



**WHEATLEY HOUSING GROUP LIMITED**

**SC426094**

**MEETING OF BOARD OF DIRECTORS**

**Held at Wheatley House, Glasgow**

**on 26 October 2022 10:30**

Directors Present: Jo Armstrong (Chair), Caroline Gardner, Eric Gibson, Bernadette Hewitt, Manish Joshi, Alison McLaughlin 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 – items 5-9 only), Laura Pluck (Group Director of Communities – item 8 only), and Hazel Young (Group Director of Housing and Property Management- items 5 and 6 only).

**1. Apologies for absence**

Apologies were received from Jo Boaden, Bryan Duncan, Lindsey Cartwright and Maureen Dowden.

**2. Declarations of interest**

The Board noted the standing declarations of interest and that those of Alison McLaughlin would be added to the standing declarations.

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

**Decided: The Board approved the minute of the meeting on 28 September 2022.**

**b) Action List**

**Decided: The Board noted the action list.**

**4. Group CEO update**

The Board were updated by the Group Chief Executive on a range of matters including: the recently hosted EFL conference; recognition and awards received since the last meeting; and our rent and tenant support campaign.

**Decided: The Board noted the update.**

## **5. a) Customer voice and insight – planning framework**

The Board discussed the planning framework and welcomed the more defined framework for feedback and the wide range of touch points with Boards over the next year.

The Board received a presentation setting out the feedback from recent customer insight activity, how this had directly informed the prioritisation of our repairs service refinements and will fit into a wider ongoing framework.

**Decided: The Board noted the update.**

## **b) Update on transforming our repairs environment**

The Board discussed how we were responding to customer feedback and focussing our future improvements on areas it identified as priorities. It was explained that the key immediate focus was enhancing communication, including the ability for customers to give instant feedback and how we will manage more complex, multi visit jobs.

The Board noted the variation in performance across the group and how we are sharing effective practice across the group.

**Decided: The Board**

- 1) noted the approach to the next stage of the repairs transformation programme in response to customer feedback; and**
- 2) noted that a progress update will be provided to all partner RSL and the Lowther Board in November, with a further update to the Group Board in February.**

## **c) Customer co-creation – whole family approach**

The Board discussed the key findings of the customer research and the action we are taking to respond to the issues identified. It was recognised that some areas of feedback would need detailed strategic consideration before progressing due to the level of cost or change that would be required.

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

## **6. 2023 rent setting – consultation and engagement approach**

The Board discussed at length the current economic context, affordability and comparability analysis and the proposals for 2023.

The Board discussed the level of changes to revenue and capital expenditure which will be required based on the proposals, including the implications for gift aid available. It was recognised that given the increase in our cost base, particularly our fixed costs, we would need to adjust our planned expenditure levels accordingly.

The Board were updated on our plans to ensure that we have a very strong tenant voice informing our approach to consultation, whilst ensuring our formal consultation only commences when we have certainty on what we can propose to tenants.

The level of pre consultation engagement was strongly welcomed and it was agreed this would be considered in advance of confirming our consultation proposals for tenants.

**Decided: The Board**

- 1) In the context of the current Scottish Government emergency legislation, noted to approve the proposed rent increase levels set out in the report;
- 2) Noted the current position in relation to ongoing discussion with Scottish Government on rent consultation; and
- 3) Noted that a briefing will be provided to RSL and Lowther board members via their respective Chairs.

**7. Review of the new build appraisal target return rate**

The Board received a report setting out proposed refinements to our new build development appraisal target rates of return to take into account the current economic and market conditions.

The Board discussed the proposals and the potential for the rate to impact the number of units we can deliver. It was confirmed that the rate will remain under review and that we are exploring funding options which may increase our ability to meet our target.

**Decided: The Board**

- 1) Approved the revision to the IRR target rate for RSL Borrowing Group (excluding Wheatley Homes South) social housing projects to 6.1% over 30 years;
- 2) Noted to approve the revision to the IRR target rate for social housing projects in Wheatley Homes South to 6.1% over 35 years;
- 3) Noted to approve the revision to the IRR target rate for MMR projects to 6.3% over 30 years; and
- 4) Discussed agreeing that these arrangements be subject to formal review by the Board following a decision by Scottish Government on the level of the 2023/4 rent cap as set out by the Cost of Living (Protection of Tenants) (Scotland) Bill and thereafter, at least every three years to reflect changes in our future interest rate assumptions.

