WHEATLEY HOUSING GROUP LIMITED
BOARD MEETING

Friday 20 June 2025

AGENDA

1. Apologies for absence
2. Declarations of interest
3. Minutes of meeting held on 30 April 2025 and matters arising
4. Group CEO update

Main Business

5. Group Business Continuity Policy
6. 2024/25 Annual Charter Returns and year-end update
7. People Services Annual Report
8. Treasury and funding update

Other Business

9. Governance update
10. Risk Management update
11. Finance report
12. AOCB

Report

To:	**Wheatley Housing Group Board**
By:	**Frank McCafferty, Group Director of Assets and Development**
Approved by:	**Steven Henderson, Group Chief Executive**
Subject:	**Group Business Continuity Review update**
Date of Meeting:	**20 June 2025**

1. Purpose

1.1 The purpose of this report is to:

- Seek approval of the updated Group Business Continuity Policy; and
- Provide an update on business continuity activity across the Group.

2. Authorising and strategic context

2.1 Under the Group Standing Orders the approval of certain Group policies is reserved to the Group Board. The Group Business Continuity Policy is one of the Group policies reserved to the Group Board.

2.2 Under the Intra Group Agreements the Group Board reserved the right to designate policies as applying Group-wide and applicable to all Group partners.

2.3 Storm Éowyn and associated disruption to the delivery of services brought into sharp focus the importance of having robust, well-understood business continuity plans.

3. Background

3.1 We provide a range of services which, if materially disrupted, could have a significant impact on our customers, a number of whom have vulnerabilities or specific needs. Our Group Business Continuity Policy and strategy have provided the foundations for our strong culture of resilience planning.

3.2 We undertake a review of all our Group policies on at least a triennial basis or where specific changes in our operating environment relevant to our policy position occur.

4. Discussion

Group Business Continuity Policy and Strategy Review

4.1 The triennial review of the existing Business Continuity Policy and Strategy was scheduled for this year. Following the lessons learned exercise undertaken after Storm Éowyn we accelerated the review to incorporate it into the review of our policy and wider approach to business continuity.

4.2 As part of the review of the policy and strategy we have continued to align it with the well-established and recognised International Organisation for Standardisation ("**ISO**") for Business Continuity Management Systems. The core principles of the standard are as follows:

- Clear responsibilities
- Clear objectives
- Communications
- Testing

4.3 The standard is well established and proven and adopting it provides us with additional assurance that our approach is consistent with best practice.

4.4 In keeping with the core principles of the standard in terms of clear responsibilities and objectives it is proposed that we merge the existing policy and strategy documents into a single Group policy. This provides a single view of our approach to business continuity.

4.5 The updated policy is attached at Appendix 1. There are no material changes to the existing policy, the focus has been on strengthening the alignment of the language and structure with the ISO standard and consolidating the existing policy and strategy.

<u>Group Business Continuity plans</u>

4.6 We have Business Continuity Plans for each subsidiary as well as each corporate function. These plans were developed based on a standard template to ensure they cover the core elements of the policy and strategy.

4.7 In parallel with the review of the policy and strategy we undertook a review of how our business continuity is operating in practice. This included:

- Reviewing the existing templates
- Reviewing the Business Continuity engagement forums
- Considering areas where further testing or planning may be beneficial.

4.7 As part of this, we identified a number of areas where a distinct Group business continuity plan approach would better support our response to a major disruption as it would impact multiple subsidiaries and functions. The new response plans, which included the existing Ransomware response plan, being aligned to the business continuity plan structure, were as follows:

- Severe Weather - completed
- Mass Evacuation - tenants - completed
- IT Ransomware/ Disaster Recovery - completed
- Pandemic Response - June 2025

4.8 For each of these plans the Board would be provided updates upon them being invoked and, where necessary, this may require a short notice meeting to be convened.

4.9 As a ransomware event is linked to a risk on the Board's strategic risk register it is subject to additional scrutiny. The Group Audit Committee received a bi-annual update on our cyber security arrangements, which includes updates on how we seek to mitigate the risk and put measures in place to respond to a cyber event.

Monitoring, oversight, testing and support

4.10 We regularly update and, adopting a risk-based approach, monitor and test our business continuity plans. Our repairs business continuity plan is subject to regular review and is currently being tested in conjunction with our ransomware response plan. Our approach to testing is inclusive, with staff who would have key roles in enacting related plans directly involved.

4.11 The areas of highest risk, such as a ransomware event or a mass evacuation, are such because of the impact they would have on customers and services. This means that our testing approach is through workshops which simulate a business continuity event occurring.

