



WHEATLEY HOUSING GROUP LIMITED

SC426094

MEETING OF BOARD OF DIRECTORS

Held at Wheatley House, Glasgow

on Wednesday 28 September 2022 14.00

Directors Present: Jo Armstrong (Chair), Jo Boaden, Lindsey Cartwright, Maureen Dowden, Bryan Duncan, Caroline Gardner, Eric Gibson, Bernadette Hewitt, Manish Joshi 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), Frank McCafferty (Group Director of Repairs and Assets – item 9 only), Laura Pluck (Group Director of Communities), and Hazel Young (Group Director of Housing and Property Management- item 8 only).

1. Apologies for absence

There were no apologies for absence.

2. Declarations of interest

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

3a. Minutes of meeting held on 25 August 2022 and matters arising.

Decided: The Board approved the minute of the meeting on 25 August 2022.

3b. Action List

Decided: The Board noted the action list.

4. Group CEO update

The Board were updated on a range of matters including: Wyndford regeneration; Investors in People assessment and our reaccreditation with Platinum; ongoing fuel support for customers; Group consolidation and name changes; completion of New Mart Road Centre of Excellence; and the upcoming European Federation for Living Conference, being hosted by Wheatley Group.

Decided: The Board noted the update.

5. Group Committee Chair update (RAAG)

The Board received an update from the Group RAAG Chair on decisions made including; external and internal appointments to our partner Boards following retirements from Annual General Meetings; and updates to Wheatley Foundation and DGHP Articles.

Decided: The Board noted the update.

6. Programme for Government and UK emergency budget

The Board were updated on the key issues and potential impacts of the Scottish Government's Programme for Government and UK government.

The Board received a detailed presentation setting out: the financial implications of rent restrictions on our business plan should they apply in the next financial year; scenario and sensitivity analysis on our covenants; and the range of financial mitigation which would require to be considered.

The Board discussed our underlying business plan assumptions, in particular inflation, interest and bad debt and how these reflected our current operating context. It was agreed they remained, at present, prudent.

The Board discussed the scenario analysis on our golden rule compliance, the current golden rule levels and the flexibility they provide. It was agreed that our existing golden rules should not be adjusted at this stage.

The Board were updated on engagement with the Scottish Government to date, in particular the work being led by the SFHA to consolidate an evidence base of the implications of rent controls.

The Board discussed the potential implications for our assumptions on new build appraisals, in particular grant levels required, and loan security valuation.

The Board discussed the significant adverse impact a freeze would have on our ability to deliver services and investment. The Board recognised the need to communicate the impact, whilst recognising the overarching Scottish Government policy message on affordability for tenants was a mutual concern.

The Board discussed the implications for our future tenant consultation and the need to be clear with tenants about the impact of any proposals below our existing rent setting assumptions.

Decided: The Board noted the contents of the report.

7. Group EDI and human rights policy

The Board received an update on Equality, Diversity and Inclusion ("EDI") activity across the group and the updated Group EDI and Human Rights policy.

The Board welcomed the wide range of activity underway, our plans to develop this further and the future role of Wheatley Solutions in scrutinising our action plan. It was agreed that the Board would remain sighted on progress, including where they may have a more direct role.

Decided: The Board:

- 1) Noted the range of EDI related activity already underway and in progress; and**
- 2) Approved the reviewed EDI and Human Rights policy and its designation as a group wide policy.**

8. Group Arrears and Debtors Framework

The Board were provided with an update on the review of the Group Arrears and Debtors Framework, which primarily sought to refresh our framework to reflect our operating model.

Decided: The Board:

- 1) Noted the content of the report and updates to the Framework;**
- 2) Approved the updated Arrears and Debtors Framework and its designation as applying group wide; and**
- 3) Noted that individual Arrears and Debtors Policies based on this Group Framework will be developed by partner organisations as applicable.**

9. Group Development programme -mid year update

The Board received the update on the Group development programme performance to 31 July 2022. The Chair of Wheatley Development Scotland provided the Board with feedback on the key issues discussed at its Board's recent strategy workshop. In particular he highlighted the state of the construction market in terms of developers' appetite to build new social homes and the depth of skills in the national workforce to deliver at high volumes required to meet the national policy objectives.

The Board discussed the credit ratings and analysis, in particular how we are engaging with contractors with lower ratings. The impact of special purpose vehicles for new developments on credit scoring was explained in greater detail. It was confirmed that in these cases we consider the strength of the overall developer and apply our established risk mitigations.

Decided: The Board noted the report.

10. Governance update

The Board were updated on the recent recruitment process, succession at Wheatley Homes East and the recommendations from the RAAG committee on our Committee memberships for the year ahead.

Decided: The Board

- 1) Approved the appointment of Alison McLaughlin as a Non Executive Director at a remuneration rate of £12,408 effective from 28 September 2022;**
- 2) Approved the appointment of Alastair Murray as a subsidiary Board Director at a remuneration rate of £12,408 effective from 28 September 2022; and**

- 3) **Approved the membership and Chairs of the Group Audit Committee, Group RAAG Committee and Group Strategic Development Committees**

11. AOCB

There was no other competent business.

Signed _____

Chair