has led to an improvement in the reported statistic, given that overdue repairs are now excluded. Our performance year to date is 99.21% completed right first time compared to 90.17% at the end of 2024/25.
- 4.25 Our main focus, however, remains achieving high customer satisfaction, identifying any issues at an early stage through monitoring My Voice customer feedback, including a repair a customer reports as not right first time, and addressing those issues. As set out earlier in the report we have mechanisms and resources in place to monitor this customer feedback.

Damp and mould

- 4.26 We have completed 2,761 mould and/or damp cases in quarter one, with an average end to end time, from the customer reporting it through the inspection and remedial repair being completed, of 15.26 days.
- 4.27 In terms of mould cases, 97% were the lowest severity rating of Category three, where the mould is treated in a single visit; the full breakdown is shown in the table below.

Table 4

By Severity Category		
Cat 3 – Mild	Cat 2 – Moderate	Cat 3 – Severe
97.10%	2.83%	0.07%

- 4.28 We are continuing to collect data under the Annual Return on the Charter technical requirements, which we will report in detail biannually. The key issue is the classification of repairs as Condensation, Structural or Other. Over 95% have been, as expected, condensation or other. Of those which have been 'other', this has included issues caused by leaks, external flooding, or where additional technical support may be required to understand the issue.

Tenancy Sustainment

- 4.29 Tenancy sustainment is a measure of new tenancies commenced in the previous reporting year where the customer remains in their home for more than a year. As well as new customers benefiting from remaining in their new tenancy for longer, an improvement in this measure reduces lost rent and resources required for re-letting.
- 4.30 We continue to support our new customers to sustain their tenancies and to exceed targets in both the Charter and revised measures (the revised measure excludes deaths and transfers to other homes within the Group).
- 4.31 Current performance at the end of quarter one for our RSL Group remains high at 92.79% for the Charter measure, surpassing the Scottish average of 91.2% for 2023/24, and 94.62% for the revised measure.
- 4.32 WHG, WHE, and Loretto are better than the targets and the Scottish average (2023/24) of 91.2%. WHS is better than target for the revised measure and only one let off target for the Charter measure. WHS has shown improvement over the lifetime of the 5-year strategy with Charter sustainment at 86.04% in 2021/22.

Table 5

Tenancy Sustainment	Charter – All lets	2025/26 Target - Charter		Charter – Homeless Lets		Revised	2025/26 Target - Revised	
WHG	93.35%	90%		94.12%		94.79%	91%	
WHS	89.91%	90%		87.19%		93.16%	91%	
WHE	94.04%	90%		93.14%		96.03%	91%	
Loretto	94.94%	90%		96.74%		94.87%	91%	
Group	92.79%	90%		92.87%		94.62%	91%	

Allocations CSAT

- 4.33 Our Allocations digital satisfaction survey was introduced on 1 August 2023 to measure our customer satisfaction with the process of getting their new home.
- 4.34 At the end of quarter one, our Group rolling year Allocations CSAT score is 4.4/5 against the target of 4.5/5. WHS, WHE, Loretto and Lowther Letting all remain on or better than target. WHG has shown improvement from 4.0/5 at the end of 2024/25 to 4.1/5 at the end of quarter one.
- 4.35 Positive feedback from our customers recognises housing officers and letting agents as supportive and professional, appreciating how clearly the process was explained and sign up managed quickly and smoothly. Satisfied customers found staff approachable and reassuring. The main area for improvement is the condition of the property at move in with issues around outstanding repairs and cleanliness.

- 4.36 In-quarter satisfaction for our Group has shown improvement to 4.5/5 in quarter one this year compared to 4.3/5 in the previous quarter.

Table 6

Allocations CSAT	2025/26 Rolling year	2025/26 Target	
WHG	4.1	4.5	
WHS	4.7	4.5	
WHE	4.5	4.5	
Loretto	4.8	4.5	
Lowther Letting	4.6	4.5	
Group	4.4	4.5	



Making the Most of Our Homes and Assets

Development Programme

- 4.37 Our target is to deliver a total of 601 new homes in 2025/26. At the end of quarter one, we have handed over 134 homes, above the target of 131 expected by the end of quarter one.

Table 7

Sites	Handovers (YTD)	Target (YTD)	Difference/handovers to 30 th June
Loretto	16	24	-8
East Lane (Social)	0	24	-24
South Crosshill Road (Social)	16	0	+16
WHE	118	91	+27
Dalhousie South Ph 1 (Social)	6	0	+6
West Craigs (Ph1) (Plot 4) (Social)	7	59	-52
West Craigs Ph2 Plot 5 (Social)	41	22	+19
West Craigs Ph3 (Plot 13) (MMR)	30	0	+30
West Craigs Ph3 (Plot 13) (Social)	26	0	+26
Sibbalds Brae (Social)	4	10	-6
Winchburgh BB (Social)	4	0	+4
Lowther	4	28	-24
Ashgill Road (MMR)	0	16	-16
Totals	134	131	+3

Medical Adaptations

- 4.38 Time to complete medical adaptations remains well within the 25-day target, with the average days to complete at 14.65 compared to 18.06 days at the same point last year. We have completed 506 adaptations, 100 less (606) than at the same point last year and there are 113 households currently waiting, a difference of only one less than last year.

Table 8

Medical Adaptations (Charter)	Current Households Waiting	Number Completed YTD	Average Days to Complete YTD	Target
WHE	15	41	12.88	25 
WHS	21	56	14.21	25 
WHG	74	405	14.96	25 
Loretto	3	4	7.75	25 
Group	113	506	14.65	25 

Gas Safety

- 4.39 We continue to be 100% compliant with gas safety requirements, with no expired gas certificates.

Compliance

- 4.40 All of our relevant properties are compliant with Legionella assessment requirements.
- 4.41 We carried out safety inspections on all passenger lifts and all but one domestic lift in Glasgow where access to the customer's house is required. Arrangements are being made by housing staff for access following previous customer refusal.
- 4.42 At the end of quarter one, we had 41 properties without a valid Electrical Installation Condition Report ("EICR"), a reduction from 119 at the end of last year. We are also making excellent progress with the inspection of electrical installation certificates due to expire before the end of 2025/26, with 2,756 (38.86%) already complete, albeit with 40 (1.15%) of these completed in the quarter but after the renewal date. Our housing teams continue to liaise with colleagues throughout the Group to support access to all required customers' homes in a timely manner and to remind customers of their legal requirements set out in the tenancy agreement where required.

Flat Entrance Door Checks

- 4.43 We have not had any workplace fires to the end of quarter one and have not recorded any since the measure started in 2021.
- 4.44 As previously reported to Board, we now have a rolling programme for carrying out flat entrance door inspections in all properties six floors and higher. We visit all 10,390 flats in each six-month period (April – September and October – March), with all having had a visual inspection since the initial programme commenced. Where we gain access, the inspections verify that doors close properly, seals are intact, and hardware (hinges, locks, self-closers) function as intended. Between April and June, the first three-months of this six-month period, we completed 3,988 successful inspections.
- 4.45 This programme has a high level of non-access and we therefore contact customers on several occasions to gain access to complete these inspections and any necessary works. As agreed with the Board, we therefore proceed to forced access only where there is "clear evidence that the flat entrance door has no qualities of fire resistance, or there is clear evidence that the fire resistance of the door has been compromised due to a repair".

Health and Safety

- 4.46 We have had only one RIDDOR incident this year, a manual handling injury. Across the Group, 40 days have been lost during quarter one this year due to work-related accidents. Each RIDDOR incident is thoroughly investigated by both management and the Group Health & Safety team. Where appropriate, changes are made to working practice and instructions or support are provided to affected employees to avoid recurrence.
- 4.47 There have been no Health and Safety Executive or Local Authority environmental team interventions this year, the same position that we have maintained since the measure started in 2021.

Workplace Fires

- 4.48 We have not had any workplace fires in 2025/26.



Changing Lives and Communities

Care Service Quality

- 4.49 During quarter one, Self-directed-support (“SDS”) services in North Lanarkshire and South Lanarkshire were merged into one service, reducing the count of services from 18 to 17. Currently 14 out of 17 services have inspection reports rating them Grade 5 or higher. This equates to 82.35% of our services against the 90% target.
- 4.50 The Care Inspectorate Datastore (as of the end of May 2025) indicates that 27.75% of Voluntary or not for profit services, considered comparable to Wheatley Care, have achieved an overall grade of 5 or higher. Wheatley Care services consistently exceed the sector average.

Peaceful Neighbourhoods

- 4.51 Since 2021 we have had in place a strategic measure on the number of tenancies categorised as Peaceful. This is based on the Police Scotland Safe, Calm and Peaceful methodology and the definitions are as follows:
- **Peaceful** – datazones assessed to be minimal to low priority with a recommendation of regular service delivery;
 - **Calm** – datazones assessed as moderate to high priority and carry a recommendation of regular service delivery or monitoring; and
 - **Safe** – datazones assessed to be very high to extremely high priority with a recommendation for a prioritisation for enforcement measures.
- 4.52 The Safe, Calm and Peaceful ratings are calculated by Police Scotland using the Police Scotland Business Intelligence Toolkit (BIT). This tool considers each SIMD datazone, the SIMD deprivation score for the datazone and public reported incidents of ASB which occurred within or near to Wheatley RSL properties (within 25 meters) within the datazone.

4.53 Our strategic measure is for over 80% of customers across our Group to live in neighbourhoods categorised as peaceful by the end of the strategy period. At the end of quarter one, the Group-wide percentage of tenancies categorised as Peaceful increased from 74.05% at the year-end 2024/25 to 75.91% in quarter one.

Anti-Social Behaviour (“ASB”) resolved

4.54 We aim to resolve 100% of our ASB cases each year to help create thriving neighbourhoods where customers feel safe and secure. The Scottish average 2023/24 resolution rate for ASB cases resolved was 94.3%.

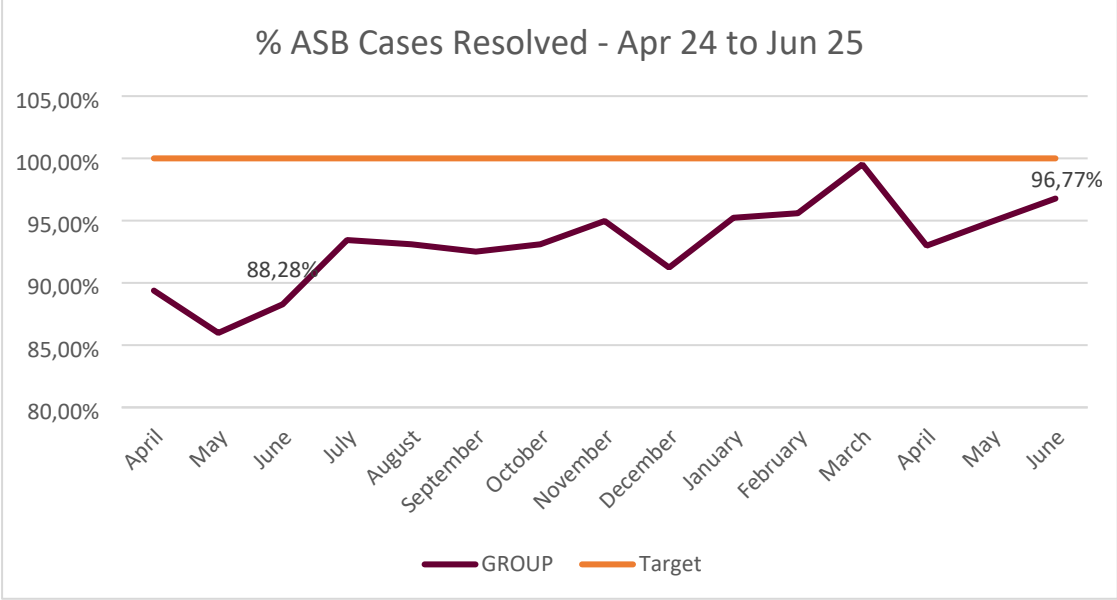
4.55 In quarter one, 94.77% of ASB reports across our Group were resolved as defined by our policy. All subsidiaries were within 10% of target and all RSLs are showing improvement from the beginning to the end of quarter one.

Table 9

RSL	In-month June result*	YTD result
GROUP OVERALL	96.77% 	94.77% 
WHG	97.21% 	94.24% 
WHS	100% 	97.00% 
WHE	91.86% 	93.39% 
LORETTO	100% 	100% 

* ASB information is provided 10 working days after period end to allow for as many cases reported to be resolved before the locally agreed timescale (10 working days). All RSLs now submit figures monthly.

Chart 3



Accidental Dwelling Fires

4.56 We have had 24 accidental dwelling fires to the end of quarter one as follows:

Table 10

Number of recorded accidental dwelling fires	2025/26 YTD	2024/25 full year
WHE	5	22

Number of recorded accidental dwelling fires	2025/26 YTD	2024/25 full year
WHS	2	11
WHG	17	57
Loretto	0	5
Group	24	95

4.57 We remain on track to achieve, and likely exceed, our Strategic target to reduce RSL accidental dwelling fires by 10% by 2025/26, against the baseline of 215 in 2020/21.

4.58 Our strategy measure aims to ensure that 100% of applicable properties have a current fire risk assessment in place and this continues to be achieved.

Table 11

Fire Risk Assessments	2025/26 YTD	2024/25
The percentage of relevant premises - HMOs that have a current fire risk assessment in place	100%	100%

Reducing Homelessness

4.59 We have provided 816 homes to homeless households in the first quarter of this year, ahead of the 500-quarterly target. The cumulative total of homeless lets from the start of the strategy in 2021/22 is 10,557, well on track to surpass the 11,000-strategic target set for the end of March 2026.

4.60 Our percentage of relevant lets made to homeless applicants in the year-to-date is 61.62% (relevant lets exclude LivingWell and sheltered properties, nominations and social work referrals for which we are limited to let to homeless applicants).

4.61 The number of homeless lets made by each of our RSLs is provided below.

Table 12

Reducing Homelessness	2025/26 (ARC) - YTD	2024/25 (ARC) – full year
WHG	559	1,707
WHS	126	432
WHE	101	412
Loretto	30	122
Group	816	2,673

Jobs and Opportunities

4.62 To the end of quarter one, we have supported 156 jobs, training and apprenticeship opportunities within our households and communities. Opportunities have included:

- Street League employability programmes;
- Youth Build Construction;
- Moving Forward personal Development programme;
- Environmental Roots;
- ESOL training delivered by Glasgow School of English;
- Paediatric First Aid and Childminding in partnership with Scottish Childminding Association; and
- Construction Placements with McTaggart's Construction.

- 4.63 In addition, the Wheatley Works team is working closely with Dumfries & Galloway Council, Apex Scotland, CEIS Dumfries, Triage and Galloway Action Team to develop employability programmes across the region.
- 4.64 1,086 children within our households and communities have been supported through Foundation programmes. This has included:
- The Imagination Library;
 - Inn Niddrie through the Friday Nights Lights youth project;
 - Accessing digital services;
 - Photography workshops;
 - Wee Bursary and Construction Award programmes; and
 - In partnership with the Social Enterprise Academy, nearly 200 young people supported in social enterprise activities and "Dragons Den" style events.
- 4.65 We have also supported 3,299 people from our homes and communities to access support to alleviate the impacts of poverty to the end of quarter one. This includes support through Welfare Benefits Advice, Starter Packs and our My Great Start service, providing personalised tenancy sustainment support to new tenants.

Table 13

Indicator	Target (YTD)	Current Performance (YTD)	2024/25
Group - Total number of jobs, training places or apprenticeships created for customers and communities	120	156 	1,037
Group - Number of children and young people benefiting from targeted Foundation programmes in Wheatley Communities	550	1,086 	3,090
Group - Number of people accessing services which help alleviate poverty in Wheatley Communities	2,000	3,299 	11,439



Developing our Shared Capability

Sickness Absence

- 4.66 As agreed with the Board, we now report our strategic target to maintain absence below 3% based on Group sickness excluding Care, NETs and repairs staff which have targets that better reflect the nature of those workforces. To the end of quarter one, our Group sickness rate was 3.39%, an increase from 3.27% at the end of 2024/25.

Table 14

Sickness Rate	2025/26 YTD	Target
Group - % Sickness rate excluding Care, Repairs and NETs	3.39%	3% 

- 4.67 The top two reasons for absence across Group are Minor Illness (46%) and Stress/Anxiety (20%). Managers are working with staff members to ensure they understand and have access to our suite of employee well-being support, including bespoke counselling, if they experience stress and anxiety.



Enabling our Ambitions

Gross Rent Arrears (GRA)

- 4.68 Our GRA at the end of quarter one is 5.48%, better than 5.66% at this point last year. We continue to outperform the Scottish average of 6.7% for 2023/24. SHR will publish Scottish averages for 2024/25 at the end of August 2025.
- 4.69 We remain focused on achieving the new target of 4.95% for 2025/26, requiring us to utilise strong conversations with customers, efficiently escalate cases and offer targeted support.

Chart 4

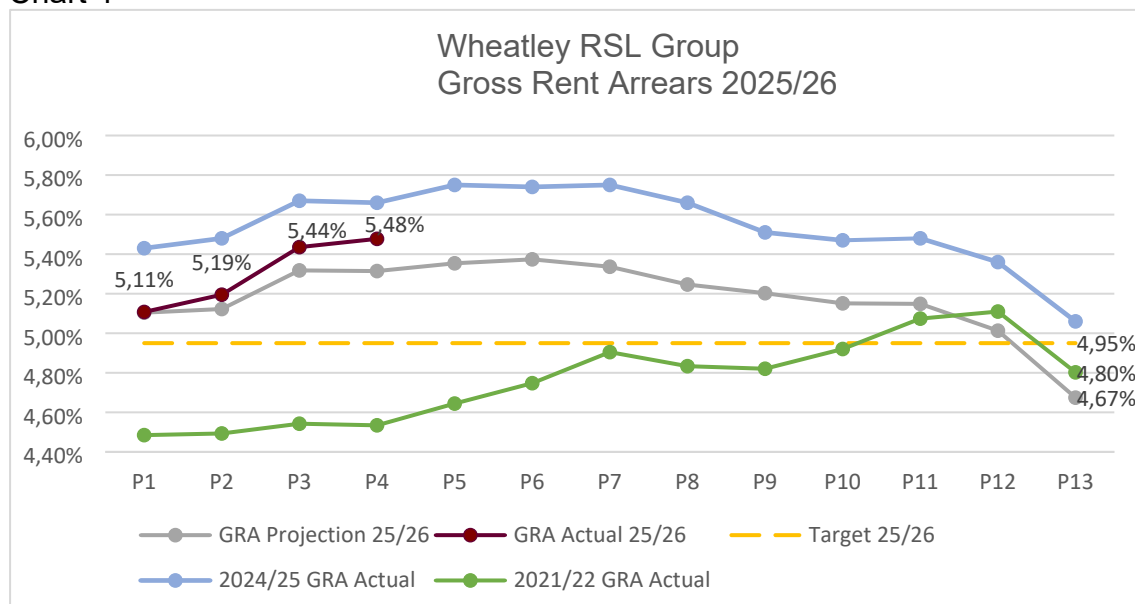


Table 15

Gross Rent Arrears	Q1 2025/26	2025/26 target	2024/25 Result
WHG	5.92%	5.00%	5.44%
WHS	4.14%	3.90%	3.97%
WHE	5.43%	4.50%	4.99%
Loretto	3.65%	3.60%	3.38%
Group RSLs	5.48%	4.95%	5.06%

- 4.70 As the Department of Work and Pensions (“DWP”) accelerate the migration of customers onto Universal Credit (“UC”), our quarter one result is impacted by a higher number of UC customers than expected. We had projected just over 2,500 customers moving on to UC in the first quarter of 2025/26, and so far this year there have been an additional 3,716 customers moved to UC. With over 30,000 customers on UC at the end of the quarter, this means that almost 50% of our customers are now on UC. The rent increase for 2025/26 also impacts in terms of this being processed into customers’ accounts at the start of the new financial year.

- 4.71 Across our Group, weekly leadership sessions are in place, with a structured approach to identifying opportunities that minimise the impact of UC managed migration on our customers. These sessions also focus on maximising the recovery and appropriate write-off of former tenant arrears for the remainder of this financial year.
- 4.72 We continue to focus on the timely use of our rent data, escalation and case management options and staff advice and guidance on progressing individual cases, especially those which have proven to be more complex.
- 4.73 We continue to support customers to move out of debt using a variety of support, from our Housing Officers, Financial Wellbeing Officers and My Great Start, and externally via Discretionary Housing Payments, Managed Payments to Landlord (“MPTL”) for UC customers and utilising A Local Information System for Scotland (“ALISS”) to find alternative sources of support and funding to meet challenges with paying rent and getting accounts in advance.
- 4.74 Our teams are fully focused on maximising income for customers and the business to deliver a positive outcome for year-end GRA performance targets.

Lowther

- 4.75 Lowther Letting gross rent arrears are 3.03% at the end of quarter one, just above the 3% target set for 2025/26. Lowther’s position is better than 3.07% from year end 2024/25 and 3.32% from this time last year.

- 4.76 [REDACTED]nd

- 4.77 [REDACTED]

4.78 [REDACTED]

Average Days to Re-Let (Charter and revised)

- 4.79 Our average time to re-let properties for the RSL Group at the end of quarter one this year is 23.92 days for the Charter measure. Our performance remains favourable to the Scottish average of 56.7 days for 2023/24. Note that from 2025/26, our Charter performance includes days lost to health and safety-related meter issues where we consider the property unsafe/unfit to occupy.
- 4.80 Meter issues include, for example, where a tampered meter results in a property having no power or where the supply has been cut off and we are awaiting reconnection (energy companies are not prioritising this work due to the property being void); both issues mean we cannot undertake crucial safety checks prior to letting. We have been particularly impacted in quarter one this year by the Radio Teleswitch (RTS) switch off, with energy engineers prioritising this change and leading to further reduced availability from their teams for our void work.
- 4.81 Reported meter issues have significantly impacted our performance this quarter, when discounted, our average days to re-let improved to 18.34 days.
- 4.82 WHS and Loretto are well within the 16-day target for both measures, with WHS being the best performer to date. WHE is better than target when meter issues are excluded. WHG has shown improvement for the Charter measure including meter issues this quarter when compared to the same quarter last year at 36.73 days and for the full year 2024/25 at 33.49 days. WHG remain focused on embedding improvements to the voids process and turnaround times which are in our control. They are working closely with City Building (Glasgow), particularly on increasing the level of resources deployed to complete void repairs.

Table 16

Average days to re-let	25/26 ARC YTD		25/26 Target	25/26 Ex. meter issues YTD	24/25 ARC – ex. meter issues	24/25 inc. meter issues
WHG	28.84		16	22.50	21.38	33.49
WHS	9.05		16	8.56	8.31	9.48
WHE	21.82		16	12.23	14.20	17.56
Loretto	12.83		16	5.31	9.72	9.72
RSL Group	23.92		16	18.34	17.53	26.05

[REDACTED]

[REDACTED]



Summary of Strategic Project Delivery

- 4.84 A full update on progress with strategic projects is attached in Appendix 3. The following table summarises the current status of projects.

Table 17

Complete	On track	Slippage	Overdue
0	9	0	0

[REDACTED]

[REDACTED]

4.86 [REDACTED]

5. Customer engagement

- 5.1 We have several strategic projects that facilitate opportunities for customer engagement, as do new customer feedback channels such as MyVoice and Book It, Track It, Rate It. This is directly impacting the way we deliver services, the way they can be drawn down by customers and how customers can share their views on these services.

6. Environmental and sustainability implications

- 6.1 Our Group sustainability framework includes a refined sustainability performance framework overseen by the Wheatley Solutions Board.

7. Digital transformation alignment

- 7.1 Our strategy is underpinned by digital transformation. The strategic projects for 2025/26 have been developed and prioritised with IT, digital and data interdependencies a key factor.

8. Financial and value for money implications

- 8.1 There are no direct financial implications arising from this report. Any financial requirements related to actions and projects within the report are subject to separate reporting and agreement.

9. Legal, regulatory and charitable implications

- 9.1 The Scottish Housing Regulator requires an Annual Return on the Charter from each RSL. Key indicators within this return are also included in quarterly performance reporting. We are also required to involve tenants in the scrutiny of performance, which we do through the Group Scrutiny Panel, and to report to tenants on performance by the end of October each year. The Group Scrutiny Panel considered the draft Report to Tenants at their August meeting.

10. Risk appetite and assessment

- 10.1 This report covers performance across each of our strategic themes and as such there is no single agreed risk appetite. Having a strong performance management culture will in particular support our progression from excellence to outstanding for which we have an open risk appetite in relation to operational delivery with a cautious appetite in relation to compliance with law and regulation.

11. Equalities implications

- 11.1 Project monitoring and evaluations consider equality information and Equalities Impact Assessments are undertaken at the outset of new programmes to ensure compliance with equality legislation, where applicable.

12. Key issues and conclusions

- 12.1 We continue to show strong performance and positive trends across a range of customer satisfaction measures including within the CFC, repairs and allocations. Our core performance in areas which support alleviating the national housing emergency, such as tenancy sustainment, turnover and allocations to homeless households also continues to be strong. We are also ahead of our new build completions programme for 2025/26.
- 12.2 Jobs and training places created for our customers, children and young people benefitting from Foundation programmes and our customers accessing services to help alleviate poverty are all performing better than target.
- 12.3 Key areas for focus during the remainder of this year are gross rent arrears, including signposting customers to access any support they would benefit from, average days to re-let in the West, including and excluding meter issues, and non-emergency repair timescales.

13. Recommendations

- 13.1 The Board is asked to note the contents of this report.

LIST OF APPENDICES:

Appendix 1: Strategic Results Dashboard
Appendix 2: Other Key Measures Dashboard
Appendix 3: Strategic Projects Dashboard

✓ Delivering Exceptional Customer Experience

Measure	2024/25	2025/26		
	Value	Value	Target	Status
CFC CSAT (Group)	4.46	4.47	4.5	
WHG	4.55	4.56	4.5	
Loretto	4.58	4.62	4.5	
WHE	4.22	4.23	4.5	
WHS	4.58	4.61	4.5	
% of contacts to CFC resolved within CFC	89.79%	89.47%	95%	
Call abandonment rate - those waited over 30secs and abandoned (Group)	5.12%	8.64%	5.40%	
WHG	3.5%	8.43%	5%	
Loretto	5.34%	11.95%	5%	
WHE	6.09%	10.44%	5%	
WHS	3.29%	4.73%	5%	
Allocations CSAT (Group)	4.4	4.4	4.5	

Measure	2024/25	2025/26		
	Value	Value	Target	Status
WHG	4.0	4.1	4.5	
Loretto	4.8	4.8	4.5	-
WHE	4.6	4.5	4.5	-
WHS	4.6	4.7	4.5	-

Making the Most of Our Homes and Assets

Measure	2024/25	2025/26		
	Value	Value	Target	Status
New build completions (total for Group)	844	134	131	-
WHG - Social Housing	83	0	0	-
WHG - Social Housing (market acquisitions)	4	0	0	-
WHG - Mid-market	91	0	0	-
Loretto - Social Housing	63	16	24	
WHE - Social Housing	312	88	91	
WHE - Mid-market	138	30	0	-
WHS - Social Housing	101	0	0	-
Reduce the volume of emergency repairs by 10% by 2025/26 (Group average)	Apr to Jun 24/25 – 24,116	26,840	11.30%	

Measure		2024/25	2025/26		
		Value	Value	Target	Status
	WHG	Apr to Jun 24/25 – 17,871	20,095	12.44%	
	Loretto	Apr to Jun 24/25 – 993	1,154	16.21%	
	WHE	Apr to Jun 24/25 – 1,938	2,372	22.39%	
	WHS	Apr to Jun 24/25 – 3,314	3,219	-2.87%	



Changing Lives and Communities

Measure		2024/25	2025/26		
		Value	Value	Target	Status
Percentage of Care services graded very good (5) or better by the Care Inspectorate		83.33%	82.35%	90%	
Over 70% of customers live in neighbourhoods categorised as peaceful by 2025/26 (Group average)		76.16%	74.01%	75%	-
Number of accidental dwelling fires recorded by Scottish Fire and Rescue (Group RSLs)		95	24	193 (Annual upper limit)	-
	WHG	57	17	Contextual	
	WHS	11	2	Contextual	
	WHE	22	5	Contextual	
	Loretto	5	0	Contextual	
100% of relevant properties have a current fire risk assessment in place (HMOs) (Group)		100%	100%	100%	-

Measure	2024/25	2025/26		
	Value	Value	Target	Status
Percentage of relevant lets to homeless applicants (Group RSL)	60.49%	61.62%	Contextual	
WHG	64.62%	64.82%	Contextual	
WHS	45.91%	52.07%	Contextual	
WHE	65.55%	58.86%	Contextual	
Loretto	62.50%	62.22%	Contextual	
Percentage of lets to homeless applicants (Group Charter)	58.61%	59.48%	Contextual	
WHG	63.29%	63.59%	Contextual	
WHS	45.91%	52.07%	Contextual	
WHE	57.38%	58.86%	Contextual	
Loretto	59.51%	57.69%	Contextual	
Number of lets to homeless applicants - 11,000 for Group by 2025/26 (Group RSL Charter)	2,673	816	500	-
WHG	1,707	559	Contextual	
WHS	432	126	Contextual	
WHE	412	101	Contextual	
Loretto	122	30	Contextual	
% planned jobs, training places or apprenticeships created which are secured by our customers (Group)	73.19%	63.46%	60%	-
Percentage of Community Benefit job and training opportunities arising through the spend associated with new home construction and our investment programme that have been secured by Wheatley customers (Group)	69.77%	N/A	30%	
4,000 jobs, training places or apprenticeships created for customers and communities (Group)	1,037	156	120	-
WHG	533	121	78	-
Loretto	27	2	1	-

Measure	2024/25	2025/26		
	Value	Value	Target	Status
WHS	119	5	15	
WHE	216	21	15	
Care	69	0	1	
10,000 of children and young people benefiting from targeted Foundation programmes in Wheatley Communities (Group)	3,090	1,086	550	
20,000 Wheatley customers accessing services which help alleviate poverty (Group)	11,439	3,299	2,000	

Developing our Shared Capability

Measure	2024/25	2025/26		
	Value	Value	Target	Status
Group - % Sickness rate excluding Care, Repairs and NETs	3.27%	3.39%	3%	
Group Care - % Sickness rate	6.45%	6.03%	5%	
Group Repairs Staff - % Sickness rate	4.11%	3.48%	5%	
Group NETS - % Sickness rate	5.87%	6.25%	5%	
Group CFC - % Sickness rate	5.59%	5.19%	5.5%	

Measure	2024/25	2025/26		
	Value	Value	Target	Status
Reduce gross rent arrears to below 5% by 2026 (Group RSL Charter)	5.06%	5.48%	4.95%	
WHG Combined	5.44%	5.92%	5.00%	
WHG A	5.47%	5.98%	Contextual	
WHG B	4.94%	4.79%	Contextual	
WHS	3.97%	4.14%	3.90%	
WHE Combined	4.98%	5.43%	4.50%	
WHE A	4.88%	5.29%	Contextual	
WHE B	5.78%	6.64%	Contextual	
Loretto Combined	3.38%	3.65%	3.60%	
Loretto A	3.60%	3.92%	Contextual	
Loretto B	3.08%	3.27%	Contextual	
Average time to re-let properties (Group RSL Charter) – includes meter issues from 2025/26. (2024/25 results including meter issues)	17.53 (26.05)	23.92	16	
WHG	21.38 (33.49)	28.84	16	
WHS	8.31 (9.48)	9.05	16	-
WHE	14.20 (17.56)	21.82	16	
Loretto	9.72 (9.72)	12.83	16	-
Proportion of Care services breaking even (after management fee)	70.37%	96.3%	100%	

Measure	2024/25	2025/26		
	Value	Value	Target	Status
£15 million generated in Gift Aid to Wheatley Foundation and reinvested in communities	£3,400,000	£698,000	£698,000	-

Appendix 2

Other Key Measures Dashboard 2025/26 (includes Compliance)



Measure	2024/25 Value	Value	2025/26 Target	Status
Percentage of new tenancies sustained for more than a year – all lets (Group RSL Charter)	93.27%	92.79%	90%	
WHG	93.61%	93.35%	90%	
WHS	90.81%	89.91%	90%	
WHE	94.42%	94.04%	90%	
Loretto	96.23%	94.94%	90%	
Percentage of new tenancies sustained for more than a year – statutory homeless lets (Group RSL Charter)	93.60%	92.87%	Contextual	
WHG	94.57%	94.12%	Contextual	
WHS	89.06%	87.19%	Contextual	
WHE	93.07%	93.14%	Contextual	
Loretto	96.97%	96.74%	Contextual	
Percentage of new tenancies sustained for more than a year – all lets revised (Group RSL non-Charter)	94.83%	94.62%	91%	
WHG	95.03%	94.79%	91%	
WHS	93.01%	93.16%	91%	
WHE	96.15%	96.03%	91%	
Loretto	96.20%	94.87%	91%	

Measure	2024/25 Value	Value	2025/26 Target	Status
Average time taken to complete emergency repairs (hours) – make safe (Group RSL Charter)	3.25	2.79	3	
WHG	3.26	2.77	3	
WHS	2.65	2.59	3	
WHE	3.80	3.16	3	
Loretto	3.50	2.97	3	
Average time taken to complete non-emergency repairs (working days) (Group RSL Charter)	8.25	9.02	7.5	
WHG	7.90	9.00	7.5	
WHS	8.87	8.92	7.5	
WHE	9.97	8.76	7.5	
Loretto	9.06	10.34	7.5	
Average time taken to complete non-emergency repairs (working days) (Group including Lowther)	8.96	9.87	Contextual	
Average time to complete approved applications for medical adaptations (calendar days) (Group RSL Charter)	24.53	14.65	25	

Measure		2024/25 Value	Value	2025/26 Target	Status
	WHG	16.11	14.96	25	
	WHS	55.19	14.65	25	
	WHE	20.15	12.88	25	
	Loretto	17.13	7.75	25	
Percentage of reactive repairs completed right first time (Group RSL Charter)		89.76%	99.10%	Contextual	
	WHG	90.17%	99.21%	Contextual	
	WHS	89.49%	98.51%	Contextual	
	WHE	88.11%	99.60%	Contextual	
	Loretto	86.83%	99.45%	Contextual	
Number of times in the reporting year the RSL did not meet the statutory obligation to complete a gas safety check within 12 months of a gas appliance being fitted or its last check (Group RSL Charter)		0	0	0	
	WHG	0	0	0	
	WHS	0	0	0	
	WHE	0	0	0	
	Loretto	0	0	0	
Percentage of ASB incidents resolved (Group RSL Charter)		100%	94.77%	100%	
	WHG	100%	94.24%	100%	
	WHS	100%	97.00%	100%	

Measure		2024/25 Value	Value	2025/26 Target	Status
	WHE	100%	93.39%	100%	
	Loretto	100%	100%	100%	
Repeat antisocial behaviour cases in period – number of repeat addresses (Group)		952	202	768	
Percentage of lettable homes that became vacant (Group RSL Charter)		6.84%	6.87%	8%	
	WHG	6.62%	6.67%	8%	
	WHS	8.51%	8.10%	8%	
	WHE	6.31%	6.94%	8%	
	Loretto	5.39%	5.28%	8%	
Number of accidental fires in workplace		0	0	0	
Number of RIDDOR incidents reported		11	1	Contextual	
Number of Health and Safety Executive or local authority environmental team interventions		0	0	0	
Number of new employee liability claims received		3	1	Contextual	
Number of open employee liability claims		10	10	Contextual	
Number of days lost due to work related accidents		438	40	Contextual	
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	

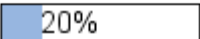
Compliance Programme Delivery

2025/26 Q1	WHG	Status	Loretto	Status	WHE	Status	WHS	Status
Legionella - percentage of applicable properties with a valid risk assessment in place	100%		100%		100%		100%	
Percentage of domestic stair and through floor lifts with valid safety inspection	90%		100%		100%		100%	
Percentage of passenger lifts with a valid safety inspection	100%		100%		100%		100%	
Percentage of EICR certificates due to expire by end of financial year now renewed	41.96%		41.81%		21.02%		36.06%	
Percentage of properties with an EICR certificate up to 5 years old	99.94%		99.03%		99.89%		99.93%	

Appendix 3 - Wheatley Group Board - Delivery Plan 25/26 - Strategic Projects

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Asset Compliance and Data Strategy Programme	30-Nov-2025		40%	01. PIMSS Platform - Architecture and SAAS review	31-May-2025	Yes	Process mapping of identified workstreams complete identifying integration, current automation and data entry points; and to-be process designed
				02. 2 (FRA + Lifts) - process map and to-be design	30-Jun-2025	Yes	
				03. PIMMS/Group 3 year roadmap - review and define with vendor input	31-Aug-2025	No	
				04. Group business and Assurance approach review	31-Oct-2025	No	
				05. ET end of Q2 Programme Update	30-Nov-2025	No	
MSF strategic asset investment plans	28-Feb-2026		40%	01. External consultants appointed to carry out building pathology pathway project	30-Apr-2025	Yes	External consultants were appointed in April 25 and have completed their planned assessment of our first 3 MSFs. Building Pathology lead appointed and offer accepted.
				02. Building pathology pathway project concludes and in-house team in place	31-May-2025	Yes	
				03. Desktop analysis and surveys undertaken of MSFs by in-house building pathology team	30-Sep-2025	No	
				04. MSF Strategic Investment and Management plan developed from analysing the findings from asset data, building surveys and qualitative feedback	31-Dec-2025	No	
				05. Group Board approval of MSF Strategic Investment and Management Plan and Five-	28-Feb-2026	No	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				year capital investment plan			
Providing safe, secure tenancies to support independent living (external interdependency)	28-Feb-2026			01. Complete the build and allocation of the 19 West Craigs properties	31-Jul-2025	Yes	All flats allocated. Phased move in plan implemented and should be concluded for September 2025. Senior Team and WHS Development Manager met with Interim Deputy COO for HSCP and NHS mid-July. Very positive meeting resulting in a further meeting with the Interim COO for HSCP planned for 1st August 2025 to commence discussion on potential partnership work.
				02. Engage with Glasgow and Dumfries and Galloway Health and Social Care Partnerships to showcase the potential for new build supporting hospital discharges into independent living	31-Oct-2025	No	
				03. Engage with Glasgow and Dumfries and Galloway Health and Social Care Partnerships and Councils to explore the potential for a similar approach	31-Jan-2026	No	
				04. Update to the Group Board on the engagement and any associated implications for our future development programme	28-Feb-2026	No	
Wyndford regeneration (external interdependency)	31-Mar-2026			01. PAN Community Engagement Event	31-May-2025	Yes	Two PAN community events are complete and CCG has been identified as preferred contractor. Planning application and demolition continue as planned.
				02. Identify preferred contractor of 380 new homes	30-Jun-2025	Yes	
				03. Submission of detailed planning application	31-Jan-2026	No	
				04. Complete demolition contract	31-Mar-2026	No	
Lochside regeneration (external)	31-Dec-2025		75%	01. Community Engagement Event	31-May-2025	Yes	Lochside Masterplan has been submitted and

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
interdependency)				02. Submission of Masterplan	30-Jun-2025	Yes	approved by Dumfries and Galloway Council's Economy and Infra
				03. PAN Community Engagement Event (Development Site)	30-Sep-2025	Yes	
				04. Submission of detailed planning application (Development Site)	31-Dec-2025	No	
Glasgow Regeneration incl. TC:G and TRAs	31-Dec-2025			01. Red Road Site Investigation findings & Land Use Proposals to TC:G Board	30-Jun-2025	Yes	Red Road site investigation reported to the T:CG Board in June.
				02. Govan/Ibroy TRA activated and Brighton Street site to market (as agreed by TC:G Board)	30-Sep-2025	No	
				03. Review empty or underused assets within our communities (Milton, Cranhill, Drumchapel) and agree a strategy to deliver new homes working with Glasgow City Council	30-Sep-2025	No	
				04. Sighthill (affordable homes) on site	30-Nov-2025	No	
				05. Red Road remediation and regeneration strategy to TC:G Board	31-Dec-2025	No	
Engagement 2.0: Maturing customer engagement and performance measures as part of our customer insight approach	31-Dec-2025			01. Trial a new method of managing engagement - MS Dynamics in WHG South area - and evaluate its impact	30-Jun-2025	Yes	MS Dynamics trialled in WHG South area with Customer Voices during May 2025. Impact evaluated against sector averages for delivery, click, open and unsubscribe
				02. Undertake a review of the existing Stronger Voices framework and operation of	31-Jul-2025	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				the existing structures			rates, and feedback sought from customer via post pilot survey. Our pilot outperformed the sector benchmarks. Further incremental roll out to support engagement and communication review projects.
				03. Gather customer perspective and ideas on how our approach to engagement could evolve through the 2026-31 strategy development phase 2	30-Sep-2025	No	
				04. Review the existing framework based on the review of its effectiveness to date and feedback from customers	31-Oct-2025	No	Stronger Voices framework and operation of existing discussed with Stronger Voices Community of Excellence (CoE) and the Different Together Customer Focus Network in April 2025, and the Group Scrutiny Panel in May 2025. Refreshed Stronger Voice structure introduced in Glasgow, including a senior role. Stronger Voice CoE being relaunched, engagement leads for this have been identified. Priority for relaunched CoE will include this strategic project
				05. Recommendations for Stronger Voices Framework 2.0 in support of our emerging Strategy 2026-31 agreed by RSL and Group Boards	31-Dec-2025	No	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
				[REDACTED]	[REDACTED]	[REDACTED]	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note

Report

To: Wheatley Housing Group Board

By: Pauline Turnock, Group Director of Finance

Approved by: Steven Henderson, Group Chief Executive

Subject: 2024/25 Group Financial Statements

Date of Meeting: 27 August 2025

1. Purpose

- 1.1 This report seeks the Board's approval for the 2024/25 Wheatley Housing Group financial statements.

