



WHEATLEY HOUSING GROUP LIMITED

SC426094

MEETING OF BOARD OF DIRECTORS

Held at Wheatley House, 25 Cochrane Street, Glasgow

on Wednesday 26 August 2021 at 10am

Directors Present: Alastair MacNish (Chair), Jo Armstrong, Martin Armstrong, Jo Boaden, Sheila Gunn, Peter Kelly, James Muir, John M Hill, Professor Paddy Gray, Mary Mulligan, Angela Mitchell, Bryan Duncan, Maureen Dowden and Martin Kelso.

In Attendance: Anthony Allison (Director of Governance), Steven Henderson (Group Director of Finance) and (item 8 only) Laura Pluck (Managing Director, Wheatley Care).

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 new declarations were made. Jo Armstrong's existing declaration in relation to her position as Chair of Hub West Scotland was noted.

3. Minutes of meeting held on 21 June 2021

Decided: The Board approved the minute of the meeting on 21 June 2021.

4. Group CEO update

The Board received an update on a range of matters including: Duke Street litigation; pension; staff engagement; and Wheatley Foundation external funding.

Decided: The Board noted the update.

5. Committee Chair bi-annual updates.

The Board received an update from the Group RAAG, Audit and Development Committee Chairs on the key activities of the Committees since their last update.

The Board discussed the current development operating context, including cost pressures and grant levels. The key issues from our contractor survey, including workforce challenges and timber price volatility, were set out as well as an update on research we have commissioned. It was confirmed a more detailed development update was scheduled for the next meeting.

The Board thanked the Committee Chairs for their work over their tenure as they all step down from their Committee Chair roles at the Annual General Meeting.

6. Business update

The Board received a summary of current business and our remobilisation position across the Group.

The Board discussed our supply chains and how we continue to cultivate local supply chain options which can also support sustainability. It was explained this was a consideration, within the context of elements of the supply chain being outwith our control, such as contractors sourcing raw materials.

The Board were updated on the pay uplift for care staff and vaccination levels amongst care staff.

The Board welcomed the successful launch of the NETs service in DGHP, in particular the local jobs this has created and positive feedback from tenants.

Decided: The Board noted the report.

7. New operating and engagement model update

The Board were updated on plans to consult all tenants across the Group, via the individual RSLs, on our proposed new operating and engagement models. Proposals to adjust the timeline, to launch the consultation on 13 September, were set out.

The Board agreed that the change to the timescale was appropriate and noted that each partner Board had individually reviewed and agreed their own specific proposals.

Decided: The Board agreed the consultation proposals and revised timescales for the RSL full tenant consultations, including the materials in appendix 1.

8. Bellgrove update (Presentation)

The Board were updated on the successful closure programme of the Bellgrove, including: move on destinations; the partnership working deployed throughout the programme; support for customers in their new destinations; the journey travelled by residents; and lessons learned.

The Board discussed how we capture the learning from the process and apply this elsewhere within the business. It was explained that the successful partnership working approach in particular is an area we expect to be able to replicate in future.

The Board recognised the outstanding work by Wheatley Care throughout the process and the positive outcomes achieved for the residents.

Decided: The Board noted the update.

9. a) 2020/21 Group Statutory Accounts

The Board considered the Group 2020/21 financial statements, City Building (Glasgow) LLP accounts, and the 2020/21 Environmental, Social and Governance (“ESG”) report. It was noted the financial statements had been subject to detailed review by the Group Audit Committee.

The Board recognised the robust overall financial position and the continuation of a positive trend over the last 5 years

Decided: The Board

- 1) Approved the 2020/21 Group financial statements;**
- 2) Confirmed the preparation of the financial statements using the going concern basis;**
- 3) Approved the Letter of Representation and noted the related letter of comfort from the Group CEO to Group Chair;**
- 4) Approved the 2020/21 City Building (Glasgow) LLP financial statements as a designated member and delegate authority to the Group Director of Finance to sign the financial statements on behalf of Wheatley Housing Group Limited as a designated member;**
- 5) Approved the appointment of KPMG LLP as auditors for the 2021/22 financial year; and**
- 6) Approved the 2020/21 Environmental, Social and Governance report.**

b) Internal Audit Annual Report and Opinion 2020/21

The Board were updated on Internal Audit activity over the year which underpins the internal control declarations in our financial statements.

