



**WHEATLEY HOUSING GROUP LIMITED  
SC426094**

**MEETING OF BOARD OF DIRECTORS  
held at Wheatley House, 25 Cochrane Street, Glasgow G1 1HL**

**on Wednesday 17 April 2019**

Directors Present: Alastair MacNish (Chair), Jo Armstrong, Martin Armstrong, Mike Blyth, Jo Boaden, Bryan Duncan, Professor Paddy Gray, Sheila Gunn, Bernadette Hewitt, Ronnie Jacobs, Martin Kelso, James Muir and Mary Mulligan.

In Attendance: Anthony Allison (Director of Governance/Group Company Secretary), Steven Henderson (Group Director of Finance) and (In Part) Elaine Melrose (Group Director of Resources), Laurie Carberry (Group Procurement Manager), Tom Barclay (Group Director of Property), David Fletcher (Director of Development), Graham Isdale (Group Director of Corporate Affairs) and Lorraine McLaren (Director, Wheatley Foundation)

**1. Apologies for Absence**

Apologies were received from John Hill and Peter Kelly.

**2. Declarations of Interest**

All Non-Executive and Subsidiary Chair directors declared an interest in item 10b.

**3. Minutes of meeting held on 27 February 2019 and Matters Arising**

**Decided: The Board approved the minute of 27 February 2019**

**4. Group CEO Update**

The Board received an update on a range of matters, including: staff training and support on domestic violence, in partnership with Safe Lives; our upcoming annual credit rating assessment; and our series of Young People Conferences.

The Board discussed our ongoing engagement with stakeholders and development of new finance models which can potentially unlock funding for new supply and additional investment.

[Laurie Carberry and Elaine Melrose joined the meeting]

## **5. Customer Savings Portal “MySavings”**

The Board welcomed the portal and the savings our tenants will be able to access on day to day shopping. It welcomed this phase of our strategy to support tenants with the total cost of running a home, as well as how it can support our overall channel shift strategy.

The Board further discussed options for delivering our channel shift strategy, including mechanisms to encourage further uptake of our digital offering.

The Board noted the level of savings that could be achieved via the portal on typical household expenditure such as groceries was in excess of our average rent increase.

**Decided: The Board noted the development of the MySavings Customer Portal and agreed to its launch on 9 May 2019**

**[Laurie Carberry and Elaine Melrose left the meeting]**

## **6. Tenant Satisfaction Survey Results 2018/19**

The Board discussed the tenant satisfaction results in detail, welcoming the positive feedback from tenants, with five of our RSLs maintaining or improving already high overall satisfaction levels. The Board discussed our response to the surveys and were assured that action plans have been developed to respond to the findings by each subsidiary. Additionally, it was noted that all subsidiary Boards had discussed the results.

The Board discussed the link between the action plan and our wider approach to engagement, in particular as we look to tailor our action plans to the specific needs of different customer segments. The Board welcomed the strong results in relation to opportunities to participate and the foundation this provides for refining our engagement strategy.

The Board reiterated that tenant satisfaction remain our key performance focus.

**Decided: The Board noted the contents of the report.**

## **7. Group Performance Framework and Delivery Plan 2019/20**

The Board considered the proposed transition to an approach which places even greater emphasis on performance measures which reflect customer value drivers. The Board reiterated the need to maintain a strong oversight on health and safety related matters, particularly gas and fire safety measures reported at Group level.

**Decided: The Board noted the contents of this report.**

## **8. a) 2019/20 Budget and Finance report**

The Board discussed at length the impact of our development programme outturn on our financial performance, how this has been accounted for and the damages we received for delays during the year.

The Board discussed the budget for the year and the continued focus on delivering efficiencies which will reduce our overall management costs.

**Decided: The Board:**

- 1) noted the financial performance for the Group to 31 March 2019;**
- 2) approved the RSL Borrower Group accounts for submission to the Group's lenders,**
- 3) approved the Group budget for 2019/20; and**
- 4) approved the City Building (Glasgow) five year financial projections including 2019/20 budget.**

[Tom Barclay and David Fletcher joined the meeting]

**9. a) Group new build performance dashboard**

The Board discussed our outturn performance for the year, which has been the largest number of units delivered to date. The Board reiterated the feedback of tenants moving into the homes was a key barometer of the success of our programme and sought details on the feedback from tenants. It was confirmed the feedback from new tenants has been positive.