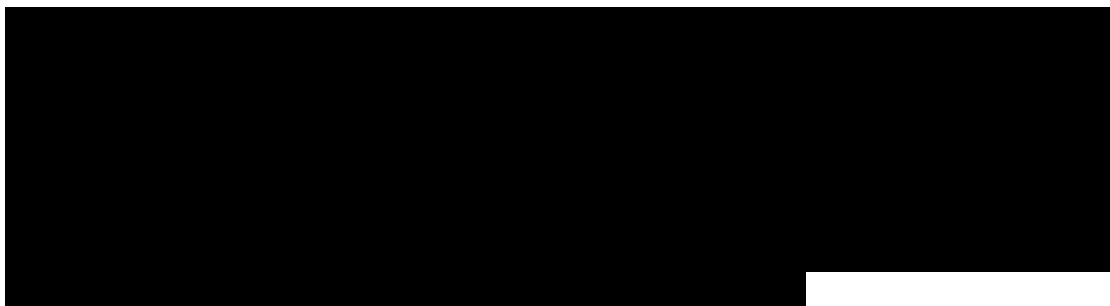
2. Authorising and strategic context

- 2.1 Under the Group Standing Orders, the Group Board must approve the financial statements for the year to 31 March 2025. The Group and all subsidiary accounts and related reports from the external auditors were considered at the Group Audit Committee meeting on 13 August 2025. The Committee approved the Group financial statements for presentation to the Group Board.
- 2.2 This report also includes a reconciliation of the final out-turn to management accounts to 31 March 2025 which were presented to the Board in April.

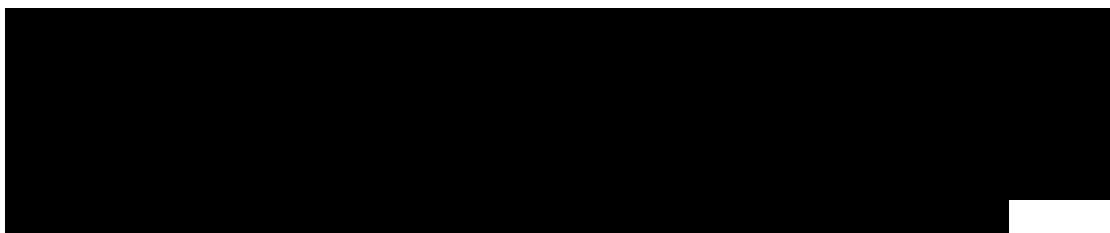
3. Background

- 3.1 The preparation of annual audited accounts is a statutory requirement.

3.2



3.3



3.4 [Redacted]

4. Summary of results

4.1 The headline results for the year are:

Income & Expenditure:

- Total Comprehensive Income (including pension scheme and property revaluations) was £143.3m. Included in other comprehensive income is a valuation gain on social housing properties of £46.8m which is discussed in more detail in 4.3 below.
- An operating surplus of £161.4m (2024: £74.2m) has been generated which includes grant income on new build completions and acquisitions of £99.6m and a non-cash accounting gain of £10.7m on investment property revaluations.
- Adjusting to remove FRS 102 adjustments for new build grant, pensions and investment property valuations shows underlying

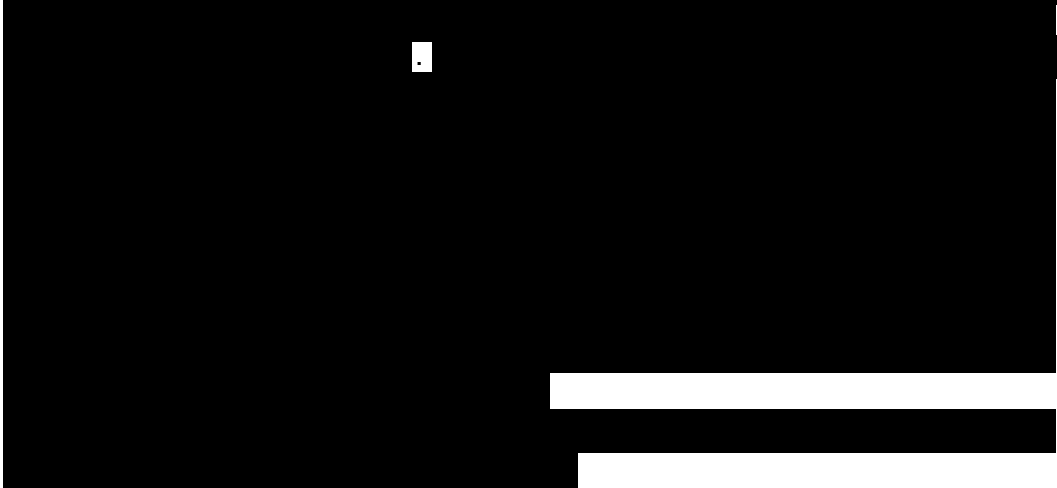


Chart 1:



Statement of Financial Position:

- Total reserves of £1,617.0m, includes the valuation gain of £46.8m when compared to book cost on social housing properties and a gain of £10.7m on mid-market rental and commercial properties;
- Capital investment on new build completions totalled £198.3m;
- Pension liabilities decreased from £8.4m to £7.1m, a movement of £1.3m;
- Gearing remained in line with the prior year at 49% and gross debt per unit was £26,431 (2024: £24,715); both low compared to other comparably sized UK housing groups.

Cash flow:

- Net cash flow from operations was £155.8m;
- Grant income to help support the development of new housing of £69.0m was received;
- Cash of £81.3m was invested to improve our existing housing properties and £160.4m in building new homes;
- Significant liquidity remains in place, with £324.4m available to be drawn as required (2024: £234.8m) and net cash balances of £36.3m (2024: £36.3m).

4.2 Items of note in the 2024/25 results are discussed further in this section and include:

- Social housing property valuations
- Defined Benefit Pension Scheme valuation
- Deferred tax

4.3 **Social housing property valuations** – The 2024/25 financial statements report social housing properties on the Statement of Financial Position of £2,898.9m with an unrealised non-cash surplus in the valuation of social housing properties for the year of £46.8m shown on the Statement of Comprehensive Income.

4.4 Our social housing properties are valued using the Existing Use for Social Housing Valuation methodology (“EUV-SH”) which will not always reflect the scale of capital investment spend reported in the particular financial year. The increase in valuation at 31 March 2025 reflects the view of our independent valuation expert on the high quality and good condition of our properties.

4.5 The results of this year's valuation have been influenced by two key drivers:

- The 6.9% rent increase applied at 1 April 2025 which was higher than the assumed percentage increase at the previous valuation. This increases the future cashflows from rental income on social housing properties which feeds into the EUV-SH model.
- The continuation of the stock validation work provides JLL with a higher degree of confidence in our asset data given they have now conducted internal and external survey on over 19% of our stock over the past three financial years. This data informs the expenditure of the EUV-SH model as it relates to the investment programme.

4.6 **Defined Benefit Pension Schemes** – The group has defined benefit (“DB”) pension arrangements with Strathclyde Pension Fund (“SPF”) and the Scottish Housing Associations’ Pension Scheme (“SHAPS”) DB scheme (which is closed to future accrual). The financial statements have been updated to reflect the results of the accounting valuations at 31 March 2025.

4.7 To assist us in agreeing the assumptions for the accounting valuations as at 31 March 2025, we instructed Spence to provide an independent actuarial review of the financial assumptions that Hymans Robertson proposed for the Wheatley Homes Glasgow SPF valuation with Spence affirming that, in their view, the Hymans Robertson assumptions were appropriate for our valuation. As in prior years the salary increase assumption is aligned to the assumptions used in our own financial projections.

4.8 A total net pension liability of £7.1m is reported. For the SPF, a net DB pension liability of £1.8m is reported (2024: liability of £2.0m). For SHAPS the net pension liability is £5.3m compared to a liability of £6.4m. The reduction in the pension liability is mainly due to the increase in the corporate bond yield (upon which the discount rate is derived) over the period, which has led to a 1.0% increase in the discount rate assumption. This served to reduce the employer's obligations and the overall pension liabilities.

4.9



- 4.10 The adjustments made between the period 12 management accounts and the final audited financial statements are summarised below:

	Income & Expenditure £m	Net Assets £m
P12 Management Accounts	69.6	1,543.3
Revaluation of investment properties	11.2	11.2
Revaluation of housing properties	46.8	46.8
Depreciation adjustments	9.3	9.3
Pension Adjustments	1.2	1.2
Fair value of Scottish Government Loan	1.5	1.5
Movement in deferred taxation	1.3	1.3
Gain on disposal of fixed assets	1.2	1.2
Other	1.2	1.2
Group Statutory Accounts	143.3	1,617.0

- 4.11 The statutory results are updated annually for the outcome of the housing stock valuation by JLL and the inclusion of the updated defined benefit pension scheme actuarial valuations for SHAPS as well as the Strathclyde Pension Fund.
- 4.12 Other adjustments are for items following a post year-end review of accruals, share of profit retained in the JV and a review of expenditure to ensure capitalisation is in line with the Group policy.

5. Audit summary

- 5.1 KPMG have completed their work and provided an unqualified audit opinion. No audit adjustments have been identified during the course of KPMG's audit work.
- 5.2 The Group statutory accounts include provision for auditors to be re-appointed at the forthcoming Annual General Meeting.
- 5.3 As a standard part of their audit process, and in line with previous years, KPMG require the Group Chair to sign a "letter of representation" on behalf of the Group Board which confirms certain matters in terms of disclosure and record-keeping. There have been no changes to the representations made in the Letter from the previous year and dates have been updated to reflect the year end 31 March 2025. As in previous years, a letter from the Chief Executive has been provided to provide comfort that the officers have complied with the matters stated in this letter. Both these documents are provided along with this paper (Appendix 2 and 3 respectively).

- 5.4 The Board are asked to confirm in the letter of representation that the financial statements are prepared on a going concern basis as in prior years. The assessment that the Group continues in business is based on the preparation and approval of the 30-year business plan which includes cashflow forecasts, the certainty of revenue streams from rental income in the RSLs and the assessment of the availability of funding provided to the Group by lenders.

6. Customer Engagement

- 6.1 There are no direct customer engagement implications arising from this report.

7. Environmental and sustainability implications

- 7.1 Included at Appendix 4 is the Group Report on the Environmental, Social and Governance (“**ESG**”) metrics we consider vital for the long-term operational, financial, and strategic performance of Wheatley Group. Our investors and lenders request disclosures on green, social and governance matters and the alignment of these with our strategic goals. The 2024/25 ESG report is our seventh annual edition and largely follows the Sustainability Reporting Standard for Social Housing which covers over 40 specific areas of importance to the sector including rent affordability, fire safety and the target of net zero carbon emissions.
- 7.2 Our Sustainability Linked Loans with Syndicate and Barclays provide us with the ability to marginally reduce the cost of drawn debt if we deliver stretching environmental or positive social outcomes. We were successful in making 60% of new lets to people experiencing homelessness and our Foundation issued 50 educational bursaries to our customers during the year. All 844 new build homes completed in 2024/25 reached a minimum EPC rating of ‘B’, with 135 of these being assessed at EPC ‘A’.
- 7.3 The financial statements reference the Group’s Environmental, Social and Governance (“**ESG**”) Report and will contain a link to the ESG report which will be published at the same time. There is a statutory requirement to include a Streamlined Energy and Carbon Report showing the energy consumption and emissions of the Group’s corporate activities which is also set out in the financial statements.

8. Digital transformation alignment

- 8.1 There are no digital transformation alignment implications arising from this report.

9. Financial and value for money implications

- 9.1 Financial and value for money implications are covered throughout this report.

10. Legal, regulatory and charitable implications

- 10.1 This Board is asked to approve the 2024/25 Group financial statements. Each subsidiary Board within the Group will be required by their constitution or under section 485 of the Companies Act, to appoint an auditor for each financial year. Under the Intra-Group Agreement with Wheatley Housing Group the subsidiaries are required to use the Group Auditors subject to the Group confirming KPMG’s reappointment at its Annual General Meeting.

10.2 Following approval and signing of the financial statements they require to be submitted to Companies House and the annual return made to the Scottish Housing Regulator for the parent company and subsidiary RSLs.

11. Risk Appetite and assessment

11.1 Our agreed Group risk appetite in relation to compliance with laws, regulations and compliance is “averse”, meaning that the avoidance of risk and uncertainty is a key organisational objective.

12. Equalities implications

12.1 There are no equalities implications arising from this report.

13. Key issues and conclusions

13.1 The results show that financial performance continues in line with our business plan with the Group producing a strong and resilient financial performance in 2024/25. We have continued to demonstrate that we can deliver our objectives in a financially sustainable way that provides us with a solid platform to achieve our strategic objectives. Key financial performance indicators remain strong, complementing a similar trend in customer satisfaction measures, a reflection of the Group’s focus on the activities customers have told us are most important.

13.2 [REDACTED]

13.3 As reported to the Group Board meeting in April, all financial covenants have been met. The final interest cover calculations for the year ended 31 March 2025 are set out in the table below.

Interest cover > Target	Target	P12 Mgt Accs	Actual	Covenant Met
WFL1	145%	235%	237%	Yes
Lowther	150%	267%	265%	Yes

14. Recommendations

- 14.1 The Board is asked to:
- 1) Approve the 2024/25 Group financial statements;
 - 2) Confirm the preparation of the financial statements using the going concern basis;
 - 3) Approve the Letter of Representation to KPMG and note the related letter of representation from the Group CEO to Group Chair;
 - 4) Approve the appointment of KPMG LLP as auditors for the 2025/26 financial year at the Annual General Meeting;
 - 5) Note the 2024/25 Group Report on Environmental, Social and Governance.

LIST OF APPENDICES:

- Appendix 1: Wheatley Housing Group Financial Statements 2024/25
- Appendix 2: Letter of representation to KPMG
- Appendix 3: Letter of representation from management
- Appendix 4: ESG Report 2024/25

[REDACTED]



ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended

31 March 2025

Wheatley Housing Group Limited

Scottish Housing Regulator Registration No. 363
Registered No. SC426094

WELCOME

Wheatley Group is one of the UK's most dynamic, agile and best-performing housing, care and property-management groups. Our mission is 'Making Homes and Lives Better'. Owning and managing over 94,200 homes, Wheatley is Scotland's largest housing group and delivers award-winning services across 19 local authorities in Scotland.

Our services are delivered through our four charitable Registered Social Landlords ("RSLs"), care organisation and our mid-market letting and property management subsidiary. The activities of the Group are supported by Wheatley Solutions our support services subsidiary and Wheatley Developments Scotland our new build development subsidiary. The Group's charitable trust, the Wheatley Foundation, invests its funding to create opportunities for people to improve their lives.

Each part of the Group is focused on delivering excellence no matter what they do and each remains firmly rooted in their communities, providing services tailored to the needs of their individual customers.

WHEATLEY AT A GLANCE

Each part of the Group is focused on delivering excellence no matter what they do and each remains firmly rooted in their communities, providing services tailored to the needs of their individual customers. The Group comprises of:

- Wheatley Homes Glasgow Limited ("WH Glasgow") is the largest part of the Group and has over 43,200 affordable homes.
- Loretto Housing Association Limited ("LHA") operating in the west of Scotland with over 2,750 properties owned and managed.
- Wheatley Homes East Limited ("WH East") operates in Edinburgh, the Lothians and Fife with 7,750 homes.
- Wheatley Homes South Limited ("WH South") owns or manages over 10,300 homes.
- Wheatley Development Scotland Limited ("WDS") is a development company providing design and build services to the RSLs in the Group.

The RSLs in the Group owned or managed a total of 64,170 homes at the end of the year. They are regulated by the Scottish Housing Regulator, and are graded as fully compliant, the top grading.

- Lowther Homes Limited ("Lowther") owns a portfolio of 1,245 private rented homes and provides management services to the Group's mid-market rented homes and provides property management services to almost 29,000 customers who own their properties.
- Wheatley Care supports over 6,170 people with specialist needs, many of whom live in properties owned by the RSLs in the Group.
- Wheatley Solutions provides support services, ranging from finance, IT and procurement to governance, assurance, legal, marketing and communications to the Group's subsidiaries.
- Wheatley Foundation delivers our community and better lives activity, investing £8.8m this year to help improve the lives of the people it supports.
- City Building (Glasgow) LLP ("CBG") is jointly owned with Glasgow City Council and provides repairs and investment services.

Wheatley Housing Group Limited, as the Group parent, does not own any homes but provides strategic oversight to all subsidiaries and is registered with the Scottish Housing Regulator.

CHAIR'S REPORT

The year 2024/25 was another successful one for Wheatley, as we met our key objectives, rose to the challenges of a complex economic landscape, and delivered excellent outcomes for the people we work for. It was a year in which we demonstrated our resilience, our unwavering ability to embrace change, and our enduring pledge to support our customers when they need us most.

Customers have always been at the heart of everything we do, and this year saw satisfaction levels rise across the Group. With Group customer satisfaction reaching an average of 91% across our RSLs, the people we work for trust us to act in their interests and deliver for them.

One of Wheatley's most significant commitments is to address the issue of homelessness and support our partners in central and local government as they tackle the housing emergency. This year, we provided 2,673 lets for homeless households, the highest yearly figure since the start of our 2021-2026 strategy, bringing the total number of homeless lets during our current strategy to 9,741. Since the Scottish Government declared a housing emergency in May 2024, we have increased our target to provide 11,000 lets to people experiencing homelessness, a 10% increase on our 2021-2026 strategic objective. We are now well-placed to meet that strategic goal.

We know the importance of ensuring our customers feel safe and secure in their own homes and live in a neighbourhood they can be proud of. Wheatley invested £81.3m in improving our existing homes in 2024/25, making them safer, warmer, and more attractive places to live. We remained committed to sustainability and improved energy efficiency of our existing homes through measures such as external wall insulation and upgraded heating systems. As a result, 92% of our homes now have an Energy Performance Certificate of 'C' or better.

Protecting our customers from the risk of fire is always a priority. In addition to carrying out hundreds of person-centred fire risk assessments, we have installed fire detection systems and delivered a wide range of fire safety products to our customers. The number of accidental fires in Wheatley homes fell by 21% over the year. Over the duration of the strategy so far, we have reduced the rate of accidental fires in our homes by 56%.

Wheatley's development programme was an outstanding success in 2024/25. We built 844 new homes over the year, 563 for social rent and 281 for mid-market rent, the biggest yet in our current strategy period and the highest number of homes we have built in a single year since 2018/19. That brings the total number of new homes built so far under our five-year strategy to 2,274, something of which I, along with my fellow Board members, am immensely proud.

In addition to building a significant number of new homes, we achieved other notable successes. Tenancy sustainment remained high, with over 93% of tenancies sustained for more than a year, the highest in the four years of our strategy. Our gross rent arrears stood at just under 5.1% at the end of the financial year, down from 5.4% last year and well below the Scottish average of 6.7%.

Our repairs teams built on the success of 'Book It, Track It, Rate It', which we launched last year, with average satisfaction ratings ranging between 4.4 and 4.7 out of 5. The Customer First Centre (CFC) provided specialist support and 24/7 cover, offering first contact resolutions to tenant service requests and inquiries. Staff at the CFC handled around 750,000 calls and achieved an overall satisfaction rating of 90%.

CHAIR'S REPORT (continued)

As always, Wheatley Foundation did remarkable work in supporting our customers and communities, maximising access to employment, training and learning while tackling social exclusion and alleviating the impacts of poverty. The Foundation supported over 12,600 households in 2024/25, providing over 20,000 instances of direct support. Working with partners, it created 1,037 jobs, apprenticeships and training opportunities, with almost three-quarters going to people living in Wheatley homes.

Customers continued to influence decision-making and shape the services Wheatley delivers, with more than 1,500 customers registered for our Stronger Voices programme this year. This included 145 focus groups and panel meetings, as well as 427 walkabouts. A total of 23 customers were also involved in the Group Scrutiny Panel.

Wheatley Care continues to support people in engaging with their community through activities that improve physical and mental health, reduce social isolation, and increase access to employment, volunteering, and education. More than 100 Wheatley Care customers also took part in a consultation on changes to the national care sector, as well as on Wheatley Care's Livingwell project.

One of the aspects I admire most about Team Wheatley is its 'Think Yes' culture and its dedication to discovering new ways to support people in our communities. As we enter the final phase of our five-year strategy, 'Your Home, Your Community, Your Future', Wheatley continues to thrive. I take great pride in being part of an organisation that understands its customers and genuinely cares about their future.

Jo Armstrong

Chair of Wheatley Housing Group Board

CHIEF EXECUTIVE'S REPORT

At Wheatley, we know how much a safe, warm home can transform lives. From families having dinner together around the kitchen table to children having space to do their homework, better homes lead to better lives for the people living in them.

That's why I am particularly proud of two of Wheatley's biggest successes this year: building new homes and tackling homelessness. Both are closely connected, of course, and both serve as prime examples of Wheatley's importance to the sector as a whole and the consistent, high-level contributions it makes to national housing outcomes.

Wheatley built 844 new homes at 19 sites across the country in 2024/25. By the end of the financial year, we had 19 projects on site, which will deliver more than 945 new homes. The scale of this development is even more significant given the challenging operating environment, including changes to the Scottish Government's Affordable Housing Supply Programme grant, as well as rising labour, material, and maintenance costs.

It means Wheatley is once again on track to be the largest builder of social rented homes in the UK, which is a remarkable achievement. Even more important, however, is that so many lives in central and southern Scotland have been improved by the work we do.

Wheatley's commitment to tackling homelessness reached new heights this year, too. We increased the number of homeless lets to 2,673 homes in 2024/25, 60% of relevant lets, the highest yearly figure since the start of our strategy and leaving us well-placed to meet our target of 11,000 lets to homeless people by the end of 2025/26. Just as important as providing a home is the life-changing wraparound support available to the people living in those homes. Our 'MyGreatStart' initiative helped 1,164 new tenants develop the financial skills they need to sustain their tenancies this year, while our 'Starter Packs' programme provided 708 new tenants with essential household items such as bedding and crockery. Meanwhile, Home Comforts delivered 4,862 items of recycled furniture and white goods to 1,272 tenants in 2024/25.

The difficult economic climate brought Wheatley's strong financial management into even sharper focus this year. Prudent financial management has always been fundamental to everything we do. The completion of our annual review with credit rating agency S&P this year saw Wheatley maintain its strong credit rating of A+ with a stable outlook. Achieving this robust financial position is crucial for us to invest in the quality, safety and security of our homes.

Wheatley remains deeply rooted in our local communities, and that means we understand the economic difficulties our customers face and can offer targeted support, from financial guidance and employability advice to help with food costs, to help ease the pressures which impact their health, well-being and overall quality of life.

With 45% of Wheatley customers claiming Universal Credit, the work of our team of welfare benefits advisors has never been more important. It's been an exceptional year for the team, with their efforts securing more than £20 million in financial gain for 7,335 customers. Wheatley Foundation supported more than 12,600 households in 2024/25, maximising access to employment, training and learning opportunities for customers of all ages while tackling social exclusion and alleviating the impacts of poverty.

CHIEF EXECUTIVE'S REPORT

Our personalised approach, along with our deep understanding of what matters to our customers, is evident in the performance of our 24/7 Customer First Centre (CFC). The CFC is central to our operating model, and its locally based specialists worked more closely than ever with frontline housing teams this year. CFC staff handled nearly 750,000 calls, with 68% answered within 30 seconds, an average waiting time of 89 seconds, and 90% of calls resolved at the first point of contact. We understand the importance of waiting times but the relationships we have with our customers and our emphasis on the quality of service means our staff have the time they need to tailor their support to each customer. The success of this initiative is evident in the overall satisfaction with the CFC, which reached 90% by the end of the financial year.

Wheatley Care continued to provide inclusive and holistic support to people with complex conditions, including physical disabilities, learning disabilities, mental health conditions, addictions, and homelessness. In 2024/25, we supported 6,170 people across our services, helping them achieve the most out of their lives and reach their own positive outcomes.

Wheatley's reputation as an employer of choice for young people was maintained this year by our retention of the prestigious Investors in Young People accreditation, first awarded to us a decade ago. Wheatley Group also retained its Customer Service Excellence accreditation this year, with 24 'compliance plus' ratings.

We offered more opportunities for the people we work for to engage with us online, with 55,268 customers registered for an online account this year. Meanwhile, staff at the CFC handled 13,284 web chats over the year. The total number of visits to Wheatley Group websites over the year, including MyHousing, was 1,348,340, and the number of followers on our social media channels reached 59,501.

As we reach the final phase of our five-year strategy, Wheatley remains a high-performing organisation, more committed than ever to supporting its customers. And for that, I would like to thank my colleagues on the Executive Team, our dedicated board members and, most of all, everyone in Team Wheatley.

Steven Henderson

Wheatley Housing Group Chief Executive

THE YEAR AT A GLANCE – HIGHLIGHTS OF 2024/25

Delivering exceptional customer experience

Tenancy sustainment rate over 93%

Overall tenant satisfaction at 91%

Making the most of our homes and assets

844 homes completed during the year and 1,003 on site or due on site

£81.3m invested in our existing homes and a further £115.3m spent on repairs and maintenance

Carbon emissions from our homes reduced by over 3,170 tonnes per annum this year

92% of our homes are rated EPC rating C or better

Changing lives and communities

83% of care services graded Very Good or Excellent compared to a Scottish average of 31%

Over 12,600 households supported by the Wheatley Foundation this year

2,673 lets made to homeless individuals or households comprising 60% of all lets

Developing our shared capability

1,037 employment, apprenticeship and training opportunities for 842 people living in our homes and communities

75% of promoted posts filled internally

Enabling our ambitions

Turnover of £516.8m

Earnings before interest, tax, depreciation and amortisation (EBITDA) of £169.4m

S&P global credit rating retained at A+ 'stable'

Cash of £36.3m and undrawn facilities of £324.4m at 31 March 2025

Available loan security of £789.5m at 31 March 2025

Management and administration cost per property of £991

Housing property values increased by £234.4m to £3,270.6m

STRATEGIC REPORT

Review of the year

As we marked the end of the fourth year of our five year strategy, our vision to make homes and lives better remains unchanged alongside our commitment to excellence, community focus and the provision of high quality services designed around our customers' needs. Our five year strategy Your Home, Your Community, Your Future builds on our five key themes of:

- **Delivering exceptional customer experience**
- **Making the most of our homes and assets**
- **Changing lives and communities**
- **Developing our shared capability**
- **Enabling our ambitions**

A summary of our work under each of our strategic theme is set out below.

Delivering exceptional customer experience

Our operating model

Customers are at the heart of our decision making and we strive to ensure the services we deliver are clearly aligned with their needs. We deliver services to our customers through our network of housing officers supported by our 24/7 Customer First Centre (CFC) and our locally based environmental teams. We have a strong neighbourhood focus when delivering services to our customers using our "Think Yes" approach. Our housing officers work in small patch sizes managing between 200 and 250 tenancies. This allows them to understand the local issues that affect our customers, and their communities and services are tailored and personalised to customer's needs and circumstances. Annual tenant visits provided customers further opportunity to engage with us; discuss concerns they may have and helped us ensure our homes are in a good condition.

Strong business performance

As Wheatley moved into the final phase of its five-year strategy 'Your Home, Your Community, Your Future', we have maintained our well-deserved reputation for delivering award-winning services and creating better homes and better lives for the people we work for.

This year saw customer satisfaction indicators showing positive results with overall tenant satisfaction for the Group at 91%, high levels of tenancy sustainment at 93% tenancies sustained for more than 12 months, complaints handled efficiently, the building of significant numbers of new homes, and an enduring commitment to helping customers navigate difficult economic challenges. With a dedicated staff team united by a 'Think Yes' culture, and a strong track record of delivering innovative solutions to problems, Wheatley continued to ensure customers were at the heart of decision making and that services were clearly aligned with their needs.

Our gross rent arrears stood at just under 5.1% at the end of the financial year, down from 5.4% last year and well below the 2023/24 Scottish average of 6.7% and the percentage of rent collected was 99.3%, the highest collection percentage over the first four years of the strategy. The average days to re-let our homes this year was 17.5 days, above our 16-day target but well below the Scottish average of 56.7 days for 2023/24.

STRATEGIC REPORT (continued)

With the Scottish Government declaring a national housing emergency in May 2024, our commitment to tackling homelessness is an ever more important element of our five-year strategy. We allocated 2,673 homes to people who were homeless in 2024/25, the highest yearly figure since the start of our strategy and leaving us well-placed to meet our target of 11,000 lets to people who were homeless by the end of 2025/26. Our tenancy sustainment figures remained strong and above the Scottish average, with 93% of tenancies sustained for more than a year, up from 91% last year and the highest in the four years of our strategy.

Wheatley Foundation supported more than 12,600 households, providing 20,472 instances of direct support to alleviate financial pressures; creating 1,037 jobs, apprenticeship and training opportunities; and helping 3,486 children and young people participate in targeted programmes over the year.

Improving our repairs service

We know repairs is a priority for customers and we continued to use feedback from customers as well as direct engagement through our Group Scrutiny Panel, made up of members from our Customer Voices Programme to help us improve the service.

This year saw us build on the success of 'Book It, Track It, Rate It', our app which allows customers to book repairs online, track progress and provide feedback. The average satisfaction rating across the Group over the year was 4.5 out of 5 or 90%. Across Wheatley, we carried out 306,999 reactive repairs in 2024/25 and spent £115.3m on planned and reactive repairs and maintenance. Our specialist "MyRepairs" team focuses on the co-ordination of more complex repair work to deliver a high level of service for customers and help free up housing officers to spend more time with customers and in communities.

Our average time to complete emergency repairs was 3.25 hours below the Scottish average in 2023/24 of 4 hours, non-emergency repairs averaged 8.25 days with the repairs teams responding to three major storms from December 2024 to January 2025. The percentage of repairs completed right first was 90% for the year ended 2024/25, in line with our target.

Customer First Centre

Our 24/7 CFC, a key pillar of our operating model, enhanced its service in 2024/25 by having locally based specialists working more closely with frontline housing teams in an aligned geographical approach.

Staff at the CFC handled 749,818 calls over the year, with 68% answered within 30 seconds; an average waiting time of 89 seconds; and 90% of calls resolved at the first point of contact. CFC staff also used webchat to communicate online with customers in real time, handling 13,284 webchats in 2024/25.

The CFC aims to provide quality solutions for customers, negating the need for them to call again or for enquiries to have to be dealt with elsewhere. Staff handle many complex issues and tailor their support to each customer. Our aim is to ensure staff have the time they need to support customers and resolve their issues, while also remaining mindful of call waiting times. Overall satisfaction with the CFC stood at 4.5 out of 5 or 90%, by the end of the financial year, reflecting the success of our approach which emphasises the quality of service.

STRATEGIC REPORT (continued)

Engaging with customers

We want Wheatley customers to be at the heart of decision-making to help ensure our services reflect their priorities.

More than 1,520 customers were registered with our Stronger Voices programme by the end of 2024/25, with 145 focus groups and panel meetings and 427 walkabouts held over the year. Investment work carried out through Stronger Voices included new planters at St Edmund Court in Glasgow; a donation to Ecclefechan Day Centre in Dumfries and Galloway; new lights on a pathway in Whitburn, West Lothian; and a new play area in Queens Quay, Clydebank.

Customers make up the Group Scrutiny Panel which reviews performance quarterly against Scottish Social Housing Charter indicators and in recent years has chosen to focus on anti-social behaviour, complaints and repairs, among other things. This year the panel carried out a thematic review of Wheatley's environmental services, with our teams currently working through their recommendations to help improve the service.

In Wheatley Homes South, staff continued to consult with residents in Lochside in Dumfries and Galloway on plans for new homes as well as the wider regeneration of the area.

More than 100 care customers also took part in a consultation on the Care Reform (Scotland) Bill as it made its way through the Scottish Parliament, as well as Wheatley Care's own Livingwell project. Wheatley Care also continued to develop its approach to peer mentoring and advocacy in partnership with the Glasgow Homelessness Involvement and Feedback Team supporting customers to create a lived-experience service which mentors and advocates for people in our Fordneuk Accommodation and Support Service in Glasgow.

Tenants in the Wyndford Futures Focus Group have been instrumental in driving forward the £100m regeneration of the Glasgow community, shaping the masterplan by attending meetings and workshops, carrying out surveys and more. The tenant-led group won the award for Excellence in Community-Led Decision-Making at the UK Housing Awards this year and also picked up the Tenant Team of the Year at the Tenant Participation Advisory Service (TPAS) Scotland National Good Practice Awards.

STRATEGIC REPORT (continued)

Making the most of our homes and assets

New-build homes

Wheatley built 844 new homes, 563 for social rent and 281 for mid-market rent, at 19 sites across the country in 2024/25, seeing us named as the biggest developer of social housing in the UK by Inside Housing magazine once again in 2024/25. New homes developed included:

- 256 homes for Wheatley Homes East at West Craigs in Edinburgh;
- 123 Wheatley Homes Glasgow homes at Calton Village;
- 48 new homes for Loretto in East Lane, Paisley;
- 54 new Wheatley Homes South homes at Curries Yard in Dumfries; and
- 48 new homes for Lowther in Milton, Glasgow.

By the end of the financial year, we had 19 projects on site across central and southern Scotland which will deliver more than 1,003 new homes, including 44 new homes in Bishopbriggs; 33 at Johnstonebridge in Dumfries and Galloway; 75 new homes in Pollokshaws, Glasgow; 38 at Deans South in Livingston; and another 70 homes on the site of the former Bellgrove Hotel in Glasgow.

While 2024/25 saw a significant number of completions, the reduction in the Scottish Government's Affordable Housing Supply Programme grant impacted the number of projects we expected to start over the year, and this funding shortfall was compounded by the rising cost of labour and materials. We are exploring innovative funding models, including partnerships with private developers, to ensure we continue to increase the supply of much-needed affordable housing, while we continue to work with our partners in local and national government on the availability of grant funding and speeding up the planning process.

Investment in existing homes

Key drivers for our investment decisions include ensuring we meet all our building compliance obligations; that our investment contributes to maintaining neighbourhoods which meet our customers' expectations; that we have strategies for particular stock types such as multi-storey flats and pre-1919 tenements; and that we meet our sustainability objectives through improving the energy-efficiency of our homes.

Our investment programme is also shaped by customers' priorities, and we invested £81.3m in improving our existing homes, making them safer, warmer, more energy-efficient and more attractive places to live.

Key projects carried out this year included:

- £12.1m on energy efficient heating systems and boilers including £6.0m on the completion of 1,344 boiler replacements in Glasgow, energy efficiency improvements to 124 homes and the installation new heating systems, including air source heat pumps, for 182 homes across Edinburgh, West Lothian and the South;
- £8.5m on kitchens and bathrooms at change of tenancy and planned lifecycle improvements to our homes across central and Southern Scotland;
- £6.0m on mechanical, electrical and plumbing including new CCTV systems in Glasgow, lifecycle replacements of communal pumps and tanks in the Wyndford estate and over 200 house rewires;
- £5.6m on structure and roofs including improvements to building fabric and roof renewals to homes and sandstone tenements in Glasgow, upgrades to 97 homes in the South and improvements to pre-1919 tenements in Edinburgh, benefitting 103 customers;

STRATEGIC REPORT (continued)

Investment in existing homes (continued)

- £4.6m on windows and doors including Castlemilk and Ruchazie in Glasgow, Windsor Crescent in Loretto, and at 168 homes and 120 homes in the South and the East respectively;
- £3.4m on external wall finishes including fabric improvement of tenements in Cranhill, Glasgow and improvements to 59 homes in the South; and
- £1.8m on internal works and common areas mainly in Riddrieval, Townhead and the Saltmarket in Glasgow.

Building safety

We continued our focus on dealing with reports of damp and mould in our homes. We have set quick response targets and aim to inspect reports of damp or mould within two working days and to complete any repairs needed within 15 working days. We grade all reports of damp and mould and the vast majority are mild in nature, with very low numbers of cases where significant mould or damp are present. Over 12,000 condition surveys using a firm of independent property surveyors combined with in person visits from housing officers were carried out during the year which confirmed that our housing stock is in good condition.