4.12 During the workshops we will test if people are clear on roles and responsibilities, what actions to take and when and what the escalation triggers are. We will also consider if the assumed responses remain the right ones and if where there is a role for partners that we are clear who they are and, if appropriate, engaged as part of the process.

4.13 In relation to ransomware we engage with external expertise in monitoring our resilience and response plans. This is through a combination of our expert external advisors NCC undertaking Incident Response Reviews where they test out technical responses to attacks of increasing severity. The last report in November 2024 concluded that:

"Overall the Incident Simulation exercise has shown that Wheatley are in a strong position, at a technical level, to manage a real cyber incident through excellent planning and strong leadership. The team have continued to develop together over the past twelve months, when a similar exercise was delivered. The technical knowledge, understanding of roles and responsibilities, and technical processes were evident, with a joined up approached displayed from the technical practitioners throughout"

4.14 We also engage with our insurers on an annual basis and each year have been increasing the level of specificity we agree with them in terms of our response plan. There is a workshop being planned with our insurers for late summer to further refine our approach and alignment.

4.15 Where an actual event occurs, such as Storm Éowyn the lessons learned review is reflected in our business continuity arrangements. Following the storm, we developed a standalone severe weather policy and severe weather Group business continuity plan.

4.16 Our overarching approach to monitoring, testing and staff training was reviewed alongside the policy and strategy and it is intended that the following will be implemented alongside the new policy:

- Annual update to Boards;
- Bi-Annual Executive team updates;
- Quarterly Business Continuity senior steering group;
- BC plans tested – at least biannually (more frequently for higher risk areas);
- Mandatory e-learning Training for all staff (3 yearly); and
- All plans to be reviewed annually by leads.

4.17 As part of the annual update to the Board we will set out testing undertaken during the prior year, any key findings and associated actions, planned testing for the year ahead and where each plan is within the bi-annual cycle.

4.18 As part of the policy renewal the core details of the policy and associated responsibilities will be communicated across the Group. This will include through our staff intranet, mandatory training, manager's briefing and team meetings. As part of our future testing we will test staff awareness of specific business continuity plans.

5. Customer Engagement

5.1 A key area of focus in a number of our business continuity plans is how we engage and communicate with customers should a disruption occur. This is a particular area of focus for plans which impact on our ability to deliver repairs and handle calls.

5.2 Our focus is not just on the event itself but also on how we engage and communicate with customers throughout the recovery process, for example, as we restore a full repairs service and reschedule repairs.

6. Environmental and sustainability implications

6.1 There are no specific environmental and sustainability considerations required from this report.

7. Digital transformation alignment

7.1 There are no direct digital transformation implications associated with this report. The impact of a loss of technology more widely however is a key feature within our business continuity planning.

8. Financial and value for money implications

8.1 The are no financial and value for money implications associated with this report.

9. Legal, regulatory and charitable implications

9.1 There are no legal, regulatory or charitable implications associated with this report.

10. Risk Appetite and assessment

10.1 The Group risk appetite relating to issues of technical compliance is averse, defined as avoidance of risk and uncertainty is a key organisational objective.

11. Equalities implications

11.1 There are no equalities implications associated with this report.

12. Key issues and conclusions

12.1 The Group Business Continuity Policy now consolidates our approach into a single document, which reflects the International Organisation for Standardisation for Business Continuity Management Systems.

12.2 We have refined our approach to business continuity with the establishment of Group plans which reflect the nature of certain types of events where a single coordinated Group wide approach is required and will enhance our resilience.

12.3 We recognise that the testing of plans is a key element of building organisational capability and memory, which can allow plans to be enacted rapidly and effectively where necessary. Our refreshed approach places greater emphasis on testing the plans and engagement of staff within the testing.

13. Recommendations

13.1 The Board is asked to approve the revised Group Business Continuity Policy attached as Appendix 1 and its designation as a Group Policy.

LIST OF APPENDICES:

Appendix 1 – Business Continuity Policy

Wheatley Group

Making homes and lives better
wheatley-group.com

Business Continuity Policy

We will provide this policy on request at no cost, translated, in large print, in Braille, on tape or in another non-written format.

