



WHEATLEY HOUSING GROUP LIMITED

SC426094

MEETING OF BOARD OF DIRECTORS

Held via videoconference

on Wednesday 15 December 2021 at 10.30am

Directors Present: Jo Armstrong (Chair), Martin Armstrong, Jo Boaden, Lindsey Cartwright, Maureen Dowden, Bryan Duncan, Caroline Gardner, Eric Gibson, Professor Paddy Gray, Martin Kelso, Mairi Martin, Angela Mitchell and Mary Mulligan.

In Attendance: Anthony Allison (Director of Governance), Steven Henderson (Group Director of Finance), Natalya Macholla (Director of Customer Services - item 5 only), Olga Clayton (Group Director of Housing and Care – items 8 and 9 only), Laura Pluck (Managing Director, Wheatley Care – item 8 only), Jehan Weerasinghe (GHA Managing Director – item 9 only), Tom Barclay (Group Director of Property and Development – items 10 and 11 only) and John Crooks (Group Health and Safety Lead – item 10 only).

1. Apologies for absence

Apologies were received from Bernadette Hewitt. The Chair declared that a quorum was present.

2. Declarations of interest

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

3. Minutes of meeting held on 27 October 2021 and matters arising.

Decided: The Board approved the minute of the meeting on 27 October 2021.

4. Group CEO update

The Board received an update on a range of matters including: the 2022-23 Scottish budget; senior appointments; SHR risk assessment and Q2 performance data; [redacted] and progress to date with the Wyndford tenant consultation.

[redacted]

Decided: The Board noted the update.

5. Customer First Centre update

The Board received an update on the soft launch of the Customer First Centre ("CFC") , including: a recap on the business context within which we revised the CFC model; feedback from staff and customers and performance improvements being delivered.

The Board discussed the development of a more detailed suite of performance measures underway for the CFC. Confirmation was sought that complaint handling will be incorporated into the performance measures. It was confirmed that this was the case, as well as how we apply the learning from complaints in a more structured way.

The Board considered the staff training, development and quality assurance arrangements in place. It was confirmed that our Academy is also playing a key role in supporting staff learning.

The Board discussed the implications of working from home guidance on staff training and induction. It was explained that we have a blended approach, utilising Lipton House, at reduced capacity, based on a full risk assessment and appropriate safety protocols, along with virtual working.

It was confirmed that we would undertake an interim assessment of the CFC at the end of the financial year and report progress to the Board.

Decided: The Board noted the progress to date in establishing our Customer First Centre.

6. [redacted]

7. Group development company

The Board received feedback on the outcome of the detailed legal and tax advice on the proposed new group development vehicle. The proposed working capital arrangements and funding options were set out in further detail.

The Board discussed the feedback from initial contractor engagement and the likelihood of a letter of comfort or guarantee being required in future. It was confirmed that this is an area under consideration.

It was clarified that we are not aware of any challenges having been raised on the proposed legal structure, which is well established within the wider UK sector.

The arrangements for staffing the new development company were discussed and it was confirmed they would replicate the existing Wheatley Solutions secondment approach.

The Board further discussed how the range of constructions, such as s75, social housing and mid market rent properties, would be undertaken via the development company. It was confirmed that the exception would be Lowther Homes, which would build individually owing to it not being a member of the RSL borrower group.

The Board considered the potential financial efficiencies the new development company could achieve on behalf of our developing RSLs and supported increasing our overall programme.

It was confirmed that we would continue to engage our professional and legal advisors as we progress and will undertake a tax review after 6 months of operation.

Decided: The Board:

- 1) Approved the transfer of ownership of DGHP3 from DGHP to WHGL;**
- 2) Approved the change of name from DGHP3 to Wheatley Developments (Scotland) Limited;**
- 3) Approved that, subject to necessary funder consents being in place, DGHP3 take on the responsibilities from the Group Development Committee with effect from 1 April 2022;**
- 4) Approved updates to the Group Standing Orders;**
- 5) Approved the adoption of new Articles of Association based on the attached draft;**
- 6) Approved the draft Development Services Agreement; and**
- 7) Delegated authority to the Group Chair, Group Vice Chair, Group Chief Executive, Group Director of Finance or Company Secretary to**
 - (i) agree the final terms of the Articles of Association, Intra-group Agreements and/or such other documents as may be required to give effect to the change in ownership of DGHP3 and revised approach to development governance; and**
 - (ii) approve a special resolution adopting the new Articles of Association and name change immediately following the transfer of ownership from DGHP to us and approve or enter into any other documents required to effect the change in ownership of DGHP3.**

8. [redacted]

9. Heat and smoke detector programme update

The Board received an update on progress with the delivery of our LD2 heat and smoke detector programme across the group, our approach to engaging tenants to maximise access rates and our forecast completion date.