Helping our tenants stay safe from fire has always been our top priority, and the number of accidental fires in Wheatley homes fell by 21% over the year. Wheatley's own fire safety team carried out 537 person-centered fire risk assessments in our homes, and Scottish Fire and Rescue carried out 946 home fire safety visits. We installed 169 LD1 fire detection systems in our homes; delivered fire safety products such as fire-retardant bedding, ash trays and mail guards to 309 customers; carried out fire-related repairs to 224 homes; installed 94 stove guards in homes; and gave 25 customers specialised detection systems.

We continued to meet our compliance obligations in relation to gas and electrical safety requirements.

Regeneration plans

Wheatley Homes Glasgow's £100m transformation of Wyndford took a major step forward this year with the demolition of three multi-storey blocks in the community. Work is expected to start on building almost 400 new, energy-efficient larger family homes, 85% of which will be for social rent and the rest for mid-market rent. Work is expected to start on building those new homes in early 2027.

We work in partnership with Glasgow City Council as members of Transforming Communities: Glasgow, a body to oversee the delivery of regeneration and development across eight areas identified across the city as Transformational Regeneration Areas (TRAs).

Wheatley Homes South continued to consult with customers in the Lochside area of Dumfries this year over ambitious plans which will see modern, high-quality affordable homes built as well as the wider regeneration of the area.

STRATEGIC REPORT (continued)

Sustainability

At Wheatley, we are committed to 'greener homes, greener lives', to improving the fabric efficiency of our existing homes, upgrading heating systems to helping customers save on energy costs and building energy efficient new homes. A total of 92% of our homes have an Energy Performance Certificate of 'C' or better and all our new homes are at least EPC B.

This year, we introduced advanced control systems to improve the energy efficiency of our district heating systems in Glasgow and Edinburgh. These systems provide heating and hot water to 1,500 homes. Once fully implemented, the change is expected to deliver system efficiencies of over 60%, well ahead of the 30% to 45% efficiency typically delivered by district heating systems, and to reduce CO2 emissions per property by an estimated 1.4 tonne per install.

We installed new windows in over 1,000 homes this year, as well as 2,000 new heating systems and smart control upgrades to over 800 electric heating systems. We also delivered around £4m of improvements through the Scottish Government's Social Housing Net Zero (SHNZ) fund, including the deep retro-fit of some of our least energy efficient homes in Dumfries and Galloway. This work included external wall insulation, air source heat pumps, new windows, solar panels and batteries and improved the EPC of 108 homes from 'E' to in many cases 'B' with a typical carbon reduction of 80%.



We also carried out energy efficiency improvements to pre-1919 tenements in Edinburgh and Glasgow, including internal wall insulation, draught proofing and high efficiency heating systems.

The 2,400 solar panels in our homes generated around 3,600,000 kWh of electricity this year for our customers to use. We also encouraged active travel and healthier living by investing £75,000 in cycle storage and free bikes for customers supported by Transport Scotland, and helped promote biodiversity and environmental quality by planting 500 trees, 3000 plants, bulbs and scrubs, and removing two tonnes of litter from our communities.

We kicked off an innovative research project at our new Shandwick Street development in Easterhouse, Glasgow, featuring six new-build homes designed, constructed, and insulated using different technology methods. We are now monitoring their energy consumption and efficiency to see how the different specification used compare with current Passivhaus standards (the international energy performance standard for buildings which aims to reduce the requirement for space heating and cooling).

STRATEGIC REPORT (continued)

Sustainability (continued)

Our measured carbon emissions solely from our corporate activities are:

Tonnes of CO ₂ arising from corporate activities	2020/21	2021/22	2022/23	2023/24	2024/25
Scope 1 Emissions from sources owned or controlled directly by us	126.6t	1623.6t	1847.0t	1859.5t	1618.8t
Scope 2 (market based) Emissions caused indirectly as a result of our activities such as electricity purchased by us	75.4t	307.7t	320.2t	0t	0t
Scope 3 Emissions produced by our supply chain (for example, travel for business purposes not procured by us)	21.0t	260.0t	435.9t	398.1t	745.1t

Source: PlanetMark (2020/21 to 2023/24) and Shift (2024/25)

The majority of our Scope 1 emissions are from our vehicle fleet and a direct result of delivering repairs and environmental service to meet the needs of customers in our communities. The increase in our Scope 3 emissions is as a result of increased staff travel as they prioritise working with our customers in their communities and neighbourhoods.

We also report sustainability measures in our Streamlined Energy and Carbon Reporting related to utilities consumption for all activities (i.e. in addition to our corporate use), with the following energy usage and carbon emissions, across all subsidiaries, for this year as follows:

- Underlying global utilities use for the organisation for the year ended 31 March 2025 of 50,804,007 kWh comprised of 72.7% for gas consumption totalling 36,930,160.06 kWh and 27.3% for electricity consumption totalling 13,873,847.63 kWh (2024: 45,298,719 kWh). The increase is a result of growth in our assets connected to new district heating systems through our housing development programme, and expansion of our neighbourhood and environmental team depots, to better meet customer needs.
- Emissions intensity ratio of 0.18 kgCO₂/kWh; taken from UK Government Business, Energy and Industrial Strategy (BEIS) 'Greenhouse Gas Conversion Emissions Factors' Table 10 'KgCO₂/kWh'. All our electricity consumption is zero emissions rated. The emissions arising are as a result of gas consumption.
- Annual greenhouse gas emissions for the year reported in tonnes of carbon dioxide equivalent of 6,647 tonnes of CO₂ (2024: 5,429 tCO₂).

More information is provided in our Environmental, Social and Governance Report for 2024/25.

STRATEGIC REPORT (continued)

Changing lives and communities

Supporting our customers

The role of the Wheatley Foundation staff is to maximise access to employment, training and learning opportunities for customers of all ages, while tackling social exclusion and alleviating the impacts of poverty. This year the Foundation supported more than 12,600 households, with 20,472 instances of direct support to alleviate financial pressures. Our Helping Hand Fund provided direct financial support to over 5,300 households struggling with keeping their rent accounts up to date.

The Foundation invested over £8.8m in Wheatley communities over the year; secured more than £1.7m of external funding; and its programmes generated £17m of social value.

A total of 27,523 Wheatley Group customers, almost 45% of our customer base, are now on Universal Credit, an increase of 8% from last year. Over 20,000 instances of direct support to help alleviate financial pressures have been delivered by Foundation programmes this year, from advocating for customers to maximise their income to developing local food larders and providing free furniture and white goods. This included our welfare benefit advisors supporting 7,335 customers, helping them secure over £20m in financial gain, an increase of 46% from the year before and our fuel advisors helping 2,177 households.

The Foundation also created a new financial wellbeing team this year to help tenants manage their income, reduce financial strain, and build long-term stability.

Supporting and creating employment

Wheatley Works delivered 1,037 training and employment opportunities for 842 people this year, almost three-quarters of which went to people in Wheatley homes, including 54 apprentices recruited by our joint venture partner City Building.

A total of 55 Changing Lives trainees and environmental apprentices secured jobs at the end of their placements, with 35 landing roles in Wheatley subsidiaries; and 185 people were supported by the 'Way Ahead' programme funded by Glasgow City Council, creating 125 training opportunities and 30 job opportunities for people with experience of homelessness, addictions and the criminal justice system.

We helped 71 unemployed people improve their confidence and financial wellbeing through our 'Progress for Parents' service, securing 40 training places and ten jobs over the year, while 57 young people took part in 'Moving Forward Edinburgh' workshops to build skills and confidence, with 12 of them moving into work. In Dumfries and Galloway, 43 people landed training and work experience placements with our partners across the region, with 21 customers moving into employment. Community Benefits, delivered through Wheatley Group contracts, helped create 86 jobs, training or work placements over the year, with almost 70% going to Wheatley customers.

The John Wheatley Learning Network, made up of 32 community-based learning centres, helped 2,235 people with free internet access and digital learning courses on music, website design, photography and more over the year. The Foundation also awarded 50 people from Wheatley homes and communities a bursary to go to university or college and sent 774 children under five free books every month thanks to the partnership with the Dolly Parton Imagination Library, which has seen 40,000 free books provided since 2016.

STRATEGIC REPORT (continued)

Letting homes

Wheatley allocated 2,673 homes to people who were experiencing homelessness over the year, 60% of relevant lets, including 21 through Housing First, a multi-agency partnership to tackle rough sleeping in which Wheatley plays a leading role, and 'flipped' 62 lets to permanent homes for the people who were homeless living in them. As well as increasing the number of homeless lets, we have been making the best use of our stock, including supporting people in larger homes to downside, where appropriate.

Improving our neighbourhoods

Our partnership with Keep Scotland Beautiful (KSB) sees the environmental charity assess the service delivered by our environmental teams. In 2024/25, all Wheatley Homes Glasgow, Wheatley Homes South and Loretto neighbourhoods were rated as five-star, the highest possible grade, with more than 98% of Wheatley Homes East neighbourhoods also rated as five-star and the rest working towards that target. A total of 56 Wheatley customers are now trained in KSB's standards and environmental monitoring and take part in regular estate walkabouts with frontline staff.

We introduced a new Neighbourhood Environmental Improvement Team in Glasgow during the year, tackling everything from gutter cleaning to seasonal maintenance. We also held four 'environmental weeks of action' over the year, working with schools, council partners, community groups, volunteers and Wheatley contractors on litter picks, recycling, tree planting with more than 500 people taking part.

The Group Scrutiny Panel carried out a thematic review of our environmental services and developed a report with 12 recommendations, with clarity of information, communication and partnership working as key themes. Our environmental teams are working through their recommendations to implement solutions to help further improve the service.

Our Community Improvement Partnership (CIP), the specialist team of police officers and our Antisocial Behaviour Prevention and Intervention (ASBIP) officers, work with communities to tackle anti-social behaviour and crime. At the end of the year, 74% of all Wheatley neighbourhoods were classed as 'peaceful'.

Wheatley Care

Wheatley Care provides inclusive and holistic support to people with complex conditions, including physical disabilities, learning disabilities, mental health conditions, addictions, and homelessness. In 2024/25, we supported 6,170 people across our services, helping them get the most out of their lives and achieve their own positive outcomes. Around 48% of our customers took part in our care customer sentiment survey this year with 98% satisfied with the service they received, and 95% of respondents said they were satisfied with opportunities to participate in decision making that shapes services, both exceeding the 90% strategic target. Wheatley Care also supports people to engage with their community through a range of activities to improve physical and mental health, reduce social isolation and increase access to employment, volunteering, and education.

STRATEGIC REPORT (continued)

Wheatley Care (continued)

The Care Inspectorate inspected eight of our services over the year. Out of our 18 live inspection reports, more than 83% received grades 5 (very good) or 6 (excellent) for the key themes inspected by the Care Inspectorate. This compares very well with the national average of 31%. All our services received grade 4 (good) and above for the key themes inspected, outperforming the national average of 86%.

More than 100 customers took part in a consultation on changes to the national care sector, as well as on Wheatley Care's Livingwell strategic project, our older peoples' service. Wheatley Care also engaged another 13 new volunteers across its services in 2024/25, meaning 47 volunteers with unique skills and/or lived experience have supported the delivery of our services since 2021. We continued to develop our approach to peer mentoring and advocacy in partnership with the Glasgow Homelessness Involvement and Feedback Team this year. This involved supporting customers to create a lived-experience service which mentors and advocates for people in our Fordneuk Accommodation and Support Service.

Developing our shared capability

Learning and development

At Wheatley, we always want to ensure our staff have the right skills and knowledge to provide the best possible service to the people we work for. We do this through a combination of online and face-to-face training provided by our in-house learning and development team The Academy and external providers.

We delivered well over 700 in-person training sessions this year, ranging from role-specific induction courses to helping staff refresh their online skills.

Our staff work with vulnerable customers and support people with often complex issues every day, and our training helps employees enhance their understanding and improve their confidence and professionalism in delivering high-quality services. Amongst others, staff took part in workshops on domestic abuse; SafeTALK sessions on suicide awareness and training on vicarious trauma.

The Academy also collaborated with colleagues across the Group to create seven new e-learning modules covering issues such as business ethics, New Scots and regulatory requirements. Wheatley's in-house repairs teams ran bespoke training for team leaders and managers to help them continue to improve the service and drive customer satisfaction. We updated our Customer Service Excellence training which was completed by staff from our environmental teams and our partners at City Building (Glasgow), offered a range of courses to support staff with their digital skills and a total of 1,548 staff took part in our EDI (Equity, Diversity and Inclusion) workshops.

All Wheatley Care staff were compliant with Scottish Social Services Council (SSSC) qualification requirements in 2024/25, and by the end of the year, over 82% of care staff either held or were working towards qualification requirements set by the SSSC.

Creating opportunities

We know how important it is to identify potential leaders and provide them with the opportunities to develop their careers and move into leadership roles. Our four-year graduate programme, Ignite, which provides a combination of on-the-job training, support and mentoring and the opportunity to study for an MA in Housing Studies at Stirling University. A total of 16 staff joined our Aspire programme in 2024/25, while 13 staff took part in our Leading with Impact programme for middle

level managers. This year, 75% of promoted posts within Wheatley were filled by internal candidates.

STRATEGIC REPORT (continued)

Creating opportunities (continued)

A total of 24 young people, including the children of customers and staff, joined our two-week summer work programme and took part in training on emergency first aid and presentation skills as well as working with teams to get an insight into the many and varied roles carried out by staff across the group.

Bursaries and qualifications

Wheatley's staff bursary scheme is an important way of supporting employees to further their education, update their skills and improve their prospects, with 24 staff awarded a staff bursary in 2024/25.

A total of 106 staff gained a professional qualification delivered by our in-house team in 2024/25, including 15 qualifying in the CIH in Housing Practice Level 2; 45 gaining a qualification in CIH in Housing Practice Level 3; and 46 qualifying in CIH in Neighbourhood Maintenance Level 2.

Reward and recognition

We continued to receive external recognition for excellence across in 2024/25. The Group retained its Customer Service Excellence (CSE) accreditation, the national standard for excellence in customer service in public sector organisations, with 24 'compliance plus' ratings.

The Group also retained the prestigious Investors in Young People (IYYP) gold accreditation, first awarded to Wheatley in 2015 and another way Wheatley is proving to be an employer of choice for young people and currently holds Investors in People's Platinum accreditation.

Wheatley's rewards package offered staff a range of benefits this year, including shopping discounts, help with childcare, and support with the costs of opticians and dental treatments.

Enabling our ambitions

Financial viability

Value for money services and keeping rents affordable remains a key strategic aim. We strive to strike the right balance between affordability for our customers against the ongoing financial viability of our operations and the preservation of investment in our homes and services to customers. In support of this, our financial strategy focuses on delivering operational efficiencies and embedding these within our business plan and annual budgets giving us the ability and capacity to respond to financial challenges. The Financial Review for the year outlines in detail the solid performance delivered by the Group in 2024/25 that saw turnover grow from £412.6m to £516.8m, operating surplus increase from £74.2m to £161.4m and the net asset position strengthen from £1,473.7m to £1,617.0m.

The Group completed its annual review process with S&P Global, the credit rating agency, retaining an A+ rating with stable outlook reflecting the Groups strong financial management. The review included an analysis of financial performance and business plans, as well as an assessment of Scotland's operating and regulatory environment. Achieving a robust financial position is crucial for us as we continue to invest in the quality, safety and security of our homes. We have had our A+ stable rating since 2019 and it places us in a small number of the highest rated large housing providers in the UK. S&P Global also reviewed the separate standalone rating for Lowther which retained its A rating.

STRATEGIC REPORT (continued)

Financial viability (continued)

Performance from the commercial activities of the Group also remained robust and exceeded targets. In Lowther, the private letting and factoring operations generated an operating margin of 34% (2024: 24%) before non-cash accounting adjustment for property valuations. This allowed a gift aid payment of £3.4m (2024: £2.7m) to be made to the Wheatley Foundation for community investment projects and provided funding to support our tenants. Lowther's commercial letting activities also continued to exceed targets with a reduction in commercial arrears from 2023/24, and overall void levels remaining in line with the prior year.

Innovation in services

We continued to improve our online service and offer more ways for customers to engage with us through our digital channels. Our suite of digital webforms allows customers to request services, make appointments, access information and advice, and more. Staff at our CFC use webchat to speak to customers online about any housing-related matter, with more than 13,200 webchats handled over the year. In addition, we introduced a new cloud-based telephone system this year to the CFC and 120 other sites across the group, giving us a more reliable, scalable and flexible way of meeting customer and business needs.

Wheatley's online accounts offer a convenient method for customers to raise a repair, pay their rent, access housing applications and more. Across the Group, almost 60% of our customers were registered for an online account this year. A total of 858,984 people used the MyHousing website, Wheatley's housing, information and letting service this year. The total number of visits to Wheatley Group websites over the year, including MyHousing, was 1,348,340.

Across the Group, the total number of followers on our social media channels (Facebook, X, Instagram, LinkedIn) grew by 2,834 to reach 59,501 this year.

Procurement

The Group is required to comply with the Procurement (Scotland) Regulations 2016 for all procurement and contracting arrangements due to our classification as a Contracting Authority. Across all group entities, 98% of all purchases were made via contracted procurement routes, broadly in line with the previous year. The Group leverages its market position, where possible, to procure for customers, identifying opportunities to consolidate suppliers for economies of scale and facilitating new procurement as contracts expire.

Biannually, our procurement activities are audited by external assessors from Scotland Excel on behalf of the Scottish Government; the most recent audit awarded 99 out of the possible 100 marks.

The Group aims to pay undisputed and valid invoices within 30 days. In 2024/25, 93% of Group invoices were paid within this timeframe, an improvement from the 91% paid within 30 days in 2023/24.

STRATEGIC REPORT (continued)

Financial Review – Group Highlights

The Group recorded a year of solid financial performance in 2024/25. Ensuring responsible and sustainable financial management is embedded across the Group provides us with a robust and resilient platform to achieve our strategic objectives. We invest our net surplus to deliver our strategic priorities through our programme of planned improvements to our existing homes and neighbourhoods. New funding raised in the year is invested in the development of new affordable homes with 844 completed this year. Key financial performance indicators remain strong, complementing a similar trend in customer satisfaction measures as we focus on activities and services customers have told us are the most important.

Statement of Comprehensive Income

The Group generated an operating surplus of £161.4m (2024: £74.2m) for the year after accounting for grant income recognised on new build completions and other non-cash items. Non-cash items reported within operating surplus include:

- Grant income recognised on the completion of new build properties and acquisitions of £99.6m compared to £27.6m in the prior year, an increase of £72.0m. The grant received for new build is held on the Statement of Financial Position until the properties are completed when it is recognised as income through operating surplus. The amount recognised varies dependant on the timing and size of the new build programme. The increase this year is linked to the 844 new homes completed in 2024/25 compared to 348 new homes in 2023/24.
- Other gains and losses report an upward movement on valuation of investment properties of £10.7m compared to an upward movement of £9.9m in the prior year. Investment properties are held on the Statement of Financial Position at valuation and on completion of new-build properties FRS 102 requires the associated grant income to be recognised through profit or loss under the performance model.

The operating surplus also reflects growth in income. This has been generated from our annual rent increases and our strong letting performance generating an increase in income from our core letting and property management operations together with an increase in other revenue grant income received in the year to support investment in our homes.

Table 1:

Five -Year Summary	2021	2022	2023	2024	2025
	£m	£m	£m	£m	£m
Statement of Comprehensive Income					
Turnover	388.6	418.0	423.6	412.6	516.8
Operating expenditure	(303.9)	(332.0)	(335.5)	(348.3)	(366.1)
Other gains and losses	(8.0)	(3.1)	(8.7)	9.9	10.7
Operating surplus	76.7	82.9	79.4	74.2	161.4
Share of profit in JV	0.0	0.0	0.0	0.0	0.3
Gain on disposal of fixed assets	1.8	1.1	0.3	0.9	1.2
Net finance charges	(99.0)	(63.7)	(64.0)	(71.4)	(76.7)
Movement in fair value of financial instruments	(2.2)	(4.3)	0.8	3.7	1.5
Surplus for the year before tax	(22.7)	16.0	16.5	7.4	87.7
Operating surplus	76.7	82.9	79.4	74.2	161.4
Adjusted for:					
New build grant	(28.9)	(36.5)	(54.8)	(27.6)	(99.6)
Other gains and losses	8.0	3.1	8.7	(9.9)	(10.7)
Depreciation and other non cash accounting items	95.6	110.2	110.1	109.5	118.3
EBITDA	151.4	159.7	143.4	146.2	169.4
Adjusted for:					
Investment in existing affordable housing	(47.6)	(108.7)	(76.7)	(76.8)	(81.3)
EBITDA MRI	103.8	51.0	66.7	69.4	88.1

STRATEGIC REPORT (continued)

Statement of Comprehensive Income (continued)

As shown in the summary of the Statement of Comprehensive Income in Table 1, total turnover in the year was £516.8m, up from £412.6m in 2024.

Chart 1:

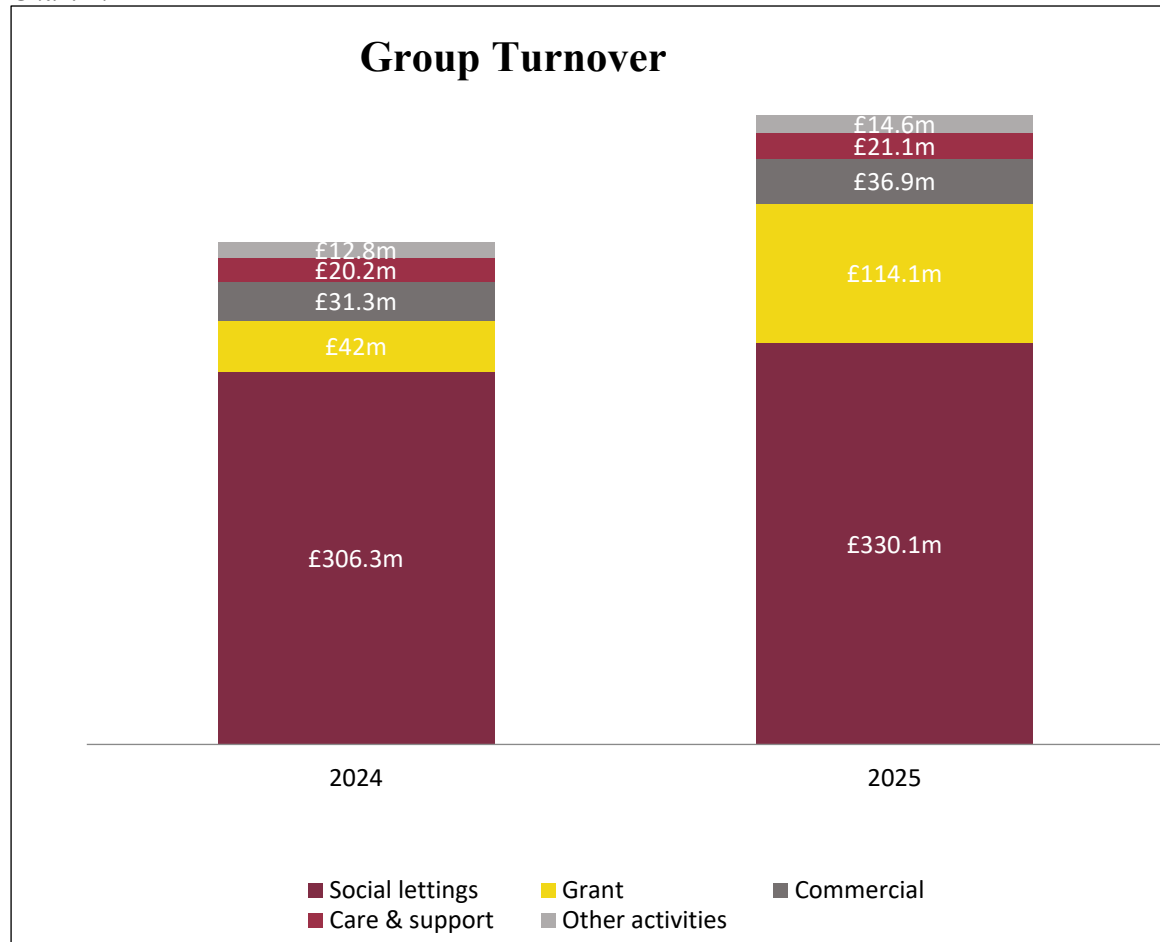


Chart 1 shows 63.9% (2024: 74.2%) of turnover was generated from the Group's core social letting activities with our rent increases, our strong letting performance and additional homes completed in the new build programme generating income of £330.1m up from £306.3m in the prior year. A higher level of grant income of £114.1m (2024: £42.0m), principally from new build grant income, was also recognised in the year following the completion of our new build properties.

Non-social housing activities represent a relatively small proportion of the Group's overall turnover. In 2024/25, care and support income of £21.1m was around 4.0% of Group turnover. Factoring and letting activities generated a further £36.9m or 7.1%. Other income of £14.6m includes grants and donations to the Wheatley Foundation, income from owners for improvements and commercial property income.

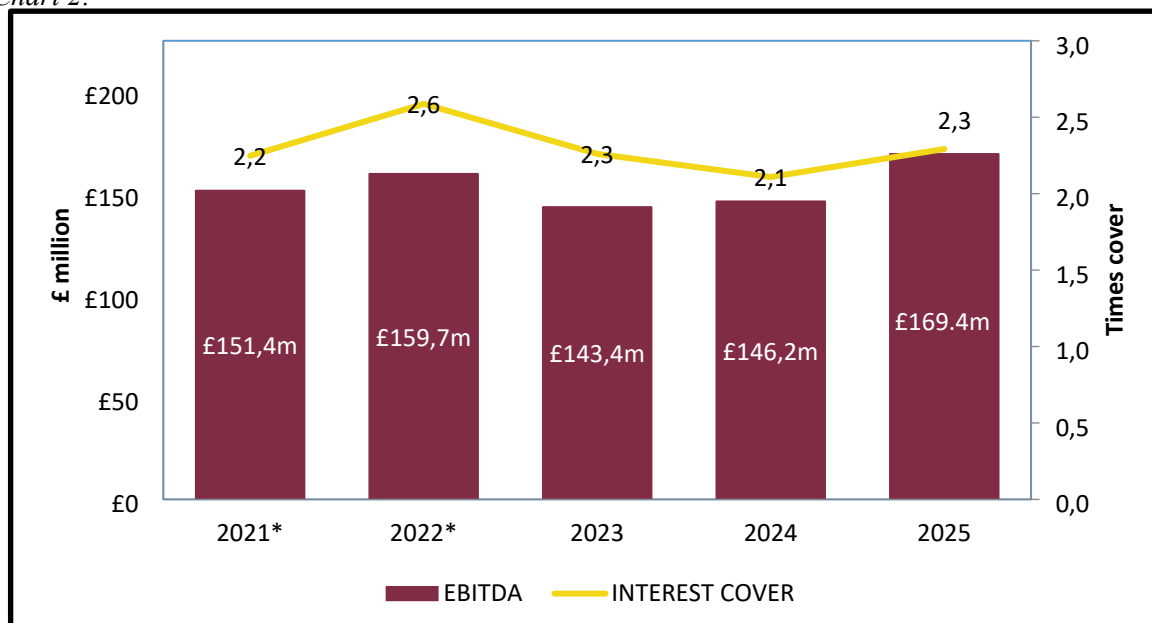
STRATEGIC REPORT (continued)

Statement of Comprehensive Income (continued)

EBITDA or earnings before interest, tax, depreciation and amortisation (adjusted to remove new-build government grant, non-cash accounting adjustments reported in other gains and losses and FRS 102 pension costs) increased to £169.4m from £146.2m in the prior year as shown in Table 1. EBITDA has improved over the five years from 2020/21 by £18.0m or 11.9%. Despite the lasting impact of a number of years of high inflation on our cost base, an increase in EBITDA has been generated through our rent increases, improvements in our financial performance from our strong core social letting and property management performance and delivery of operational efficiencies.

As shown in Chart 2, the Group's ability to meet interest payments due on borrowings from EBITDA also known as interest cover, has been maintained at 2 times above or higher. Our exposure to interest rate movements is managed with 86.8% of our borrowings on fixed rate arrangements at 31 March 2025.

Chart 2:



*EBITDA in 2021/22 benefitted from the inclusion of a one-off receipt of £12.9m in other income which was reinvested into capital improvements and the pandemic restrictions imposed by Government in 2020/21 saw an increase in EBITDA from reduced repairs costs.

The Group uses adjusted EBITDA after taking account of all fixed asset capital investment spend in existing affordable housing as a key indicator of financial strength. This is referred to as EBITDA MRI (as shown in Table 1) and is assessed relative to finance costs for the year to show the earnings available to service borrowings. Strengthening the ability of the Group to generate surpluses over and above the level required to fund capital investment and service debt with new borrowing only for funding new build development is a key strategic objective.

STRATEGIC REPORT (continued)

Statement of Comprehensive Income (continued)

As shown in Chart 3, for 2024/25, EBITDA MRI, after deducting capital investment of £81.3m (2024: £76.8m), was more than sufficient to cover interest payments of £73.9m.

Chart 3:

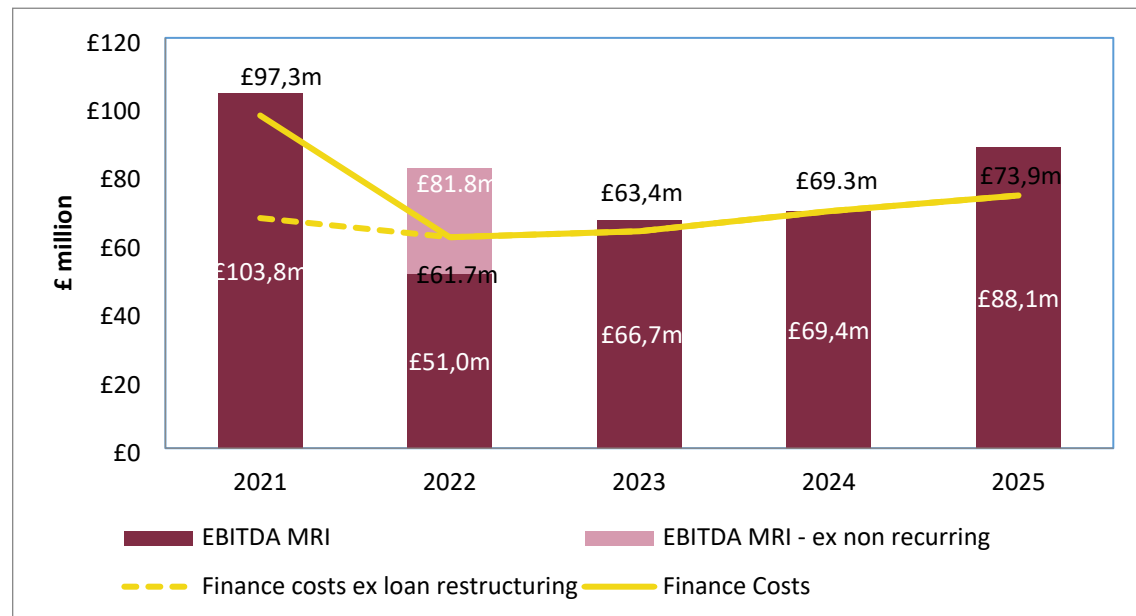


Chart 3 shows the progress against this objective over the five years since 2020/21. In 2021/22 a large element of non-recurring capital works were undertaken in Wheatley Homes South which had been postponed in 2020/21 due to the pandemic. Excluding these catch-up capital projects EBITDA MRI of £81.8m would have been reported sufficient to cover interest payments.

Statement of Financial Position

As shown in Table 2, total reserves of £1,617.0m increased by £143.3m in the year.

Social housing and investment properties, excluding housing under construction, increased in value by £234.4m this year representing the long-term value of investment in customers' homes and the investment in the new-build programme, completing 844 new homes this year with a further 1,003 on site or due on site. Our social housing properties are valued using the Existing Use for Social Housing Valuation methodology ("EUV-SH") which will not always reflect the scale of capital investment spend reported in the particular financial year. The increase in valuation at 31 March 2025 reflects the view of our independent valuation expert on the high quality and good condition of our properties.

STRATEGIC REPORT (continued)

Statement of Financial Position (continued)

Current liabilities of £212.8m are reported, an increase £0.4m on the £212.4m at 31 March 2024. The movement reflects the increase in the amount of new build grant income to be released from current liabilities to the Statement of Comprehensive Income in 2025/26 on completion of properties, offset by a reduction in borrowings falling due for repayment within one year and a reduction in trade creditors and accruals reflecting the timing of payments. Other long-term liabilities have decreased from £125.8m in 2024 to £74.6m in 2025 due to a reduction in the receipt of new build grant income in the year for properties due to complete after 31 March 2026.

Debt and gearing levels remain sustainable, with long term loans of £1,669.2m (2024: £1,580.6m). Gross debt per unit was £26,431 (2024: £24,715), which remains below the majority of large UK housing groups. Gearing, measured by net debt as a percentage of asset values in the Statement of Financial Position also remained stable and comfortable at 49% at 31 March 2025 (2024: 49%).

Table 2:

Five -Year Summary	2021	2022	2023	2024	2025
	£m	£m	£m	£m	£m
Statement of Financial Position					
Social housing and investment properties	2,710.6	2,759.1	2,873.8	3,245.9	3,448.4
Other fixed assets	65.2	121.3	74.2	78.9	88.3
Current assets	189.0	120.5	86.6	87.8	84.5
	2,964.8	3,000.9	3,034.6	3,412.6	3,621.2
Current liabilities	158.9	186.3	153.9	212.4	212.8
Long term loans	1,479.4	1,493.7	1,529.6	1,580.6	1,699.2
Other long term creditors	78.9	78.3	101.5	125.8	74.6
Provisions and pensions	29.3	9.5	12.0	20.1	17.6
Reserves	1,218.3	1,233.1	1,237.6	1,473.7	1,617.0
	2,964.8	3,000.9	3,034.6	3,412.6	3,621.2
	2021	2022	2023	2024	2025
	£m	£m	£m	£m	£m
Gearing					
Social housing properties	2,474.7	2,496.8	2,599.9	2,935.9	3,062.1
Market-rent properties	222.9	248.9	259.8	295.6	371.7
Asset values	2,697.6	2,745.7	2,859.7	3,231.5	3,433.8
Loans	1,487.4	1,510.2	1,546.0	1,614.1	1,729.0
Cash	(132.2)	(62.2)	(39.7)	(36.3)	(36.3)
Net debt	1,355.2	1,448.0	1,506.3	1,577.8	1,692.7
Gearing %	50%	53%	53%	49%	49%

STRATEGIC REPORT (continued)

Cashflow and liquidity

All cash balances and surpluses are fully reinvested in the delivery of housing services, investment in tenants' homes and the delivery of new homes. Under the Group's constitution no cash or surpluses can be used for any other purpose.

The Group generated a cash inflow of £155.8m (2024: £160.9m) from operating activities demonstrating our ability to generate sufficient and reliable funds from core letting and property management operations to meet the costs of providing our services to customers and invest in existing homes. New borrowings were drawn from facilities secured under the Scottish Government Charitable Bond Programme, private placement loan notes and our revolving credit facility which were used to fund our new build programme. The Group's ability to generate a high level of operating cashflow was recognised by S&P during their recent review of the Group's credit rating.

- Rental cashflows remained strong and dependable with arrears levels being closely monitored. Rental income also grew from an increase in property numbers with the addition of 348 new homes in 2023/24 and a further 844 during the year. Savings achieved from the successful delivery of our efficiency targets also continued to contribute.
- To help support the development of new housing, grant income of £69.0m (2024: £76.7m) was received in the year from the Scottish Government and local authorities. Other grant income to help deliver projects in existing homes of £3.5m was also received (2024: £0.5m).
- After taking account of investing and financing activities, cash and cash equivalents were £36.3m with those funds utilised in the delivery of the new build programme and planned repayment of borrowings.

Social Letting Activities – Key Performance Indicators

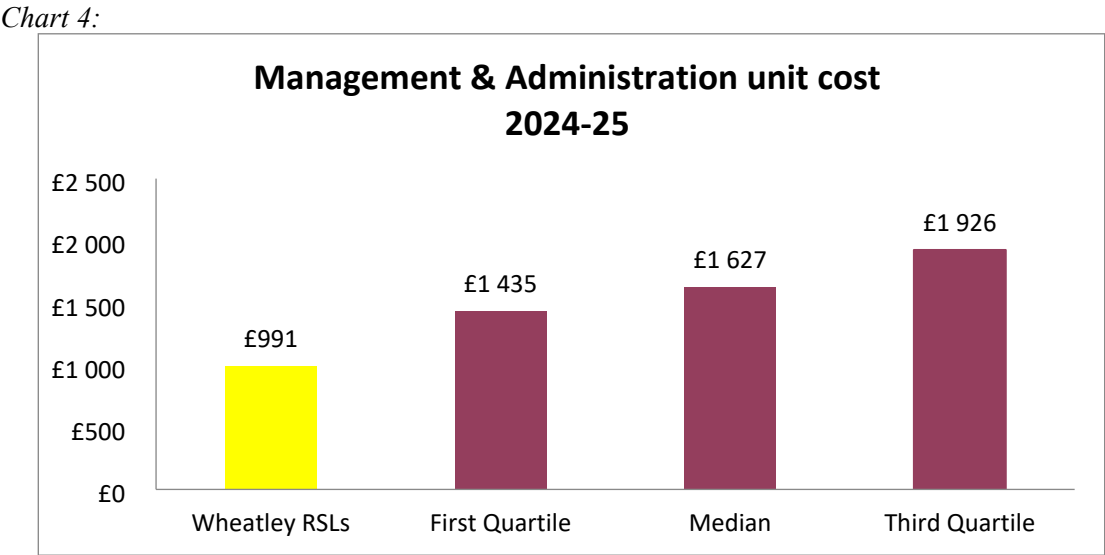
In addition to the Group measures of operating surplus, EBITDA and EBITDA MRI, additional key performance indicators ("KPIs") are used to assess and benchmark performance of our RSLs against our strategic objective of delivering exceptional customer experience with a particular focus on services representing Value for Money.

Management and administration costs

Management costs are reported in note 4 to these financial statements. For the Group RSLs, management cost per unit in 2024/25 was £991 increasing from £947 in the prior year and down from £1,121 in 2021. While we continued to focus on the efficiencies of our group structure to minimise overheads and provide services which represent value for money to our customers the increase in management costs per unit in the year reflects the demolition of over 730 social rent properties, including 600 at Wyndford, reducing the overall size of our stock numbers at 31 March 2025. As shown in Chart 4, our management cost per unit remains below the median for the sector as compared against other mainstream Scottish RSLs with a majority of stock classified as general needs. Around a quarter of the Group's properties are high-rise flats, and by virtue of the services provided such as the investment in concierge and environmental services, management costs in these properties are higher than similar low-rise properties.

STRATEGIC REPORT (continued)

Social Letting Activities highlights (continued)



Source: Scottish Housing Regulator comparison of Scottish RSL unit costs 2023/24
Wheatley Housing Group Financial Statements 2024/25 note 4, note 17

Social Housing cost per unit

Headline social housing cost per unit includes revenue repairs and maintenance spend and investment in capital improvements within our social housing properties. Money invested in existing homes across revenue repairs, maintenance and capital improvements comprises the largest element of this KPI with £196.6m spent this year (2024: £186.9m).