The Board discussed our ongoing contractor engagement with projects behind schedule and our satisfaction with the contractor response to date to our concerns.

The Board discussed how our programme is developed relative to projected demand levels, linked to strategic housing authority plans and to reflect the range of markets we operate in. The Board further discussed the robustness of waiting list data as a sign of demand.

**Decided: The Board:**

- 1) noted the contents of the report and the Group's new build programme performance to 31 March 2019;**
- 2) noted our highest ever year of completions to date, with almost 1,000 new supply homes (including new build affordable homes, new build PRS units acquired by Lowther and owner buybacks added) added to our asset base;**
- 3) noted the position on contractor financial exposure across the Group-wide development programme; and**
- 4) noted the update on contractor performance management.**

**b) New Build project approvals**

Cube – Queens Quay

The Board considered the proposals at length, in particular the risks associated with the nature of the project, including: the number of counter parties; the district heating system; certainty of pricing for tenants via the heating system; and the inherent risk of delays due to complexity of the project.

The Board considered the financial analysis relative to the risk profile and agreed that we should proceed, on the basis that the project is monitored closely and progress is reported to the Board/Development Committee regularly.

**Decided: The Board, subject to agreement by the Cube Housing Board:**

- 1) approved the acquisition by Cube of land at Queen's Quay, Clydebank from West Dunbartonshire Council for the purpose of a new build housing development to be led by Cube and including development of new supply housing for both West Dunbartonshire Council and Clydebank Housing Association; and**
- 2) approved Cube entering into a contract with CCG (Scotland) Limited for the construction of 146 units of social rent housing and four commercial units at Queen's Quay, Clydebank at a construction cost of £23,239,638 and a total development cost of £26,798,335, inclusive of land acquisition; the total development cost to Cube Housing Association of the 80 units of social housing of £14,200,768.**

#### Loretto Housing – Land acquisition, Hallrule Drive

The Board noted the proposed acquisition related to criteria reserved to them for approval and were advised that we expect any costs arising from unanticipated site issues will be met by the selling party.

**Decided: The Board approved that Loretto Housing acquiring the site at Hallrule Drive, Glasgow from Glasgow City Council at a cost of £90,000 to facilitate the demolition of the existing properties.**

#### GHA – land acquisition

The Board considered the proposals, in particular the financial analysis and the indications of pricing within the market more widely. The Board welcomed the impact the proposals will have within the Milton locality.

The Board received feedback on market conditions more widely and how this is translating in terms of costs per unit.

**Decided: The Board:**

- 1) approved the acquisition by GHA of land from Glasgow City Council at Scaraway Street, Milton at a price of £51,900; and**
- 2) agreed that GHA enters into a contract with McTaggart Construction Limited for the construction of 49 units of social rented housing at a total construction cost of £8,089,910 and a total development cost of £8,601,803 inclusive of land purchase.**

## **10. Group Governance**

### a) Development Governance

The Board agreed that the report fully reflected what was discussed and agreed in principle at the development workshop. It further agreed the next key step was engagement with subsidiary RSL Boards.

**Decided: The Board:**

- 1) noted the current development policy and authorising environment in which we operate both nationally and in individual local authority areas;
- 2) noted the introduction of our new Contractors' Framework and agreed the change of approach in relation to sourcing land/sites for our pipeline programme;
- 3) agreed that we retain a Group Development Fund and note our strategy to utilise the fund to front fund land acquisitions with the intention of replenishing the fund via grant funding;
- 4) agreed the revised geographical footprint of our development footprint;
- 5) agreed the strategic criteria outlined in Section 5.14, which will underpin our new Group Development Strategy;
- 6) approved the new strategic role for Subsidiary Boards and the establishment of a new Group Development Committee with membership drawn from expertise from Boards across the Group to increase the level of scrutiny of the programme;
- 7) approved the Terms of Reference for the Group Development Committee and delegate authority to the Group RAAG Committee to agree the final ToR and membership (including the Chair) of the Committee; and
- 8) noted the indicative timeline and next steps.

b) Governance update

The Board received the Group RAAG Committee's detailed feedback in relation to the proposals within the report.