**8. Bellgrove update – 12 months on (Presentation)**

The Board were updated on the progress of the former residents since we completed the closure of the Bellgrove Hotel 12 months ago, including the impact our support and partnership working has helped them achieve. Plans for the future redevelopment of the site, including an update on engagement with the planning authority, and next steps were set out in further detail.

The Board welcomed the progress of former residents and reiterated the need to reflect the community's view in future engagement with the planning authority and development of the plans.

**Decided: The Board noted the presentation.**

**9. [redacted]**

**10. Annual Assurance Statement and Article updates**

The Board reviewed the annual assurance statement, noting that it was subject to an Internal Audit review of the supporting evidence and reflected the range of areas we refined during the strategic governance review.

**Decided: The Board**

- 1) approved the 2022 Annual Assurance Statement for submission to the Scottish Housing Regulator; and**
- 2) approved the Board composition changes to our Articles of Association and that the Secretary may call a Special General Meeting for 14 December 2022 at 12.30 to adopt them if finalised.**

**11. Winter resilience planning**

The Board were updated on our approach to winter resilience planning this year in relation to both core business operations and support for customers experiencing severe hardship.

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

**12. Performance report**

The Board reviewed performance for the year to date against our performance framework and strategic projects. No material adverse variations were identified and it was confirmed that we have a continued focus on core housing measures.

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

**13. Finance report**

The Board reviewed the financial results for the period to 30 September 2022 and the forecast full year out-turn following the completion of the first quarter. It was recognised that we were now entering a more challenging economic climate and that we would require to continue to closely monitor our financial performance.

**Decided: The Board**

- 1) noted the Group management accounts for the period ended 30 September 2022 at Appendix 1; and**
- 2) noted to approve the RSL Borrower Group accounts at Appendix 2 for submission to the Group's lenders.**

**14. Treasury update**

The Board were provided with a quarterly update on the liquidity position, cashflow forecasts and covenant returns to the Group's lenders. The Board received a more detailed update on the opportunity to restructure some elements of our fixed rates and agreed that the opportunity should be further explored.

**Decided: The Board**

- 1) Noted the Group's liquidity position as at 30 September 2022;**
- 2) Noted the Group's covenant compliance as at 30 September 2022; and**
- 3) Noted to approve a delegation of authority to the Group Chief Executive and/or the Group Director of Finance to restructure the fixed rate loan agreements in line with the criteria set out in paragraph 4.10.**

**15. Group legal services framework**

The Board received a report setting out the results of the procurement process for a new multi-lot framework for the provision of Legal and Associated Services for a contracted period of up to four years.

**Decided: The Board**

- 1) Noted to approve the award of a Group-wide framework agreement for the provision of Legal and Associated Services for a framework period of up to four years to the value of £3.6 million to the following providers:**

***Lot 1: Commercial Contracts***

- **Brodies LLP**
- **Morton Fraser LLP**
- **Shepherd and Wedderburn LLP**

***Lot 2: Legal Governance and Charities***

- **Brodies LLP**
- **Harper Macleod LLP**
- **Thorntons Law LLP**

***Lot 3: Legal Employment and General Civil Litigation***

- **Brodies LLP**
- **Thorntons Law LLP**
- **Burness Paull LLP**

***Lot 4: Financing***

- **Brodies LLP**
- **Harper Macleod LLP**
- **Pinsent Masons LLP**

***Lot 5a: Sheriff Officers – Central Scotland Region***

- **George Walker & Co t/a Walker Love**

***Lot 5b: Sheriff Officers – Dumfries and Galloway Region***

- **Stirling Park LLP**

- 2) Noted the framework agreement will commence on the 1<sup>st</sup> of December 2022 for a period of three years, with an optional 12-month extension period available to be taken at the sole discretion of the Wheatley Group.
- 3) Delegated authority to the Director of Procurement to enter into contract agreements with the providers proposed for appointment to the framework.

**16. AOCB**

There was no other competent business.

**Signed** \_\_\_\_\_

**Chair**