



WHEATLEY HOUSING GROUP LIMITED

SC426094

MEETING OF BOARD OF DIRECTORS

Held at 8 New Mart Road, Edinburgh

on Wednesday 21 June 2021 at 2pm

Directors Present: Alastair MacNish (Chair), Jo Armstrong, Martin Armstrong, Jo Boaden, Sheila Gunn, Bernadette Hewitt and Martin Kelso.

In Attendance: Anthony Allison (Director of Governance), Steven Henderson (Group Director of Finance), Olga Clayton (Group Director of Housing and Care – items 5 and 11 only), Stephen Devine (Director of Business Growth – items 6 and 7 only), Pauline Turnock (Director of Financial and Legal Services - item 12 only) and Laura Henderson (Managing Director of Wheatley 360– item 9 only).

1. Directors not in attendance

The Chair declared that a quorum was present. It was noted that due to the ongoing Coronavirus pandemic, we are operating with a dual-approach to Board meetings with the non-attending members having participated in a discussion of the papers earlier in the day.

2. Declarations of Interest

The Board noted the standing declarations of interest. No new declarations were made.

3. Minutes of meeting held on 28 April 2021

Decided: The Board approved the minute of the meeting on 28 April 2021.

4. Group CEO update

The Board received an update on a range of matters including: the Bellgrove transition; our corporate estate; our graduate programme; and our sustainability certification.

Decided: The Board noted the update.

5. Business update

The Board received a detailed update on our remobilisation plans, based on the current timetable for transitioning down levels within the Scottish Government Framework.

The Board considered the current vaccine status amongst care staff. The range of reasons staff have indicated for electing not to receive the vaccine was set out. It was reiterated that we have a robust bi-weekly testing regime in place as well as a risk based approach to staff deployment.

The Board discussed the potential implications of the Coronavirus (Extension and Expiry)(Scotland) Bill.

The Board discussed recent issues within the wider sector with regards to repairs. It was explained no such issues exist within our stock and that we are currently focussed on clearing the pandemic related backlog.

It was further explained that our repairs spend is significantly higher than our wider peer group and that we do not pause repairs in areas where we have future regeneration plans.

[paragraph redacted]

It was confirmed that the emergency lighting programme referred to discretionary upgrades and we remained 100% compliant with our core requirements

Decided: The Board noted the report.

6. 5 year review of City Building Glasgow (LLP)

The Board received a summary of the key themes emerging from the review and our plans to progress implementing the recommendations where appropriate.

The Board considered the findings from the review, in particular the findings in relation to VAT treatment, RSBi and the steps City Building are already taking to engage with Boards across the Group on their service model. The Board further discussed the review within the context of our contractual break clause.

It was confirmed that based on the review we would not seek to exercise the break clause, noting that there do remain further break clauses in the future.

The wider plans to develop our repairs IT platform across the Group, drawing on the experience in DGHP, were discussed. The opportunity to share good practice and lessons learned across the Group prior to roll out was recognised as a robust approach.

Decided: The Board

- 1) noted the Year Five review of City Building Glasgow at Appendix 1;**
- 2) agreed that the break clause for City Building (Glasgow) LLP not be exercised; and**
- 3) that a delivery plan will be developed to take forward the recommendations with CBG.**

7. Update on Single Glasgow vehicle

It was confirmed the Cube stock had transferred as planned and the proposed next steps for the new single vehicle were set out in more detail.

The Board acknowledged the outstanding work of the Cube Board and staff in the successful transfer.

The Board discussed the next steps and agreed the GHA Board would now have a key role in developing the core proposals to engage tenants on.

Decided: The Board

- 1) noted the update on progress with the transfer of Cube's stock to GHA and Loretto Housing; and**
- 2) agreed the proposed name Wheatley Homes Glasgow for the new Glasgow vehicle.**

8. Annual Charter Returns and Delivery Plan Year-End Update

The Board reviewed the Annual Returns on the Charter, recognising that performance has been heavily impacted by the pandemic and reflected updates over the course of the year.

The Board discussed the wider sector context of the impact of the pandemic in areas such as arrears and staff absence. It was recognised that relative to the wider sector we have performed very well.

Decided: The Board noted the contents of the report and that the Annual Returns on the Charter have been submitted to the SHR for all RSLs.

9. Group Performance Management Framework and 2021/22 Delivery Plan

The Board received a summary of the proposals for the delivery of our 2021-26 strategy through a refreshed Group performance management framework.

The Board considered the approach and agreed that it set out a clearly defined and integrated approach. It was noted that the measures and projects were all inclusive of partner Board review and feedback.

The Board considered our progress to date and future plans for developing sustainability related measures. It was explained that there are areas where we require to develop a baseline and more measures will be developed, including as we clarify the outcome of our Green Investment Plan.

The Board discussed the measure of public and private finance. It was agreed the figure was more an output than a measure and should be removed from the performance framework.

The Board discussed the targets relating to care break even results. It was confirmed the target reflected the potential for us to not continue with services that are not financially viable but there may give a lag during the transition.

The Board received a presentation setting out detailed analysis on the proposed updates to the arrears target profile. The Board discussed the analysis, in particular the assumptions regarding transitions to Universal Credit and the associated 5 week wait time.