**Decided: The Board**

- 1) approved the appointment of Angela Mitchell as a Non-Executive Director, effective from the date she confirms her acceptance by way of signing the service contract and Code of Conduct;
- 2) approved Angela Mitchell becoming a member and her entry into the Register of Members, effective from her date of appointment;
- 3) approved Angela Mitchell's appointment as a director of Wheatley Solutions Limited and as a member of the Group Audit Committee effective from no earlier than the date of her Wheatley Housing Group appointment;
- 4) noted that Angela Mitchell will, subject to the above, require to retire and seek reappointment at the 2019 AGM under the terms of the Articles of Association;
- 5) approved an uplift of 7.9% to all remunerated roles, effective from 1 April 2019;
- 6) agreed that service contracts become mandatory for all Board members, excluding Councillors;
- 7) delegated authority to the Group RAAG Committee to agree the final form of service contract, Group Code of Conduct and role profile;
- 8) delegated authority to any director to sign the Intra Group Agreement on behalf of the company;
- 9) approved the changes to the template Intra Group Agreement and agree that subsidiaries be asked to formally agree entering into the revised IGA at their next meeting;

- 10) delegated authority to the Group Chief Executive to agree the form of the services agreement schedule to the IGA on behalf of the Company;
- 11) approved the revised Group Standing Orders, effective immediately;
- 12) delegate authority to the GHA Board to agree, amend or revoke the Area Committee Terms of Reference and approve Committee appointments; and
- 13) approved the appointment of Stephen Wright as Deputy Group Company Secretary and his authority to perform the duties of the secretary, effective immediately and instruct subsidiaries to replicate this appointment.

#### **11. Group Health and Safety update**

The Board discussed our progress in implementing the Group Health and Safety policy and agreed it wished to receive bi-annual updates, as well as the ongoing performance reporting. The Board welcomed the progress to date embedding the policy and our continued strong focus in this area.

**Decided: The Board noted the contents report and requested biannual updates be provided on health and safety activity.**

#### **12. Group Fire Safety update**

The Board discussed our progress in implementing the Fire Prevention and Mitigation Framework and its comfort at our continued focus and progress with the commitments contained therein.

**Decided: The Board noted the contents of this report.**

#### **13. Group Fire Prevention Charter with Scottish Fire & Rescue Service**

The Board strongly welcomed the Charter and our continued strong partnership working with the Scottish Fire & Rescue Service.

**Decided: The Board agreed to enter into the Fire Prevention Charter with Scottish Fire & Rescue Service**

[Tom Barclay and David Fletcher left the meeting]

#### **14. Board strategy residential agenda**

The Board considered the agenda for its upcoming strategy residential and agreed it reflected the key strategic areas it wished to consider.

**Decided: The Board agreed the strategy residential agenda.**

[Graham Isdale and Lorraine McLaren joined the meeting]

**15. Wheatley Works (Presentation)**

The Board received a presentation on the Wheatley Works programme, delivered by our Wheatley Foundation, which has created 789 training and employment opportunities and supported 646 people securing a job, training or apprenticeship opportunity.

The Board confirmed its strong support for the programme and the outcomes it is delivering, in particular the increase in the number of opportunities being secured by our own customers.

**Decided: The Board noted the update on the Wheatley Works programme**

[Graham Isdale and Lorraine McLaren left the meeting]

**16. Group Treasury report**

The Board discussed the treasury update and the proposals to draw down on the EIB funding at some point during the year. The Board discussed the EIB drawdown plans and the associated risk, agreeing that we should utilise the facility.

**Decided: The Board noted the content of the Quarterly Treasury Report and agreed to the utilisation of the EIB facility.**

**17. AOCB**

There was no other competent business.

Signed: .....

Date: .....