The Board welcomed the progress update and recognised the challenges with achieving access in all cases.

Decided: The Board noted the heat and smoke detector programme update.

10. Group Health and safety policy

The Board were provided with a summary of the updates to the policy and the wider health and safety management arrangements we have in place across the group.

The Board discussed our health and safety reporting arrangements, including performance and breaches. The range of reporting arrangements across the group was set out, including what is reported at Board and Executive level. It was further explained that we have a Health and Safety Forum whose membership is drawn from senior operational staff.

The Board discussed the number of work-related accidents and the variation in performance levels across the Group. It was explained that given the nature of our workforce, the number of accidents was not unduly high. It was further explained that variations can be driven by stock size, particularly in WLHP where a small change can lead to a high variation.

Decided: The Board approved the updated Group Health and Safety Policy and its continued designation as a group wide policy.

11. Dampness, mould and condensation policy

The Board received a summary of the proposed policy, which sets out our range of existing approaches in a single document. It was explained the policy draws on the recent English Ombudsman report and makes provision for the use of technology where appropriate. It was reiterated that our approach reinforces no inference of fault.

The Board discussed the risk analysis of our stock, the level of segmentation we undertake and how this reflects the diversity of stock types. It was confirmed that there are additional segmentation levels under each stock type to reflect the variety within each category.

The Board considered the policy and guidance documents and reiterated the importance of the tone of the documents being reflected in our staff training and engagement with customers. It was confirmed the procedure would be subject to a final review prior to implementation.

Decided: The Board:

- 1) Noted the content of this report;**
- 2) Approved the dampness, mould and condensation policy and its designation as a group wide policy; and**
- 3) Approved the draft dampness, mould and condensation procedure, subject to a final review by the policy lead.**

12. [redacted]

13. Finance report

The Board received a summary of financial performance for the year to date, the key variances and covenant compliance.

The Board reviewed financial performance for the year to date, the key drivers for the variances and our covenant position, with no material issues or risks identified.

Decided: The Board noted the Group management accounts for the period ended 31 October 2021.

14. Funding update

The Board received an update on progress with the changes to our borrowing arrangements previously agreed by the Board.

[redacted]

The Board discussed the development of ESG measures associated with the Revolving Credit Facility. It was confirmed that the measures will reflect what we can currently measure and report on.

Decided: The Board:

- 1) noted the update on negotiations in respect of changes to our Group funding arrangements;**
- 2) noted the draft Termsheet from the Syndicate, subject to confirmation on pricing and whether DGHP3 will join the RSL Borrowing Group; and**
- 3) noted that final loan documentation will be brought to the Board for final approval prior to execution.**

15. Governance update

The Board received an update on progress with the Strategic governance review implementation plan update and the proposed approach to reviewing our Equality, Diversity, Inclusion and Human Rights policy and action plan.

The Board reviewed progress to date, the planner for 2022 and the proposed approach to reviewing our Equality, Diversity, Inclusion and Human Rights policy and action plan. It was noted that implementation to date is in line with our assumed timelines and that the Board will continue to be updated on progress.

Decided: The Board:

- 1) Noted the update on the implementation of the strategic governance review;**
- 2) Approved the 2022 Board planner, which will be subject to review at the April 2022 meeting; and**
- 3) Agreed the proposed approach to reviewing our Equality, Diversity, Inclusion and Human Rights policy and action plan.**

16. Risk management update

The Board received an update on the implementation of the revised risk management framework and proposed updates to the strategic risk register.

The Board discussed the risk associated with cyber security, the evolving nature of the risk and the range of mitigations we have in place. It was reiterated that we have a strong and continued focus on cyber security including with ongoing security patching.

The Board noted that the Board risk workshops in 2022 would explore the risk profiles in more depth.

Decided: The Board:

- 1) Approved the proposed changes to the Strategic Risk Register; and**
- 2) Noted the progress towards implementation of changes to the Group's Risk Management approach.**

17. AOCB

The Board were provided with feedback from the Group Remuneration, Appointments, Appraisal and Governance Committee's discussion regarding Board succession planning across the Group. It was explained that the Committee identified a skills gap in GHA and Wheatley Solutions in relation to finance skills.

The proposed approach of initiating the recruitment of a new Group Board member with skills in finance was set out. It was confirmed the proposed appointment would become a Group appointee to the Boards of GHA and Wheatley Solutions and ultimately succeed a planned retirement of an existing Board member at the 2022 AGM.

Decide: The Board approved the initiation of recruitment of a Board member with finance skills and experience.

Signed _____

Chair