We can produce information on request at no cost in large print, in Braille, on tape or in another non-written format. We can also translate this into other languages. If you need information in any of these formats please call us on 0800 479 7979 or email info@wheatley-group.com

Możemy, na życzenie, bezpłatnie przygotować informacje dużą czcionką, w alfabecie Braille'a, na taśmie lub w innym niepisanym formacie. Możemy je również przetłumaczyć na inne języki. Jeśli potrzebujesz informacji w którymkolwiek z tych formatów, zadzwoń do nas pod numer 0800 479 7979 lub wyślij e-mail na adres info@wheatley-group.com

Podemos produzir informações mediante solicitação e sem custos, em impressão grande, Braille, cassete ou noutro formato não descrito. Também podemos traduzi-las em outros idiomas. Se precisar de informações em qualquer um destes formatos, contacte-nos através do número 0800 479 7979 ou envie um e-mail para: info@wheatley-group.com

يمكننا إنتاج معلومات عند الطلب مجانا مطبوعة بأحرف كبيرة أو بطريقة برايل أو على شريط أو بتنسيق آخر غير مكتوب. يمكننا أيضا ترجمة هذا إلى لغات أخرى. إذا كنت بحاجة إلى معلومات بأي من هذه التنسيقات، فيرجى الاتصال بنا على 0800 479 7979 أو إرسال بريد إلكتروني إلى info@wheatley-group.com

در صورت درخواست، می‌توانیم اطلاعات را در چاپ بزرگ، خط بریل، روی نوار یا در فرمت غیرنوشتاری دیگری ارائه دهیم. همچنین می‌توانیم اطلاعات را به سایر زبان‌ها ترجمه کنیم. در صورت نیاز به اطلاعات بیشتر در هریک از این فرمت‌ها، لطفاً از طریق شمارهٔ 0800 479 7979 با ما تماس بگیرید یا ایمیلی به info@wheatley-group.com ارسال کنید.

ہم درخواست پر معلومات کو بڑے حروف، بریل، ٹیپ پر یا کسی اور غیر تحریری صورت میں بغیر کسی لاگت کے مہیا کر سکتے ہیں۔ ہم اس کا دوسری زبانوں میں ترجمہ بھی کروا سکتے ہیں۔ اگر آپ کو ان میں سے کسی صورت میں یہ معلومات درکار ہوں تو برائے کرم ہمیں 0800 479 7979 پر کال کریں یا info@wheatley-group.com پر ای میل کریں۔

Approval body	*GROUP BOARD*
Date of approval	*TBC*
Review Year	*2025*
Customer engagement required	*NO*
Trade union engagement required	*Yes – FOR INFO*
Equality Impact Assessment	*N/A*

Contents

Policy Statement

This Business Continuity Policy (BC Policy) establishes Wheatley Group's commitment to business continuity and aligns with the principles of ISO 22301:2019 International Standard for Business Continuity.

It is Wheatley Group policy to:

- Regard business continuity as a key organisational activity and maintain a comprehensive business continuity approach to implement and manage this;
- Identify the critical business activities of the Wheatley Group through business impact assessment on events that could result in significant business disruption;
- Implement an appropriate business continuity strategy that meets the needs of Wheatley Group;
- Develop and implement business continuity plans to manage business disruption, that cover Wheatley Group information systems, levels of service, operations, premises and employees;
- Regularly test business continuity plans to ensure that they:-
    - Have capacity to maintain or rapidly recover business critical activities;
    - Maintain the availability of key resources to support critical activities; and
    - Prevent or limit the disruption to customers, stakeholders and staff.
- Define the roles and responsibilities of individuals involved in business continuity planning and management and provide appropriate levels of training to ensure that these responsibilities are carried out competently;
- Regularly review Wheatley Group business continuity plans, policies and responsibilities to ensure that the business continuity approach remains appropriate to its needs and is continuously improved

This policy provides a clear statement of our commitment to ensure that critical Wheatley Group business activities can be maintained during a disruption.

A copy of this policy is available to all interested parties via the Wheatley Group and subsidiary websites.

Background

The Wheatley Group Business Continuity Policy is intended to provide the foundations for the Wheatley Group and all subsidiaries ('the Group') around which BC capability is designed and built, to ensure we have in place the measures to manage business interruptions efficiently and effectively.

BC is a holistic process that identifies potential threats to an organisation and the impacts to business operations that those threats, if realised, might cause. The implementation of appropriate BC arrangements and capabilities forms an element of our overall risk approach. It provides a structure for an effective response that safeguards the interests of customers and key stakeholders and protects Wheatley Groups reputation.

The establishment of a BC Policy is recognised as good practice in line with the principles of the ISO 22301:2019 standard (as illustrated below) and the Plan, Do, Check, Act model.