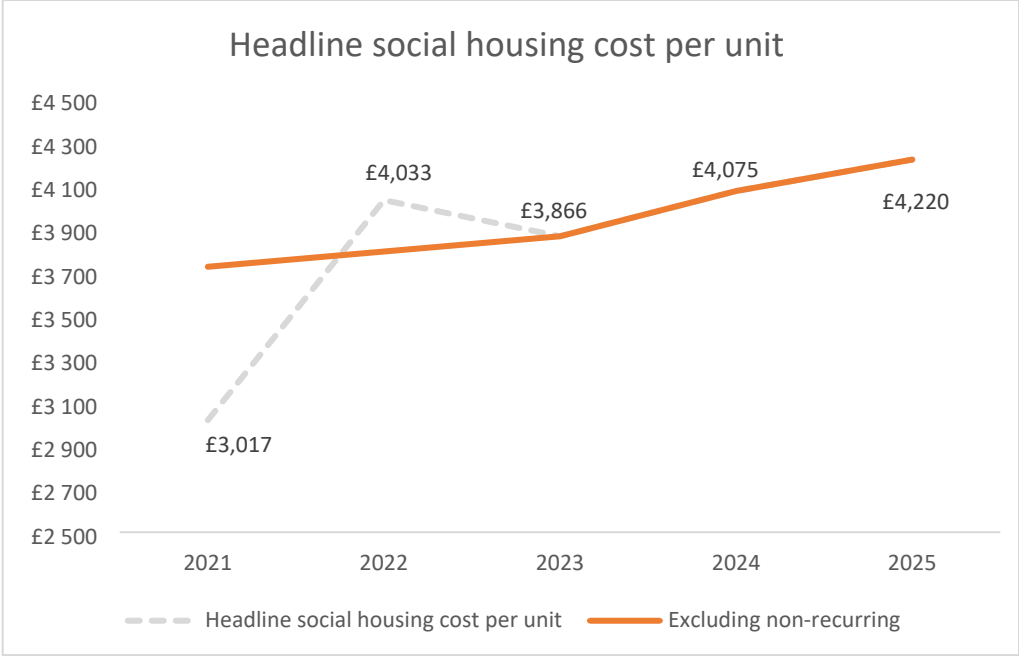
In 2024/25 a headline social housing cost per unit of £4,220 is reported compared to £4,075 in 2023/24 with the uplift linked to our objective of increasing the level of investment in our existing properties including investment which improves the energy efficiency of our homes to provide high quality housing for our customers.

As shown in Chart 5, the profile of our capital programme was disrupted in 2021/22 due to the pandemic, initially by pandemic restrictions and thereafter by catch up investment spend postponed from the year before. Stripping out this disruption, social housing cost per unit shows an increasing trend in line with our targets and current and future financial planning to increase the level of investment in homes.

STRATEGIC REPORT (continued)

Social Letting Activities highlights (continued)

Chart 5:



STRATEGIC REPORT (continued)

Treasury Management

Long term debt facilities

As at 31 March 2025, Wheatley Group had £2,049.9m (2024: £1,851.5m) of bond and bank funding facilities in place with total Group drawn debt balances of £1,725.5m (2024: £1,616.7m). Facilities of £324.4m (2024: £234.8m) were undrawn at the year end, providing a high level of liquidity for the Group.

New long-term facilities were arranged during the financial year including a private note placement for WFL1 for £125m in September 2024, a new facility for WFL1 with Allia for £7.3m in March 2025 and a £100m tap in March 2025 of our existing 4.375% Wheatley Group Capital plc bond which was fully retained.

The RSL Group treasury vehicle, Wheatley Funding No.1 Ltd ("WFL1") provides the debt facilities via intra-group agreements for five group subsidiary companies: Wheatley Homes Glasgow, Wheatley Homes South, Wheatley Homes East, Loretto Housing and Wheatley Developments Scotland Limited. The funding facilities of WFL1 consisted of bank facilities from a syndicate of three commercial lenders, as well as two debt facilities from the European Investment Bank, committed facilities from RBS and Barclays, private note placements, Scottish Government charitable bonds administered by Allia, and bond funding raised on the debt capital markets. WFL1 committed facilities totalled £1,865.9m at 31 March 2025 (2024: £1,667.5m). These loans are secured on property assets of these RSLs through a security trust structure.

In addition to group funding through WFL1, Wheatley Homes East has a £16.5m direct loan from The Housing Finance Corporation ("THFC") secured on their property assets and a £16.0m unsecured loan from Allia. Wheatley Homes South has a £40.0m direct loan from THFC secured on their property assets and several unsecured loans totalling £35.0m with Allia.

Wheatley Funding No.2 Ltd ("WFL2") is the funding vehicle for the commercial activities of the Wheatley Group with a £76.5m (2024: £76.5m) debt facility in place with Scottish Widows, secured against properties for mid-market and private sector rent.

STRATEGIC REPORT (continued)

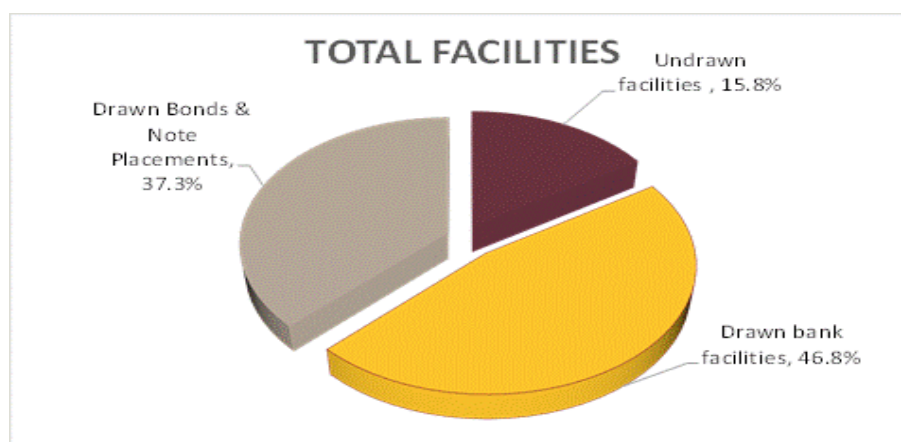
The committed funding facilities in place on 31 March 2025 comprised the following:

<u>Group Co</u>	<u>Facility</u>	<u>Principal</u>
WGC plc	Public bond - issued 2014/15	£300.0m
WGC plc	Public bond – created and retained in full 2024/25	£100.0m
WFL1	Private Placement loan notes - issued 2017/18	£100.0m
WFL1	Private Placement loan notes - issued 2018/19	£50.0m
WFL1	Private Placement loan notes – issued 2019/20	£114.0m
WFL1	Private Placement loan notes – issued 2024/25	£125.0m
WFL1	Barclays facility	£50.0m
WFL1	RBS facility	£ 35.0m
WFL1	Commercial bank syndicated facility	£654.7m
WFL1	European Investment Bank facilities (2003 & 2018)	£254.9m
WFL1	Allia facilities	£ 82.3m
WH-East	THFC facilities	£ 16.5m
WH-East	Allia facilities	£ 16.0m
WH-South	THFC facilities	£ 40.0m
WH-South	Allia facilities	£ 35.0m
WFL2	Scottish Widows facility	<u>£ 76.5m</u>
		£2,049.9m

Total drawn balances as at 31 March 2025 were £1,725.5m (2024: £1,616.7m). Group RSLs had drawn £1,541.5m from WFL1. Wheatley Homes East direct loans were drawn at £16.5m from THFC and £16.0m from Allia. Wheatley Homes South direct loans were drawn at £40.0m from THFC and £35.0m from Allia. In WFL 2, Lowther Homes had fully drawn the £76.5m facility. The split of total facilities is shown in chart 6 below:

STRATEGIC REPORT (continued)

Chart 6:



As at 31 March 2025, £324.4m (15.8%) of borrowing facilities were undrawn (2024: £234.8m, 12.7%).

The weighted average duration of committed facilities across the Group is 16.1 years (2024: 15.0 years). Under the Group Treasury Management Policy, we retain adequate immediately available funds to meet our cash requirements for at least the next 24 months (Liquidity Golden Rule).

The historic weighted average cost of drawn debt, inclusive of margins and hedging activities, was 4.56% on a Group-wide basis at 31 March 2025 on an annual effective rate basis (2024: 4.43%). Asset value (for debt security purposes) was £2,799.0m at 31 March 2025, with £789.5m (22%) of assets being available for security (either categorised as unsecured or unallocated to a funder).

Counterparty risk

The notional pooling of surplus cash across RSLs is used to enhance the Group's ability to earn interest on cash balances. Cash balances are held in accounts or invested in AAA-rated money market funds that earn interest and minimise balances held in zero interest accounts.

The Group operates a conservative counterparty risk management strategy that aims to minimise the risk of a financial loss, reputational loss or liquidity exposure as the result of counterparty to any treasury transaction becoming insolvent. As at 31 March 2025, all cash investments are held with counterparties who meet the criteria of the Group Treasury Management Policy.

Interest rate risk

The Group's Treasury Management Policy sets out an on-going objective in relation to the proportion of fixed versus floating rate debt, with the target proportion in the policy specified at 75 – 95% across the term of the debt. At 31 March 2025, 86.8% of Group borrowings were at fixed rates (2024: 86.3%).

In respect of bank loans, the Group hedges against interest rate risk with embedded hedges, the terms of which permit these loans to be classified as “basic” financial instruments under FRS 102. The Group does not have any stand-alone derivatives connected with any debt instruments and no margin call clauses exist in any of the Group loans.

Currency risk

The Group borrows and invests surplus cash only in sterling and does not have any foreign currency risk.

STRATEGIC REPORT (continued)

Loan covenant compliance

Loan covenants relate to interest cover, borrowing levels relative to surplus generation and per unit, and asset cover, based on social housing asset values. Covenants are monitored monthly and were comfortably met throughout the year and at the year-end for all loan facilities.

On behalf of the Board

Jo Armstrong, Chair

xx September 2025

DIRECTORS' REPORT

The Directors present their report together with the audited consolidated financial statements of the Group for the year ended 31 March 2025.

Result for the year

The result for the year and an analysis of the performance of the Group has been included within the Strategic Report.

Wheatley Board, Committee structure and related matters

Wheatley Housing Group ("the company") is the parent company of the Group which comprises a range of subsidiaries, referred hereafter as 'partners'. Our partners include: four RSLs; a group development company; a commercial subsidiary; our care subsidiary; a group services company Wheatley Solutions, The Wheatley Foundation and a 50:50 joint venture with Glasgow City Council - City Building (Glasgow) LLP.

All members of the Group work collaboratively to ensure that each member can achieve more for their customers and communities through being part of the Group than they could on their own.

The Group is regulated by the Scottish Housing Regulator ("SHR") and complies with the SHR's Regulatory Framework and Regulatory Standards of Governance.

As at 31 March 2025, the company's Articles of Association allowed for the appointment of up to fourteen directors as follows:

- Up to six Independent Non-Executive Directors
- Up to five subsidiary Chair Board Directors
- Up to two Co-opted Directors
- Up to one 'Other' Director

The Directors of the Group Board who hold current appointments up to the date of signing the financial statements are listed below together with any Group Committees served on at any point over the same period, followed by a list of Directors who resigned during the year.

DIRECTORS' REPORT (continued)

CURRENT APPOINTMENTS

 Jo Armstrong Group Chair Appointment 24 June 2015 (Appointed Group Chair 29 September 2021) Jo is one of Scotland's leading business economists whose extensive professional career spans financial services, the Scottish civil service and charitable sector. An experienced Non-Executive Director and Chair, Jo is currently the Chair of the Accounts Commission for Scotland, a panel member of the Competition and Markets Authority, Chair of Hub West Scotland and a Fellow of the Institute of Directors. Previously, Jo chaired OFGEM's expert panel for its Electricity Network Innovation Fund; was a budget advisor to two Scottish parliamentary committees; an honorary professor of Public Policy at Glasgow University; was a Board member at the Water Industry Commission for Scotland and is a former chair of ENABLE Scotland. She holds two degrees in economics from the University of Strathclyde. Group Boards and Committees Group Strategic Development Committee Group Remuneration, Appointments, Appraisals and Governance Committee	 Caroline Gardner CBE Non-Executive Director Appointment 29 September 2021 A qualified accountant, Caroline was the Auditor General for Scotland from 2012 to 2020, responsible for auditing the Scottish Government and reporting to the Scottish Parliament on more than £40bn of public spending. She is an experienced non-executive director; current board roles include PwC UK's Audit Oversight Body and the International Federation of Accountants. Caroline is a Fellow and past President of the Chartered Institute of Public Finance and Accountancy, a Fellow of the Royal Society of Edinburgh, and an honorary professor at the University of Glasgow. She holds an honorary doctorate from the University of Strathclyde. Group Boards and Committees Group Audit Committee (Chair) Group Strategic Development Committee, Group Remuneration, Appointments, Appraisals and Governance Committee Wheatley Group Capital PLC (Non-Executive Director) Wheatley Funding No1 Limited (Non-Executive Director) Wheatley Funding No2 Limited (Non-Executive Director)
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DIRECTORS' REPORT (continued)

 Jo Boaden CBE Non-Executive Director Appointment 17 December 2018 Jo started her career as an Environmental Health Officer in Glasgow and has since held a number of senior roles in housing, regeneration and social policy across the UK in both the public and private sectors. Prior to her retirement, Jo was Chief Executive of the Northern Housing Consortium for 9 years. An experienced Non Executive, Jo is a member of the Board of the Regulator of Social Housing in England and Chair of CaCHE North and the Midlands Hub – the UK collaborative centre for housing evidence. Prior to this Jo was Chair of Your Homes Newcastle, one of the largest property management organisations in the North East. A former winner of the prestigious Woman of the Year title at the 2018 Women in Housing Awards, Jo was awarded a CBE for services to housing in 2018 and holds a LLB (Hons) and MBA. Group Boards and Committees Wheatley Solutions (Chair) Wheatley Homes South (Chair)	 Lindsey Cartwright Subsidiary Chair Director Appointment 29 September 2021 Lindsey is a qualified solicitor with over 25 years' experience and is a partner at Morton Fraser Macroberts LLP. Lindsey is accredited by the Law Society of Scotland as a specialist in employment law and is the first female President of the Employment Law Group in Scotland. She is also the Senior Tutor in employment law for the Diploma in Professional Legal Practice at The University of Glasgow. Group Boards and Committees Wheatley Care (Chair)
 Maureen Dowden Subsidiary Chair Director Appointment 12 May 2020 Maureen has worked in housing for almost 40 years, a career that started in local government and went on to include senior positions at The Glasgow Housing Association and Wheatley Group prior to retiring in early 2018. She has a particular expertise in corporate governance in regulated environments, and community empowerment and engagement. An experienced Non-Executive, Maureen is Vice Chair of Thenue Housing and has previously held roles on the Boards of Quality Scotland Foundation, Loretto Housing Association and Supporting Communities Northern Ireland. Group Boards and Committees Wheatley Homes Glasgow (Chair) Wheatley Solutions Limited (Non-Executive Director) Group Remuneration, Appointments, Appraisals and Governance Committee Group Audit Committee	 Bryan Duncan Non-Executive Director Appointment 17 January 2019 A Chartered Surveyor, he has spent more than 35 years specialising in commercial and residential property investment, development and asset management. Bryan was an equity partner at Donaldsons LLP, a senior director at DTZ and is currently the founder/owner of Henry Duncan, a niche commercial and residential property investor, developer and financier. Bryan also has a wide range of non-executive experience and currently serves as a Non-Executive Director of a number of organisations including Hope for Glasgow Ltd, Cornhill Scotland and the London City Mission. Bryan holds an Executive MBA and Diploma in Management Studies. Group Boards and Committees Group Remuneration, Appointments, Appraisals and Governance Committee City Building (Glasgow) LLP (Wheatley appointee) Wheatley Developments Scotland (Chair)

DIRECTORS' REPORT (continued)

 Iain Macaulay Subsidiary Chair Director Appointment 25 September 2024 Iain is a former finance and projects partner at Pinsent Masons LLP. Iain has over 30 years' experience as a lawyer advising on all aspects of finance and has been recognised over many years as an expert by the relevant Legal Directories. Iain's breadth of experience includes acting as a principal advisor to a range of institutions (including Direct Line plc, Halifax plc, Royal Bank of Scotland plc). More recently Iain was extensively involved in energy transition projects including solar, combined heat and power and windfarm financings and has also worked extensively on the expansion and funding of smart metering portfolios. Group Boards and Committees Wheatley Group Capital PLC (Non-Executive Director) Wheatley Funding No1 Limited (Non-Executive Director) Wheatley Funding No2 Limited (Non-Executive Director) Group Audit Committee Loretto Housing Association (Chair)	 Bernadette Hewitt Non-Executive Director Appointment 25 October 2016 Bernadette has a wide range of governance, community development and Non-Executive experience across a range private, regulated and not-for-profit organisations. A passionate advocate of community engagement and empowerment Bernadette previously served as the Vice-Chair of Barmulloch Community Development Company. She is also a former member of the Glasgow Community Planning Partnership Strategic Board. Bernadette is a tenant of Wheatley Homes Glasgow and its former Chair. Group Boards and Committees Lowther Homes (Non-Executive Director) City Building (Glasgow) LLP (Chair and Wheatley appointee)
 Manish Joshi Subsidiary Chair Director Appointment 27 April 2022 Experienced in philanthropic and business sectors as well as experience in strategy, organisational design and governance and stakeholder management, Manish is Professor of Practice for Social Innovation at the University of Strathclyde and previously served as Chief Executive of the University's Student Union. Manish was appointed as a non-executive director of the Scottish Government in 2024. With a BA (Hons) in Economics Manish was previously Chief Executive of Network Care and Director of Stakeholder Engagement at Global Call for Climate Action. Manish is currently a trustee of the Scottish Council for Voluntary Organisations (SCVO) and had served as an advisor to both COP26: Stop Climate Chaos Scotland and the European Climate Foundation: Movements Fund. Group Boards and Committees Wheatley Solutions (Non-Executive Director) Lowther Homes (Chair)	 Alison McLaughlin Non-Executive Director Appointment 28 September 2022 Alison has vast experience in senior leadership roles, leading teams through considerable change and business transformation. Throughout her career she has sought to maximise the opportunities presented by change, setting a clear vision and strategy, building and sustaining effective teams and delivering strong financial results. Alison's success in leading digital transformation led to her being invited to join Scottish Government on a 2-year secondment under the First Minister Digital Fellowship Programme. During her time in government, she brought her commercial and delivery expertise to bear to establish sustainable and scalable digital services and platforms to underpin delivery of Scotland's Digital Strategy. In 2015, Alison was elected to the board of ScotlandIS, the technology trade body, and was elected as Chair in 2020. Group Boards and Committees Wheatley Solutions (Non-Executive Director) Group Audit Committee

DIRECTORS' REPORT (continued)



Alastair Murray Subsidiary Chair Director

Appointment 28 September 2022

Alastair is the Chair of Wheatley Homes East and previously served as the Chair of Barony Housing Association.

A chartered accountant, Alastair is the Finance Director of Listed Funds at Target Fund Manager, a specialist investment firm focusing on care homes. Prior to this he spent over 17 years in a range of corporate banking roles followed by 12 years in the Not for Profit sector. His roles included Structured Finance and Special Projects in the Bank of Scotland and Finance Director of the Edinburgh International Festival, Inspiring Scotland and George Heriot's School.

Group Boards and Committees
Wheatley Homes East (Chair)



Pamela Paton Co-optee

Appointment 20 June 2025

Pamela began her career delivering community-based social care services, supporting individuals and families in developing skills for independent living. She then advanced to become a registered manager for supported accommodation and community support services.

Recently, Pamela has led projects redesigning housing services, where she actively engaged tenants and housing staff in the redesign process. She strongly advocates for the use of performance data to drive service improvements, enhance value for money for tenants, and inform evidence-based decision-making

Group Boards and Committees
Wheatley Homes East

DIRECTORS' REPORT (continued)

PREVIOUS APPOINTMENTS



Eric Gibson Subsidiary Chair Director

Appointment 29 September 2021, resignation 24 September 2024

Alastair is the Chair of Wheatley Homes East and Prior to his appointment to the Wheatley Group Board, Eric was a Non-Executive Director of Cube Housing Association and also served as the Vice Chair of The Wheatley Foundation from its formation in 2016 until 2021. Eric was a career banker and Fellow of the Chartered Institute of Bankers in Scotland, and held various senior management roles with Bank of Scotland and Lloyds Banking Group. During his banking career, Eric worked with SME and corporate customers in a wide variety of sectors. On leaving banking in 2014, Eric established his own advisory business which he ran for three years. He was formerly a Board member at Social Investment Scotland where, in addition to his Board role, he chaired the Credit Risk Committee.

Group Boards and Committees

Lowther Homes (Chair)
Loretto Housing (Chair)
Wheatley Group Capital PLC (Non-Executive Director)
Wheatley Funding No1 Limited (Non-Executive Director)
Wheatley Funding No2 Limited (Non-Executive Director)



John McCraw Co-optee

Appointment 27 September 2023, resignation 20 June 2025

John McCraw has been a tenant and Board member of Wheatley Homes South for many years and joined the Board on 27 September 2023. He has recently been Chair of Nithsdale District Management Committee and was a Board member of Wheatley Foundation.

John has the enthusiasm and passion to challenge any decisions that will affect tenants and is committed to ensuring Wheatley Group continues to deliver excellent services to our tenants and improves our communities.

Group Boards and Committees

Wheatley Homes South (Non-Executive Director)

DIRECTORS' REPORT (continued)

Attendance at meetings in 2024/25

The Group Board is responsible for the strategic direction of the Group and financial planning.

Name	Group Board	Group Audit Committee	Group Remuneration, Appointments, Appraisals and Governance Committee	Group Strategic Development Committee
Jo Armstrong	8/8	1/1	6/6	3/3
Jo Boaden CBE	7/8	-	-	-
Lindsey Cartwright	8/8	-	-	-
Maureen Dowden	8/8	4/4	6/6	3/3
Bryan Duncan	6/8	-	5/6	3/3
Caroline Gardner CBE	7/8	4/4	5/6	2/3
Bernadette Hewitt	8/8	-	-	-
Manish Joshi	7/8	-	-	-
Alastair Murray	7/8	-	-	-
John McCraw	6/8	-	-	-
Alison McLaughlin	8/8	4/4	-	-
Iain Macaulay	4/4	4/4	-	3/3
Eric Gibson (resigned 24 September 2024)	1/1	-	-	-

Key responsibilities are:

- approval of the Group Strategy;
- approval of the Group Business Plan, budget and any variations and amendments to them, together with other matters which fall within the role of the Group Board;
- approval of the creation of new subsidiaries and partnerships;
- approval of the Group governance arrangements, systems of internal control and delegations and identification of risk;
- defining and ensuring compliance with our values and objectives as a registered social landlord; and
- approval of each year's Group financial statements.

The main activities and approvals of the Group Board during the year were:

- reviewed and refreshed our strategy to 2026;
- approval of the Group Delivery Plan;
- approved the Group Asset Strategy;
- approved five-year Group plans for investment and development;
- oversight of our strategic review of Wheatley Care;
- approved the Group business plan and budget, including comprehensive stress testing of the business plan; and
- oversight of partner financial and operational performance.

DIRECTORS' REPORT (continued)

The Board is supported in discharging its duties by three sub-Committees: Remuneration, Appointments, Appraisal & Governance; Group Audit; and Group Strategic Development.

The role and remit of the Committees are set out below:

Group Audit Committee

The Committee is made up of up to seven Board members from the Group.

The Committee is responsible for:

- reviewing the Group's system of internal control, compliance assurance and risk management;
- providing an overview of the internal and external audit functions;
- scrutinising the financial statements;
- appointing and agreeing the remuneration of the external auditor;
- monitoring the implementation of internal audit recommendations;
- reviewing internal audit reports and external audit reports and management letters, and monitoring the implementation of audit recommendations arising therefrom;
- reviewing the internal audit plan and scope of work; and
- reviewing the effectiveness of the overall risk strategy.

The main activities of the Group Audit Committee during the year were:

- reviewed the Group Audit Committee self-assessment results 2024/25;
- oversight of the 2024/25 financial statements;
- reviewed key accounting judgements and estimates;
- reviewed the outcome of the Internal Audit Quality Assessment and agreed to complete an external quality assessment;
- reviewed the Group's cyber security arrangements;
- reviewed the annual anti-fraud, bribery and corruption report;
- approved the rolling Internal Audit plan;
- reviewed the Group's strategic risk register and making recommendations to the Board on changes to risk profile and mitigations;
- scrutinised the Group's fire safety arrangements, ongoing fire risk assessment programme and accidental dwelling fire incidents.

The Committee reports to the Group Board via its Chair.

DIRECTORS' REPORT (continued)

Group Remuneration, Appointments, Appraisals and Governance Committee

The Committee is made up of up to five members inclusive of the Group Chair and the Chairs of Wheatley Homes Glasgow, the Group Audit Committee and Chair of the Wheatley Developments Scotland Limited.

It is responsible for:

- approving the process for recruitment, selection, succession planning and appraisal of Board members;
- ensuring Board members within the Group have the necessary balance of skills and experience to fulfil their roles;
- evaluating and review of Group's governance framework;
- making recommendations to the Group Board regarding the appointment and remuneration of the Group Chief Executive and Group Board Directors; and
- succession planning arrangements across the Group.

The main activities of the Remuneration, Appointments, Appraisals and Governance Committee during the year were:

- Oversight of the Group's Board member recruitment and approval of all appointments to subsidiary Boards;
- Oversight of the People Services activities undertaken throughout the year;
- Reviewed the remuneration and conditions of the Group Chief Executive;
- Reviewed the Group Board member remuneration policy and recommended it for approval by the Group Board; and
- Reviewed the Group Board member Code of Conduct and Board member expenses policy and recommended their approval by the Group Board.

The Committee reports to the Group Board via its Chair.

Group Strategic Development Committee

The Committee is made up of up to seven members of the Group Board. It is responsible for reviewing any new major strategic projects and initiatives on behalf of the Group Board.

The Board delegated one matter to the Committee during the year.

The main activity of the Group Strategic Development Committee was to review a new Group Funding Strategy.

DIRECTORS' REPORT (continued)

The Executive Team provides day to day leadership of the Group and are responsible for the implementation of the strategic direction and financial planning on behalf of the Board.



Steven Henderson
Group Chief Executive

Steven Henderson joined Wheatley Group as Director of Finance in 2013 from the European Investment Bank (EIB). He is a Chartered Member of the Chartered Institute of Housing and a Chartered Accountant. He is also a member of Business in the Community Scotland's Leadership Board and Chair of its Scotland Place Steering Group.

Steven has specialised in housing and regeneration throughout his career. At the EIB, the EU's non-profit development bank, he was responsible for investment of £250 million of European Union Structural Funds, as well as lending activity for the bank in the UK social housing, regeneration, climate change and sustainability sectors. Prior to that, he worked in advisory roles supporting the work of numerous housing providers and projects in the UK and internationally.

During his time at Wheatley, the Group has raised more than £1.2 billion of private and public finance, which has helped fund multi-million pound investment programmes in existing homes and one of the UK's most ambitious house-building programmes.

Under his leadership, Wheatley is also 'Making Homes and Lives Better' for customers across 19 local authority areas in Scotland through the work of the award-winning Wheatley Foundation and Wheatley Care.



Anthony Allison
Group Director of Governance and Business Solutions

Anthony has worked with Wheatley Group since 2008 and has held senior leadership roles in governance, policy, strategy and regulatory engagement.

Prior to joining the Group he worked for the UK civil service in a variety of operational management roles. Anthony was appointed to the Executive Team in September 2022 and his remit covers a range of corporate services, including governance, strategy and performance, policy, IT and digital services, and procurement.

Anthony holds a BA in Business Studies as well as an MBA from the University of Glasgow.



Frank McCafferty
Group Director of Assets & Development

Frank joined Wheatley Group in March 2022 from South Lanarkshire Council where he was Head of Property Services.

Frank, a qualified Chartered Surveyor, has more than 30 years' experience in the construction, property-management and asset-management industry across both the public and private sectors.

Frank is responsible for driving key regeneration projects and implementing the asset strategy.

DIRECTORS' REPORT (continued)



Laura Pluck

Group Director of Communities

Laura has more than 20 years' experience working in the social care sector in a range of operational and strategic roles.

She was previously Managing Director of Wheatley Care.

Laura has a BA Honours in Social Policy from Paisley University and holds a number of professional care qualifications. She has significant experience in leadership, performance and quality improvement, as well as regulatory compliance.



Pauline Turnock

Group Director of Finance

Pauline has worked for Wheatley Group since 2009 in a number of senior financial roles prior to being appointed Group Director of Finance.

She has over 30 years' experience in strategic financial management, commercial management and financial planning gained across a range of sectors, including large private companies and a Scottish plc.

Pauline started her career with PwC where she qualified as a Chartered Accountant.



Alan Glasgow

Group Director of Housing

Alan is a highly experienced housing leader having spent more than 30 years in the housing sector, having started his career at Glasgow City Council.

He was previously the Managing Director of Wheatley Homes South and prior to that held senior leadership positions at Wheatley's social landlords in the West and East.

Alan is at the forefront of delivering a responsive repairs service and working with the teams to foster collaboration to deliver customer satisfaction.

DIRECTORS' REPORT (continued)

STATEMENT ON INTERNAL FINANCIAL CONTROL

1. Corporate Governance Statement

The Group complies with the Regulatory Standards of Governance and Financial Management issued by the Scottish Housing Regulator. In accordance with the UK Listing Authority's Listing Rule 17, details of the administrative, management and supervisory bodies which govern the Group, including Wheatley Group Capital plc, are set out on pages 32 to 42.

The internal control and risk management systems which cover the Group's consolidated annual financial statements are set out below.

2. Background and responsibility

The system of internal financial controls is designed to manage risk to a reasonable level agreed by the Board (which is managed to within agreed levels of risk appetite) rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is designed to:

- identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised;
- manage them efficiently, effectively and economically;
- safeguard assets against unauthorised use or disposition; and
- manage the maintenance of proper accounting records.

3. Overview of main features of the system of Internal Financial Control

The Board of Wheatley Housing Group is responsible for ensuring that an effective system of internal financial control is maintained within all members of the Group. This system of internal financial control can provide reasonable but not absolute assurance against material misstatement or loss.

The key methods by which the Board establishes the framework for providing effective internal financial control are as follows:

- Corporate Governance arrangements as outlined in the Corporate Governance Statement;
- regular meetings of the Board, and Subsidiary Boards, which have a schedule of matters that are specifically reserved for approval and are the subject of regular standard reports as required;
- arrangements under terms of reference for the Group Audit Committee to meet regularly and receive reports from management and internal and external auditors on the system of internal control in operation across the Group, and to oversee arrangements for provision of reasonable assurance that control procedures are in place and are being followed.

DIRECTORS' REPORT (continued)

- written policies and procedures including Standing Orders setting out delegated authorities across Group Subsidiaries;
- an organisational structure to support business processes and with clear lines of responsibility;
- the employment of suitably qualified and experienced staff to take responsibility for key areas of the business. This is supported by a formal personal development programme;
- an Internal Audit function with an Audit Plan which produces an annual Internal Audit Report and Opinion;
- adoption of a risk-based approach to internal control through evaluating the likelihood and impact of identified corporate risks, vesting responsibility for risk management and internal control with designated owners and with an ongoing process of monitoring and reporting progress against the company's key risks established through the corporate risk management framework;
- a Business Plan and Budget supporting strategic and operational plans, financial targets, regularly revised forecasts, a comparison of actual with budget and with forecast on a quarterly basis, operating cash flow and variance statements, and key performance indicators, all of which are reviewed by the Board; and
- measurement of financial and other performance against the Delivery Plan objectives and key performance indicators and targets.

4. Role of Internal Audit

The Group Audit Committee oversees the Internal Audit function which has a pivotal role in assessing the Group's internal financial controls. Internal Audit reviews are directed by the Group Audit Committee using a risk-based approach to assess the robustness of the implementation of the Group's governance, risk and control framework.

Internal Audit assesses the adequacy and effectiveness of the controls in place within the governance, risk and control framework the Group has adopted, and makes recommendations where improvement opportunities are identified. Management across the Group is responsible for the implementation of agreed improvement actions identified from Internal Audit activity.

In line with good practice, Internal Audit provides the Group Audit Committee and the Board with an Annual Internal Audit Opinion which summarises all the work completed during the year. The overall Internal Audit opinion provided in the 2024/25 statement is detailed below:

“Based on our Group-wide work undertaken in 2024/25 a substantial level of assurance can be given that the Group's governance, risk and control framework is designed to support achievement of relevant organisational objectives and operating effectively, within the Group's risk appetite. However, some weaknesses in the design or consistent application of controls remain and there were a small number of risks in the Strategic Risk Register that were out with risk appetite. In particular there continues to be joint working between the Wheatley Housing Group and Glasgow City Council Chief Executives to improve governance and compliance controls within City Building Glasgow.

DIRECTORS' REPORT (continued)

Management has agreed to the improvements to the Group wide control environment arising from our annual work and the progress of implementing these additional controls will be reported to the Group Audit Committee.”

5. Risk and Control Framework

Wheatley Housing Group recognises the importance of effective identification, evaluation and management of all key strategic and operational risks. The Scottish Housing Regulator's Regulatory Standards include the following requirement.

“The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.”

Risk management is a key element of the Group's overarching governance arrangements as it demonstrates that the Group has considered those areas which put the achievement of its strategic objectives under threat, that it has analysed the consequences of things going wrong and identified the actions and controls needed to prevent or limit these consequences, in accordance with agreed levels of risk appetite.

As the parent company, Wheatley Housing Group oversees the governance arrangements to address the risks associated with control of activities, and managing the risks, of all subsidiaries; to ensure that there is an appropriate use of funds across the Group; to ensure that risks to the core business of the Group are managed and mitigated to within risk appetite and that strong governance arrangements are upheld by all subsidiaries to protect the reputation of the Group.

Risk management within the Group is designed to identify and mitigate risks to the achievement of the Group's Strategic Plans. Risks in relation to delivery of strategic outcomes are captured at a strategic Group level, Subsidiary Board level and at a local management team level, with an established escalation method in place.

Roles and Responsibilities

Risk Management is the responsibility of everyone in the organisation, whether or not they have a formally defined role in the process. To ensure the successful implementation of the Risk Management Policy, clear roles and responsibilities for the Risk Management process have been established. The Board has overall responsibility for ensuring the effectiveness of this framework. The Board also agrees risk appetite levels that are embedded within the Group's risk profile and used to determine the Group's approach to managing risk.

The Executive Team facilitates the Risk Management processes. Its role is to ensure compliance with the Risk Management Policy, including monitoring of the Group's risk profile to ensure it is kept up to date, new and emerging risks are identified, and risk scores are challenged.

DIRECTORS' REPORT (continued)

Risk Management forms an integral part of the culture and the way the Group is run. Risk Management is incorporated and embedded into business plans across the organisation (e.g. service improvement plans, project plans, team plans, individual plans). In this way, Risk Management is not the responsibility of senior management alone, but more appropriately the responsibility of all colleagues.

