



WHEATLEY HOUSING GROUP LIMITED

SC426094

MEETING OF THE BOARD OF DIRECTORS

Wheatley House, 25 Cochrane Street, Glasgow

On Thursday 30 August 2023 at 10.30am

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

In Attendance: Steven Henderson (Group Chief Executive), Anthony Allison (Group Director of Governance and Business Solutions), Pauline Turnock (Group Director of Finance) and Frank McCafferty (Group Director of Repairs and Assets).

1. Apologies for absence

No apologies for absence were received.

2. Declarations of interest

The Board noted the standing declarations of interest.

3. a) Minutes of meeting held on 22 June 2023 and matters arising.

Decided: The Board approved the minute of the meeting 22 June 2023.

b) Action List

Decided: The Board noted the action list.

4. a) Group CEO update

The Board were updated on a range of matters, including: recent political engagements; the Wyndford regeneration project; the Glasgow Alliance to End Homelessness; and senior staff recruitment.

[redacted]

b) Chair updates (Audit, RAAG and WDS)

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

The Board were updated on the detailed discussion by the WDS Board on our approach to risk mitigation, in particular the use of performance bonds. It was agreed that this be explored further by the WDS Board at their November strategy workshop and an update is provided to the Board thereafter.

5. Renewing our strategy to 2026

The Board were provided with an update on: the key achievements to date in the delivery of our strategy; the key changes in our economic operating environment since we originally agreed the strategy; and the proposed updates reflecting the feedback from the Board strategy workshops across the Group.

The Board discussed the shift in emphasis in relation to digital and agreed the change was a better reflection of our priorities and focus. It was agreed that we should also as part of this shift focus on digital empowerment as well as enablement.

The Board discussed the strengthening of the neighbourhood element of the strategy and the steps we will be taking in the year ahead in this area.

The Board discussed the changes more widely and agreed they reflected their feedback, the key changes in our operating context and changes in the legislative and regulatory landscape.

Decided: The Board approved the renewed group strategy to 2026

6. Repairs update

The Board was provided with an update on the progress with repairs service enhancements, ongoing customer engagement, the key service-related findings from the recent review of City Building (Glasgow) carried out jointly with Glasgow City Council and the revised repairs budget forecast for 2023/24. The Board also received a detailed update on additional assurance activity we are undertaking in relation to damp and mould.

The Board discussed the additional assurances planned for damp and mould and in particular how they will support more complex cases. It was explained that we are also looking at more complex areas where damp and mould are a reflection of a wider underlying issue as part of our investment plan.

The Board discussed the feedback to date via Book It, Track It, Rate It and customer callbacks and welcomed the high satisfaction levels. The Board discussed how the feedback from both is relayed to staff.

The Board discussed the persistently high demand level, the implications for our spend to date and forecast spend and the wider UK sector position being consistent with our own. The Board discussed how we are seeking to continue to analyse demand, performance and efficiency measures we can take without impacting service delivery.

The Board considered the importance of understanding how we assess the lifecycle of components and deciding when to renew or replace within the context of the sustainability implications.

The Board were updated on the key priority and strategic recommendations arising from the City Building review and the planned next steps in terms of the review of the LLP Agreement which will require specific member approval. It was noted that a more detailed update would be provided to the Board when seeking the relevant member approval.

Decided: The Board

- 1) Noted the content of this report;**
- 2) Approved the updated Repairs and Maintenance Framework; and**
- 3) Approved the establishment of a CBG Audit sub-committee.**

7. Homelessness Policy 2021-26 – progress update

The Board were updated on the progress with our Group Homelessness Policy and noted that we are on track to deliver 10,000 homes for homeless households in line with our Group 2021-26 strategy.

The Board discussed the potential for market acquisitions and the feedback from partner Boards that our current allocation approach has the appropriate balance in terms of ratios.

Decided: The Board noted the content of this report and provided feedback.

8. Annual Assurance Statement

The Board discussed and reviewed the Group's Annual Assurance Statement ("AAS") and noted that following the self-assessment process and external review by Campbell Tickell, we could confirm no areas of material non-compliance.

The Board noted that the report reflected our year-round focus on governance and compliance.

Decided: The Board approved the 2023 Annual Assurance Statement for submission to the Scottish Housing Regulator.

9a. 2022/23 Financial Statements

The Board discussed the 2022/23 financial statements.

The Board noted that in relation to EBITDA MRI covered interest costs this year, our projections show that we are in a sustainable position generating sufficient earnings after capital investment to cover interest costs.

The Board also noted that all financial covenants were met.

Decided: The Board

- 1) Approved the 2022/23 Group financial statements;**
- 2) Confirmed the preparation of the financial statements using the going concern basis;**
- 3) Approved the Letter of Representation to KPMG and noted the related letter of representation from the Group CEO to Group Chair;**
- 4) Approved the appointment of KPMG LLP as auditors for the 2023/24 financial year at the Annual General Meeting; and**
- 5) Noted the 2022/23 Group Report on Environmental, Social and Governance.**

9b. Annual Internal Audit Report and opinion 2023

The Board was provided with the Annual Internal Audit Report and opinion 2023 and noted the report as presented.

10. [redacted]

11. Performance Report

The Board was provided with the updated performance delivery against targets and strategic projects for 2023/24 as of the end of quarter one.

The Board discussed our strong performance in several key areas and the link between the level of allocations to homelessness and the satisfaction and neighbourhood related measures.

Decided: The Board noted the contents of the report.

12. Governance update

The Board was provided with an update on governance related matters including the Annual General Meeting arrangements, re-designation of Board members and the Group and City Building (Glasgow) Modern Slavery Statements.

Decided: The Board

- 1) Agreed to call our Annual General Meeting for Wednesday 27th September at 10am;**
- 2) Noted a Board meeting will be held following the Annual General Meeting;**
- 3) Approved the Parent Appointees for the subsidiary General Meetings as set out in the report and instructed them to vote in favour of all resolutions;**
- 4) Approved the re-designations of Board members and the associated remuneration levels;**
- 5) Approved the Modern Slavery Statement on behalf of the Group; and**
- 6) Approved the CBG LLP Modern Slavery Statement.**

13. Finance report

The Board was provided with the financial results for the period to 30 June 2023. The Board discussed the implications of the reforecast for repairs spend on our flexibility elsewhere. It was explained that this would present challenges and necessitate trade-offs in terms of other areas of expenditure.

The Board discussed the wider approach to finding efficiencies and balancing short-term savings with assessing any potential longer-term implications. It was explained that this type of assessment was undertaken and the complexity of such assessments varied by types of expenditure.

Decided: The Board

- 1) Noted the Group management accounts for the period ended 30 June 2023; and**

2) Approved the RSL Borrower Group accounts at Appendix 2 for submission to the Group's lenders.

14. [redacted]

15. Contract Award – Servitor Job Management System

The Board discussed the two main system requirements and noted that the contract will further contribute to the digitisation of the repairs service. The Board were provided with an update on how we intend to manage the counterparty risk associated with the further use of Servitor for a key service.

Decided: The Board approved the award of a contract for the re-procurement and further roll-out of the Servitor Job Management System for a contract period of up to five years up to the value of £3,000,000.

14. AOCB

There was no other competent business.

Signed _____ (Chair)