The Board agreed that based on the analysis the target updates were appropriate.

Decided: The Board

- 1) approved the new group wide performance management framework;**
- 2) approved the Group's proposed KPIs and targets for 2021/22;**
- 3) approved the proposed approach to the achievement of the strategic outcomes, to be monitored through the annual Board strategy workshop; and**
- 4) approved the group strategic projects for 2021/22.**

10. Credit rating and funding update

The Board received an update on our latest credit rating review and our initial engagement with our lenders regarding future changes to our loan arrangements.

The Board discussed potential funding streams we may be in a position to access and the wider impact of inflation, particularly for our development activity. It was explained a key issue for our development activity is the associated grant level. It was confirmed that we are part of a Scottish Government working group considering future grant arrangements.

Decided: The Board

- 1) noted our latest credit rating review outcome; and**
- 2) delegated authority to the Strategic Development Committee (SDC) to consider the [redacted] loan proposal and RSL Borrowing Group loan amendments in detail, and for the SDC to make recommendations to the Board in due course.**

11. Group Anti-Social Behaviour framework

The key elements of the framework were set out in detail, in particular how we will continue focussing on listening more to our customers and utilise technology.

The Board discussed the underlying challenges, such as addiction issues, which can drive anti-social behaviour as well as the associated issues for customers engaging with us in such circumstances.

The role of the Community Improvement Partnership ("CIP") in supporting our anti-social behaviour response, particularly where there is a higher risk profile, was discussed at length. It was reiterated the CIP will continue to play an important role in our overall response.

The Board further discussed how we engage with stakeholders and statutory agencies and continue to have a strong communication channel.

Decided: The Board approved the draft Group Anti-Social Behaviour Framework and its designation as applying Group wide.

12. Finance report

The Board received a summary of financial performance for the year to date and the regulatory returns.

The Board reviewed financial performance and the draft regulatory returns. The Board considered the impact of the elongated exit from restrictions and the impact this will have over the course of the year relative to our budget. It was confirmed this position will become clearer in the months ahead and the next reforecast will be informed by the changes.

Decided: The Board

- 1) noted the management accounts for the period ended 30 April 2021 at Appendix 1;**
- 2) approved the loan portfolio submission in Appendix 2; authorised this to be submitted to the Scottish Housing Regulator; and delegated authority to the Group Director of Finance to approve any factual data updates that are required in advance of the submission; and**
- 3) approved the summary sheet and accompanying financial data and projections at Appendix 3; authorised these to be submitted to the Scottish Housing Regulator; and delegated authority to the Group Director of Finance to approve any factual data updates that are required in advance of the submission.**

13. Governance update

The Board received a detailed update on succession planning arrangements which were subject to detailed review by the Group RAAG Committee who were formally recommending the updates to the Board.

The Board noted that the proposals were also discussed at length with each member individually as part of the annual appraisal process with the Chair.

Decided: The Board

- 1) Approved the appointment of Martin Kelso as Group Vice-Chair from the 2021 AGM to the 2022 AGM at the existing Group Vice-Chair remuneration rate of £19,961;**
- 2) Approved the appointment of Caroline Gardner as a Non-Executive Director and Chair of the Group Audit Committee from the 2021 AGM at the existing Group Non-Executive/Group Audit Committee Chair remuneration rate of £16,185;**
- 3) Approved the revised Group Audit Committee membership to take effect post 2021 AGM as set out in 6.20**
- 4) Approved the appointment of Bryan Duncan as the Group Development Committee Chair from the 2021 AGM;**
- 5) Approved the revised Group Development Committee membership to take effect post 2021 AGM as set out in 6.26**
- 6) Approved the appointment of Jo Armstrong as Chair of the Group RAAG Committee and Group Strategic Development Committee from the 2021 AGM;**
- 7) Approved the revised Group Strategic Development Committee membership to take effect post 2021 AGM as set out in 6.32**
- 8) Approved the remuneration of Eric Gibson as Chair of Lowther Homes (and all other roles) at the existing remuneration rate of £16,185;**

- 9) Approved the remuneration level of the Chair of the Wheatley Foundation and Wheatley Solutions, where the individuals are also Group Board Non-Executives, be set at the same rate as Group Committee Chairs, effective from the 2021 AGM;
- 10) Approved the revised Group governing body member remuneration policy attached at Appendix 2 and agree that remuneration levels be externally reviewed as part of the strategic governance review implementation;
- 11) [redacted]; and
- 12) Agreed the agenda for the Board strategy day.

14. Contract award - fleet

The Board reviewed the proposals and strongly supported the break clause which will allow us to balance our short term need with our future ambitions to electrify our fleet.

The Board discussed the position within City Building (Glasgow) LLP and the potential to integrate our approach. It was explained that whilst our fleet procurement was on a different cycle, we will seek to align our approach as much as practically possible.

Decided: The Board

- 1) approved the appointment of ALD Automotive Limited (Company Registration Number 00987418) for a period of three years based on an estimated contract value of £5.3 million; and
- 2) delegated authority to the Group Director of Finance to enter into this contract on behalf of the Group.

15. AOCB

There was no other competent business.

Signed _____

Chair