Principal risks facing the Group

The most significant financial and operational risks facing the Group and key mitigations are summarised below:

Risk	Mitigation
Delayed recovery in the event of a cyber attack	• Cyber response plans integrate business response planning and are regularly tested • Business continuity plans integrate disaster recovery and cyber response plans and activities • Disaster recovery activities are clearly documented and plans across core services are invoked annually • Disaster recovery tasks completed include post-implementation reviews and lessons learned • Disaster recovery workplan agreed annually and reviewed quarterly • Business continuity workshops performed annually • NCC incident response reviews are conducted annually
Disruption following a cyber attack on a key system provider	• Procurement procedures require potential suppliers to confirm compliance with the Group's security requirements • Cyber Non-Functional Requirements have been drafted for SAAS and on-premises services • A SAAS register of services that have completed Vendor Security Assessments (VSA) is maintained • Business owners are required to review supplier contract performance, including annual review of VSAs and Data Privacy Impact Assessments • Contracts and VSA record data breach notification processes, vendor performed security testing and disaster recovery approach and testing • Detailed supply chain cyber guidance is published and integrated with Procurement policies and guidance
Radio Teleswitch Service (RTS) switch off	• Engagement with SFHA, OFGEM, Scottish and UK Government and energy companies including participation in the OFGEN and Energy UK (the energy industry trade body) events • Participation in the RTS Consumer Engagement Group monthly meetings • Data Sharing agreement in place with Scottish Power, enabling us to contact affected RTS customers and encourage them arrange to switch via our Connected Response programme. • Communications campaign to encourage customers to respond to Scottish Power communications • Staff awareness campaign • Internal project team formed to monitor progress with switching and coordinate the control activities
Reduced availability of financial support from Scottish Government and / or local government	• Regular engagement with Scottish Government representatives to proactively present the case for housing investment directly and through our representative bodies • Participating in the Scottish Government review of grant availability • Pathway to Net Zero Group draws on independent expertise to support evolution of plans in this area • Provision in the Business plan tested against the Asset Management Strategy to ensure sufficient provision within the Plan • Financial planning sensitivities undertaken to understand the potential impact under a variety of grant scenarios • Actively pursue external funding opportunities including those with the Scottish Government to support our investment in energy efficiency works

DIRECTORS' REPORT (continued)

Principal risks facing the Group (continued)

Risk	Mitigation
Financial viability of Care Services	• Care Business Framework, which includes triggers to flag concerns and associated actions • Scrutiny and monitoring of monthly finance reports at performance meetings and finance meetings • Care viability matrix in place • Strategic priorities linked to growth and maintenance, and operational growth plans target income maximisation • Care business planning process allows for the management of costs, maximisation of income and assessment of financial implications across a variety of scenarios and stress tests • Target for reserves in place and reported quarterly to the Care Board
Climate change impact on Group customers, assets and services	• Business continuity plans (both at Group and local level) provide for operational responses to extreme weather events such as flooding and severe winter snow • Group works in line with National Planning requirements, including the use of SEPA flood risk maps to assess New Build locations • Asset Strategy will ensure future investment maintains and improves condition of our asset including to mitigate any climate change related risks
Impact on our customers of reduced public funding	• Monthly performance meetings, reviewing project activity/demand against available budget • Monitoring of business information from across Group to identify emerging customer/community issues • Regular liaison meetings with stakeholders and funders • Monthly "External Funding Opportunities" meeting for The Wheatley Foundation • Development of ALISS to signpost customer to additional support
Laws and regulations	• Group-wide annual assurance review carried out against the Scottish Housing Regulators (SHR) regulatory framework, as well as the Care and Lowther regulatory frameworks to help ensure we meet the requirements of the SHR, OSCR, Care Inspectorate and other regulatory entities • Standing Orders/Scheme of delegation set out roles and responsibilities in relation to key legislative and regulatory requirements • Group has on-going relationship management with the SHR. Changes to existing legislation are identified and implemented by identified responsible officers across the Group • Group wide approach to the management of information. Privacy Impact Statements implemented across the Group • Legislative compliance maps are in place for all teams, documenting key legislative requirements and the detective controls that have been put in place to confirm ongoing compliance
Staff behaviour enables a cyber attack	• Mandatory, annual training for all staff provided by specialist cyber training providers • SIEM technical logging approaches include behavioural analysis metrics with alerts generated leading to actions including account suspension and remediation • Cyber behavioural metrics reviewed to inform training and communications • Phishing campaigns inform additional behavioural insight to cyber risks and incidents • Routine testing of the external environment is provided by the Group's security consultants • Group tenancy includes 'user risk scoring' to identify accounts with higher risk of compromise or low security behaviours with alerts monitored 24 hours per day via SIEM service provider and infrastructure team • Security Forum review of training/phishing/SIEM (account attack) activity
Compliance with funders' requirements	• Regular meetings with funders and investors representatives to update on financial status of the Group • Financial performance monitored monthly and reported to Group and Subsidiary Boards • Quarterly covenant compliance monitored by the Group Board • Subsidiary and Group Business Plans are subject to annual updates and review by respective Boards • Additional protection via 'Golden Rules' to produce forward-looking monitoring with headroom against loan covenants. Golden Rules subject to annual board approval, with performance monitored quarterly and any anticipated breaches, requiring board approval • Ongoing dialogue with credit rating agencies

DIRECTORS' REPORT (continued)

Principal risks facing the Group (continued)

Risk	Mitigation
Repairs supply chain disruption	• Utilisation of Group and 3rd party frameworks to minimise price increase risk • Procurement system and procedures include assessment of suppliers' financial health • Active use of Contract Management System which contains system generated alerts to flag risk • Engagement with key suppliers and stock levels managed including, where possible, advance purchase of components and material • Specific contingency plans for key services • Identified lead for Repairs monitors supply chain materials contract • In the event of supplier insolvency, procurement frameworks / approved supplier listings would be used to identify alternative suppliers •
Securing new funding and adverse market changes	• Strong levels of headroom maintained to provide sufficient cash resources with compliance reported to Group Board • Liquidity Golden Rule in place designed to ensure that we have sufficient cash available and this rule is re-assessed annually by the Group Board • Diversification of funding sources to provide options for future funding • Sterling borrowing only, no foreign currency exposure • Group Internal Rate of Return reviewed regularly to ensure projects are profitable • Annual ESG reporting in place • Sustainability Financing Framework in place • Treasury Management Policy agreed by Group Board •
Political and Policy changes impact on strategic key partnerships	• Established national approach to stakeholder management led by the Executive Team and Communications Team • Ongoing engagement with senior officials and policy leads within the Scottish Government and key Local Authority partners. We are also part of national policy working groups and actively look for opportunities to engage with key politicians • Annual MSP survey carried out to track progress, with plan put in place to address negative comments • Strategic Agreements in place with GCC and DGC • Partnership agreements in place with WLC (in respect of a shared understanding amongst WLC and other RSLs in relation to new build housing development) and work closely with CEC • Board workshops on key policy areas, including annual strategy workshops and standalone Board/CPD events where required. The Group's policy of not building homes for sale also mitigates potential property market risk • At a community level, good stakeholder and partnership relations, including with elected members, are carried out by Executive Team, Managing Directors, Locality Housing Directors and the Director of Communications and Marketing. We actively look for opportunities to engage with key politicians to promote partnership working and projects highlighting the work of the Group and subsidiaries in 'Making Homes and Lives Better' •
Underperformance of main delivery partner	• Partners prepare rolling 5-year business plans informed by workload information provided by both Members to inform partners resource and labour planning • Investment plans are routinely monitored in respect of delivery and reports are considered monthly on the delivery status of the annual programme • Performance service delivery is routinely monitored between operational delivery and management teams with staff co-located to ensure that this is achieved • Service levels and efficiency are measured against agreed targets and where issues are identified as part of this monitoring, improvement actions are then agreed and their effect monitored
Non achievement of sustainability targets	• We have detailed asset information and baseline data, and our asset strategy includes an assessment of the likely requirements of the new Social Housing Net Zero Standard which is currently being consulted on by Scottish Government • Secured funding from the Scottish Government to invest in properties through bids to the SHNZ (Social Housing Net Zero Fund) • Targets to reduce emissions from our homes are monitored and reported each year • Progress towards our aim of being carbon neutral is assessed independently and reported each year • Group's ethos is that demolition is not a preferred option, although we will explore this if following assessment this is found to be the best option including in terms of sustainability impact • Produce an annual ESG report for investors setting out our progress on the environmental agenda and have produced a sustainability framework for investors to support the raising of sustainability-linked finance • In addition to ESG reporting, increased public messaging around our work in relation to climate change is ongoing and we have developed and are implementing a group sustainability strategy

DIRECTORS' REPORT (continued)

Principal risks facing the Group (continued)

Risk	Mitigation
Ability to meet Scottish Government legislative requirements for energy efficiency	- Group's Business Plan considers external regulations and environment - Group Asset Strategy and subsidiary strategic asset investment plans developed to clearly articulate investment need and priorities and ensure our available investment is focused where it has greatest impact - Funding considerations are re-assessed annually and inform the rent proposals - Business plan reviewed against a variety of assumptions including those around funding and investment in existing homes and environments. and with stress testing of these assumptions.
Fire Event	- Fire Prevention and Mitigation Framework, including our approach to high rise block inspections and Livingwell - Fire Risk Assessments are completed on a rolling cycle and include assessment of Wilful Fire Raising - Person Centred Risk Assessments (Home Fire Safety Visits) undertaken by Fire Safety Officers where vulnerable customers identified. Daily, weekly and monthly inspections of high-rise domestic premises maintained by Environmental Teams in between Fire Risk Assessments being completed - Statutory maintenance of Domestic Properties undertaken to include Gas Safety Installations, Electrical Installations and the provision of Heat and Smoke Detection. New Build properties are built with Water Suppression Systems as per new Building Standards requirements - Fire Working Group attended by Senior Management Teams every two months that feeds into a Group Executive Fire Liaison Meeting chaired by Executive Lead and attended by Leadership Directors to review performance, emerging issues and escalate matters as required - Compliance Steering Group established to monitor and review compliance events that could contribute to risk of fire e.g. Gas Safety, Electrical Safety
Monitoring Health & Safety arrangements	- Programme of H&S audits and inspections undertaken by the Wheatley Group H&S Team, covering all work locations - Audit/ inspection reports and actions are issued to responsible managers, and completion of these actions within allocated timescales is monitored by H&S - Progress and outcomes arising from this programme are reported to operational and strategic H&S meetings, as well as being reported to the Executive Team
Care and support services	- At least 3 yearly cyclical reviews of care operational policy and procedure - Annual Self-Assurance demonstrating, through evidence gathering, compliance with legislation, regulation and operational policy - Monthly performance monitoring to ensure incidents are being recorded in-line with the Care OSM and escalated as directed within policy and protocol - Care and support services governance arrangements, including the authorising environment, are clear and have been approved, including the Care Business Framework - Customer sentiment surveys are deployed annually to seek formal feedback on customer satisfaction with the service they receive - The Care Inspectorate, in the main, conduct inspections either annually or ever 2 years producing reports that evidence outcomes from inspection - The Protecting People Policy Framework sets out arrangement for protecting the people we work for, including those considered to be vulnerable - Mandatory and service specific training is in place for staff - Business Continuity Plan and local Service Contingency Plans are in place - Care Strategic Review Project proposes improvements to data gathering that enhances reputation and credibility, with a sound evidence base
Business continuity	- Business Continuity Plans are in place across all business areas with the Business Continuity Steering Group overseeing the collating, reviewing and designing of the Group's Business Continuity Plans - Business Continuity Framework and Business Continuity Policy are embedded across the Group and in all business areas - Regular testing and exercising of the Business Continuity Plans - Winter Readiness Plans have been developed to ensure there is a collaborative approach to business interruption across this period where we may experience more adverse weather - Crisis Management Plan remains in place and is reviewed every year in line with our Winter Readiness Plans

DIRECTORS' REPORT (continued)

Principal risks facing the Group (continued)

Risk	Mitigation
Senior staff recruitment	• HR policies on recruitment and selection • Leadership Development Programme to attract new talent to the Group • Use of specialist recruitment agencies and targeted advertising to attract skilled staff • Benchmarking of salaries/benefits offered to ensure these remain sector leading/competitive •
Staff development and succession planning	• Career Pathways provide opportunities to develop and expand on knowledge and experience • MyAppraisal process for all staff and integrated with MyAcademy • Training records for all staff and training courses at the Academy • Leadership Development Programme, succession planning, talent management programme and specific programmes to support the succession of Executive and senior leadership roles • IGNITE graduate training programme and Bursary Programme
Damp and Mould	• Group damp and mould policy in place supported by detailed procedures • Agreed timescales for rectification work when damp and mould is reported and follow up post completion • Staff, experienced in mould and damp recruited, arrangements also in place for specialist external support to this service • Trade staff trained on the management of condensation within the home. All frontline staff trained on identification and accurate diagnosis of damp and mould issues • Annual visits to all properties as part of a technical compliance programme • No Access Policy updated to address rectification of damp and mould where access is refused • Employ technological solutions to treat mould where appropriate e.g. misting machines
Fire safety	• Group Fire Safety Team focused on identification of fire prevention actions • Fire Working Group reports into Executive Team Lead • Bi-annual reporting of implementation actions to Group Audit Committee • Fire Prevention and Mitigation Framework in place including our approach to high rise block inspections and Livingwell properties. • Daily, weekly and monthly inspections of high-rise domestic premises maintained by environmental teams in between Fire Risk Assessments • Compliance and investment programmes in place to meet building safety regulations and best practice guidance
Group Credit Rating	• Group's business plan based on maintaining a strong standalone credit rating • Our financial Golden Rules include maintaining strong levels of liquidity to mitigate refinance risks • Ongoing dialogue maintained with credit rating agencies enabling pre-emptive actions to be taken where required to avoid unexpected rating changes • Mitigation drafting used in legal clauses avoiding cross default and negotiation period on mitigation measures included in legal clauses • Maintenance of strong relationships with alternative funders
Customer Satisfaction (tenants)	• Variety of methods used to collect customer feedback helps us understand customer views and informs our delivery and investment plans every year • Performance management framework includes a stronger focus on measuring drivers of customer value in our key services • Small housing officer patch sizes to help deliver personalised services • Communications plans used to keep customers informed of key service information and manage expectations
Rent arrears management	• Ongoing Rent Matters campaigns and programmes of contact with customers affected by financial hardship • Dedicated Universal Credit team • Working with partners to influence UK and Scottish policy and funding environment • Small housing patch sizes allow staff to work proactively with customers to avoid arrears • Accessible online service portal • Support available from Wheatley 360 welfare benefits advisors • Group business plan contains sufficient headroom to mitigate the financial impact in relation to risk of increased bad debts and rent arrears

DIRECTORS' REPORT (continued)

Principal risks facing the Group (continued)

Risk	Mitigation
Governance structure	• Annual assurance review and Annual Assurance Statement completed each year and reviewed by the Assurance Team and by external consultants every three-years • Formal succession planning for Board members is in place • Governance arrangements regularly reviewed by the SHR, external consultants, internal and external audit functions • Board induction and CPD programme for Board members • Horizon-scanning of changes to corporate governance aspects of the Group's regulatory world and the potential impact on the Group's structure
Commercial operations	• Robust monitoring arrangements in place to appraise the operational performance and delivery of strategic objectives • Responsibility and accountability allocated at an appropriate level within the organisation and reported regularly to senior management and Board
New Build contractor non-compliance with Building Standards	• Clerk of Works monitoring quality of construction • Employers Agent employed to manage the construction contract • Proactive contract management and regular contractor engagement • Suppliers selected from procurement framework

DIRECTORS' REPORT (continued)

Other matters:

Board's Statement on Section 172 of the Companies Act 2006

The Directors act in a way they consider, in good faith, would be most likely to promote the success of the Company and the Group for the benefit of its members as a whole. Key decisions and matters of strategic importance are considered and informed by the requirements of section 172. The Strategic Report on pages 8 to 31 sets out how we delivered activity on behalf of our stakeholders in line with our Group strategy during the year.

The Group exists for the benefit of its key stakeholders, the customers we serve and the People We Work For in our care businesses. The interests of our stakeholders are understood through an open and transparent dialogue conducted through a variety of channels, such as:

- feedback obtained through multiple routes including tenant satisfaction surveys;
- our tenant engagement framework "Stronger Voices" where over 1,520 customers are registered to provide their views on the development of our services;
- tenants are represented on all RSL Boards. Across the Group 28% of our board members are tenants;
- the use of tenant focus groups to inform rent proposals and formal consultation with all tenants on rent increase proposals;
- social media and online engagement;
- annual visits to all customers by Housing Officers;
- publication of regular tenant newsletters and annual report to tenants;
- our Tenant Scrutiny Panel review performance of the organisation under the Scottish Housing Charter; and
- during the year we have engaged tenants as we develop the key themes and objectives for our 2026-31 strategy.

The Group's employees are key to delivering the objectives of the organisation; they represent the business externally and maintain the reputation of the Group with our stakeholders. The Group operates a policy of providing employees with information about the Group through formal recognition of a number of trade unions as well as internal media methods in which employees are encouraged to present their suggestions and views on the Group's performance. Employees participate in regular discussions with their line managers as part of the Group's commitment to ensuring all staff are aware of their role in the Group's achievement of its five strategic objectives under the banner of "My Appraisal". Regular meetings are also held between management and employees to allow a free flow of information and ideas and staff are involved in the development of the new 2026-31 strategy.

In setting the strategy and through the preparation of the 30-year business plan, the Directors consider the likely consequences of decisions in the long term and ensure that the business continues to be financially viable and is able to meet all current and future financial commitments to its lenders.

The impact the Group has on its neighbourhood and the environment is a key element in the Group's purpose. More details of the Group's aims are set out in the Group's Statement on Environmental, Social and Governance.

DIRECTORS' REPORT (continued)

Employees

Details of the Group's approach to employee engagement are provided in the section 172 statement above. Where appropriate, many employees work through a hybrid working model, using our Centres of Excellence as places to meet colleagues and share ideas. Technology solutions and remote working tools support the hybrid model giving employees flexibility and other benefits whilst creating opportunities for collaborative working in our new Centres of Excellence.

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by disabled persons. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Going concern

After making enquiries, including the update of the Group 30-year financial projections, the Group Board has a reasonable expectation that the Wheatley Housing Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in the preparation of the Group's financial statements. More details of the Board's assessment of going concern are included in note 2 to the financial statements.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent Auditor

A resolution to re-appoint KPMG LLP as auditor will be proposed at the forthcoming annual general meeting.

Future Developments

The Strategic Report sets out future strategic objectives. The Group's five-year strategy *Your Home, Your Community, Your Future* was launched in 2021.

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the surplus or deficit for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group and parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006, Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements Order 2024. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and parent company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Jo Armstrong, Chair
September 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATLEY HOUSING GROUP LIMITED

Opinion

We have audited the financial statements of Wheatley Housing Group Limited ("the Company") for the year ended 31 March 2025 which comprise the Group Statement of Comprehensive Income, Company Statement of Comprehensive Income, Group Statement of Changes in Reserves, Company Statement of Changes in Reserves, Group Statement of Financial Position, Company Statement of Financial Position, Group Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2025 and of the Group's surplus and the result of the parent Company for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2024.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified and concur with the director's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATLEY HOUSING GROUP LIMITED (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and management as to the Group’s high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board minutes; and
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the limited opportunity and incentive for fraudulent revenue recognition and the limited judgement in respect of revenue recognition.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These include those posted to unusual accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias including assessing the assumptions used in pension and property valuations.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussions with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulation throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and registered social landlord legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Group is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATLEY HOUSING GROUP LIMITED (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatements. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information, which comprises the Chair's report, the Chief Executive's report, the Strategic report and the Directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Chair's report, the Chief Executive's report, the Strategic report and the Directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

We are also required to report to you if:

- in our opinion, the Statement on Internal Financial Control on **page 43** does not provide the disclosures required by the relevant Regulatory Standards for systemically important RSLs within the publication "Our Regulatory Framework" and associated Regulatory Advisory Note issued by the Scottish Housing Regulator in respect of internal financial controls; or
- in our opinion, the Statement on Internal Financial Control is materially inconsistent with the knowledge acquired by us in the course of performing our audit.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATLEY HOUSING GROUP LIMITED (continued)

Directors' responsibilities

As explained more fully in their statement set out on **page 54**, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and section 69 of the Housing (Scotland) Act 2010. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report or for the opinions we have formed.

Michael Wilkie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
319 St Vincent Street
Glasgow
G2 5AS

September 2025

**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	2025 £000	2024 £000
Turnover	3	516,843	412,577
Operating expenditure	3	(366,148)	(348,277)
Other gains	9	10,697	9,872
Operating surplus		161,392	74,172
Share of profit in joint venture		300	-
Gain on disposal of fixed assets	10	1,192	926
Finance income	11	1,140	861
Finance charges	12	(77,777)	(72,282)
Movement in fair value of financial instruments	13	1,500	3,689
Surplus on ordinary activities before taxation		87,747	7,366
Taxation credit/ (charge)	14	947	(2,762)
Surplus for the financial year		88,694	4,604
Unrealised surplus on the valuation of housing properties		46,831	238,430
Unrealised surplus/ (deficit) on the valuation of other fixed assets		541	(1,300)
Actuarial gain/ (loss) in respect of pension schemes		7,281	(5,701)
Total comprehensive income for the year		143,347	236,033

All amounts relate to continuing operations.

The notes on pages **65 to 101** form part of these financial statements.

**COMPANY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	2025 £000	2024 £000
Turnover	3	265	245
Operating expenditure	3	(265)	(245)
Operating surplus		-	-
Finance income		-	-
Finance charges		-	-
Surplus on ordinary activities before taxation		-	-
Taxation		-	-
Surplus for the financial year		-	-
Total comprehensive income for the year		-	-

All amounts relate to continuing operations.

The notes on pages 65 to 101 form part of these financial statements.

GROUP STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2025

	Revenue Reserve £000	Revaluation Reserve £000	Total Reserves £000
Balance at 1 April 2023	721,393	516,239	1,237,632
Total comprehensive income for the year	236,033	-	236,033
Transfer of reserves for the revaluation of housing properties	(238,430)	238,430	-
Transfer of reserves for the revaluation of other fixed assets	1,300	(1,300)	-
Balance at 31 March 2024	720,296	753,369	1,473,665
Total comprehensive income for the year	143,347	-	143,347
Transfer of reserves for the revaluation of housing properties	(46,831)	46,831	-
Transfer of reserves for the revaluation of other fixed assets	(541)	541	-
Balance at 31 March 2025	816,271	800,741	1,617,012

COMPANY STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2025

	Total Reserves £000
Balance at 1 April 2023	-
Result for the financial year	-
Balance at 31 March 2024	-
Result for the financial year	-
Balance at 31 March 2025	-

The notes on pages **65 to 101** form part of these financial statements.

GROUP STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2025

	<i>Notes</i>	2025 £000	2024 £000
Fixed assets			
Social housing properties	17	3,062,066	2,935,892
Other tangible fixed assets	18	87,933	78,829
Investment property	19	386,255	309,971
Investment in joint venture	19	416	116
		<u>3,536,670</u>	<u>3,324,808</u>
Current assets			
Stock	20	2,278	1,926
Trade and other debtors	21	45,959	49,543
Cash and cash equivalents		<u>36,299</u>	<u>36,305</u>
		84,536	87,774
Creditors: amounts falling due within one year	22	(212,829)	(212,407)
Net current liabilities		<u>(128,293)</u>	<u>(124,633)</u>
Total assets less current liabilities		3,408,377	3,200,175
Creditors: amounts falling due after more than one year	23	(1,773,745)	(1,706,426)
		1,634,632	1,493,749
Provisions for liabilities			
Pension liability	26	(7,114)	(8,405)
Provision for other liabilities	24	(10,506)	(11,679)
Total net assets		<u>1,617,012</u>	<u>1,473,665</u>
Reserves			
Share capital	25	-	-
Revenue reserve		816,271	720,296
Revaluation reserve		800,741	753,369
Total reserves		<u>1,617,012</u>	<u>1,473,665</u>

These financial statements on pages 59 to 101 were approved by the Board on 27 August 2025 and were signed on its behalf on xx September 2025 by:

Jo Armstrong
Chair

The notes on pages 65 to 101 form part of these financial statements.
Company registration number SC426094.

COMPANY STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2025

	<i>Notes</i>	2025 £000	2024 £000
Trade and other debtors		-	-
Cash and cash equivalents		-	-
		-	-
Creditors: amounts falling due within one year		-	-
		-	-
Net current assets		-	-
		-	-
Total assets less current liabilities		-	-
		-	-
Total net assets		-	-
		-	-
Reserves			
Share capital	25	-	-
		-	-
Total reserves		-	-
		-	-

These financial statements were approved by the Board on 27 August 2025 and were signed on its behalf on xx September 2025 by:

Jo Armstrong
Chair

The notes on pages 65 to 101 form part of these financial statements.

Company registration number SC426094.

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	<i>Notes</i>	2025 £000	2024 £000
Net cash generated from operating activities	28	155,778	160,932
Cash flow from investing activities			
Improvement of properties		(81,308)	(76,769)
Acquisition of properties		(1,715)	(1,094)
Construction of new properties		(160,445)	(141,259)
Purchase of other fixed assets		(20,249)	(18,873)
Proceeds from sale of properties	10	2,559	2,523
Grants received	23	69,898	77,221
Grants repaid		(354)	-
Finance income	11	1,140	765
		(190,474)	(157,486)
Cash flow from financing activities			
Finance charges		(73,727)	(69,830)
Bank loan drawn down		248,818	115,000
Repayments of bank loans		(140,003)	(51,775)
Taxation		(398)	(192)
		34,690	(6,797)
Net change in cash and cash equivalents		(6)	(3,351)
Cash and cash equivalents at 1 April		36,305	39,656
Cash and cash equivalents at 31 March		36,299	36,305
Cash and cash equivalents at 31 March			
Cash		36,299	36,305

The notes on pages **65 to 101** form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. Legal status

Wheatley Housing Group Limited (“Wheatley”, “Wheatley Group” or “the Company”) is a limited company incorporated in Scotland under the Companies Act 2006. It is a housing association registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010.

The Company and its subsidiaries are referred to as “the Group”. The Group’s subsidiaries include housing associations, incorporated entities and charities. The principal activity of the Group is the provision of social housing and associated housing management services. The registered office is Wheatley House, 25 Cochrane Street, Glasgow G1 1HL.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of accounting

The financial statements of the Group and the Company are prepared in accordance with the Companies Act 2006, applicable accounting standards, the accounting requirements included within the Determination of Accounting Requirements 2024, and under the historical cost accounting basis, modified to include the revaluation of derivative financial investments, properties held for letting, office properties, investment properties and commercial properties. The financial statements have also been prepared in accordance with the Statement of Recommended Practice for registered social housing providers 2018 (“SORP 2018”), issued by the National Housing Federation and under FRS 102.

As noted in the Directors’ report on [page 53](#), the financial statements have been prepared on a going concern basis which the Board considers to be appropriate for the following reasons.

The Group prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in February 2025 by the Board. As well as considering the impact of a number of scenarios on the business plan, the Board also adopted a stress testing framework against the base plan. These updated scenarios include severe but plausible downsides. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure.

The Board, after reviewing the Group budgets for 2025/26 and the Group’s financial position as forecast in the 30-year business plan is of the opinion that, taking account of severe but plausible downsides, the Group has adequate resources to continue to meet their liabilities over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). In reaching this conclusion, the Board has considered the following factors:

- Rent and service charge receivable – arrears and bad debt assumptions have been set at an appropriate level to allow for customer difficulties in making payments; budget and business plan scenarios have been updated to take account of potential future changes in rent increases;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

2. Accounting policies (continued)

- Development activity – budget and business plan scenarios have taken account of fluctuating labour costs, project delays, supply chain instability and availability of grant funding impacting the new build programme;
- Maintenance costs – budget and business plan scenarios have been modelled to take account of a revised profile of repairs and maintenance expenditure including the effect of inflation and increased demand;
- Investment in existing homes– forecast expenditure has been remodelled to take account of higher levels of investment spend;
- Liquidity – current available cash of £36.3m and unutilised loan facilities of £324.4m gives significant headroom for committed expenditure and other forecast cash flows over the going concern assessment period; and
- The Group and Association's ability to withstand other adverse scenarios such as higher interest rates and inflation.

The Board believes the Group has sufficient funding in place and expects the Group to be in compliance with its debt covenants even in severe but plausible downside scenarios.

Consequently, the Board is confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

The Wheatley Housing Group Limited is a public benefit entity.

Accounting judgements and estimations

Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts where required or appropriate and other factors.

Judgements have been made in:

- determining the appropriate discount rates used in the valuation of housing and investment properties;
- component accounting and the assessment of useful lives;
- the assessment of the fair value of financial instruments;
- determining the value of the Group's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds; and
- allocation of share of assets and liabilities for multi-employer pension schemes. Judgments in respect of the assets and liabilities to be recognised are based upon source information provided by administrators of the multi-employer pension schemes and estimations performed by the Group's actuarial advisers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

2. Accounting policies (continued)

Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 31 March 2025. Profits or losses on intra-group transactions are eliminated in full in accordance with FRS 102.

New subsidiaries joining the Group are accounted for under section 19.6 of FRS 102, as combinations that are in substance a gift. Any gain on acquisition is recognised through the Statement of Comprehensive Income as a gain on business combination. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. On joining the Group, an exercise is undertaken to align subsidiary accounting policies to the Group policies which may result in a restatement of comparative figures in the subsidiary results prior to consolidation.

Joint Venture

Wheatley Housing Group is a 50:50 joint owner in City Building (Glasgow) LLP ("CBG"). The investment in the joint venture is accounted for using the equity method as outlined in FRS 102 Section 15. The investment is recognised in the Statement of Financial Position at cost less any impairment. The Group's share of profits or losses of the joint venture are recognised in the Statement of Comprehensive Income and the initial investment is subsequently adjusted to reflect the Group's share. Where the Group's share of losses equals or exceeds the carrying amount of the investment the share of these losses are recognised as a provision to the extent that the Group has legal or constructive obligations or has made payment on behalf of the joint venture. The investment in the joint venture is recorded in the investing entity's stand-alone financial statements at cost less impairment.

Related party disclosures

The Company has taken advantage of the exemption, available under FRS 102, from disclosing related party transactions with wholly owned entities that are part of the Wheatley Housing Group.

Turnover

Turnover, which is stated net of value added tax, represents income receivable from lettings and service charges, fees receivable, grants and other income. In respect of the Group Statement of Comprehensive Income, turnover also includes factoring, care contracts and income from market and commercial rental activities.

Income from social lettings, service charges, factoring, market and commercial rental activities is recognised when it is receivable. Grant income is recognised when any associated performance conditions have been met and care contract income is recognised when services are delivered to customers as required under the agreement with each service commissioner.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

2. Accounting policies (continued)

Grant income

Where a grant is paid as a contribution towards revenue expenditure, it is included in turnover. Where grant is received from government and other bodies as a contribution towards the capital cost of housing schemes, it is recognised as income using the performance model in accordance with the SORP 2018. Prior to satisfying the performance conditions (e.g. on completion of new-build properties), such grants are held as deferred income on the Statement of Financial Position.

Bad and doubtful debts

Provision is made against rent arrears of current and former tenants as well as other miscellaneous debts to the extent that they are considered potentially irrecoverable. Debts are classed as uncollectable after an assessment of the legislative options available to recover and consideration of specific circumstances.

Supported housing

Expenditure on housing accommodation and supported housing is allocated on the basis of the number of units for each type of accommodation, except for staffing and running costs for which the level of expenditure is directly attributable.

Financial instruments

Financial assets

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

2. Accounting policies (continued)

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies, bond finance and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Housing loans are classed as either basic or complex financial instruments under FRS 102. Loans are provided to RSL subsidiary members of the Group by its lenders through Wheatley Funding No. 1 Limited ("WFL1"). Loans are provided to commercial subsidiaries of the Group by Wheatley Funding No. 2 Limited ("WFL2"). All arrangements are classed as basic under the requirements of FRS 102, and are measured at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Any movement in the value of financial instruments recognised in the Statement of Comprehensive Income relates to any in-year adjustments for changes in the value of payment arrangement in place with customers, and the Scottish Government loan.

Deposits and liquid resources

Cash comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying values.

Pensions

Wheatley Homes Glasgow participates in a defined benefit pension scheme arrangement with the Strathclyde Pension Fund ("SPF"). The Strathclyde Pension Fund is administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998 as amended.

The SPF ("the Fund") provides benefits based on pensionable pay, which is contracted out of the State Second Pension. Assets and liabilities of the Funds are held separately from those of the participating entities.

Wheatley Homes Glasgow accounts for participation in the Fund in accordance with FRS 102 which requires disclosures presented for both the current and comparative period. FRS 102 also requires that quoted securities are valued at their current bid-price rather than their mid-market value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

2. Accounting policies (continued)

The defined benefit fund liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. The respective share of WH Glasgow in the SPF pension fund surplus (to the extent that it is recoverable) or deficit are recognised in full. The movement in the Fund's surplus or deficit is split between operating charges, finance items and in the Statement of Comprehensive Income under actuarial gain or loss on pension schemes.

Loretto, Wheatley Care and Wheatley Homes East previously participated in the Pensions Trust Scottish Housing Association Pension Scheme ("SHAPS") Defined Benefit Pension Scheme. Loretto members transferred to the SHAPS Defined Contribution Scheme on 1 July 2013 with Wheatley Homes East members transferring on 1 April 2014 and 1 September 2014 with the respective sections of the SHAPs defined benefit scheme operated by those Group subsidiaries closed from the dates noted.

Retirement benefits related to employees in SHAPs defined benefit pension scheme are funded by contributions from all participating employers and employees in the Scheme. In respect of the defined benefit element of the scheme, payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Associations taken as a whole. In accordance with FRS 102, the Group's share of the scheme assets and liabilities has been separately identified and included in the Group's Statement of Financial Position and measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. The Group's share of the deficit is recognised in full and the movement is split between operating costs, finance items and in the Statement of Comprehensive Income as actuarial gain or loss on pension schemes.

A Group defined contribution scheme arrangement administered by the Cushon Master Trust is available to employees in certain subsidiaries of the Group. Wheatley Homes East operates a separate defined contribution scheme administered by Aviva.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

2. Accounting policies (continued)

Fixed assets – social housing properties

In accordance with SORP 2018, the Group operates a full component accounting policy in relation to the capitalisation and depreciation of its completed housing stock.

- **Valuation of social housing stock**

All social housing properties owned by the Group's subsidiaries are valued annually on an Existing Use Value for Social Housing ("EUUV-SH") basis by an independent professional advisor qualified by the Royal Institution of Chartered Surveyors to undertake valuation. Housing stock has been split into two streams of property for valuation purposes, namely housing retained for letting and demolition programme properties. This separation into categories is on the basis of the Group's 30-year Business Plan which identifies the core stock which will be the subject of the Group's investment expenditure going forward and the stock which forms part of the demolition programme and consequently has limited investment expenditure attached to it.

The cost of properties is their purchase price together with the cost of capitalised improvement works that result in incremental future benefits to the landlord from the asset. Included in the cost of capitalised improvement works are the direct costs of staff engaged in the investment programme.

Increases in the valuation of social housing properties are reported as other comprehensive income, accumulated in equity and reported as a revaluation reserve. Revaluation decreases reduce the accumulated gains and thereafter are recognised in profit or loss. Subsequent valuation gains are recognised in profit or loss to the extent they reverse a valuation decrease previously recognised in profit or loss.

On disposal, the value of the property is offset against the proceeds of sale and the gain or loss on disposal is taken to the Statement of Comprehensive Income.

- **Depreciation and impairment**

Housing properties are split between land, structure and major components which require periodic replacement. Replacement or refurbishment of such major components is capitalised and depreciated over the estimated useful life which has been set taking into account professional advice, the Group's asset management strategy and the requirement of the Scottish Housing Quality Standard. In determining the remaining useful lives for the housing stock, the Group has taken account of views provided by both internal and external professional sources. Freehold land is not subject to depreciation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

2. Accounting policies (continued)

Major components are treated as separate assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, at the following rates:

	<u>Economic Life</u>
Land	not depreciated
Bathrooms	25 yrs
External environment	20 yrs
External wall finishes	35 yrs
Heating system boiler	12 yrs
Internal works and common areas	20 yrs
Kitchens	20 yrs
Mechanical, Electrical and Plumbing	25 yrs
Structure and roofs	50 yrs
Windows and doors	30 yrs

Housing assets are depreciated in the month of acquisition, or in the case of a larger project, from the month of completion.

Where there is evidence of impairment, the fixed assets are written down to the fair value after deducting costs to sell, and any write down is charged to operating surplus.

- **New-Build**

Housing properties in the course of construction and land for future development is held at cost and are not depreciated. Completed new-build units are transferred to completed properties when ready for letting.

The Group's policy is to capitalise the following:

- Cost of acquiring land and buildings;
- Interest costs directly attributable;
- Development expenditure including direct development staff costs; and
- Other directly attributable internal and external costs.

Expenditure on schemes which are subsequently aborted will be written off in the year in which it is recognised that the schemes will not be developed to completion.

- **Properties held for demolition**

Demolition programme housing properties have a negative valuation for accounting purposes due to the impact of demolition costs on the EUV-SH calculation, and so are held at nil on the Statement of Financial Position. Under FRS 102 there is no constructive obligation at the year-end to provide for these costs.

Investment properties

Housing for mid-market and market-rent is valued on an open market value subject to tenancies basis ("MV-T") at 31 March. The valuation is carried out by an independent professional advisor qualified by the Royal Institution of Chartered Surveyors to undertake valuation. The properties are held as investment properties not subject to depreciation. Where it is considered that there has been any impairment in value this is provided for accordingly. The cost of properties is their purchase price together with capitalised improvement works.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

2. Accounting policies (continued)

Commercial properties are held as investment properties and not subject to depreciation, they are held at existing use value and are subject to revaluation by an independent professional advisor qualified by the Royal Institute of Chartered Surveyors to undertake valuation. Commercial properties are re-valued at least every five years. Changes in the valuation of investment properties are reported in the Statement of Comprehensive Income in profit or loss and disclosed within other income and gains.

New-Build Grant and other capital grants

New-Build Grant is received from central government and local authorities and is utilised to subsidise the costs of housing properties. New-Build Grant is recognised as income in the Statement of Comprehensive Income under the performance model. In the case of new-build this will be when the properties are completed. New-Build Grant due or received is held as deferred income until the performance conditions are satisfied, at which point it is recognised as income in the Statement of Comprehensive Income within turnover. Grant received in respect of revenue expenditure is recognised as income in the same period to which it relates.

Properties are disposed of under the provisions contained in the Housing (Scotland) Act 2010. Any grant that is repayable is accounted for as a liability on disposal of the property. Grant which is repayable but cannot be repaid from the proceeds of sale is accounted for as a liability. Where a disposal is deemed to have taken place for accounting purposes, but the repayment conditions have not been met in relation to the grant funding, the potential future obligation to repay is disclosed as a contingent liability.

Other tangible fixed assets

For other tangible fixed assets, depreciation is charged on a straight line basis over the expected useful economic lives of fixed assets to write off the cost, less estimated residual values over the following expected lives. Assets are depreciated in the month of acquisition, or in the case of a larger project, from the month of completion, at the following rates:

	<u>Economic Life</u>
Office premises (valuation)	40 yrs
District heating (cost)	30 yrs
Furniture, fittings and office equipment (cost)	5-7 yrs
Computer equipment (cost)	3-7 yrs
Community Infrastructure (cost)	20 yrs

Office premises are held at valuation, and are depreciated, on a straight line basis, over a useful life of 40 years. Valuations are made at the end of each reporting period.

Provisions

The Group only provides for liabilities at the year-end where there is a legal or constructive obligation incurred which will likely result in the outflow of resources.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

2. Accounting policies (continued)

Taxation

As charities, Wheatley Homes Glasgow, Wheatley Homes East, West Lothian Housing Partnership, Loretto Housing Association, Wheatley Homes South, Wheatley Care and The Wheatley Foundation are exempt from corporation tax on their charitable activities by virtue of Section 478 Corporation Tax Act 2010 and from capital gains tax by virtue of Section 256 Capital Gains Tax Act 1992. A charge for taxation is made in the Group's non-charitable subsidiary companies, based on their taxable profit for the year. In accordance with FRS 102, full provision is made for all material timing differences.

Value Added Tax

The Group is registered for VAT. A large portion of its income, including rental receipts, is exempt for VAT purposes, giving rise to a partial exemption calculation. Expenditure with recoverable VAT is shown net of VAT and expenditure with irrecoverable VAT is shown inclusive of VAT.