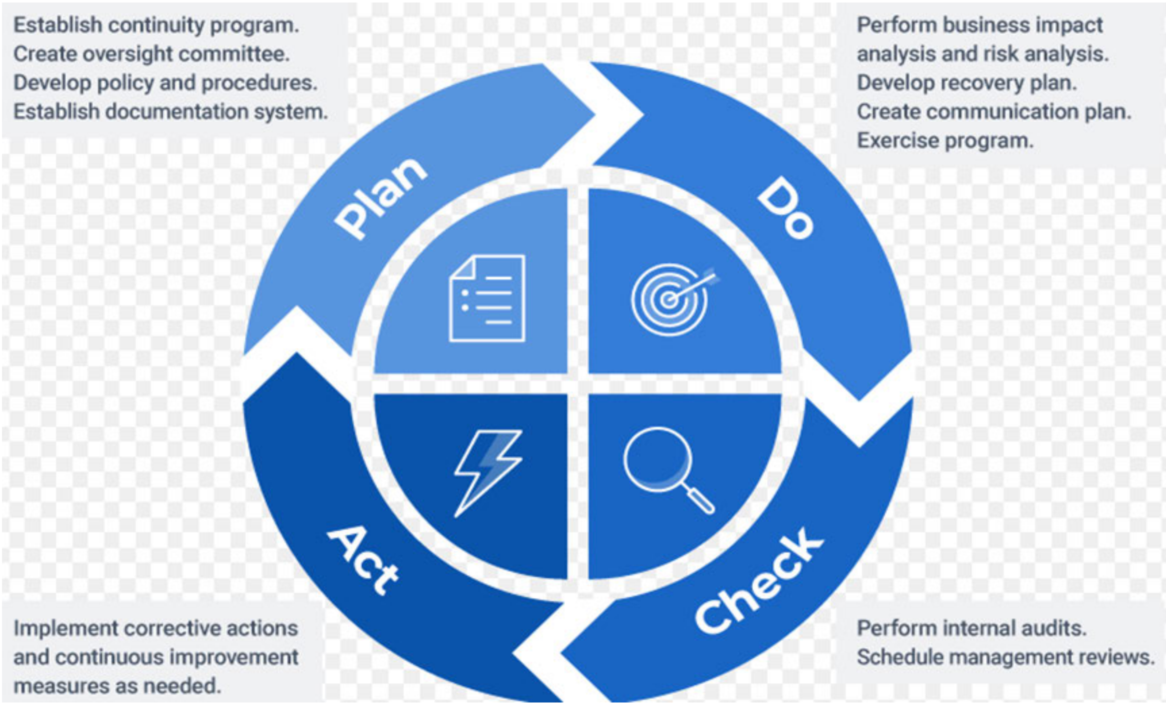
This Policy covers the Wheatley Housing Group and all subsidiaries

We will develop and maintain a practical and effective BC approach following the methodology of a BC lifecycle with the long-term goal being to improve the organisation's BC capability and hence its resilience.

There are many benefits to be gained by embedding good business continuity practices into our culture and organisation. These include: -

- Ensuring the safety and wellbeing of our staff;
- Minimising the impact of significant unplanned interruptions on customers and people we work for;
- Preventing or limiting the impact on stakeholders;
- Demonstrating effective and efficient governance of business risks;
- Protecting the Group's assets and minimising financial impacts; and
- Meeting insurance, legal and regulatory requirements.

Plan Do Check Act model diagram:



Section 1
Introduction

1.1 Wheatley Group is Scotland's leading housing, care and property-management group and one of the UK's best-accredited organisations. Owning or managing over 95,868 homes, Wheatley delivers award-winning services to over 210,000 people across 19 local authorities in Scotland.

1.2 The purpose of the Business Continuity Policy is to provide resilience for critical business activities through the implementation of controls that minimise the impact of a disruption on its business products, level of service, operations, premises, employees and infrastructure.

1.3 Our Group subsidiaries are:
- Wheatley Homes Glasgow
- Wheatley Homes East
- Wheatley Homes South
- Loretto Housing Association
- Wheatley Care
- Lowther Homes
- Wheatley Solutions
- Wheatley Foundation

1.4 Additionally, it is recognised that the following business areas within the Group shall form a key role in their management of business continuity:
- Customer First Centre
- IT and Digital Services
- Neighbourhood Environmental Team (NETSs)
- Repairs Services

1.5 It should also be noted that City Building Glasgow (CBG) is a shared 50/50 split Joint Venture with Glasgow City Council and Wheatley Group. We will work with CBG to ensure that business continuity arrangements are coordinated to support delivery of an effective service.

1.6 In order to adequately address the need for Business continuity capacity to be maintained the Group will, in line with the principles of ISO 22301 carry out Business Continuity impact analysis and risk assessments, and depending on the outcomes of these pursue strategies and solutions which:
- meet the requirements to continue and recover prioritised activities within the identified time frames and agreed capacity
- protect the organisation's prioritised activities;
- reduce the likelihood of disruption;
- shorten the period of disruption;
- limit the impact of disruption on the organisation's products and services; and
- provide for the availability of adequate resources.

