



WHEATLEY HOUSING GROUP LIMITED

SC426094

MEETING OF BOARD OF DIRECTORS

Held at Wheatley House

on Wednesday 29 June 2022 at 10.30am

Directors Present: Jo Armstrong (Chair), Martin Armstrong, Jo Boaden, Maureen Dowden, Bryan Duncan, Eric Gibson, Bernadette Hewitt, Manish Joshi, Martin Kelso, Mairi Martin and Mary Mulligan.

In Attendance: Anthony Allison (Director of Governance), Steven Henderson (Group Director of Finance), Lewis McGregor (Director of IT and Digital Services – item 7 only) and Frank McCafferty (Group Director of Repairs and Assets – items 8,9 and 14 only)

1. Apologies for absence

Apologies were received from Lindsey Cartwright, Caroline Gardner and Professor Paddy Gray.

2. Declarations of interest

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

3a. Minutes of meeting held on 27 April 2022 and matters arising.

Decided: The Board approved the minute of the meeting on 27 April 2022.

3b. Action List

Decided: The Board noted the action list.

4. Group CEO update

The Board received an update on a range of matters including: Board residential agenda; our care pay offer; Scottish Government Building a net zero future and EESSH 2; and the outcome of our recent CSE assessment.

The Board discussed the planned acceleration of the EESH 2 review, the wider legislative context and bill proposals; and the funding context for delivering the investment that would be required.

Decided: The Board noted the update.

5. Committee Chair updates

The Board considered the updates and was updated on the Group Audit Committee review of the proposed audit fee.

Decided: The Board noted the updates.

6. East of Scotland partnership update (presentation)

The Board were updated on the outcome of the WLHP tenant ballot on the stock transfer to Dunedin Canmore Housing. The Board were also updated on the Independent Tenant Advisor feedback, which confirmed their view the process was robust.

The Board discussed the outcome of the ballot, how this reflected the feedback during the initial consultation and agreed we should now progress to affect the ballot result.

Decided: The Board:

- 1) approved the progression of the stock transfer from West Lothian Housing Partnership Limited to Dunedin Canmore Housing; and**
- 2) approved WLHP applying to the SHR for deregistration as a Registered Social Landlord.**

7. Digital housing services- next steps

The Board were provided with: an overview of the methods through which our principal housing services will be delivered in our new operating model; an update on the next steps in improving our digital services and how we will engage customers on these; and the proposed revisions to our strategic targets in relation to digital services in light of our experience as we emerge from the pandemic.

The Board were provided with a more detailed update on the work we have undertaken engaging with our customers as part of our digital transformation programme and how it is shaping our digital offering.

The Board discussed how we are managing cyber security risk in relation to our digital services. It was confirmed cyber security is a major focus, as well as our disaster recovery plans. It was noted our cyber security was considered in more depth by the Group Audit Committee and agreed an update be provided to the Board by the current meeting cycle.

The Board discussed the revised targets and the anticipated impact on demand and resource required via other channels, namely the CFC. It was confirmed in the short term this would not require any additional resources within the CFC. It was confirmed that in the longer term we would need to consider the impact of digital channel usage.

The Board discussed the digital landscape in relation to insurance coverage and costs. It was confirmed that for any organisation procuring insurance the minimum threshold for cyber security protection was increasing, as is the cost of coverage.

The Board discussed our transition to cloud usage. It was confirmed we have a clear transition plan and that to date the pace of transition has been appropriate to our context.

Decided: The Board

- 1) Noted the contents of this report, including the proposed relaunch of online repairs; and**
- 2) Agreed the proposed changes to strategy measures, which will be incorporated in the annual strategy refresh process later this year.**

8. Transforming our repairs environment update

The Board received an update on progress with the repairs transformation programme.

The Board discussed how we would identify any recurring or systemic issues. It was explained that we undertake regular analysis, as well as linking this analysis to our capital investment programme.

The Board reiterated the importance of the culture change activity in underpinning the delivery and sustainability of the programme.

Decided: The Board noted progress and that updates on progress will continue to be provided to future meetings.

9. West Craigs development (presentation)

The Board received a detailed update, including: a recap on the background to the project; the grant funding available; the tender costs; and the proposed procurement approach.

The Board discussed the level of contingencies and the level of risk we retain. It was confirmed the contingency level has been reviewed and that we have still transferred a lot of the risk to the contractor.

The Board discussed how we manage the project and controls we have in place. It was confirmed that we will have extremely robust monitoring arrangements in place from commencement to completion.