3. Particulars of turnover, operating costs and operating surplus

Group

	Turnover	2025 Operating Costs	Other gains/ (losses)	Operating surplus/ (deficit)	2024 Operating surplus/ (deficit)
	£000	£000	£000	£000	£000
Social lettings (note 4)	437,901	(290,544)	-	147,357	68,180
Other activities (note 5)	78,942	(75,604)	-	3,338	(3,880)
Other gains/ (losses) (note 9)	-	-	10,697	10,697	9,872
Total	516,843	(366,148)	10,697	161,392	74,172
Total for previous reporting period	412,577	(348,277)	9,872	74,172	

Company

	Turnover	2025 Operating Costs	Other gains/ (losses)	Operating surplus/ (deficit)	2024 Operating surplus/ (deficit)
	£000	£000	£000	£000	£000
Other activities (note 5)	265	(265)	-	-	-
Total	265	(265)	-	-	-
Total for previous reporting period	245	(245)	-	-	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

4. Particulars of turnover, operating costs and operating surplus/ (deficit) from social letting activities

Group	General Needs £000	Supported Housing £000	Other £000	2025 Total £000	2024 Total £000
Rent receivable net of service charges	315,850	11,099	1,193	328,142	304,357
Service charges	4,646	1,042	375	6,063	5,852
Gross income from rents and service charges	320,496	12,141	1,568	334,205	310,209
Less rent losses from voids	(3,762)	(348)	(1)	(4,111)	(3,900)
Net income from rents and service charges	316,734	11,793	1,567	330,094	306,309
Grants released from deferred income – new build	89,834	856	6	90,696	27,604
Other revenue grants	16,381	727	3	17,111	13,028
Total turnover from social letting activities	422,949	13,376	1,576	437,901	346,941
Management and maintenance administration costs	(58,940)	(2,698)	(324)	(61,962)	(59,410)
Service costs	(9,684)	(512)	(129)	(10,325)	(9,826)
Planned and cyclical maintenance including major repairs costs	(34,125)	(1,208)	(248)	(35,581)	(31,674)
Reactive maintenance costs	(77,043)	(2,280)	(434)	(79,757)	(78,399)
Bad debts – rents and service charges	(1,679)	(64)	(18)	(1,761)	(2,263)
Depreciation of social housing	(97,348)	(3,375)	(435)	(101,158)	(97,189)
Operating costs from social letting activities	(278,819)	(10,137)	(1,588)	(290,544)	(278,761)
Operating surplus/ (deficit) from social lettings	144,130	3,239	(12)	147,357	68,180
Operating surplus/ (deficit) from social lettings for the previous reporting period	65,962	2,275	(57)	68,180	

Company

There were no activities in the Wheatley Housing Group Limited entity results classified as social letting.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

5. Particulars of turnover, operating costs and operating surplus/(deficit) from other activities

Group	Grants From Scottish Ministers £000	Other Income £000	Supporting People Income £000	Total Turnover £000	Total Operating Costs £000	2025 Operating Surplus /(Deficit) £000	2024 Operating Surplus /(Deficit) £000
Wider role activities to support the community	-	3,006	-	3,006	(11,389)	(8,383)	(9,201)
Care activities	-	19,732	-	19,732	(19,705)	27	(370)
Property Management	-	13,145	-	13,145	(11,136)	2,009	931
Investment Property	-	23,753	-	23,753	(7,605)	16,148	14,405
Support activities	-	1,256	144	1,400	(1,027)	373	252
Demolition activities	-	-	-	-	(41)	(41)	(155)
Other income	-	11,293	-	11,293	(9,113)	2,180	3,863
Depreciation – Non-Social Housing	-	-	-	-	(11,670)	(11,670)	(10,265)
Organisation Restructuring	-	-	-	-	(3,555)	(3,555)	(4,768)
Development & Construction of Property Activities	6,327	286	-	6,613	(363)	6,250	1,428
Total from other activities	6,327	72,471	144	78,942	(75,604)	3,338	(3,880)
Total from other activities for the previous reporting period	1,335	64,153	148	65,636	(69,516)	(3,880)	

Company	Grants From Scottish Ministers £000	Other Income £000	Supporting People Income £000	Total Turnover £000	Total Operating Costs £000	2025 Operating Surplus £000	2024 Operating Surplus £000
Provision of Group services	-	-	-	265	(265)	-	-
Total from other activities	-	-	-	265	(265)	-	-
Total from other activities for the previous reporting period	-	245	-	245	(245)	-	

Wider role activities include the provision of fuel and welfare benefits advice, the Group's EatWell, My Great Start, Home Comforts, Emergency Response Fund and Changing Lives initiatives, the Group's Helping Hand Fund and the provision of bursaries and educational support to our customers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

6. Board members' emoluments

Board members received emoluments of £213,957 (2024: £192,369) in respect of their services to Wheatley Housing Group Limited. These amounts are fully recharged to Wheatley Solutions and onwards to operational subsidiaries.

Emoluments were paid during the year to the following Board members:

	2025	2024
	£	£
Jo Armstrong	32,370	32,370
Jo Boaden CBE	16,185	16,185
Lindsey Cartwright	16,185	13,474
Maureen Dowden	19,961	17,192
Bryan Duncan	16,185	16,185
Caroline Gardner CBE	16,185	16,185
Eric Gibson (part year)	7,868	16,185
Bernadette Hewitt	19,961	19,961
Manish Joshi	14,359	12,408
John McCraw (2024 part year)	12,408	6,342
Ian Macaulay (part year)	11,746	-
Alison McLaughlin	14,359	12,408
Alastair Murray	16,185	13,474
	213,957	192,369

In addition, £2,336 (2024: £3,446) was paid to Board members for reimbursement of expenses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

7. Key management emoluments

	2025	2024
	£000	£000
Aggregate emoluments payable to key management in post at 31 March (excluding pension contributions)	855	837
Emoluments payable to the Chief Executive:		
	2025	2024
	£000	£000
Emoluments payable	80	80
Employer pension contributions	5	15
Total	85	95

During the periods the key management's emoluments (excluding pension contributions) fell within the following band distributions:

	2025	2024
	No.	No.
More than £80,000 but not more than £90,000	1	1
More than £140,000 but not more than £150,000	1	1
More than £150,000 but not more than £160,000	4	4

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

7. Key management emoluments (continued)

The key management are defined for this purpose as the Chief Executive and the Group Executive team in post at 31 March 2025.

Pension contributions of £55k (2024: £157k) were paid for the Chief Executive and the Group Executive team in post at 31 March 2025. Emoluments of £26k including pension contributions and compensation payments for loss of office of £62k were paid to former key management personnel. The senior officers are eligible to join the Strathclyde Pension Fund and employer's contributions are paid on the same basis as other members of staff.

There were six senior officers in post at 31 March 2025.

Steven Henderson	Group Chief Executive
Alan Glasgow	Group Director of Housing
Laura Pluck	Group Director of Communities
Pauline Turnock	Group Director of Finance
Anthony Allison	Group Director of Governance and Business Solutions
Frank McCafferty	Group Director of Assets and Development

8. Employees

In the year to 31 March 2025, the average full time equivalent number of employees of the Group, including senior officers, was 2,780 (2024: 2,783). The total number of staff employed was 2,935 (2024: 2,948). No staff are directly employed by the Company.

Group	2025 £000	2024 £000
Staff costs (for the above persons)		
Wages and salaries	110,334	105,360
Social security costs	10,955	10,601
Employer's pension costs	7,676	11,787
FRS 102 Pension adjustment	5,523	1,975
	<u>134,488</u>	<u>129,723</u>

9. Other gains / (losses)

Group	2025 £000	2024 £000
Gain on revaluation of investment property (note 19)	10,700	9,989
Impairment of fixed asset investment	(3)	(117)
Total other gains	<u>10,697</u>	<u>9,872</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

9. Other gains / (losses) (continued)

Revaluation of investment properties

A gain of £10,700k (2024: gain of £9,989k) has been recognised on the annual revaluation of investment properties. On completion of new-build investment properties, which are held on the Statement of Financial Position at valuation, FRS 102 requires the grant income relating to the properties to be recognised through profit or loss under the performance model. On the first formal annual valuation after completion, the results of the initial valuation are compared against the gross new-build development costs held in the Statement of Financial Position; this requirement results in an initial non-cash accounting loss being reported on new build additions to investment properties which is included in the overall movement reported for the year.

Impairment of fixed asset investment

In May 2024, as part of the wider reorganisation of GBG Enterprises Ltd, the property owned by GBG was transferred to Lowther at Net Book Value. It is expected that the reserves of GBG will be distributed to Lowther and the entity liquidated in 2025/26. As such, the investment in subsidiary has been reduced to reflect the value of the expected distributable reserves of £130k (2024: £133k). The reduction in value of £3k (2024: £117k) has been taken to the Statement of Comprehensive Income in the year.

10. Gain on disposal of fixed assets

This represents net income from the sale of properties including Shared Ownership sales.

Group	2025 £000	2024 £000
Proceeds from disposal of properties	2,559	2,523
Value of properties disposed	(1,367)	(1,597)
Gain on sale of fixed assets	<u>1,192</u>	<u>926</u>

11. Finance income

Group	2025 £000	2024 £000
Bank interest receivable on deposits in the year	1,140	765
Net return on pension asset	-	96
Total	<u>1,140</u>	<u>861</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

12. Finance charges

Group	2025	2024
	£000	£000
Interest payable	73,612	68,570
Interest amortised on Contingent Efficiency Grant	2,167	2,051
Other financing costs	1,457	1,506
Net cost on pension	541	155
Total	<u>77,777</u>	<u>72,282</u>

Other financing costs include commitment, non-utilisation fees and the amortisation of transaction costs on the Group's funding arrangements.

Interest of £4.0m (2024: £3.4m) has been capitalised at a weighted average interest rate of 4.84% (2024: 4.64%). The rate is specific to the funding drawn in the year and invested in housing under construction.

13. Movement in fair value of financial instruments

Group	2025	2024
	£000	£000
Movement in the Scottish Government loan	1,505	3,684
Movement in discount to arrears balances (note 21)	(5)	5
	<u>1,500</u>	<u>3,689</u>

14. Tax on surplus on ordinary activities

Group	2025	2024
	£000	£000
Total tax expense recognised in the Statement of Comprehensive Income:		
<u>Current tax:</u>		
Current tax on income for the year	307	170
Adjustment in respect of prior periods	-	3
	<u>307</u>	<u>173</u>
<u>Deferred tax:</u>		
Origination and reversal of timing differences	(1,254)	2,589
Effects of changes in tax rates	-	-
	<u>(1,254)</u>	<u>2,589</u>
Total tax (credit)/ charge	<u>(947)</u>	<u>2,762</u>

The Company had no tax charge for the year (2024: nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

14. Tax on surplus on ordinary activities (continued)

The charitable status of Wheatley Homes Glasgow, Wheatley Homes East, West Lothian Housing Partnership, Loretto Housing Association, Wheatley Homes South, Wheatley Care and The Wheatley Foundation means that no corporation tax is payable on their activities. Tax is payable on the profits from the activities of the Group's other non-charitable subsidiary companies.

Factors affecting the tax charge for the current period

Group	2025 £000	2024 £000
Reconciliation of effective tax rate		
Surplus for the year	88,694	4,604
Total tax (credit)/ charge	(947)	2,762
Surplus before taxation	87,747	7,366
 Tax using the UK corporation tax rate of 25% (2024:25%)	21,937	1,841
Effects of:		
Charitable (surplus)/ deficit not subject to tax	(19,042)	3,000
Qualifying charitable donations	(2,332)	(1,837)
Income not taxable	(1,581)	(334)
Expenses not deductible	71	89
Prior year adjustments	-	3
 Total tax (credit)/ charge in Statement of Comprehensive Income	(947)	2,762

The Company has no tax charge for the year (2024: nil).

15. Auditor's remuneration

	2025 £000	2024 £000
The remuneration of the auditor (excluding VAT) is as follows:		
Audit of these financial statements	41	41
Audit of financial statements of subsidiaries pursuant to legislation	625	625
Other audit related services	9	9

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

16. Financial commitments

Capital commitments

All capital commitments of the Group were as follows:

Group	2025 £000	2024 £000
Expenditure contracted for, but not provided in the financial statements	94,121	157,469
Expenditure authorised by the Board but not contracted	22,618	71,339
	116,739	228,808

The Group has access to sufficient funding through cash or bank lending facilities to meet the capital commitments.

Operating leases

At 31 March the Group had commitments under non-cancellable operating leases as follows; the Company had no such commitments:

Group	2025 Land and Buildings £000	2025 Other £000	2024 Land and Buildings £000	2024 Other £000
Operating lease payments due:				
Within one year	786	2,642	1,269	1,417
In the second to fifth years inclusive	1,781	2,042	2,103	109
Over five years	760	92	1,086	-
	3,327	4,776	4,458	1,526

Lease commitments include the timing of the full payment due under contract as required by FRS 102. The Group's social housing properties are held under operating leases and are tenanted under cancellable operating lease conditions. As such, no disclosure of tenant leases under FRS 102 section 20.30 is made.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

17. Fixed assets – Social Housing Properties

Group	Core Stock £000	Housing Under Construction £000	Shared Ownership £000	Total £000
At Valuation				
At 1 April 2024	2,719,061	195,296	21,535	2,935,892
Additions	79,701	166,293	5	245,999
Disposals	(2,074)	(166)	(161)	(2,401)
Transfers	134,097	(198,275)	-	(64,178)
Revaluation	(50,051)	-	(3,195)	(53,246)
At 31 March 2025	2,880,734	163,148	18,184	3,062,066
Depreciation				
At 1 April 2024	-	-	-	-
Charge for year	(100,320)	-	(426)	(100,746)
Disposals	666	-	3	669
Transfers	-	-	-	-
Revaluation	99,654	-	423	100,077
At 31 March 2025	-	-	-	-
Net Book Value - valuation				
At 31 March 2025	2,880,734	163,148	18,184	3,062,066
At 31 March 2024	2,719,061	195,296	21,535	2,935,892
Net Book Value – historic cost equivalent				
At 31 March 2025	2,648,849	163,166	16,848	2,828,863
At 31 March 2024	2,536,779	195,314	17,427	2,749,520

Total expenditure on repairs and capital improvements in the year on existing social housing properties was £195.0m (2024: £186.0m). Of this, repair costs of £115.3m (2024: £110.1m) were charged to the Statement of Comprehensive Income (note 4) with capital improvements of £79.7m (2024: £75.9m) shown as additions to core stock on the Statement of Financial Position. Additions to core stock in the year of £79.7m (2024: £75.9m) in the year include:

- £42.0m for component additions including:
 - £12.1m on energy efficient heating systems and boilers;
 - £8.5m on kitchens and bathrooms;
 - £6.0m on mechanical, electrical and plumbing;
 - £5.6m on structure and roofs;
 - £4.6m on windows and doors;
 - £3.4m on external wall finishes; and
 - £1.8m on internal works and common areas.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

17. Fixed assets – Social Housing Properties (continued)

- The remaining balance of £37.7m of additions to existing properties not associated with a specific component includes £19.4m on void improvements, £4.7m of medical adaptations, £13.6m on capitalised repairs.

All subsidiaries in the Wheatley Housing Group Limited account for social housing properties at valuation. Additions to housing under construction include capitalised interest costs of £4.0m (2024: £3.4m). Interest has been capitalised at the weighted average interest cost for the Association of 4.84% (2024: 4.64%).

The valuation of social housing properties is separated into two categories, namely those retained for letting and those properties which form part of the Group's demolition programme, as detailed in the Group's 30-year Business Plan. The demolition programme identifies 112 (2024: 814) properties for demolition over the next few years, with no long-term investment expenditure associated with these properties.

Demolition programme stock has a negative valuation for accounting purposes due to the impact of demolition costs on the Existing Use for Valuation – Social Housing ("EUV-SH") calculation and so is held at nil on the Statement of Financial Position as under FRS 102 there is no constructive obligation at the year-end date to provide for these costs.

The Group's social housing properties have been valued by Jones Lang LaSalle Limited, an independent professional adviser qualified by the Royal Institution of Chartered Surveyors ("RICS") to undertake valuations. This valuation was prepared in accordance with the appraisal and valuation manual of the RICS at 31 March 2025 on an Existing Use Valuation for Social Housing ("EUV-SH"). Discount rates between 5.50-7.00% have been used depending on the property archetype (2024: 5.75-7.00%). The valuation assumes a real rental income growth of 0.5% for the first year, followed by long-term real rental growth of 1.0% per annum for the Social Rented units. Both mid-market and full market rent properties are assumed at a long-term real rental income growth of 0.50% throughout. The capital investment made in housing properties each year may not translate directly into an increase in the value of the assets by virtue of the nature of the EUV-SH valuation methodology.

Included in core stock are 966 garages and 1,200 parking sites owned by Wheatley Homes South held at a value of £3.9m (2024: £3.9m). These have been valued at market value subject to tenancy ("MV-T"), the Directors consider the difference between EUV-SH and MV-T for these properties to be immaterial.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

17. Fixed assets – Social Housing Properties (continued)

The number of units of social housing accommodation owned and managed (excluding unlettable voids) by the Group at 31 March is shown below:

	2025 No.	2024 No.
Social Housing		
General needs	60,260	59,687
Shared ownership	356	358
Supported housing	1,811	1,853
Housing held for long-term letting	62,427	61,898
Housing approved/planned for demolition	112	814
Total Units	62,539	62,712

18. Fixed assets - other tangible fixed assets

Group	Community Infra- structure £000	Office Premises £000	District Heating £000	Furniture, fittings and equipment £000	Computer Equipment £000	Total £000
Cost						
At 1 April 2024	27,716	17,165	12,439	50,548	79,446	187,314
Additions	3,339	89	2,523	4,830	9,468	20,249
Disposals	-	-	-	(30)	-	(30)
Revaluation	-	(227)	-	-	-	(227)
At 31 March 2025	31,055	17,027	14,962	55,348	88,914	207,306
Depreciation						
At 1 April 2024	(5,323)	-	(4,673)	(40,053)	(58,436)	(108,485)
Charge for year	(1,463)	(768)	(387)	(2,364)	(6,688)	(11,670)
Disposals	-	-	-	14	-	14
Revaluation	-	768	-	-	-	768
At 31 March 2025	(6,786)	-	(5,060)	(42,403)	(65,124)	(119,373)
Net Book Value						
At 31 March 2025	24,269	17,027	9,902	12,945	23,790	87,933
At 31 March 2024	22,393	17,165	7,766	10,495	21,010	78,829

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

19. Investments

Investment properties

Group	Properties held for market rent £000	Commercial properties £000	Total £000
Valuation			
At 1 April 2024	295,607	14,364	309,971
Additions	1,602	-	1,602
Transfers	64,178	-	64,178
Disposals	(196)	-	(196)
Revaluation	10,524	176	10,700
At 31 March 2025	371,715	14,540	386,255
Net Book Value			
At 31 March 2025	371,715	14,540	386,255
At 31 March 2024	295,607	14,364	309,971

Market rent properties were valued at market value subject to tenancy ("MV-T") by an independent professional adviser, Jones Lang LaSalle, on 31 March 2025.

The number of properties held for market rent by the Group at 31 March were:

	2025 No.	2024 No.
Market Rent Properties		
Total Units	2,876	2,597

The Group's commercial properties were valued by an independent professional advisor, Jones Lang LaSalle, on 31 March 2025 in accordance with the appraisal and valuation manual of the RICS.

In determining the valuation of investment properties, it is assumed that there are no restrictions on the ability to realise the investment properties or the remittance of income and proceeds of disposal. There are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance or enhancements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

19. Investments (continued)

Investment in joint venture

	2025 £000	2024 £000
Investment in joint venture	116	116
Share of profit	300	-
	416	116

The Group is a 50:50 joint venture partner in City Building (Glasgow) LLP. The investment in City Building (Glasgow) LLP is recognised in the financial statements at cost less any impairment. The Group's share of profits or losses of the joint venture are recognised in the Statement of Comprehensive Income and the initial investment is subsequently adjusted to reflect the Group's share.

20. Stock

Group	2025 £000	2024 £000
Maintenance stock	2,278	1,926

Stock at maintenance depot relates to consumable parts in relation to our repairs and investment service for our subsidiaries in the east and south of the country.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

21. Debtors

Group	2025 £000	2024 £000
Due within one year:		
Arrears of rent and service charges	25,560	20,935
Adjustment to discount arrears balances with payment plans (note 13)	(133)	(128)
Less: provision for bad and doubtful debts	(13,834)	(10,526)
	11,593	10,281
Prepayments and accrued income	17,655	10,073
Other debtors	16,711	29,189
Total	45,959	49,543

22. Creditors: amounts falling due within one year

Group	2025 £000	2024 £000
Amounts falling due within one year:		
Trade creditors	15,713	20,265
Accruals	50,305	52,937
Deferred income (note 23)	74,457	57,553
Rent and service charges received in advance	23,329	23,974
Salaries, wages, other taxation and social security	1,854	1,717
Corporation tax	152	57
Housing loans	29,790	33,503
Other creditors	17,229	22,401
Total	212,829	212,407

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

23. Creditors: amounts falling due after more than one year

Group	2025 £000	2024 £000
Scottish Government loan	46,943	46,280
Housing loans	1,699,199	1,580,555
Deferred income	27,603	79,591
Total	1,773,745	1,706,426

The Scottish Government made available to Wheatley Homes Glasgow £100.0m of contingent efficiencies grant over an eight-year period. Under this agreement £100.0m (2024: £100.0m) has been received and this is an interest-free loan with repayment due in 2040/41. The amount due of £46.9m at 31 March 2025 is the measurement of the liability after discounting for an equivalent interest bearing arrangement with the same repayment date. This treatment is consistent with FRS 102 which requires financial instruments to be measured at amortised cost. The movement in the balance in the year relates to:

- interest costs £2.2m (2024: £2.1m)
- fair value movement gain of £1.5m (2024: gain of £3.7m)

Interest costs are reported within finance charges (note 12). The movement in the fair value is reported on the face of the Statement of Comprehensive Income.

Housing Loans

The Group RSLs and the Group's development company, Wheatley Developments Scotland, have borrowing arrangements in place via a Group funding structure which consists of bank loans, note placements and capital markets debt, secured on charged properties owned by the RSLs. The RSL Group funding was made up of a committed facility of £654.7m from a syndicate of commercial banks, two committed facilities totalling £254.9m from the European Investment Bank, £400.0m from a public bond due in 2044, of which £300.0m is currently issued, £389.0m private placement loan notes with BlackRock Real Assets, M&G Investment Management and PGIM, a £50.0m facility with Barclays, a £35.0m facility with RBS, and £82.3m charitable bonds via Allia Social Impact Investments. This provided total facilities of £1,865.9m for RSLs through Wheatley Funding No.1 Limited, a wholly owned subsidiary of the Wheatley Housing Group Limited. At 31 March 2025, the RSL borrowing group comprises Wheatley Homes Glasgow, Wheatley Homes South, Wheatley Homes East, Loretto Housing Association and Wheatley Developments Scotland.

Additional separate facilities are provided through direct loans to Wheatley Homes East comprising of a committed facility from The Housing Finance Corporation of £16.5m and a £16.0m unsecured Scottish Government Charitable Bond with Allia Limited. Wheatley Homes South also has a facility of £40.0m with The Housing Finance Corporation. The loan premium of £1,602k received on drawdown is being amortised over the life of the loan and at the 31 March 2025 stood at £926k (2024: £978k). Wheatley Homes South also has a £35.0m facility is in place with Allia under the Scottish Government Charity Bonds Programme.

Bond finance is repayable in 2044/45 and has a coupon rate of 4.375%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

23. Creditors: amounts falling due after more than one year (continued)

Lowther Homes Limited has access to a £76.5m facility provided through Wheatley Funding No.2 Ltd ("WFL2") via an agreement with Scottish Widows through Bank of Scotland. Interest on the facility has been charged at a rate of 3.77%.

Borrowings are repayable as follows:

	2025	2024
	£000	£000
In less than one year	29,790	33,503
Between one and five years	290,596	280,833
In more than five years	1,408,603	1,299,722
	1,728,989	1,614,058

The deferred income balance is made up as follows:

	New Build Grant £000	Other £000	Total Deferred Income £000
Deferred income as at 1 April 2024	130,956	6,188	137,144
Additional income received	66,409	3,489	69,898
Released to the Statement of Comprehensive Income	(97,377)	(7,605)	(104,982)
Deferred income as at 31 March 2025	99,988	2,072	102,060

This is expected to be released to the Statement of Comprehensive Income in the following years:

Deferred income to be released to the Statement of Comprehensive Income:	2025 £000	2024 £000
In less than one year (note 22)	74,457	57,553
In more than one year but less than five years	27,603	79,591
In more than five years	-	-
	102,060	137,144

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

23. Creditors: amounts falling due after more than one year (continued)

Financial instruments

	2025 £000	2024 £000
Financial assets:		
<u>Measured at amortised cost:</u>		
Debtors and accrued income	45,959	49,543
Total	45,959	49,543
	2025 £000	2024 £000
Financial liabilities:		
<u>Measured at amortised cost:</u>		
Creditors, accruals and deferred income	210,749	258,495
Bank loans	1,728,989	1,614,058
	1,939,738	1,872,553
<u>Measured at fair value:</u>		
Scottish Government loan	46,943	46,280
Total	1,986,681	1,918,833

Income earned and expense payable on the financial assets and liabilities is disclosed in note 11 and 12 respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

24. Provisions for liabilities and charges

Group	Insurance	Other	Deferred tax	Dilapidation Provision	Total
	£000	£000	£000	£000	£000
At 1 April 2024	1,093	-	9,376	1,210	11,679
Created	-	278	-	20	298
Utilised	(38)	-	(1,287)	(146)	(1,471)
At 31 March 2025	1,055	278	8,089	1,084	10,506

Insurance

A provision has been made in respect of the excess arising on all outstanding insurance claims.

Other

A provision has been recognised for the estimated costs of remedial works required to properties owned by WH Glasgow.

Deferred tax

Deferred tax is provided to take account of timing differences between the treatment of certain items for financial statement purposes and their treatment for tax purposes. Deferred tax is provided for all material timing differences and for the unrealised gain or losses on investment properties in certain subsidiaries in the Group. The UK's main corporation tax rate, effective from 1 April 2024 is 25%.

Dilapidation provision

This provision represents the estimated costs of dilapidation works required under lease contracts for office properties leased by group entities.

25. Share capital

Wheatley Housing Group Limited was incorporated on 13 June 2012 and is a Company Limited by Guarantee and therefore does not have any Share Capital.

There were no balances in reserves for the company at 31 March 2025.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

26. Pensions

Strathclyde Pension Fund

The funds are part of the wider Local Government Pension Scheme ("LGPS") in Scotland. The Group subsidiary Wheatley Homes Glasgow Limited participates in the Strathclyde Pension Fund ("SPF") which is administered by Glasgow City Council and is a defined benefit scheme.

The latest full actuarial valuation was carried out as at 31 March 2023. In preparing the formal valuation at 31 March 2023 an allowance for full GMP indexation and an estimate of the impact of the McCloud judgement was also included based on eligibility criteria of members for inclusion in the agreed remedy.

TPT Retirement Solutions - Scottish Housing Association Pension Scheme

Loretto, Wheatley Care and Wheatley Homes East participate in the Scottish Housing Associations' Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2024. Since the 2021 valuation, there have been significant increases in UK Government Bond (gilt) yields and interest rates. The impact of this has been to reduce the overall size of the Scheme assets and liabilities. The Technical Provisions, or "Scheme funding" basis, funding level reduced from 98% to 90% as at 30 September 2024. The Scheme deficit has increased from £27.3m to £79.5m. This means that a Recovery Plan is required to address the deficit and it has been agreed that deficit recovery contributions will restart from 1 April 2026. From 1 April 2026, overall Scheme deficit contributions will be £15.6m p.a., increasing by 3% each 1 April, and will be payable for four years until 31 March 2030.

The Scheme is classified as a 'last-man standing arrangement', therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

26. Pensions (continued)

The TPT benefits review is ongoing, with legal opinion being sought on whether pre-2003 benefits should have continued to receive pension increases in line with RPI inflation, rather than being switched to CPI inflation from 2011 onwards. The choice of inflation measure can have an impact on members' benefits because RPI is generally expected to be higher than CPI. Guidance from the Court, and therefore whether any increases to members benefits will be needed, is not expected before late 2025.

Wheatley Housing Group Defined Contribution Scheme

The Group also operates defined contribution schemes through the Cushon Master Trust and Aviva. These arrangements are open to most employees who are not members of the Strathclyde Pension Fund, SHAPS defined benefit or defined contribution scheme, or any other group scheme. Employer contributions vary pro rata with the level of contributions chosen by the individual employee member and range from 8% to 12%. Employer contributions are capped at 12%.

Group Defined Benefit assets and obligations

The assumptions that have the most significant effect on the results of the valuation of the Group defined benefit pension arrangements, are those relating to the rate of return on investments and the rates of increases in salaries and pensions. The principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

	31 March 2025	31 March 2024
Discount rate	5.80%	4.80%
Future salary increases	2.20%*	2.30%
Inflation	2.80%	2.80%

* future salary increases assumed to be 3.3% p.a. for the first year, 2.50% in year two and 2.00% p.a. thereafter.

In valuing the liabilities of the pension fund at 31 March 2025, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard mortality tables and include an allowance for future changes in longevity. The assumptions are equivalent to expecting a 65-year-old to live for a number of years as follows:

- Current pensioner aged 65: male 20.0 years, female 23.2 years (2024: 20.2 and 22.7 years, respectively)
- Future retiree upon reaching 65: male 20.7 years, female 24.4 years (2024: 21.4 and 24.1 years, respectively)

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

26. Pensions (continued)

The information disclosed below is in respect of the whole of the plans for which the Group has been allocated a share of cost under an agreed policy throughout the periods shown.

Movements in present value of defined benefit obligation

	SPF 2025 £000	SHAPS 2025 £000
Opening defined benefit obligation	448,466	49,144
Current service cost	9,580	-
Interest cost	21,410	2,304
Actuarial gains	(74,133)	(5,655)
Contributions by members	2,746	-
Estimated benefits paid	(16,603)	(2,334)
Expenses	-	74
Closing defined benefit obligation	391,466	43,533

Movements in fair value of plan assets

	SPF 2025 £000	SHAPS 2025 £000
Opening fair value of plan assets	682,009	42,774
Expected return on plan assets	32,483	1,998
Actuarial losses	(8,493)	(4,324)
Contributions by the employer	4,131	74
Contributions by the members	2,746	-
Estimated benefits paid	(16,603)	(2,334)
	696,273	38,188
Effects of changes in surplus not recoverable	(306,576)	-
Closing fair value of plan assets	389,697	38,188

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

26. Pensions (continued)

	SPF Value at 31 March 2025 £000	SHAPS Value at 31 March 2025 £000	Total 31 March 2025 £000
Present value of funded defined benefit obligations	(389,697)	(43,533)	(433,230)
Present value of unfunded defined benefit obligations	(1,769)	-	(1,769)
Fair value of plan assets	696,273	38,188	734,461
Re-measurements for change in asset ceilings	(306,576)	-	(306,576)
Net liability	(1,769)	(5,345)	(7,114)

Expense recognised in the Statement of Comprehensive Income

	SPF 2025 £000	SHAPS 2025 £000
Current service cost	7,525	-
Past service cost	2,055	-
Net interest on defined benefit obligation	235	306
Administration costs	-	74
	9,815	380

The total amount recognised in the Statement of Comprehensive Income in respect of actuarial gains and losses is a gain of £7,281k (2024: loss of £5,701k).

The fair value of the plan assets and the return on those assets were as follows:

	2025 £000	2024 £000
Equities	426,617	406,834
Corporate bonds	160,505	185,423
Property	64,569	70,329
Alternatives	26,843	25,950
Cash	55,927	36,247
	734,461	724,783
Actual return on plan assets	21,664	67,998

During the year pension contributions of £379k (2024: £nil) were paid to Strathclyde Pension Fund on behalf of key management personnel who retired.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

27. Related party transactions

The company retains a register of Directors' interests. During the year there were no interests in related parties that require to be disclosed or declared by Directors. Directors received emoluments for their services to Wheatley Housing Group Limited. Details are included in Note 6.

Tenant and factored homeowners Directors

The following Directors are tenants and have tenancies that are on the Association's normal terms and they cannot use their positions to their advantage:

Bernadette Hewitt – tenant of Wheatley Homes Glasgow

John McCraw – tenant of Wheatley Homes South (resigned 20 June 2025)

Pamela Paton – tenant of Wheatley Homes East (appointed 20 June 2025)

Transactions entered into with members in the year, and rent arrear balances outstanding at 31 March, are as follows:

	2025
	£000
Rent charged during the year	11
Arrears balances outstanding	-

Other related parties

Related party interests and transactions during the year are as follows:

	Transactions in year £000	Year end balance £000
2025		
City Building (Glasgow) LLP	109,905	7,071
Strathclyde Pension Fund	4,131	-
TPT Retirement Solutions – Scottish Housing Association Pension Fund	74	-
Transforming Communities: Glasgow	-	-
Scotcash CIC	-	-

All transactions were on commercial terms and at arm's length.

The Wheatley Housing Group Limited has a 50:50 share in City Building (Glasgow) LLP with Glasgow City Council. The joint venture provides repairs and investment services to the Group subsidiaries in the west of Scotland.

During the year Wheatley Homes Glasgow held nomination rights to a directorship of Transforming Communities: Glasgow ("TC:G"). Maureen Dowden and Bryan Duncan served as a nominated directors during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

27. Related party transactions (continued)

During the year Wheatley Homes Glasgow held nomination rights to a directorship of Scotcash CIC. These rights allow Wheatley Homes Glasgow to nominate up to two directors to the board of Scotcash with Pauline Turnock and David Rockliff serving on the board during the year.

28. Cash Flow Analysis

Reconciliation of surplus to net cash inflow from operating activities

	2025 £000	2024 £000
Surplus for the year	88,694	4,604
Depreciation of tangible fixed assets	112,828	107,454
Increase in stock	(352)	(213)
Decrease/ (increase) in debtors	3,579	(4,315)
(Decrease)/ increase in creditors and provisions	(12,740)	24,673
Pensions costs less contributions payable	5,449	1,903
Adjustment for investing or financing activities:		
Gain from the sale of tangible fixed assets	(1,192)	(926)
Grants released in the year	(104,628)	(30,108)
Interest receivable	(1,140)	(861)
Interest payable	77,777	72,282
Share of JV profit	(300)	-
Movement in fair value of financial instruments	(1,500)	(3,689)
Gain on investment activities	(10,697)	(9,872)
Net cash inflow from operating activities	155,778	160,932

29. Subsidiary and associated undertakings

The ultimate parent company is Wheatley Housing Group Limited. The Company has twelve immediate subsidiaries – Wheatley Homes Glasgow Limited, West Lothian Housing Partnership Limited (non-trading), Loretto Housing Association Limited, Wheatley Funding No.1 Limited, Wheatley Funding No.2 Limited, Wheatley Developments Scotland Limited, Lowther Homes Limited, Wheatley Homes East Limited, The Wheatley Foundation, Wheatley Solutions Limited, Wheatley Care and Wheatley Homes South Limited.

Wheatley Housing Group Limited retains constitutional control of all subsidiary undertakings.

The objective of Wheatley Funding No.1 Limited is the provision of finance to the RSLs in the Group. Wheatley Funding No.1 Limited is the parent of Wheatley Group Capital plc, the vehicle for raising bond financing. Wheatley Funding No.2 Limited provides finance to Lowther Homes Limited. Lowther Homes Limited is involved in providing private and mid-market rent properties for let and the provision of property management services to homeowners.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

29. Subsidiary and associated undertakings (continued)

Wheatley Housing Group Limited is a 50:50 joint venture partner with Glasgow City Council in City Building (Glasgow) LLP. The Group's share of the results of City Building (Glasgow) LLP are accounted for using the equity method.

For the year ended 31 March 2025 the West Lothian Housing Partnership Limited was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies with Wheatley Housing Group Limited, as the parent undertaking, providing a guarantee under section 479C.

The results of Scotcash CIC have not been consolidated as an associate undertaking into these accounts as they are not material to the Group's operations. Scotcash provides accessible and affordable finance to individuals with limited access to banking services. Wheatley Homes Glasgow provided start-up funding to Scotcash and has no outstanding obligations. Scotcash commenced winding up proceedings on 7 December 2023 through a Members' voluntary liquidation.

The legal form and share capital of each immediate subsidiary of the Wheatley Housing Group Limited is as follows:

Subsidiary	Legal status	Issued share capital
Wheatley Homes Glasgow Limited	Co-operative and Community Benefit Society	10 x £1 shares
Wheatley Homes East Limited	Co-operative and Community Benefit Society	105 x £1 shares
Wheatley Funding No.1 Limited	Company Limited by Guarantee	No share capital
Wheatley Funding No.2 Limited	Company Limited by Guarantee	No share capital
Lowther Homes Limited	Company Limited by Shares	100 x £1 ordinary shares
Loretto Housing Association Limited	Co-operative and Community Benefit Society	70 x £1 shares
West Lothian Housing Partnership Limited (non-trading)	Company Limited by Guarantee	No share capital
Wheatley Solutions Limited	Company Limited by Shares	100 x £1 shares
The Wheatley Foundation Limited	Company Limited by Guarantee	No share capital
Wheatley Homes South Limited	Company Limited by Guarantee	No share capital
Wheatley Care	Company Limited by Guarantee	No share capital
Wheatley Developments Scotland Limited	Company Limited by shares	2 x £1 shares

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

29. Subsidiary and associated undertakings (continued)

The Company exercises its functions as parent of the entities listed above through ownership of 100% of the share capital in all Companies Limited by Shares, through the ownership of a parent share with controlling rights in all Co-operative and Community Benefit Societies, and through a controlling interest as a member of the Companies Limited by Guarantee. Transactions between wholly owned Group companies and closing balances do not require to be disclosed under FRS 102.

SUPPLEMENTARY INFORMATION

Secretary and Registered Office

Anthony Allison
Wheatley Housing Group Limited
Wheatley House
25 Cochrane Street
Glasgow G1 1HL

Independent Auditor

KPMG LLP
319 St Vincent Street
Glasgow G2 5AS

Banker

Royal Bank of Scotland
Glasgow Corporate Office
4th Floor
110 Queen Street
Glasgow G1 3BX

(Letterhead of the Entity we audit)

KPMG LLP
319 St Vincent Street
Glasgow
G2 5AS

27 August 2025

To whom it may concern

This representation letter is provided in connection with your audit of the Group and Parent Company financial statements of Wheatley Housing Group Limited ("the Company"), for the year ended 31 March 2025, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the state of the Group and Parent Company's affairs as at 31 March 2025 and of the Group's Parent Company's profit or loss for the financial year then ended;
- ii. whether these financial statements have been properly prepared in accordance with UK accounting standards including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"); and
- iii. whether the financial statements have been prepared in accordance with the requirements of the Companies Act 2006, the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting requirements 2024.

These financial statements comprise the Group Statement of Comprehensive Income, the Company Statement of Comprehensive Income, the Group Statement of Changes in Reserves, the Company Statement of Changes in Reserves, the Group Statement of Financial Position, the Company Statement of Financial Position, the Group Statement of Cash Flows, and notes, comprising a summary of significant accounting policies and other explanatory notes.

The Board confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Board confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Board has fulfilled its responsibilities, as set out in the terms of the audit engagement dated 31 March 2023, for the preparation of financial statements that:
 - i. give a true and fair view of the state of the Group's and of the Parent Company's affairs as at the end of its financial year and of the Group's and Parent Company's profit or loss for that financial year;
 - ii. have been properly prepared in accordance with UK accounting standards including FRS 102; and
 - iii. have been prepared in accordance with the requirements of the Companies Act 2006, the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2024.

The financial statements have been prepared on a going concern basis.

2. The methods, the data and the significant assumptions used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
3. All events subsequent to the date of the financial statements and for which section 32 of FRS 102 requires adjustment or disclosure have been adjusted or disclosed.

Information provided

4. The Board has provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from the Board for the purpose of the audit; and
 - unrestricted access to persons within the Group and Parent Company from whom you determined it necessary to obtain audit evidence.
5. All transactions have been recorded in the accounting records and are reflected in the financial statements.
6. The Board confirms the following:
 - i) The Board has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

- ii) The Board has disclosed to you all information in relation to:
 - a) Fraud or suspected fraud that it is aware of and that affects the Group and the Parent Company and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and
 - b) allegations of fraud, or suspected fraud, affecting the Group and the Parent Company's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Board acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Board acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe we have appropriately fulfilled those responsibilities.

7. The Board has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
8. The Board has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with section 21 of FRS 102 all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
9. The Board has disclosed to you the identity of the Group and the Parent Company's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with section 33 of FRS 102.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in FRS 102.

10. The Board confirms that:
 - a) The financial statements disclose all of the matters that are relevant to the Company's and the Group's ability to continue as a going concern, including the key risk factors, assumptions made and uncertainties surrounding the Company's and the Group's ability to continue as a going concern as required to provide a true and fair view and to comply with FRS 102.
 - b) No material uncertainties related to events or conditions exist that may cast significant doubt upon the ability of the Company and the Group to continue as a going concern.
11. On the basis of the process established by the Board and having made appropriate enquiries, the Board is satisfied that the actuarial assumptions underlying the valuation of defined benefit obligations are consistent with its knowledge of the business and in accordance with the requirements of section 28 of FRS 102.