Further to the above analyses the Group will develop appropriate Subsidiary and Business Area Business Continuity Plans in order to minimise the impact of incidents when they do occur.

1.7 This Business Continuity Policy applies to all employees of the Group and its subsidiaries in supporting business continuity planning and its execution. Adherence to the Business Continuity Policy is an individual and corporate responsibility.

1.8 Should you require any assistance or guidance with any business continuity matter, please contact #wheatleyhealthandsafety@wheatley-group.com

Section 2
Aims and Objectives

2.1 Regardless of the nature of the incident which causes a business interruption or impact, (for example pandemic, staff absence, power outage, digital information loss or destruction) there must be a documented and fully understood incident response structure in place. Our BC approach outlines the methodology for our BC response to an incident.

2.2 The purpose of this policy is to provide the foundations and set the approach around which the BC capability is designed and built, to ensure we have in place the preparatory measures to manage business interruption efficiently and effectively.

2.3 **Aims**

- To ensure critical services to customers and critical business processes are maintained in the event of a significant disruption to normal operations by introducing a consistent BC approach across the entire Group; and
- To ensure BC planning and management is successfully embedded, via the integration of the approach and processes with our strategic and day-to-day business practices as well as aligning it with business priorities.

2.4 **Objectives**

In order for an effective BC approach to be successfully embedded, our objectives are to:

- Appoint BC Leads and Co-ordinators in each of the Group subsidiaries and business areas;
- Establish BC Response Teams in each of the Group business areas to include a nominated BC Co-ordinator;
- Ensure that leaders and senior management take individual responsibility supporting BC across the Group and within each subsidiary;

- Ensure that roles and responsibilities are clearly defined and adequate training provided that is commensurate with the level of staff responsibility and involvement;
- Ensure that all departments undertake business impact assessment (BIA) to enable production of business continuity plans;
- Implement a BC approach supported by appropriate action plans and monitored by the Business Continuity Implementation Working Group, and co-ordinated by the organisational BC Lead;
- Identify and mitigate corporate BC risk by ensuring BC plans are developed, are in place and followed;
- Ensure compliance with all aspects of BC is achieved through a programme of monitoring;
- Promote continuous improvement of the effectiveness of BC by means of a suitable testing and exercise programme;
- Measure and benchmark our BC arrangements against best practice to ensure continuous improvement;
- Ensure all BC documents are readily available for all responsible parties, and that records of these documents are appropriately held in both hard copy and electronic format at appropriate locations as required; and
- Ensure BC is aligned with the Wheatley Group Crisis Management Plan.

Section 3
Roles and Responsibilities

3.1 **General**

3.1.1 For BC planning to embed successfully, clearly defined roles and responsibilities require to be assigned. It is essential that both management and staff take on an appropriate level of responsibility.

3.1.2 The following roles have been assigned as BC Leads across the Group to enable us to meet our BC obligations. Further details of their responsibilities are detailed in section 3.2 onwards below.

Subsidiary	Responsibility Holder
Wheatley Homes Glasgow	Managing Director
Wheatley Homes East	Managing Director
Wheatley Homes South	Managing Director
Loretto Housing Association	Managing Director
Lowther Homes	Managing Director
Wheatley Care	Managing Director
Wheatley Foundation	Managing Director
Wheatley Solutions	Director(s)
Business Area	**Responsibility Holder**
Neighborhood & Environmental Services	Director
IT & Digital Services	Director
Customer First Centre	Director

3.2 Wheatley Group Chief Executive

3.2.1 The Chief Executive has overall responsibility for business continuity within the Group.

3.3 Director of Group Health and Fire Safety

3.3.1 The Director of Group Health and Fire Safety will be responsible for the following:

- Review and development of Group Business Continuity Policy and Strategy documents at least every 3 years, or more often in the event of significant changes;
- Monitoring of compliance with the above by Group subsidiaries and business areas, including by implementation of a programme of regular audit according to activities and risk profile;
- Ensuring appropriate training on business continuity is provided and completed by all relevant role holders, and in particular their completion of 3 yearly BC E-Learning;
- Provision of guidance and assistance to all relevant role holders across the Group, as required, by dedicated staff specialising in BC; and
- Chairing of the Business Continuity Implementation Working Group.

3.4 Group Directors

3.4.1 All Group Directors have overall responsibility for ensuring that:

- BC arrangements within their respective subsidiary / business areas are in place;
- BC Leads are appointed to oversee and manage the BC response within their respective business areas;
- The necessary resources and support are provided to BC Leads to implement an effective BC response; and
- BC Leads are supported as necessary to act as a conduit for information between the BC Response Team and other Group Directors and Group Chief Executive Officer.