Decided: The Board noted the Internal Audit Annual Report and Opinion 2020/21

10. Risk management update

The Board reviewed the proposed updates to the Strategic Risk Register, recommended for approval by the Group Audit Committee. The Board agreed the updates were appropriate.

The Board were updated on the planned risk workshops across the wider Group in the spring of 2022.

Decided: The Board

- 1) Approved the proposed changes to the Strategic Risk Register; and**
- 2) Noted the status of the planned Groupwide risk workshops.**

11. Group Performance Update Quarter 1 2021/22

The Board were provided with an update on quarter one performance relative to our agreed targets and strategic projects for 2021/22.

The Board discussed progress with our fire risk assessments. It was confirmed that this is also being monitored in more detail by the Group Audit Committee.

The Board agreed the target for Care Inspectorate gradings should remain under review once inspections recommence.

The Board considered our plans for transitioning all Lowther Homes customers to an online account and the reporting arrangements for progress. It was confirmed that reporting was expected to be finalised for the next meeting.

Decided: The Board

- 1) Noted the contents of this report and appendices; and**
- 2) Approved changing a strategic project milestone as noted at paragraph 6.11.4.**

12. Finance report

The Board scrutinised financial performance for the period to 30 June 2021 and considered the submission of the RSL Borrower Group's management accounts to 30 June 2021 to our bank lenders as part of our usual quarterly covenant returns.

It was noted there were no material, unexplained adverse variations against budget.

Decided: The Board

- 1) Noted the Group management accounts for the period ended 30 June 2021 at Appendix 1; and**
- 2) Approved the RSL Borrower Group accounts at Appendix 2 for submission to the Group's lenders.**

13. Treasury update

The Board were updated on various treasury matters including; the liquidity position of Wheatley Group as at 30 June 2021; the covenants for quarter-end to 30 June 2021; the economic update for inflation and interest rates and; progress on funding discussions with WFL1 lenders, the proposed new debt facility from [redacted] and progress on the sustainability finance framework.

The Board agreed that an additional Board session is held in early-mid October to further consider our funding arrangements.

Decided: The Board

- 1) Noted the liquidity position as at 30 June 2021;**
- 2) Noted the covenants for quarter-end to 30 June 2021;**
- 3) Noted the economic update for inflation and interest rates;**
- 4) Noted the progress on funding discussions with WFL1 lenders, the proposed new debt facility from [redacted] for WFL2 and progress on the sustainability finance framework; and**
- 5) Approved [redacted];**
- 6) Approved the proposed updates to the lending agreements as set out in Appendix 2 for WFL1 and delegate authority to any WFL1 Director to agree the final form of the associated amendment agreements on behalf of the Group.**

14. Governance update

The Board were update on various governance matters including; the upcoming Annual General Meeting; the strategic governance review and; our annual Modern Slavery statement.

Decided: The Board

- 1) Agreed to call our Annual General Meeting for Wednesday 29th September at 10.00am;**
- 2) Noted a Board meeting will be held follow the Annual General Meeting;**
- 3) Approved the Parent Appointees for the subsidiary General Meetings as set out in the report and instructed them to vote in favour of all resolutions;**
- 4) Approved the schedule of meetings for 2022;**
- 5) Delegated authority to the Chair of the Group Audit Committee to provide retrospective approval to CBG LLP policies on behalf of Wheatley Housing Group as a member;**
- 6) Agreed we formally record member agreement on behalf of Wheatley Housing Group to the CBG LLP Executive Director appointment;**
- 7) Noted the update on the strategic governance review;**
- 8) Approved the Modern Slavery Statement on behalf of the Group; and**
- 9) Delegated authority to the Group Chair to approve the terms of CBG LLP's Modern Slavery Statement provided this does not identify any areas of non-compliance.**

15. Renewal of DGHP's Grounds Maintenance Contract

The proposed renewal of Dumfries and Galloway Housing Partnership's ("DGHP") Ground Maintenance Services contract with Idverde Limited was set out in detail.

Decided: The Board

- 1) Approved the appointment of Idverde Limited (Company Registration 03542918) for a period of up to four years on an estimated contract value of £1.7m (including VAT); and**
- 2) Delegated authority to the Group Director of Finance to enter into this Contract on behalf of the Group.**

16. AOCB

The Board considered and noted an additional report on the SNP-Green Party: Shared Policy Programme.

Signed _____

Chair