The Board further confirms that:

- a) all significant retirement benefits, including any arrangements that are:
 - statutory, contractual or implicit in the employer's actions;
 - arise in the UK and the Republic of Ireland or overseas;
 - funded or unfunded; and
 - approved or unapproved,have been identified and properly accounted for; and
- b) all plan amendments, curtailments and settlements have been identified and properly accounted for.

This letter was tabled and agreed at the meeting of the Board of Directors on 27 August 2025.

Yours faithfully,

Jo Armstrong
Chair

Appendix to the Board Representation Letter of Wheatley Housing Group Limited: Definitions

Criteria for applying the disclosure exemptions within FRS 102 for the Parent Company's financial statements

- The Company discloses in the notes to its financial statements:
 - a) A brief narrative summary of the disclosure exemptions adopted; and
 - b) The name of the parent of the group in whose consolidated financial statements its financial statements are consolidated, and from where those financial statements may be obtained

Financial Statements

A complete set of financial statements (before taking advantage of any of the FRS 102 exemptions) comprises:

- Group and Parent Company Statements of Financial Position as at the end of the period;
- Group and Parent Company's Statements of Comprehensive Income for the period;
- Group and Parent Company's Statements of Changes in Reserves for the period;
- Group Cash Flow Statement for the period
- notes, comprising a summary of significant accounting policies and other explanatory information. FRS 102 permits an entity either to present (i) separately a Profit and Loss account and a Statement of Other Comprehensive Income or (ii) a combined Profit and Loss Account and Other Comprehensive Income.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

FRS 102 states that:

Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or combination of both, could be the determining factor.

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

Qualifying Entity

A member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation by means of full consolidation.

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in FRS 102 as the "reporting entity").

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions apply:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the

reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

- vi. The entity is controlled, or jointly controlled by a person identified in (a).
- vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related party transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

DRAFT

Report

To: Wheatley Housing Group Board

By: Pauline Turnock, Group Director of Finance

Approved by: Steven Henderson, Group Chief Executive

Subject: Finance report

Date of Meeting: 27 August 2025

1. Purpose

1.1 The purpose of this paper is to:

- Provide the Board with the financial results for the period to 30 June 2025;
- Provide the Board with the forecast full-year out-turn following the completion of the 3 months to 30 June; and
- Seek approval for submission of the RSL Borrower Groups management accounts to 30 June 2025 to our bank lenders as part of our quarterly covenant returns.

2. Authorising and strategic context

- 2.1 Under the Terms of Reference, the Group Board is responsible for the ongoing monitoring of performance against agreed targets. This includes the ongoing performance of its finances.
- 2.2 The key themes and aims of the 2021-26 strategy, Your Home, Your Community, Your Future set the context for the 2025/26 budget.

3. Background - Financial performance to 30 June 2025

3.1 The results for the period to 30 June, as presented in Appendix 1, are:

£m	Year to Date (Period 3)		
	Actual	Budget	Variance
Turnover	123.3	122.4	0.9
Operating expenditure	(95.6)	(96.0)	0.4
Operating surplus	27.7	26.4	1.3
<i>Operating margin</i>	22.4%	21.5%	
Net interest payable	(18.5)	(18.7)	0.2
Surplus	9.2	7.7	1.5
Net Capital Expenditure	36.5	27.3	(9.2)

4. Discussion

4.1 The Group is reporting a strong first quarter with financial performance £1.5m favourable to budget. A better than budgeted operating performance has been delivered with the letting performance improving the income position and an overall reduction on operating expenditure. The variance to budget does include £0.4m of new build grant recognised on the earlier than budgeted completion of units, with 134 completing compared to the budgeted 131 units.

4.2 Key variances against budget include:

- Net rental income is £0.4m favourable to budget with lower void levels driving the variance at a rate of 1.09% compared to a budget of 1.40% with all RSLs and [REDACTED] performing favourably to budget. Rental income in Loretto and [REDACTED] is also benefitting from the earlier completion of new build homes in March 2025.
- New build grant income is £0.4m favourable with 134 units completing compared to the budgeted 131 units. At June 2025 104 social rent and 30 mid-market rent units were handed over.
- Employee costs (direct and group services) are £0.1m favourable mainly arising from staff vacancies within the NETS team and [REDACTED] compared to the budgeted structure. Posts are in the process of being filled and where service vacancies exist in care these are not affecting the delivery of our service requirements.
- Running costs are £0.3m lower than budget linked to the timing of expenditure and lower than budgeted group recharges across Wheatley Solutions contributing to the underspend.
- Revenue repairs and maintenance spend is £0.3m unfavourable to budget, broadly similar to the position reported in period 1. This additional spend is due to a targeted reduction in the number of live responsive repair jobs since the start of the financial year in Glasgow, reducing from 7,882 live repairs at the start of the financial year to 4,993 live repairs at June 2025. Cyclical / compliance spend is £3k favourable so overall in line with budget. Trends on reactive repairs continue to be close monitored.

4.3 Within capital, new build grant income of £14.7m is £10.5m less than budget. In Glasgow, grant income is £10.0m less than budget mainly due to the grant being received early in March 2025 for North Toryglen and Shawbridge Arcade, both front funded projects with grant budgeted to be received in 2025/26. Within WH South grant income is £575k unfavourable to budget due to a delayed start at Leswalt where the site started later than budgeted offset by additional grant income due to accelerated spend at Ashwood Drive. Reduced new build spend of £0.5m reflects the delay in the works at Leswalt in the South and the timing of payments for onsite developments in Glasgow including Calton Village Ph2, Shawbridge Arcade and Kelvin Wynd offset by the accelerated spend in WH East at Deans South Ph 2, Wallyford 5 A/B and Longniddry.

4.4 Net core investment spend was £0.6m higher than budget, reflecting the increased void spend linked to several voids requiring more extensive work. Year to date in Glasgow there have been 18 jobs costing over £10k compared to 3 jobs for the same period last year and in the South there have been 20 voids over £10k each compared to 10 in the same period last year.

4.5 Q1 Forecast

£m	Q1 Forecast		
	Budget	Forecast	Variance
Turnover	512.2	513.9	1.7
Operating expenditure	(383.2)	(383.6)	(0.4)
Operating surplus	129.0	130.3	1.3
<i>Operating margin</i>	25.2%	25.4%	
Statutory surplus	48.7	50.2	1.5
Net Capital Expenditure	154.7	171.0	16.3

- 4.6 The forecast full-year out-turn for the Group shows a projected statutory surplus of £50.2m to 31 March 2026, £1.5m favourable to budget. The forecast recognises the additional £1.0m of adaptation grant secured compared to budget. The overall favourable forecast operating performance generated from net rental income and lower net interest payable are also contributing to the favourable statutory surplus.
- 4.7 The Group's forecast underlying surplus after excluding grant income on new build completions and capital investment is forecast to be £5.2m marginally favourable to budget. Details of the forecast variances are shown in Appendix 1.
- 4.8 The forecast variations to budget on individual lines are managed within the parameters of the overall budget for 2025/26 and the headroom in our covenant golden rules. The full-year out-turn projections show us remaining compliant with borrowing covenants and we will meet our trading cashflow golden rule of 110% at 31 March 2026.

SHAPs Pension Update

- 4.9 The results of the September 2024 SHAPS triennial defined benefit pension valuation have recently been published. The valuation reported a reduction in the overall size of the Scheme assets and liabilities with a reduction in the funding level from 98% to 90% and an increase in the Scheme deficit of £27.3m to £79.5m compared to September 2021. To address the deficit the Trustees have agreed that deficit recovery contributions will be required from 1 April 2026 from all participating employees, payable for four years until 31 March 2030.
- 4.10 WH East, Loretto and Wheatley Care have SHAPs defined benefit liabilities from legacy schemes. These schemes have been closed since 2013/2014 which helps limit the level of exposure to the requirement to fund scheme deficits. The recovery contributions for the three participating employers from April 2026 total £968k per annum and these costs will be incorporated into the 2026/27 Financial Projections.

5. **Customer Engagement**

- 5.1 This report relates to our financial reporting and there are no direct customer implications arising from this report.

6. Environmental and sustainability implications

- 6.1 There are no environmental or sustainability implications arising from this report.

7. Digital transformation alignment

- 7.1 There are no digital transformation alignment implications arising from this report.

8. Financial and value for money implications

- 8.1 As noted above.

9. Legal, regulatory and charitable implications

- 9.1 As noted above.

10. Risk Appetite and assessment

- 10.1 The Board's agreed risk appetite for business planning and budgeting assumptions is "open". This level of risk tolerance is defined as "prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level".
- 10.2 Delivery of financial results within approved budgetary limits is a key element in delivering our strategy and maintaining the confidence of investors.

11. Equalities implications

- 11.1 There are no equalities implications arising from this report.

12. Key issues and conclusions

- 12.1 This paper presents the financial performance position for the period to 30 June 2025.

13. Recommendations

- 13.1 The Board is requested to:
- 1) Note the Group management accounts for the period ended 30 June 2025;
 - 2) Note the forecast full-year out-turn for 2025/26 at Appendix 1; and
 - 3) Approve the RSL Borrower Group accounts at Appendix 2 for submission to the Group's lenders.

LIST OF APPENDICES:

Appendix 1: Group Financial Report to 30 June 2025

Appendix 2: RSL Borrower Group Financial Report to 30 June 2025

Appendix 1: Wheatley Group Financial Report To June 2025 (Period 3)

1.	Income & Expenditure	
	a) Year-to-Date results	2-3
2.	RSL Borrower Group	
	a-g) Year-to-Date results	
	4-12	
3.	Summary of RSL operating costs and margin v budget	13
■	■	
	■	■
5.	Wheatley Solutions	17
6.	Wheatley Foundation	18
■	■	■
8.	Wheatley Group consolidated Balance Sheet	20
9.	Wheatley Group Q1 forecast 2025/26	21-22

1a) Wheatley Group – Period to 30 June 2025

	Period to 30 June 2025			Full Year Budget £'000
	Actual £'000	Budget £'000	Variance £'000	
INCOME				
Net Rental Income	94,900	94,522	378	382,279
Grant income New Build	14,859	14,445	414	80,845
Grant income Other	2,370	2,250	120	5,114
Other Income	11,159	11,158	1	43,964
Total Income	123,288	122,375	913	512,202
EXPENDITURE				
Employee Costs	24,781	24,881	100	99,863
ER/VR	-	-	-	1,025
Running Costs	12,533	12,804	272	53,446
Repairs & Maintenance	26,162	25,813	(349)	98,779
Bad debts	976	1,337	361	5,336
Depreciation	31,179	31,179	-	124,714
Demolition Programme	-	-	-	-
Total Expenditure	95,630	96,014	384	383,163
NET OPERATING SURPLUS	27,658	26,361	1,297	129,039
	22.4%	21.5%		25.2%
Net interest payable	(18,442)	(18,716)	274	(80,301)
STATUTORY SURPLUS	9,216	7,645	1,571	48,738

Key highlights:

Statutory surplus of £9,216k is reported, £1,571k favourable compared to budget with grant income recognised on the early handover of completed units contributing to the favourable position. Excluding new build grant income, operating performance is strong with additional net rental income reported from the early handovers and reduced void losses reflecting the strong letting performance. Overall, there is a favourable expenditure position compared to budget.

- Net rental income is £378k favourable to budget. Gross rental income is £79k favourable due to the earlier than budgeted handovers in the East where 118 units have completed compared to the budgeted 91 units, and at East Lane in Loretto and Ashgill Road in Lowther where units due to complete in 2025/26 completed earlier than budgeted in March 2025. In addition, rent loss on voids is £299k favourable with voids at 1.09% compared to the budgeted 1.40%.
- Grant income recognised is £414k favourable to budget due to the earlier than budgeted completion of units in the YTD. Overall, 134 units have completed compared to the budgeted 131 units. Included in the budgeted units and grant income is 24 units at East Lane (Loretto) and 16 units at Ashgill Road (Lowther) that completed early in 2024/25. Units completed YTD are 4SR Sibbalds Brae, 48SR West Craigs Ph1, 26SR & 30MMR West Craigs Ph 3, 4SR Winchburgh BB Ph3, 6SR Dalhousie and 16 SR South Crosshill.
- Other grant income includes £81k of additional adaptations grant in WH South and WH East (with corresponding higher costs) in Investment spend.
- Employee costs (direct and group services) are £100k favourable mainly arising from staff vacancies within the NETS team and [REDACTED] compared to the budgeted structure. The NETS budget included provision for the enhanced team to undertake chargeable gardening services from April however the structure was not in place until June and also the timing of filling the 15 NETS/ CBG apprenticeships.
- Running costs (direct and group services) are £272k favourable. [REDACTED]
- Revenue repairs and maintenance includes higher spend reported in responsive repairs of £352k of which there is an additional spend of £348k in Glasgow following the reduction in outstanding job numbers in the YTD from 7,882 live repairs to 4,993 live repairs representing extra jobs completed this year As reported in the investment section capitalised repairs spend is £194k favourable in Glasgow offsetting in part the impact of the responsive overspend in Glasgow. Cyclical / compliance spend is £3k favourable so overall in line with budget.
- Bad debts are £361k favourable to budget with a prudent provision set aside for increases in arrears.

Net Interest payable is £274k favourable to budget linked to the timing of loan drawdowns compared to budget and additional interest received than budgeted in WFL1, WH South and the Foundation.

1a) Wheatley Group – Period to 30 June 2025

Capital Investment	Period to 30 June 2025			Full Year Budget £'000
	Actual £'000	Budget £'000	Variance £'000	
CORE PROGRAMME				
SHNZ	0	0	0	0
Empty Homes	270	270	0	270
Adaptations	895	814	81	2,454
Other Capital grants	0	0	0	0
Grant Income	1,165	1,084	81	2,724
Core Investment Programme	11,033	10,929	(104)	61,132
SHNZ	0	0	0	0
Empty Homes	297	297	0	468
Adaptations	895	913	18	3,768
Voids	4,639	4,156	(483)	15,388
Capitalised Repairs	3,124	3,038	(86)	11,517
Total Core Investment	19,988	19,333	(655)	92,273
NET CORE INVESTMENT SPEND	18,823	18,249	(574)	89,549
NEW BUILD				
New Build Grant Income Received	14,653	25,121	(10,468)	83,697
New Build investment	30,656	31,161	505	136,829
NET NEW BUILD INVESTMENT SPEND	16,003	6,040	(9,963)	53,132
OTHER FIXED ASSET INVESTMENT SPEND	1,710	3,025	1,315	12,033
TOTAL NET CAPITAL INVESTMENT SPEND	36,536	27,314	(9,222)	154,714

Key highlights:

The net core investment spend is £574k higher than budget:

- Within the core investment programme, the acceleration of £289k of Minibems work in the East and the timing of the Woodside window replacement in Lowther has contributed to additional spend at P3 offset by the timing of compliance works and small variances across other component replacement lines. The core investment programme is forecast to be delivered in full.
- Lower capitalised repairs in Glasgow of £194k is offset by additional spend in of £257k in WH East. The additional spend in the East mainly relates to remedial works following 2 fires (Gorgie Park Road and Earl Gray Street) totalling £130k.
- There is increased void spend across all RSLs, including additional void spend in Glasgow of £410k and the South £51k in the YTD. Higher spend is linked to the review of the void standard and several voids requiring more extensive work. YTD in Glasgow 18 jobs costing over £10k have occurred compared to 3 jobs for the same period last year and in the South there have been 20 voids over £10k each compared to 10 in the same period last year.
- All adaptation spend in the YTD has been grant funded. We have secured £1.0m of additional funding for adaptations. The additional funded spend in the South has been offset by lower than budgeted spend in Glasgow, expected to be timing at this point in the year.

Net new build spend is £9,963k higher than budget.

- New build grant income is £10,468k less than budget. Within Glasgow, grant income is £9,957k less than budget mainly due grant being received in March 2025 for North Toryglen and Shawbridge Arcade, both front funded projects with grant budgeted to be received in 2025/26. Within WH South grant income is £575k unfavourable to budget due to a delayed start at Leswalt where the site started later than budgeted offset by additional grant income due to accelerated spend at Ashwood Drive.
- Reduced new build spend reflects the delay in the works at Leswalt in the South and the timing of payments for onsite developments in Glasgow including Calton Village Ph2, Shawbridge Arcade and Kelvin Wynd offset by the accelerated spend in WH East at Deans South Ph 2, Wallyford 5 A/B and Longniddry.
- Other fixed assets investment expenditure reflects the timing of spend on corporate estate and IT capital projects.

Wheatley Group Financial Report To June 2025 (Period 3)

RSL Borrower Group

2a) RSL Borrower Group – Period to 30 June 2025

	Period to 30 June 2025			Full Year Budget £'000
	Actual £'000	Budget £'000	Variance £'000	
INCOME				
Net Rental Income	88,975	88,681	294	357,255
Grant income New Build	14,859	12,461	2,398	78,861
Grant income Other	2,370	2,250	120	5,114
Other Income	4,177	4,098	78	16,806
Total Income	110,381	107,490	2,890	458,036
EXPENDITURE				
Employee Costs	18,067	18,109	41	71,747
ER/VR	-	-	-	1,025
Running Costs	8,932	9,166	235	39,811
Repairs & Maintenance	24,083	23,762	(321)	91,069
Bad debts	849	1,196	347	4,781
Depreciation	31,179	31,179	-	124,714
Demolition Programme	-	-	-	-
Total Expenditure	83,110	83,412	303	333,148
NET OPERATING SURPLUS	27,271	24,078	3,193	124,888
	24.7%	22.4%		27.3%
Net interest payable	(17,793)	(17,993)	200	(77,400)
STATUTORY SURPLUS	9,478	6,085	3,393	47,488

Key highlights:

Statutory surplus of £9,478k is reported, £3,393k favourable compared to budget with grant income recognised on the early handover of completed units contributing to the favourable position. Excluding new build grant income, operating performance is strong with additional net rental income reported from the early handovers and reduced void losses reflecting the strong letting performance. Overall, there is a favourable expenditure position compared to budget.

- Net rental income is £294k favourable to budget. Gross rental income is £70k favourable due to the earlier than budgeted handovers in the East where 118 units have completed compared to the budgeted 91 units, and at East Lane in Loretto where units due to complete in June 2025 completed earlier than budgeted in March 2025. In addition, rent loss on voids is £224k favourable with voids at 1.10% compared to the budgeted 1.35%.
- Grant income recognised is £2,398k favourable to budget due to the earlier than budgeted completion of units in the YTD. Overall, 134 units have completed compared to the budgeted 115 units. Included in the budgeted units and grant income is 24 units at East Lane (Loretto) that completed early in 2024/25. Units completed YTD are 4SR Sibbalds Brae, 48SR West Craigs Ph1, 26SR & 30MMR West Craigs Ph 3, 4SR Winchburgh BB Ph3, 6SR Dalhousie and 16 SR South Crosshill.
- Other grant income includes £81k of additional adaptations grant in WH South and WH East (with corresponding higher costs) in Investment spend.
- Other income is £78k higher than budget at P3, with higher than budgeted MMR rental income in line with the timing of new build completions.
- Employee costs (direct and group services) are £41k favourable mainly arising from staff vacancies within the NETS team compared to the budgeted structure. The NETS budget included provision for the enhanced team to undertake chargeable gardening services from April however the structure was not in place until June and also the timing of filling the 15 NETS/ CBG apprenticeships.
- Running costs (direct and group services) are £235k favourable. The timing spend is contributing to the favourable position within direct running costs in addition to lower than budgeted group recharges of £145k from a number of departments reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance includes higher spend reported in responsive repairs of £324k of which there is an additional spend of £348k in Glasgow following the reduction in outstanding job numbers in the YTD from 7,882 live repairs to 4,993 live repairs with completed repairs numbers increasing accordingly. As reported in the investment section capitalised repairs spend is £194k favourable in Glasgow offsetting in part the impact of the responsive overspend in Glasgow. Cyclical / compliance spend is £3k favourable so overall in line with budget.
- Bad debts are £347k favourable to budget with a prudent provision set aside for increases in arrears.

Net Interest payable is £200k favourable to budget linked to the timing of loan drawdowns compared to budget and additional interest received than budgeted in WFL1 and WH South.

2a) RSL Borrower Group – Period to 30 June 2025

Key highlights:

Capital Investment	Period to 30 June 2025			Full Year Budget £'000
	Actual £'000	Budget £'000	Variance £'000	
CORE PROGRAMME				
SHNZ	0	0	0	0
Empty Homes	270	270	0	270
Adaptations	895	814	81	2,454
Other Capital grants	0	0	0	0
Grant Income	1,165	1,084	81	2,724
Core Investment Programme	10,712	10,645	(67)	59,357
SHNZ	0	0	0	0
Empty Homes	297	297	0	468
Adaptations	895	913	18	3,768
Voids	4,639	4,156	(483)	15,388
Capitalised Repairs	3,124	3,038	(86)	11,517
Total Core Investment	19,667	19,049	(618)	90,498
NET CORE INVESTMENT SPEN	18,502	17,965	(537)	87,774
NEW BUILD				
New Build Grant Income Received	11,152	21,538	(10,386)	75,681
New Build investment	27,764	28,131	367	129,128
NET NEW BUILD INVESTMENT	16,612	6,593	(10,019)	53,447
OTHER FIXED ASSET INVESTMENT	1,684	2,979	1,295	11,855
TOTAL NET CAPITAL INVESTMENT	36,798	27,537	(9,261)	153,076

- The net core investment spend is £537k higher than budget:
 - Within the core investment programme, the acceleration of £289k of Minibems work in the East has contributed to additional spend at P3 offset by the timing of compliance works and small variances across other component replacement lines. The core investment programme is forecast to be delivered in full.
 - Lower capitalised repairs in Glasgow of £194k is offset by additional spend in of £257k in WH East. The additional spend in the East mainly relates to remedial works following 2 fires (Gorgie Park Road and Earl Gray Street) totalling £130k.
 - There is increased void spend across all RSLs, including additional void spend in Glasgow of £410k and the South £51k in the YTD. Higher spend is linked to the review of the void standard and several voids requiring more extensive work. YTD in Glasgow 18 jobs costing over £10k have occurred compared to 3 jobs for the same period last year and in the South there have been 20 voids over £10k each compared to 10 in the same period last year.
 - All adaptation spend in the YTD has been grant funded. The additional funded spend in the South has been offset by lower than budgeted spend in Glasgow, expected to be timing at this point in the year.
- Net new build spend is £10,019k higher than budget.
 - New build grant income is £10,386k less than budget. Within Glasgow, grant income is £9,957k less than budget mainly due grant being received in March 2025 for North Toryglen and Shawbridge Arcade, both front funded projects with grant budgeted to be received in 2025/26. Within WH South grant income is £575k unfavourable to budget due to a delayed start at Leswalt where the site started later than budgeted offset by additional grant income due to accelerated spend at Ashwood Drive .
 - Reduced new build spend reflects the delay in the works at Leswalt in the South and the timing of payments for onsite developments in Glasgow including Calton Village Ph2, Shawbridge Arcade and Kelvin Wynd offset by the accelerated spend in WH East at Deans South Ph 2, Wallyford 5 A/B and Longniddry.
- Other fixed assets investment expenditure reflects the timing of spend on corporate estate and IT capital projects.

2b) RSL Borrower Group underlying surplus – Period to 30 June 2025

The Wheatley Group and RSL Borrower Group operating Statement (Income and Expenditure Account) are prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2018).

However, the inclusion of grant income on new build developments creates volatility in the results and does not reflect the underlying cash surplus/deficit on our letting activity.

The table below therefore shows a measure of underlying surplus in the RSL Borrower Group which adjusts our net operating surplus by excluding the accounting adjustments for the recognition of grant income and depreciation but including capital expenditure on our existing properties.

An underlying surplus of £6,131k has been reported for the period to 30 June 2025. The favourable variance of £377k to budget reflects the solid operating performance with additional net rental income reported from the early handovers and reduced void losses and an overall favourable expenditure position compared to budget. Additional investment spend has been incurred in the year to date mainly from increased void costs reflecting the number of larger spend jobs predominately in Glasgow and the South.

Borrower Group Underlying Surplus				
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks	FY Budget £ks
Net Operating Surplus	27,271	24,078	3,193	124,888
add back:				
Depreciation	31,179	31,179	0	124,714
less:				
Grant Income	(14,859)	(12,461)	(2,398)	(78,861)
Net interest payable	(17,793)	(17,993)	200	(77,400)
Total Core investment	(19,667)	(19,049)	(618)	(85,990)
Underlying surplus	6,131	5,754	377	7,351

2c) Wheatley Homes Glasgow – Period to 30 June 2025

	Year To June 2025			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
INCOME				
Rental Income	60,014	59,999	15	241,420
Void Losses	(652)	(785)	133	(3,034)
Net Rental Income	59,362	59,214	148	238,386
Grant Income New Build	0	0	0	25,685
Grant Income Other	1,758	1,733	25	2,863
Other Income	3,087	3,038	49	14,913
Total Income	64,207	63,985	222	281,847
EXPENDITURE				
Employee Costs - Direct	9,492	9,561	69	37,846
Employee Costs - Group Services	3,899	3,878	(21)	15,388
ER / VR	0	0	0	1,025
Direct Running Costs	3,624	3,697	73	16,402
Running Costs - Group Services	2,022	2,125	103	8,942
Revenue Repairs and Maintenance	17,718	17,325	(393)	64,808
Bad debts	579	727	148	2,907
Depreciation	20,894	20,894	0	83,576
Demolition	0	0	0	0
TOTAL EXPENDITURE	58,228	58,207	(21)	230,894
NET OPERATING SURPLUS / (DEFICIT)	5,979	5,778	201	50,953
Net operating margin	9.3%	9.0%	0.3%	18%
Net Interest Payable	(12,242)	(12,360)	118	(54,695)
STATUTORY SURPLUS / (DEFICIT)	(6,263)	(6,582)	319	(3,742)
INVESTMENT				
	Actual £ks	Budget £ks	Variance £ks	Full Year Budget £ks
Total Capital Investment Income	7,012	16,969	(9,957)	46,313
Investment Programme Expenditure	13,646	13,616	(30)	62,937
New Build Programme	11,396	12,687	1,291	62,305
Other Capital Expenditure	1,100	2,241	1,141	8,625
TOTAL CAPITAL EXPENDITURE	26,142	28,544	2,402	133,867
NET CAPITAL EXPENDITURE	19,130	11,575	(7,555)	87,554

Key highlights:

A net operating surplus of £5,979k, £201k favourable to budget and a statutory deficit of £6,263k, £319k favourable to budget, is reported. The financial performance reflects the solid letting performance and lower interest payable.

• Net Rental income is £148k favourable to budget with the variance mainly related to lower than budgeted voids at 1.09% for the period compared to the budgeted 1.31%.

• Other Grant income is £25k higher than budget and includes grant for medical adaptations and investment works relating to the housing emergency.

• Other income is £49k higher than budget at P3, with higher than budgeted MMR rental income.

• Total employee costs (direct and group services) are £48k favourable to budget. Direct employee costs are £69k favourable linked to vacancies within the NETs team. The NETS budget included provision for the enhanced team to undertake chargeable gardening services from April however the structure was not in place until June and provision for 15 NETS/CBG apprenticeships of which 7 were in place by May. Additional costs from Wheatley Solutions is due to the timing of changes compared to the budgeted structure.

• Total running costs (direct and group services) are £176k favourable to budget. Within direct running costs several lines report small variances due to timing. Group services running costs are £103k favourable to budget due to several departments reporting lower costs across Wheatley Solutions.

• Revenue repairs and maintenance spend is £393k unfavourable to budget. Higher spend was reported in responsive repairs of £348k with the unfavourable position driven by the reduction in outstanding job numbers in Glasgow reducing YTD from 7,882 live repairs to 4,993 live repairs. Cyclical and compliance spend is £45k unfavourable due to timing of spend compared to the budget profiling at this point in the year.

Net Interest payable is £118k favourable to budget linked to the timing of loan drawdowns compared to the budgeted profile.

Net capital expenditure of £19,130k is £7,555k higher than budget:

• Capital investment income is £9,957k lower than budget due grant being received early in March 2025 for North Torglen and Shawbridge Arcade, both front funded projects with grant budgeted to be received in 2025/26.

• Investment spend is £30k higher than budget, with an underspend of £112k on core programme due to the timing of works (noting spend will re-align with budget over the coming months), offset by increased void spend due to an increase in the number of higher specification voids.

• New build spend is £1,291k lower than budget, mainly due to timing of payments for onsite developments including Calton Village Ph2, Shawbridge Arcade and Kelvin Wynd.

• Other capital expenditure is lower than budget due to the timing of IT project and office premises spend.

2d) Loretto Housing – Period to 30 June 2025

	Period To 30 June 2025			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
INCOME				
Rental Income	4,647	4,611	36	18,652
Void Losses	(96)	(105)	9	(422)
Net Rental Income	4,551	4,506	45	18,230
Grant Income New Build	1,624	2,883	(1,259)	9,922
Grant Income Other	0	0	0	120
Other Income	32	29	3	351
Total Income	6,207	7,418	(1,211)	28,623
EXPENDITURE				
Employee Costs - Direct	394	394	0	1,548
Employee Costs - Group Services	257	256	(1)	1,015
ER / VR	0	0	0	0
Direct Running Costs	468	481	13	2,079
Running Costs - Group Services	138	145	7	606
Revenue Repairs and Maintenance	1,113	1,154	41	4,969
Bad debts	23	67	44	266
Depreciation	1,952	1,952	0	7,807
TOTAL EXPENDITURE	4,345	4,449	104	18,290
OPERATING SURPLUS / (DEFICIT)	1,862	2,969	(1,107)	10,333
Net operating margin	30.0%	40.0%	-10.0%	
Net Interest Payable	(973)	(990)	17	(4,185)
STATUTORY SURPLUS / (DEFICIT)	889	1,979	(1,090)	6,148
	Period To 30 June 2025			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
INVESTMENT				
Total Capital Investment Income	634	549	85	1,885
Investment Programme	582	591	9	4,497
New Build Programme	1,600	2,242	642	6,537
Other Capital Expenditure	45	70	25	282
TOTAL CAPITAL EXPENDITURE	2,227	2,903	676	11,316
NET CAPITAL EXPENDITURE	1,593	2,354	761	9,431

Key highlights:

A net operating surplus of £1,862k, £1,107k unfavourable to budget and a statutory surplus of £889k, £1,090k unfavourable to budget is reported. The unfavourable variance is largely due to the timing of the recognition of new build grant income from the earlier than budgeted new build completions in 2024/25.

- Net rental income is £45k favourable to budget due to 24 East Lane units, budgeted to complete in June 2025, completing ahead of schedule in March 2025 and void losses of 2.07% in the year to date compared to the budgeted 2.28%.
- Grant income relating to new build is £1,259k unfavourable to budget due to the early completion of 24 East Lane units in March 2025 partly offset by the early completion of 16 units at South Crosshill in June 2025, budgeted for November 2025.
- Total employee costs (direct and group services) are overall in line with budget.
- Total running costs are £20k favourable to budget, linked to the timing of spend compared to budget at P3.
- Revenue repairs and maintenance are £41k favourable to budget. In the YTD responsive repair outstanding job numbers have reduced from 600 live repairs to 381 live repairs. While responsive repairs are £39k favourable, capital repairs, reported within Investment, are £37k ahead of budget reflecting the overall reduction in jobs outstanding. Compliance spend, including communal utilities, is £2k lower than budget due the timing of spend against budget.
- Net Interest payable is £17k lower than budget, due to the timing of loan drawdowns compared to the budgeted profile.

Net capital expenditure of £1,593k is £761k lower than budget.

- Capital investment income (grant) is £85k higher than budget due to the timing of the new build grant income for the Bank Street development.
- Investment programme expenditure of £582k relates to core programme works, capitalised repairs and voids. A favourable variance is reported due to the timing of core programme works, noting spend will re-align with budget over the coming months, offset by higher spend on capitalised repairs in the YTD, linked to clearance of outstanding jobs.
- New build spend is £642k lower than budget due to the timing of spend at onsite developments at South Crosshill and Bank Street and for East Lane where all units were completed ahead of schedule in 2024/25.
- Other capital expenditure of £45k relates to Loretto's contribution to Wheatley Group IT costs.

2f) Wheatley Homes South – Period to 30 June 2025

OPERATING STATEMENT	Period to June 2025			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INCOME				
Rental Income	13,704	13,696	8	54,778
Void Losses	(81)	(150)	69	(600)
Net Rental Income	13,623	13,546	77	54,178
Grant Income	0	0	0	6,244
Other Grant Income	459	370	89	1,542
Other Income	312	310	2	2,364
TOTAL INCOME	14,394	14,226	168	64,328
EXPENDITURE				
Employee Costs - Direct	1,336	1,336	0	5,344
Employee Costs - Group Services	886	881	(5)	3,492
Direct Running Costs	738	739	1	3,348
Running Costs - Group Services	473	497	24	2,086
Revenue Repairs and Maintenance	2,966	3,055	89	12,496
Bad debts	99	280	181	1,119
Depreciation	3,923	3,923	0	15,695
TOTAL EXPENDITURE	10,421	10,711	290	43,580
NET OPERATING SURPLUS	3,973	3,515	458	20,748
Net operating margin	28%	25%	3%	32%
Interest receivable	30	23	7	90
Interest payable & similar charges	(1,813)	(1,847)	34	(7,311)
STATUTORY SURPLUS	2,190	1,691	499	13,527
INVESTMENT	Actual £ks	Budget £ks	Variance £ks	Budget £ks
TOTAL CAPITAL INVESTMENT INCOME	4,113	4,613	(500)	19,930
Capital Investment spend	2,523	2,491	(32)	13,908
New Build Programme	4,755	5,469	714	27,893
Other Fixed Assets	422	406	(16)	1,983
TOTAL INVESTMENT EXPENDITURE	7,700	8,366	666	43,784
NET CAPITAL EXPENDITURE	3,587	3,753	166	23,854

Key highlights :

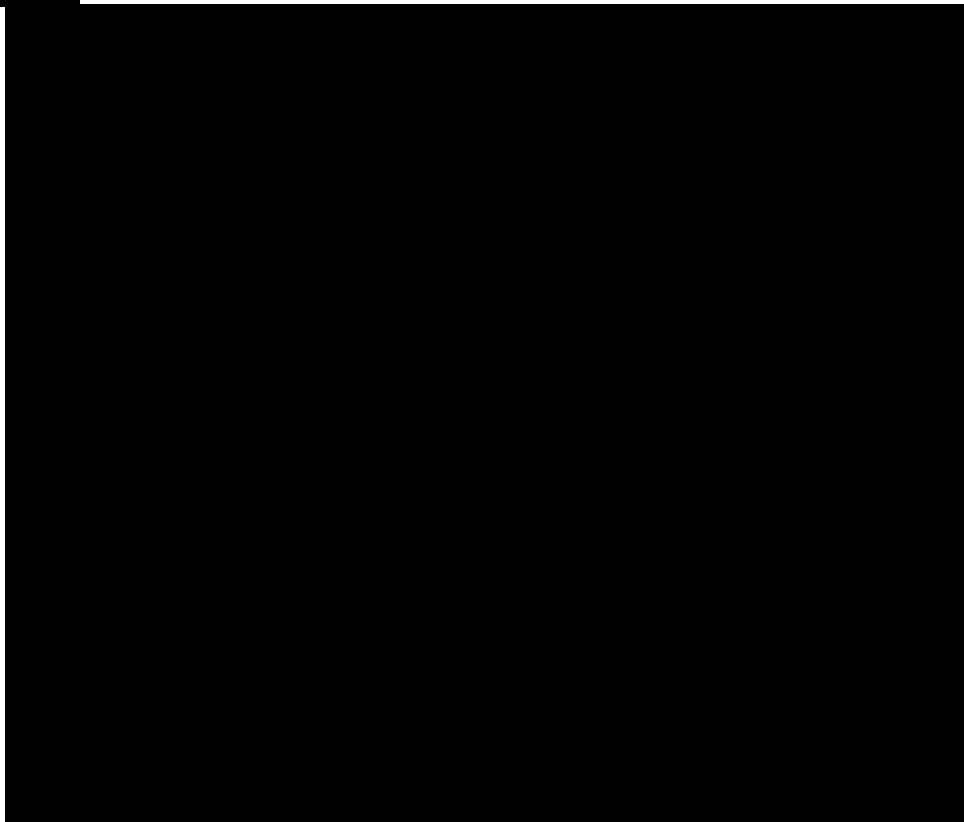
Net operating surplus of £3,973k, £458k favourable to budget and a statutory surplus of £2,190k, £499k favourable is reported. The financial performance in the period to June reflects the letting performance and the overall favourable expenditure position to budget.

- Net rental income is £77k higher than budget. Void losses are £69k favourable to budget, with a void loss rate of 0.6% vs 1.0% in budget. Rental income is favourable to budget after successful negotiations with DGC to increase the service charge income at Young Persons Project (YPP).
- Other grant income is £89k favourable to budget driven by additional aids & adaptations grant (with corresponding higher costs) and higher renewable heat incentive (RHI) grant funding.
- Total employee costs (direct and group services) are £5k adverse to budget due to additional costs from Wheatley Solutions due to the timing of changes compared to the budgeted structure.
- Total running costs (direct & group services) are £25k favourable to budget due to the timing of spend across several departments within Wheatley Solutions.
- Repairs costs are £89k favourable to budget. Responsive repairs are £6k unfavourable due to a higher average cost per job, partly offset by a reduction in demand compared to this time last year (400 less jobs). Gas planned maintenance and compliance expenditure are favourable to budget due to the cost of works compared to the allocated budget. All compliance work is delivered within the required legislative timeframe.

Interest payable of £1,813k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders.

Net capital expenditure of £3,587k is £166k lower than budget.

- Capital investment income is £500k lower than budget. New build grant income is unfavourable to budget due to a delayed start at Leswalt, two months later than planned offset by additional grant income due to accelerated spend at Ashwood Drive and additional adaptation income £75k.
- Total capital investment spend of £2,523k is £32k higher than budget due to higher capitalised voids and additional funded aids & adaptations spend, partly offset by lower spend on core programme (windows & doors and lowrise).
- New Build expenditure, reflecting the movement in grant income, is £714k lower than budget due to later than budgeted start dates at Leswalt and accelerated spend at Ashwood Drive.
- Other capital expenditure of £422k is £16k higher than budget due to accelerated spend on the office at Ashwood Drive, Stranraer offset by the timing of IT project spend.