3.5 Managing Directors and Directors (Business Continuity Leads)

3.5.1 Managing Directors have overall responsibility for ensuring that:

- They act as the responsible lead person for business continuity within their respective business areas;
- BC response is co-ordinated as necessary;
- A BC Co-ordinator is appointed, and BC Response Team is put in place within their respective business areas for the effective management and maintenance of their business continuity plans and response;
- BC plans and the associated Business Impact Assessment are established and maintained within their respective business areas;

- Appropriate resources for the training of relevant members of staff and exercising of BC plans are made available to maintain their validity and effectiveness; and
- Information is collated and lessons learned from live business continuity incidents and test exercises and that these are share across their teams and the wider Group as necessary.

3.6 Business Continuity Co-ordinator

3.6.1 The BC Co-ordinator has responsibility for ensuring that:

- BC plans are developed, communicated and implemented within their respective subsidiary / business area; and
- BC plans are regularly reviewed, monitored and tested.

3.7 Business Continuity Response Teams

3.7.1 The BC Response Team led by the BC Co-ordinator will have responsibility for designing and implementing their respective BC plans and business impact assessment (BIA) in line with the principles of ISO 22301:2019, as well as monitoring BC activity across their subsidiary / business area. They will also be responsible for ensuring that:

- Adequate levels of general awareness are achieved regarding BC including being familiar with local BC plans;
- They are familiar with any specific role or responsibility assigned to them;
- They participate actively in BC familiarisation, training and exercises when required; and
- They familiarise themselves with and follow the principles outlined in section 4 of this document.

3.7.2 When a business disruption event occurs the BC Response Team, under the direction of the BC Lead and BC Co-ordinator has the following mandate:

- Ensure the safety of life over-rides all other considerations;
- Consult local BC plans and follow actions specified;
- Prioritise business critical services to be delivered over all others. Some non-critical business services may not be delivered during a disruption event;
- Instruct staff not to attend work or to deliver a limited service for the duration of the business disruption event and communicate their duties via a single point of contact;
- Offer staff and resources to other partners and statutory authorities;
- Instruct staff to follow direction of statutory authorities; and
- Request where required key suppliers provide appropriate resources.

3.8 **Managers and Employees**

3.8.1 All managers and employees will have responsibility to support the business continuity approach, including assisting with the development and testing of local BC plans, where necessary. Managers specifically, are also required to take part as required in the testing of the overall business BC plan.

3.9 **Business Continuity Implementation Working Group**

3.9.1 The role of the BC Implementation Working Group is to provide a forum to review and maintain our BC approach and BC arrangements, and also to share knowledge and experience of outcomes from BC events and testing.

3.9.2 The BC Implementation Working Group will meet every 3 months and be led by the Director of Group Health and Fire Safety. The Group will have representation from relevant business leads, for their respective business areas to review and maintain their business continuity plans and arrangements.

3.10 **Group Health and Safety Team**

3.10.1 The Group Health and Safety Team will implement a programme of regular audit of business continuity compliance across all Group subsidiaries and functions. Communication of the results of this programme, including any non-conformities identified and actions arising, will be made on an ongoing basis to the BCI Working Group.

3.11 **Assurance**

3.11.1 Business continuity across the Group may be subject to Group Assurance team audit, at the discretion of the Assurance Team.

Section 4
Business Continuity Plans

4.1 **Subsidiary Business Continuity Plans**

Each subsidiary will have a plan or plans to ensure that the subsidiary is able to respond to any incident affecting either the delivery of products and/or services to customers, or to an incident that directly affects customers' homes or personal safety, e.g. fire or flood. This includes a plan that addresses any incident affecting the building(s) in which subsidiary staff are based.

As a minimum, each business continuity plan should include the following essential elements:

- Responsibility for the BC plan
- Scope of the plan
- Roles and responsibilities in the event that the plan is activated
- Communication information (managers, colleagues, Group Services, suppliers)
- Link to area / local plans
- Testing regime

The Director of each subsidiary is responsible for the development and maintenance of its own business continuity plans. Each plan will be approved by the relevant Managing Director. The most senior officer at each separate building location is responsible for the plan for that building.

The Group policy recognises the need for consistency of approach but also recognises that each part of the Group is different – they have different geography, scale, properties and customers. Subsidiaries have responsibilities to respond to business continuity events affecting customers and may also have responsibility for delivering services from specific locations e.g. offices, depots.