Decided: The Board:

- 1) noted the project update; and**
- 2) confirmed its agreement to the revised tender proposals being accepted by Wheatley Developments Scotland and Dunedin Canmore Housing as appropriate.**

10. Wheatley Solutions delivery model update

The Board were provided with an update on the Wheatley Solutions delivery model and the future role and focus of the Wheatley Solutions Board under its refreshed Terms of Reference ("ToR").

The Board welcomed the planned approach to further strengthening the collaboration between Wheatley Solutions and partner organisations.

Decided: The Board noted the report.

11. Strategic governance review - implementation update

The Board received a summary of progress with the strategic governance review implementation plan which has now been delivered.

The Board recognised the range of refinements will further strengthen what was recognised in the strategic governance review as already strong, robust governance arrangements.

Decided: The Board

- 1) Approved the revised Group Standing Orders, including the updates therein to matters reserved, Committee Terms of References, new Board ToR and the Scheme of Financial Delegation;**
- 2) Agreed that the Chair of the Group Board may still be the Chair of the Group RAAG Committee, subject to the standard annual Board approval of Committee Chairs;**
- 3) Confirmed Jo Armstrong's continued appointment as Chair of the Group RAAG Committee until the next annual review;**
- 4) Approved the Board and Committee effectiveness review and governing body member individual appraisal policy and its designation as a Group wide policy;**
- 5) Approved the Group recruitment and succession planning process;**
- 6) Approved the Group Policy on Non-Executive Director conflicts of interest and its designation as a Group wide policy;**
- 7) Approved the Disposals and acquisitions policy framework and that it form the basis for each relevant subsidiary to create a standalone version;**
- 8) Approved the refreshed Group Policy on Gifts, Hospitality, Payments and Benefits and its continued designation as a Group wide policy;**
- 9) Approved the refreshed Template Intra-Group Agreement and that each relevant entity be asked to enter into it with Wheatley Housing Group Limited;**
- 10) Delegated authority to any of the Chair, Group Company Secretary or Group Chief Executive to execute the Intra-Group Agreement on behalf of the Company with any group subsidiary; and**
- 11) Agreed that the strategic governance review now be considered to be fully implemented.**

12. Risk Management update

The Board considered the report and noted that the implementation of agreed actions in relation to risk appetite and risk reporting, including risk workshops with Subsidiary Boards, remain on track from completion by 30 June 2022.

The Board noted that we will be developing in more detail our mitigation to the risk associated with the cost of living crisis as part of the strategy residential.

[redacted]

Decided: The Board

- 1) Noted the contents of this report;**
- 2) Approved the draft Group Risk Appetite Statements; and**
- 3) Approved the proposed changes to the Strategic Risk Register.**

13. 2021/22 Annual Charter Returns and year-end update

The Board reviewed the report and noted that despite continuing challenges posed by the pandemic across all sectors, we continue to perform strongly in a wide range of areas.

The Board reviewed year end performance, in particular the issues relating to Occupational therapist access and waiting times. It was explained this is an area which we are keeping under review, with a view to exploring options at a later date.

The Board discussed the performance of Livingwell properties. It was explained that an options appraisal is underway to consider the ongoing demand for the properties.

Decided: The Board

- 1) Noted the contents of this report and that the draft Charter results are now with SHR following approval by RSL Boards in May; and**
- 2) That final results and sector comparisons will be published in the autumn.**

14. Group Business Continuity Policy

The Board considered our approach to testing and disaster recovery drills. It was explained this is something we undertake and are continually refining.

Decided: The Board

- 1) Noted the contents of the report; and**
- 2) Approved the revised business continuity policy and its continued designation as a group wide policy.**

15. Finance report

The Board received a summary of year-end financial performance as well as an update on Standard and Poors credit rating.

The Board revised financial performance and discussed staff costs, the wider recruitment market across the sectors we operate in and how we are managing both.

Decided: The Board

- 1) Noted the financial performance for the Group to 30 April 2022; and**
- 2) Note the results of the S&P rating review.**

16. Treasury update

The Board noted that our liquidity position remains strong with no external funding drawn in the first quarter of the financial year.

The Board also considered that the Treasury Management Policy updates to reflect the changes in the Group's funding position following the accession of DGHP into the RSL Borrower Group.

Decided: The Board

- 1) Noted the Group's liquidity position as at 31 May 2022;**
- 2) Approved the amendments to the Treasury Management Policy;**
- 3) Approved the submission of the loan portfolio return to the Scottish Housing Regulator; and**
- 4) Noted the rapidly changing interest rate environment and our capacity to deal with increased funding costs.**

17. AOCB

The Board were updated on the City Building Glasgow pay settlement process, including the link to the wider Local Government negotiations.

Signed _____

Chair