[REDACTED]

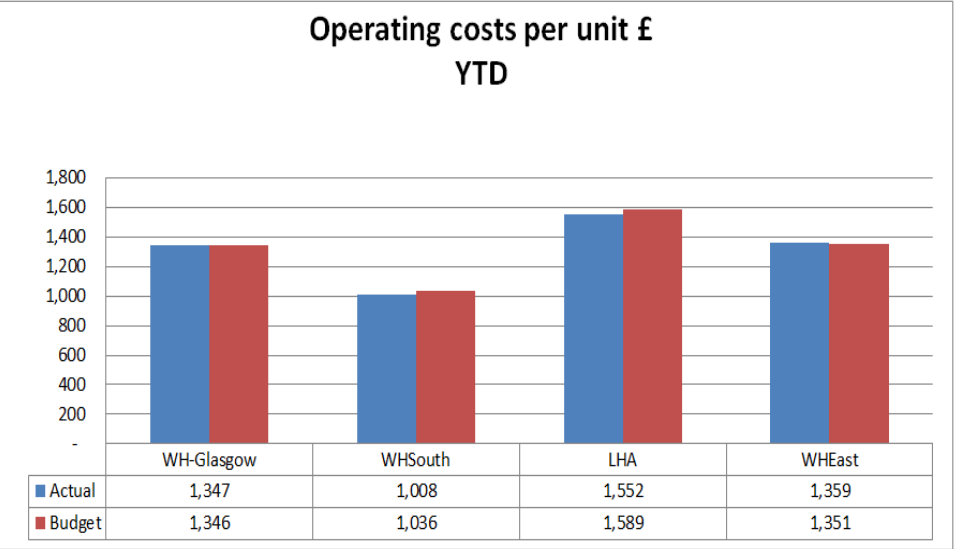
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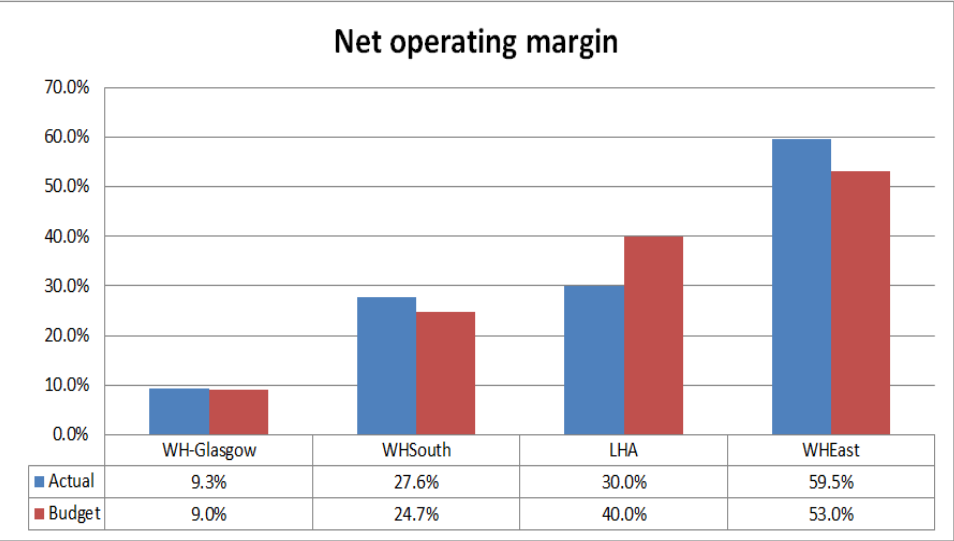
[REDACTED] build

3) Summary of RSL operating costs and margin v budget



Operating costs per unit:

- At June 2025 operating costs per unit are lower than budget for WH South and Loretto and marginally higher (£21k) for WH Glasgow and WH East. Within WH Glasgow the higher than budgeted repair costs to clear the backlog of jobs is driving the higher unit cost variance and within WH East the accelerated gas maintenance works is contributing to the higher unit cost.
- Operating costs per unit vary across the RSLs depending on the stock profiles and types of accommodation offered.



Net operating margin

- Net operating margin is favourable to budget in all RSL's with Loretto being the exception. The decrease in margin compared to budget in Loretto is due to the early recognition of the new build grants in 2024/25.
- Similar to operating costs, the favourable variances across expenditure lines is impacting margins in the RSLs.

8) Wheatley Group – Consolidated Balance Sheet

	As at 30 June 2025 £ks	As at 31 March 2025 £ks
Fixed Assets		
Social Housing Properties	3,083,350	3,062,066
Investment properties	386,630	386,255
Other tangible fixed assets	87,490	87,933
Investments -other	416	416
Fixed Assets	3,557,886	3,536,670
Debtors Due More Than One Year		
Inter Company Loan	0	0
Current Assets		
Stock	2,309	2,278
Trade debtors	0	0
Rent & Service charge arrears	20,372	25,560
less: Provision for rent arrears	(13,895)	(13,967)
Prepayments and accrued income	15,231	16,234
Intercompany debtors	0	0
Other debtors	21,748	18,132
	45,765	48,237
Bank & Cash	33,805	36,299
Current Assets	79,570	84,536
Current Liabilities		
Trade Liabilities	(12,188)	(15,713)
Accruals	(46,378)	(50,305)
Deferred income	(62,765)	(74,457)
Rents & service charges in advance	(18,139)	(23,329)
Bank Loans	(29,790)	(29,790)
Intercompany creditors	0	0
Other creditors	(18,179)	(19,235)
	(187,439)	(212,829)
Net Current Assets	(107,869)	(128,293)
Long Term Liabilities		
Contingent efficiencies grant	(46,943)	(46,943)
Bank finance	(1,420,682)	(1,399,199)
Bond finance	(300,000)	(300,000)
Provisions	(10,482)	(10,506)
Deferred income	(38,568)	(27,603)
Intercompany creditors	0	0
Pension liability	(7,114)	(7,114)
Long Term Liabilities	(1,823,789)	(1,791,365)
Net Assets	1,626,228	1,617,012
Funding Employed		
Capital & Reserves		
Share Capital	0	0
Retained Income b/fwd	816,271	720,296
Income & Expenditure	9,216	95,975
Revaluation Reserves	800,741	800,741
Funding Employed	1,626,228	1,617,012

Key highlights:

The balance sheet as at 31 March 2025 reflects the audited position and year end statutory adjustments, including the revaluation of both housing and investment properties and actuarial valuations of the defined benefit pension schemes.

At 30 June 2025:

- The movement in fixed assets reflects investment in the core programme, the new build programme, and other fixed asset additions, less depreciation to date.
- Current assets (excluding cash) have decreased by £2.5m since March 2025. A decrease of £5.1m due to timing of receipt of Housing Benefit was partly offset by an increase in other debtors.
- Bank and Cash of £33.8m includes deposits in transit and outstanding payments showing in the bank after the month end.
- Current liabilities of £187.4m have decreased £25.4m from the position at March 2025 with the main movement being in deferred income reflecting the timing of the recognition of new build grant on the completion of development properties.
- Long term liabilities at 30 June 2025 are £32.4m higher than 31 March 2025 due to £21m additional loans received to finance the developments across the RSL's and an increase of £11m in deferred income reflecting the timing of the recognition of new build grant on the completion of development properties.
- Income and expenditure of £9.2m relates to the group surplus for the period.

9a) Wheatley Group – Q1 Forecast 2025/26

Key highlights:

The Group forecast full year out-turn at Q1 shows a net operating surplus of £130.3m, which is £1.3m favourable to budget and a statutory surplus of £50.2m, which is £1.5m favourable to budget.

- Net rental income is forecast to be £0.4m favourable to budget and includes the impact of the earlier than budgeted new build completions across the RSLs and the favourable void performance in the RSLs and Lowther.
- Other grant income is forecast to be £1.0m favourable to budget with the movement reflecting the confirmed adaptation grant income across the RSLs (corresponding movement in investment costs recognised in the Core Investment programme line below). Additional adaptation grant was awarded in the South of £923k and East of £50k.
- Other income is forecast to be £0.3m favourable to budget with the movement attributed to additional income in Wheatley Care following the West Craigs Service being awarded after the budget was agreed.
- Employee costs are forecast to be £0.3m higher than budget and include the additional staff costs in relation to the Care West Craig Service awarded after the budget was agreed.
- Repairs and maintenance costs are forecast to be in line with budget. The higher than budgeted position at June 2025 reflects the clearance of outstanding jobs and spend is expected to align to budget as we move through the year.
- Demolition costs are £50k higher than budget due to the demolition of the final bungalow in WH South, brought forward from 2026/27.

Net interest payable is forecast to be £0.2m lower than budget reflecting additional interest receivable in Lowther and the Foundation than budgeted.

Net capital expenditure is forecast to be £16.3m higher than budget, with the reduction in new build grant received being the main contributor to the variance.

- Within capital investment income, new build grant income has reduced by £10.4m with the main movement being grant received early in 2024/25 for front funded projects in WH Glasgow but budgeted for in 2025/26, An additional £1.0m of adaptation grant has been recognised following the final approval of claims.
- The core investment programme is £1.5m higher than budget recognising the additional £1.0m spend on adaptations with capacity created through approved the grants awarded. Additional spend of £0.5m of void spend has been forecast in WH Glasgow in recognition of the work required to bring higher specification void properties back into a lettable standard.
- The new build development spend is forecast to be £5.0m higher than budget with accelerated spend in WH East at Deans South Ph 2, Wallyford 5 A/B and Longniddry, in WH South at Ashwood Drive and College Mains and in Loretto due to the re-profiling of the Forfar Avenue and Dargavel North developments offset by a delayed start at two sites (Abbottshall and Cook Street) linked to planning approval and site investigations.
- Other capital expenditure is £400k higher than budget driven by accelerated spend on the Ashwood Drive office. Spend brought forward from 2026/27 as the completion date is ahead of schedule, now expected May 2026. The total spend over the two years is in line with WDS Board approval.

	FULL YEAR		
	Budget £000	Forecast £000	Variance £000
INCOME			
Net Rental Income	382,279	382,714	435
Grant Income New Build	80,845	80,845	-
Grant Income Other	5,114	6,087	973
Other Income	43,964	44,224	260
Total Group Income	512,202	513,870	1,668
EXPENDITURE			
Employee Costs	99,863	100,202	(339)
ER/VR	1,025	1,025	-
Running Costs	53,446	53,446	(0)
Repairs & Maintenance	98,779	98,779	-
Bad debts	5,336	5,336	-
Depreciation	124,714	124,714	-
Demolition	-	50	(50)
Total Group Expenditure	383,163	383,553	(390)
NET OPERATING SURPLUS	129,039	130,317	1,278
Net operating margin	25.2%	25.4%	0.2%
Net Interest Payable	(80,301)	(80,127)	174
STATUTORY SURPLUS	48,738	50,190	1,452
INVESTMENT	FULL YEAR		
	Budget £000	Forecast £000	Variance £000
Total Capital Investment Income	(86,421)	(77,031)	(9,390)
Core Investment Programme	92,273	93,773	(1,500)
New Build Programme	136,829	141,810	(4,981)
Other fixed assets	12,033	12,433	(400)
NET CAPITAL INVESTMENT SPEND	154,714	170,985	(16,271)

9b) Wheatley Group underlying surplus – Q1 Forecast 2025/26

The Wheatley Group and RSL Borrower Group operating Statement (Income and Expenditure Account) are prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2018).

However, the inclusion of grant income on new build developments creates volatility in the results and does not reflect the underlying cash surplus/deficit on our letting activity.

The chart below therefore shows a measure of underlying surplus in the full Group forecast out-turn which adjusts our net operating surplus by excluding the accounting adjustments for the recognition of grant income and depreciation, but including capital expenditure on our existing properties.

An underlying surplus of £4,884k has been forecast for the financial year 2025/26, an increase of £42k to budget. This favourable operating performance generated from net rental income and additional interest receivable is offset by the additional forecast void investment spend following an increase in the number of higher specification spend voids in the year to date.

Full Group Underlying Surplus			
	Budget £ks	Forecast £ks	YTD Variance £ks
Net Operating Surplus	129,039	130,317	1,278
add back:			
Depreciation	124,714	124,714	0
less:			
Grant Income	(80,845)	(80,845)	0
Net interest payable	(80,301)	(80,127)	174
Total Core investment	(87,765)	(89,175)	(1,410)
Underlying surplus	4,842	4,884	42

Appendix 2: Wheatley Group Financial Report RSL Borrower Group & Quarterly Covenants To June 2025(Period 3)

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2.	RSL Borrower Group – balance sheet & cashflow	11-12

1a) RSL Borrower Group – Period to 30 June 2025

	Period to 30 June 2025			Full Year Budget £'000
	Actual £'000	Budget £'000	Variance £'000	
INCOME				
Net Rental Income	88,975	88,681	294	357,255
Grant income New Build	14,859	12,461	2,398	78,861
Grant income Other	2,370	2,250	120	5,114
Other Income	4,177	4,098	78	16,806
Total Income	110,381	107,490	2,890	458,036
EXPENDITURE				
Employee Costs	18,067	18,109	41	71,747
ER/VR	-	-	-	1,025
Running Costs	8,932	9,166	235	39,811
Repairs & Maintenance	24,083	23,762	(321)	91,069
Bad debts	849	1,196	347	4,781
Depreciation	31,179	31,179	-	124,714
Demolition Programme	-	-	-	-
Total Expenditure	83,110	83,412	303	333,148
NET OPERATING SURPLUS	27,271	24,078	3,193	124,888
	24.7%	22.4%		27.3%
Net interest payable	(17,793)	(17,993)	200	(77,400)
STATUTORY SURPLUS	9,478	6,085	3,393	47,488

Key highlights:

Statutory surplus of £9,478k is reported, £3,393k favourable compared to budget with grant income recognised on the early handover of completed units contributing to the favourable position. Excluding new build grant income, operating performance is strong with additional net rental income reported from the early handovers and reduced void losses reflecting the strong letting performance. Overall, there is a favourable expenditure position compared to budget.

- Net rental income is £294k favourable to budget. Gross rental income is £70k favourable due to the earlier than budgeted handovers in the East where 118 units have completed compared to the budgeted 91 units, and at East Lane in Loretto where units due to complete in June 2025 completed earlier than budgeted in March 2025. In addition, rent loss on voids is £224k favourable with voids at 1.10% compared to the budgeted 1.35%.
- Grant income recognised is £2,398k favourable to budget due to the earlier than budgeted completion of units in the YTD. Overall, 134 units have completed compared to the budgeted 115 units. Included in the budgeted units and grant income is 24 units at East Lane (Loretto) that completed early in 2024/25. Units completed YTD are 4SR Sibbalds Brae, 48SR West Craigs Ph1, 26SR & 30MMR West Craigs Ph 3, 4SR Winchburgh BB Ph3, 6SR Dalhousie and 16 SR South Crosshill.
- Other grant income includes £81k of additional adaptations grant in WH South and WH East (with corresponding higher costs) in Investment spend.
- Other income is £78k higher than budget at P3, with higher than budgeted MMR rental income in line with the timing of new build completions.
- Employee costs (direct and group services) are £41k favourable mainly arising from staff vacancies within the NETS team compared to the budgeted structure. The NETS budget included provision for the enhanced team to undertake chargeable gardening services from April however the structure was not in place until June and also the timing of filling the 15 NETS/ CBG apprenticeships. The favourable position of £69k on direct employee costs is offset by additional recharges from Wheatley Solutions where staff costs are higher than budget due to the timing of changes compared to the budgeted structure.
- Running costs (direct and group services) are £235k favourable. The timing of spend is contributing to the favourable position within direct running costs in addition to lower than budgeted group recharges of £145k from a number of departments reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance includes higher spend reported in responsive repairs of £324k of which there is an additional spend of £348k in Glasgow following the reduction in outstanding job numbers in the YTD from 7,882 live repairs to 4,993 live repairs and the acceleration of jobs. As reported in the investment section capitalised repairs spend is £194k favourable in Glasgow offsetting in part the impact of the responsive overspend in Glasgow. Cyclical/ compliance spend is £3k favourable so overall in line with budget.
- Bad debts are £347k favourable to budget with a prudent provision set aside for increases in arrears.

Net Interest payable is £200k favourable to budget linked to the timing of loan drawdowns compared to budget and additional interest received than budgeted in WFL1 and WH South.

1a) RSL Borrower Group – Period to 30 June 2025

Capital Investment	Period to 30 June 2025			Full Year
	Actual £'000	Budget £'000	Variance £'000	Budget £'000
CORE PROGRAMME				
SHNZ	0	0	0	0
Empty Homes	270	270	0	270
Adaptations	895	814	81	2,454
Other Capital grants	0	0	0	0
Grant Income	1,165	1,084	81	2,724
Core Investment Programme	10,712	10,645	(67)	59,357
SHNZ	0	0	0	0
Empty Homes	297	297	0	468
Adaptations	895	913	18	3,768
Voids	4,639	4,156	(483)	15,388
Capitalised Repairs	3,124	3,038	(86)	11,517
Total Core Investment	19,667	19,049	(618)	90,498
NET CORE INVESTMENT	18,502	17,965	(537)	87,774
NEW BUILD				
New Build Grant Income Received	11,152	21,538	(10,386)	75,681
New Build investment	27,764	28,131	367	129,128
NET NEW BUILD INVESTMENT	16,612	6,593	(10,019)	53,447
OTHER FIXED ASSET INVESTMENT	1,684	2,979	1,295	11,855
TOTAL NET CAPITAL INVESTMENT	36,798	27,537	(9,261)	153,076

Key highlights:

- The net core investment spend is £537k higher than budget:
 - Within the core investment programme, the acceleration of £289k of Minibems work in the East has contributed to additional spend at P3 offset by the timing of compliance works and small variances across other component replacement lines. The core investment programme is forecast to be delivered in full.
 - Lower capitalised repairs in Glasgow of £194k is offset by additional spend in of £257k in WH East. The additional spend in the East mainly relates to remedial works following 2 fires (Gorgie Park Road and Earl Gray Street) totalling £130k and £55k in relation to specialist damp & mould work at a property in Granton.
 - There is increased void spend across all RSLs, including additional void spend in Glasgow of £410k and the South £51k in the YTD. Higher spend is linked to the review of the void standard and several voids requiring more extensive work. YTD in Glasgow 18 jobs costing over £10k have occurred compared to 3 jobs for the same period last year and in the South there have been 20 voids over £10k each compared to 10 in the same period last year.
 - All adaptation spend in the YTD has been grant funded. The additional funded spend in the South has been offset by lower than budgeted spend in Glasgow, expected to be timing at this point in the year.
- Net new build spend is £10,019k higher than budget.
 - New build grant income is £10,386k less than budget. Within Glasgow, grant income is £9,957k less than budget mainly due grant being received in March 2025 for North Toryglen and Shawbridge Arcade, both front funded projects with grant budgeted to be received in 2025/26. Within WH South grant income is £575k unfavourable to budget due to a delayed start at Leswalt where the site started later than budgeted offset by additional grant income due to accelerated spend at Ashwood Drive .
 - Reduced new build spend reflects the delay in the works at Leswalt in the South and the timing of payments for onsite developments in Glasgow including Calton Village Ph2, Shawbridge Arcade and Kelvin Wynd offset by the accelerated spend in WH East at Deans South Ph 2, Wallyford 5 A/B and Longniddry.
- Other fixed assets investment expenditure reflects the timing of spend on corporate estate and IT capital projects.

1a) RSL Borrower Group underlying surplus – Period to 30 June 2025

The Wheatley Group and RSL Borrower Group operating Statement (Income and Expenditure Account) on page 2 is prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2018).

However, the inclusion of grant income on new build developments creates volatility in the results and does not reflect the underlying cash surplus/deficit on our letting activity.

The chart below therefore shows a measure of underlying surplus in the RSL Borrower Group which adjusts our net operating surplus by excluding the accounting adjustments for the recognition of grant income and depreciation, but including capital expenditure on our existing properties.

An underlying surplus of £6,131k has been reported for the period to 30 June 2025. The favourable variance of £377k to budget reflects the solid operating performance with additional net rental income reported from the early handovers and reduced void losses and an overall favourable expenditure position compared to budget. Additional investment spend has been incurred in the year to date mainly from increased void costs reflecting the number of larger spend jobs predominately in Glasgow and the South.

Borrower Group Underlying Surplus				
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks	FY Budget £ks
Net Operating Surplus	27,271	24,078	3,193	124,888
add back:				
Depreciation	31,179	31,179	0	124,714
less:				
Grant Income	(14,859)	(12,461)	(2,398)	(78,861)
Net interest payable	(17,793)	(17,993)	200	(77,400)
Total Core investment	(19,667)	(19,049)	(618)	(85,990)
Underlying surplus	6,131	5,754	377	7,351

1b) Wheatley Homes Glasgow – Period to 30 June 2025

	Year To June 2025			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
INCOME				
Rental Income	60,014	59,999	15	241,420
Void Losses	(652)	(785)	133	(3,034)
Net Rental Income	59,362	59,214	148	238,386
Grant Income New Build	0	0	0	25,685
Grant Income Other	1,758	1,733	25	2,863
Other Income	3,087	3,038	49	14,913
Total Income	64,207	63,985	222	281,847
EXPENDITURE				
Employee Costs - Direct	9,492	9,561	69	37,846
Employee Costs - Group Services	3,899	3,878	(21)	15,388
ER / VR	0	0	0	1,025
Direct Running Costs	3,624	3,697	73	16,402
Running Costs - Group Services	2,022	2,125	103	8,942
Revenue Repairs and Maintenance	17,718	17,325	(393)	64,808
Bad debts	579	727	148	2,907
Depreciation	20,894	20,894	0	83,576
Demolition	0	0	0	0
TOTAL EXPENDITURE	58,228	58,207	(21)	230,894
NET OPERATING SURPLUS / (DEFICIT)	5,979	5,778	201	50,953
Net operating margin	9.3%	9.0%	0.3%	18%
Net Interest Payable	(12,242)	(12,360)	118	(54,695)
STATUTORY SURPLUS / (DEFICIT)	(6,263)	(6,582)	319	(3,742)
INVESTMENT				
	Year To June 2025			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
Total Capital Investment Income	7,012	16,969	(9,957)	46,313
Investment Programme Expenditure	13,646	13,616	(30)	62,937
New Build Programme	11,396	12,687	1,291	62,305
Other Capital Expenditure	1,100	2,241	1,141	8,625
TOTAL CAPITAL EXPENDITURE	26,142	28,544	2,402	133,867
NET CAPITAL EXPENDITURE	19,130	11,575	(7,555)	87,554

Key highlights:

A net operating surplus of £5,979k, £201k favourable to budget and a statutory deficit of £6,263k, £319k favourable to budget, is reported. The financial performance reflects the solid letting performance and lower interest payable.

- Net Rental income is £148k favourable to budget with the variance mainly related to lower than budgeted voids at 1.09% for the period compared to the budgeted 1.31%.

- Other Grant income is £25k higher than budget and includes grant for medical adaptations and investment works relating to the housing emergency.

- Other income is £49k higher than budget at P3, with higher than budgeted MMR rental income.

- Total employee costs (direct and group services) are £48k favourable to budget. Direct employee costs are £69k favourable linked to vacancies within the NETs team. The NETS budget included provision for the enhanced team to undertake chargeable gardening services from April however the structure was not in place until June and provision for 15 NETS/CBG apprenticeships of which 7 were in place by May. Additional costs from Wheatley Solutions is due to the timing of changes compared to the budgeted structure.

- Total running costs (direct and group services) are £176k favourable to budget. Within direct running costs several lines report small variances due to timing. Group services running costs are £103k favourable to budget due to several departments reporting lower costs across Wheatley Solutions.

- Revenue repairs and maintenance spend is £393k unfavourable to budget. Higher spend was reported in responsive repairs of £348k with the unfavourable position driven by the reduction in outstanding job numbers in Glasgow reducing YTD from 7,882 live repairs to 4,993 live repairs. Cyclical and compliance spend is £45k unfavourable due to timing of spend compared to the budget profiling at this point in the year.

- Bad debts are £148k favourable with a prudent approach is taken when setting the budget.

Net Interest payable is £118k favourable to budget linked to the timing of loan drawdowns compared to the budgeted profile.

Net capital expenditure of £19,130k is £7,555k higher than budget:

- Capital investment income is £9,957k lower than budget due grant being received early in March 2025 for North Torglen and Shawbridge Arcade, both front funded projects with grant budgeted to be received in 2025/26.

- Investment spend is £30k higher than budget, with an underspend of £112k on core programme due to the timing of works (noting spend will re-align with budget over the coming months), offset by increased void spend due to an increase in the number of higher specification voids.

- New build spend is £1,291k lower than budget, mainly due to timing of payments for onsite developments including Calton Village Ph2, Shawbridge Arcade and Kelvin Wynd.

- Other capital expenditure is lower than budget due to the timing of IT project and office premises spend.

1c) Loretto Housing – Period to 30 June 2025

	Period To 30 June 2025			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
INCOME				
Rental Income	4,647	4,611	36	18,652
Void Losses	(96)	(105)	9	(422)
Net Rental Income	4,551	4,506	45	18,230
Grant Income New Build	1,624	2,883	(1,259)	9,922
Grant Income Other	0	0	0	120
Other Income	32	29	3	351
Total Income	6,207	7,418	(1,211)	28,623
EXPENDITURE				
Employee Costs - Direct	394	394	0	1,548
Employee Costs - Group Services	257	256	(1)	1,015
ER / VR	0	0	0	0
Direct Running Costs	468	481	13	2,079
Running Costs - Group Services	138	145	7	606
Revenue Repairs and Maintenance	1,113	1,154	41	4,969
Bad debts	23	67	44	266
Depreciation	1,952	1,952	0	7,807
TOTAL EXPENDITURE	4,345	4,449	104	18,290
OPERATING SURPLUS / (DEFICIT)	1,862	2,969	(1,107)	10,333
Net operating margin	30.0%	40.0%	-10.0%	
Net Interest Payable	(973)	(990)	17	(4,185)
STATUTORY SURPLUS / (DEFICIT)	889	1,979	(1,090)	6,148
	Period To 30 June 2025			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
INVESTMENT				
Total Capital Investment Income	634	549	85	1,885
Investment Programme	582	591	9	4,497
New Build Programme	1,600	2,242	642	6,537
Other Capital Expenditure	45	70	25	282
TOTAL CAPITAL EXPENDITURE	2,227	2,903	676	11,316
NET CAPITAL EXPENDITURE	1,593	2,354	761	9,431

Key highlights:

A net operating surplus of £1,862k, £1,107k unfavourable to budget and a statutory surplus of £889k, £1,090k unfavourable to budget is reported. The unfavourable variance is largely due to the timing of the recognition of new build grant income from the earlier than budgeted new build completions in 2024/25.

- Net rental income is £45k favourable to budget due to 24 East Lane units, budgeted to complete in June 2025, completing ahead of schedule in March 2025 and void losses of 2.07% in the year to date compared to the budgeted 2.28%.
- Grant income relating to new build is £1,259k unfavourable to budget due to the early completion of 24 East Lane units in March 2025 partly offset by the early completion of 16 units at South Crosshill in June 2025, budgeted for November 2025.
- Total employee costs (direct and group services) are overall in line with budget.
- Total running costs are £20k favourable to budget, linked to the timing of spend compared to budget at P3.
- Revenue repairs and maintenance are £41k favourable to budget. In the YTD responsive repair outstanding job numbers have reduced from 600 live repairs to 381 live repairs. While responsive repairs are £39k favourable, capital repairs, reported within Investment, are £37k ahead of budget reflecting the overall reduction in jobs outstanding. Compliance spend, including communal utilities, is £2k lower than budget due the timing of spend against budget.
- Bad debts are £44k favourable to budget. A prudent approach was taken when setting the budget.
- Net Interest payable is £17k lower than budget, due to the timing of loan drawdowns compared to the budgeted profile.

Net capital expenditure of £1,593k is £761k lower than budget.

- Capital investment income (grant) is £85k higher than budget due to the timing of the new build grant income for the Bank Street development.
- Investment programme expenditure of £582k relates to core programme works, capitalised repairs and voids. A favourable variance is reported due to the timing of core programme works, noting spend will re-align with budget over the coming months, offset by higher spend on capitalised repairs in the YTD, linked to clearance of outstanding jobs.
- New build spend is £642k lower than budget due to the timing of spend at onsite developments at South Crosshill and Bank Street and for East Lane where all units were completed ahead of schedule in 2024/25.
- Other capital expenditure of £45k relates to Loretto's contribution to Wheatley Group IT costs.

1d) Wheatley Homes East – Period to 30 June 2025

	Period to 30 June 2025			Full Year
	Actual £k	Budget £k	Variance £k	Budget £k
INCOME				
Rental Income	11,597	11,586	11	47,147
Void Losses	(158)	(171)	13	(685)
Net Rental Income	11,439	11,415	24	46,462
Grant Income	13,235	9,578	3,657	37,011
Other Grant Income	153	147	6	588
Other Income	1,169	1,147	22	5,982
TOTAL INCOME	25,996	22,287	3,709	90,043
EXPENDITURE				
Employee Costs - Direct	1,334	1,334	0	5,258
Employee Costs - Group Services	747	743	(4)	2,944
ER/VR	0	0	0	0
Direct Running Costs	1,212	1,215	3	5,172
Running Costs - Group Services	399	419	20	1,759
Revenue Repairs and Maintenance	2,286	2,228	(58)	8,794
Bad Debts	148	122	(26)	489
Depreciation	4,410	4,410	0	17,636
TOTAL EXPENDITURE	10,536	10,471	(65)	42,052
NET OPERATING SURPLUS	15,460	11,816	3,644	47,991
<i>Net Operating Margin</i>	<i>59%</i>	<i>53%</i>	<i>6%</i>	<i>53%</i>
Net interest payable & similar charges	(2,798)	(2,819)	21	(11,299)
STATUTORY SURPLUS	12,662	8,997	3,665	36,692

	Period to 30 June 2025			Full Year
	Actual £k	Budget £k	Variance £k	Budget £k
INVESTMENT				
Total Capital Investment Income	1,316	1,249	67	2,126
Investment Programme Expenditure	2,915	2,351	(564)	9,156
New Build & Other Investment	11,305	9,028	(2,277)	34,945
Other Capital Expenditure	117	262	145	945
TOTAL CAPITAL EXPENDITURE	14,337	11,641	(2,696)	45,046
NET CAPITAL EXPENDITURE	13,021	10,392	(2,629)	42,920

Key highlights:

Net operating surplus of £15,460k is £3,644k favourable to budget. Statutory surplus for the period is £12,662k, £3,665k favourable to budget. Earlier than budgeted recognition of grant income in line with new build completions is contributing to the favourable variance.

- Gross rental income is £11k favourable to budget due to additional rental income from the new build completions. Void losses are £13k favourable to budget with voids losses of 1.36% compared to the budget of 1.48%.
- Grant income recognised of £13,235k is favourable to budget due to the earlier than budgeted completions. 118 properties have completed compared to the budgeted 91 properties.
- Other grant income of £153k includes £51k adaptation grant income with grant recognised in line with corresponding adaptation spend.
- Other income of £1,169k is £22k favourable to budget reflecting the additional lease income from Lowther for the 30 MMR properties at West Craigs Ph3 that have completed ahead of budget.
- Total employee costs are £4k unfavourable to budget with additional group employee costs due to the timing of changes compared to the budgeted structures in Wheatley Solutions.
- Total running costs are £23k favourable to budget and includes group running costs £20k favourable to budget due to several departments reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance spend is £58k unfavourable to budget. Responsive repairs are £9k unfavourable to budget and cyclical maintenance is £49k ahead of budget due to accelerated spend of £53k for gas maintenance.
- Bad debt provision is £26k unfavourable to budget with the write off of former tenant's debts in April contributing to the variance.

Net interest payable of £2,798k includes interest due on the loans due to Wheatley Funding No.1 Ltd and external funders and is favourable to budget due to the timing of loan drawdowns compared to the budgeted profile.

Net capital expenditure of £13,021k is £2,629k higher than budget.

- Capital investment income is £67k higher than budget due to grant claims made at Longniddry ahead of budget offset by grant claimed for Builyeon in 2024/25 budgeted to be received in 2025/26.
- Investment programme spend is £564k higher than budget. Within core programme there has been accelerated spend of £289k on Miniibem works. Higher capitalised repairs of £257k are also reported including £130k of remedial works following two fires and £55k of specialist works in relation to damp & mould works at one property in Granton.
- New build spend of £11,305k is £2,277k higher than budget due to accelerated spend at Deans South Ph 2, Wallyford 5 A/B and Longniddry.

1e) Wheatley Homes South – Period to 30 June 2025

OPERATING STATEMENT	Period to June 2025			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INCOME				
Rental Income	13,704	13,696	8	54,778
Void Losses	(81)	(150)	69	(600)
Net Rental Income	13,623	13,546	77	54,178
Grant Income	0	0	0	6,244
Other Grant Income	459	370	89	1,542
Other Income	312	310	2	2,364
TOTAL INCOME	14,394	14,226	168	64,328
EXPENDITURE				
Employee Costs - Direct	1,336	1,336	0	5,344
Employee Costs - Group Services	886	881	(5)	3,492
Direct Running Costs	738	739	1	3,348
Running Costs - Group Services	473	497	24	2,086
Revenue Repairs and Maintenance	2,966	3,055	89	12,496
Bad debts	99	280	181	1,119
Depreciation	3,923	3,923	0	15,695
TOTAL EXPENDITURE	10,421	10,711	290	43,580
NET OPERATING SURPLUS	3,973	3,515	458	20,748
<i>Net operating margin</i>	28%	25%	3%	32%
Interest receivable	30	23	7	90
Interest payable & similar charges	(1,813)	(1,847)	34	(7,311)
STATUTORY SURPLUS	2,190	1,691	499	13,527
INVESTMENT	Actual £ks	Budget £ks	Variance £ks	Budget £ks
TOTAL CAPITAL INVESTMENT INCOME	4,113	4,613	(500)	19,930
Capital Investment spend	2,523	2,491	(32)	13,908
New Build Programme	4,755	5,469	714	27,893
Other Fixed Assets	422	406	(16)	1,983
TOTAL INVESTMENT EXPENDITURE	7,700	8,366	666	43,784
NET CAPITAL EXPENDITURE	3,587	3,753	166	23,854

Key highlights :

Net operating surplus of £3,973k, £458k favourable to budget and a statutory surplus of £2,190k, £499k favourable is reported. The financial performance in the period to June reflects the letting performance and the overall favourable expenditure position to budget.

- Net rental income is £77k higher than budget. Void losses are £69k favourable to budget, with a void loss rate of 0.6% vs 1.0% in budget. Rental income is favourable to budget after successful negotiations with DGC to increase the service charge income at Young Persons Project (YPP).
- Other grant income is £89k favourable to budget driven by additional aids & adaptations grant (with corresponding higher costs) and higher renewable heat incentive (RHI) grant funding.
- Total employee costs (direct and group services) are £5k adverse to budget due to additional costs from Wheatley Solutions due to the timing of changes compared to the budgeted structure.
- Total running costs (direct & group services) are £25k favourable to budget due to the timing of spend across several departments within Wheatley Solutions.
- Repairs costs are £89k favourable to budget. Responsive repairs are £6k unfavourable due to a higher average cost per job, partly offset by a reduction in demand compared to this time last year (400 less jobs). Gas planned maintenance and compliance expenditure are favourable to budget due to the cost of works compared to the allocated budget. All compliance work is delivered within the required legislative timeframe.
- Bad debts are £181k favourable to budget A prudent approach is taken when setting the budget.

Interest payable of £1,813k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders.

Net capital expenditure of £3,587k is £166k lower than budget.

- Capital investment income is £500k lower than budget. New build grant income is unfavourable to budget due to a delayed start at Leswalt, two months later than planned offset by additional grant income due to accelerated spend at Ashwood Drive and additional adaptation income £75k.
- Total capital investment spend of £2,523k is £32k higher than budget due to higher capitalised voids and additional funded aids & adaptations spend, partly offset by lower spend on core programme (windows & doors and lowrise).
- New Build expenditure, reflecting the movement in grant income, is £714k lower than budget due to later than budgeted start dates at Leswalt and accelerated spend at Ashwood Drive.
- Other capital expenditure of £422k is £16k higher than budget due to accelerated spend on the office at Ashwood Drive, Stranraer offset by the timing of IT project spend.

2a) RSL Borrower Group – Consolidated Balance Sheet

	As at 30 June 2025 £ks	As at 31 March 2025 £ks
Fixed Assets		
Social Housing Properties	3,070,368	3,051,976
Investment properties	213,028	212,975
Other tangible fixed assets	87,057	87,526
Investments -other	14,334	14,334
Fixed Assets	3,384,787	3,366,811
Debtors Due More Than One Year		
Inter Company Loan	22,460	22,460
Current Assets		
Stock	2,309	2,278
Trade debtors	0	0
Rent & Service charge arrears	14,510	19,772
less: Provision for rent arrears	(9,913)	(10,037)
Prepayments and accrued income	6,328	13,200
Intercompany debtors	13,598	2,757
Other debtors	13,692	11,563
	40,524	39,533
Bank & Cash	23,011	25,532
Current Assets	63,535	65,065
Current Liabilities		
Trade Liabilities	(9,574)	(13,243)
Accruals	(40,296)	(41,492)
Deferred income	(60,916)	(72,608)
Rents & service charges in advance	(18,139)	(23,329)
Bank Loans	(29,790)	(29,790)
Intercompany creditors	(775)	(2,262)
Other creditors	(15,195)	(14,675)
	(174,685)	(197,399)
Net Current Liabilities	(111,150)	(132,334)
Long Term Liabilities		
Contingent efficiencies grant	(46,943)	(46,943)
Loan - private finance	(1,344,805)	(1,323,322)
Bond finance	(300,000)	(300,000)
Development Agreement	0	0
Provisions	(2,396)	(2,418)
Deferred income	(30,382)	(22,161)
Intercompany creditors	0	0
Other creditors	0	0
Pension liability	(6,748)	(6,748)
Long Term Liabilities	(1,731,274)	(1,701,592)
Net Assets	1,564,823	1,555,345
Funding Employed Capital & Reserves		
Share Capital	0	0
Retained Income b/fwd	764,389	671,906
Income & Expenditure	9,478	92,483
Revaluation Reserves	790,956	790,956
Funding Employed	1,564,823	1,555,345

Key highlights:

The balance sheet as at 31 March 2025 reflects the audited position and year end statutory adjustments, including the revaluation of both housing and investment properties and actuarial valuations of the defined benefit pension schemes.

At 30 June 2025:

- The movement in fixed assets reflects investment in the core programme, the new build programme, and other fixed asset additions, less depreciation to date.
- Current assets (excluding cash) have increased £1.0m since March 2025. A decrease of £5.1m in rent & service charge arrears due to timing of receipt of Housing Benefit and a reductions prepayments due to timing was offset by an increase in intercompany debtors mainly with Solutions. Intercompany settlements are managed by Treasury ensure the efficient use of funds across the Group.
- Bank and Cash of £23.0m includes deposits in transit and outstanding payments showing in the bank after the month end.
- Current liabilities of £174.7m have decreased £22.7m from March 2025 with the main movements being in deferred income, reflecting the timing of the recognition of new build grant on the completion of development properties, and in rents & service charges in advance reflecting the timing of the receipt of Housing Benefit payments.
- Long term liabilities at 30 June 2025 are £29.7m higher than 31 March 2025 due to £21m additional loans received to finance the developments across the RSL's and an increase of £8.2m in deferred income reflecting the timing of the recognition of new build grant on the completion of development properties.
- Income and expenditure of £9.5m relates to the RSL Borrower Group surplus for the period.