4.2 Business Area BC Plans

Business Continuity plans will in addition be required in the following areas with cross functional responsibilities:

- Wheatley 360/ NETS
- Customer First Centre
- IT and Digital Services
- Repairs Services

4.3 Local Business Continuity Plans

Additional Business Continuity plans may be created where necessary to facilitate appropriate Business Continuity response. It is envisaged that such plans will be necessary, in particular, for functions carried out by Wheatley Solutions, Wheatley Care, CFC and Repairs.

4.4 Supplier Business Continuity Plans

A number of key suppliers have been identified whose business continuity plans are regularly reviewed in conjunction with testing of the Group's plans to ensure that there is understanding of respective roles and responsibilities in the event of a business interruption event. Failure of these could cause a business continuity event, affect our ability to respond to an event of our own or be required only in the event of a crisis.

4.5 Procedural Guidance for Business Continuity Events

In addition to specific Business Continuity actions contained within individual plans, the Group may develop and use as reference further procedures relating to topics considered to have widespread impact e.g. Severe Weather, IT disruption. These procedures may also have dual application in respect of issues dealt with under the remit of Group Crisis Management Plan.

4.6 Testing of BC Plans

A programme of regular testing of the effectiveness of all BC Plans will be undertaken by all BC Lead and BC Co-ordinators, according to frequencies and methodologies outlined in a separate BC guidance document developed for the Group, available on WE Connect.

The Group H&S Team will monitor outcomes of these test exercises and ensure that lessons learned are applied across all subsidiaries and business areas.

Section 5
Legal /Regulatory Approach and Guidance

5.1 The Group approach and approach used to develop our Business Continuity documentation has been derived using the principles of ISO 22301:2019 Security and Resilience – Business Continuity Management Systems.

5.2 In pursuit of implementation of this approach we will adhere to the principles of the General Data Protection Regulations where applicable

Section 6
Policy Review

6.1 This policy shall be reviewed three yearly; however, regular reviews will be considered where, for example, there is a need to respond to changes to legislation or technical guidance. Reviews will consider legislative, performance standard and good practice changes.

6.2 The Group will publish this policy on our staff intranet, WE Connect, and on our website. A hard copy is also available on request. Customers may also request a copy of the policy in other formats and community languages e.g. Braille.

Section 7
Equal Opportunities Statement

7.1 This Policy aligns the Group's Equity, Diversity and Inclusion (EDI) and Human Rights Policy. We recognise our pro-active role in valuing and promoting EDI and equity of opportunity by adopting and promoting fair policies and procedures.

7.2 We are committed to providing fair and equitable treatment for our stakeholders and will not discriminate against anyone on the grounds of race, ethnicity, nationality, language, religion, belief, age, sex, sexual orientation, gender re-assignment, trans history, disability, marital status, pregnancy or maternity.

7.3 As required, we carry out Equality Impact Assessments on relevant policies, strategies, projects and frameworks to help us take appropriate action to address positive negative impacts or maximise potential positive impacts.

Section 8
Relationship to Other Policies

8.1 This policy should be read in conjunction with the following documents which can be found in the Group Policy Approach and on the staff intranet:

- Group Risk Management Policy
- Group Records Management Policy
- Group Data Protection Policy
- Group Health and Safety Policy

Report

To: **Wheatley Housing Group Board**

By: **Anthony Allison, Group Director of Governance and Business Solutions**

Approved by: **Steven Henderson, Group Chief Executive**

Subject: **2024/25 Annual Charter Returns and year-end update**

Date of Meeting: **20 June 2025**

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1. Purpose

1.1 This report provides the Board with a year-end update on our progress against targets and strategic projects in the Delivery Plan for 2024/25 and the Annual Return on the Charter ("**Charter**") 2024/25 for our Group's Registered Social Landlords ("**RSLs**").

2. Authorising and Strategic context

2.1 Under our Group Standing Orders the Board has an ongoing role in monitoring the performance of subsidiaries against the agreed measures. Individual RSL Boards are responsible for monitoring their performance against agreed targets and approving their Charter submissions. The measures, projects and targets for 2024/25 were agreed by this Board and RSL Boards in April/May 2024.

2.2 The figures reported for the Charter have now been submitted to the Scottish Housing Regulator ("**SHR**") and are subject to further validation and checks by SHR, with final validated figures published by SHR in the autumn.

3. Background

3.1 Our RSLs are responsible for meeting the standards and outcomes set out in the Charter and are accountable to tenants for how well they do. The Charter is part of the SHR's assessment of how these outcomes are being met. All RSLs and Local Authority housing services are required to submit Charter results by 31 May each year. Our RSL returns, following review and approval by each RSL Board, were submitted by the regulatory filing deadline and are subject to standard validation and checks by SHR prior to final validated figures published by SHR in the autumn.

3.2 We use Scotland's Housing Network ("**SHN**"), a membership organisation for Local Authorities and RSLs, to provide benchmarking data from its membership (119 member RSLs and Local Authorities across Scotland) in advance of this.

3.3 There are 32 Charter measures, of which seven have remained as at the 2023/24 ARC performance submissions - our customer satisfaction surveys (6 tenant indicators and 1 factored owner indicator). The satisfaction measures are required to be submitted every three years rather than annually.

4. Discussion

4.1 Over 2024/25 we continued to advance key priorities within our five-year strategy through the delivery of a number of strategic projects and strong performance against a number of strategic measures. We also continued to deliver strong operational performance against our ARC-related targets and compliance measures. Key highlights included:

- **Wheatley Homes South ("WHS") achieving 90%+ tenant satisfaction** in its independent tenant satisfaction survey;
- Developed a Group **Asset Strategy** and Asset Investment Plan for each RSL and Lowther;
- **Continued to refine** our Customer First Centre ("**CFC**"). We have implemented geographical teams within the CFC and have been piloting customer call transcriptions and natural language processing which will underpin identification and verification processes;
- Continued to lead the way nationally in alleviating homelessness, exceeding our target by **providing homes to 2600+ homeless households,** taking the total to over 9700 over the life of our strategy;
- **Achieved high tenancy sustainment levels**, with 90%+ achieved;
- Working alongside tenants, communities and partners continuing to **progress major regeneration projects** at Wyndford and Lochside; and
- **Exceeding 2023/24 Scottish Average and 2024/25 SHN member benchmarks** in a range of key ARC measures, including arrears and average days to let.

4.2 A more detailed update on performance relative to the Charter and other performance measures, along with strategic projects, is set out below.

Charter Returns

4.3 This section presents a summary of key Charter measures, highlighting where they are also a strategic result under our Performance Management Framework. A full set of draft Charter results for each RSL alongside the 2023/24 Scottish average and the 2024/25 SHN member average is provided in Appendix 1.

Gross Rent Arrears

4.4 Gross Rent Arrears for our RSL group at the end of 2024/25 was 5.06%. An improved position from last year's 5.37% and outperforming our 5.2% target. We continue to outperform the most recent Scottish average benchmark available, 6.7%, via the SHR for 2023/24.

4.5 WHS, Wheatley Homes Glasgow ("**WHG**") and Loretto ended 2024/25 better than their respective targets and the previous year's performance, with Wheatley Homes East ("**WHE**") slightly above target. All RSLs showed improvement in the final month of reporting.

Table 1

Gross Rent Arrears	Mar/P13	2024/25 target	Previous period - Feb/P12	Variance from previous period	2023/24 Result
WHE	4.96%	4.52%	5.22%	0.26	4.61%
WHS	3.97%	4.25%	4.35%	0.38	4.33%
WHG	5.44%	5.50%	5.72%	0.28	5.86%
Loretto	3.38%	3.60%	3.76%	0.38	3.67%
Group RSLs	**5.06%**	**5.20%**	**5.36%**	**0.30**	**5.37%**

Average Days to Re-Let

4.6 The average days to re-let for our RSL group in 2024/25 was 17.53 days, which still outperforms the Scottish average of 56.70 days published by the SHR for 2023/24.

4.7 The table below provides full-year results by RSL and last year's results. All RSLs except WHG were better than the 16-day target, with WHS and Loretto showing improvement compared to last year.

Table 2

Average days to re-let (Charter)	2024/25	Target	2023/24
WHE	14.20	16	13.93
WHS	8.31	16	11.01
WHG	21.38	16	15.81
Loretto	9.72	16	10.87
Group	**17.53**	**16**	**14.51**

4.8 One of the drivers for the increase from 2023/24 for WHG was the work undertaken to return long-term voids to the letting pool. This represents a much quicker and more cost-effective way to add new supply than just building new homes. These were properties that required major works to bring them up to a lettable standard. WHG worked collaboratively with Glasgow City Council on a joint project to return properties to a lettable standard to alleviate supply issues in the city, including 25 Winget properties in Carntyne.

4.9 WHG have reduced their long-term voids by 46% this year. They will continue to review options for these going forward, including options for further projects with Glasgow City Council. Improving our days to let will be a key operational priority for WHG over 2025/26.

Lettable homes that became vacant

4.10 The percentage of lettable homes that became vacant (turnover) at the Group level improved from 6.95% in 2023/24 to 6.84% in 2024/25. This result is better than our 8% target and the Scottish average of 7.2% published by the Regulator for 2023/24. Turnover by our 4 RSLs is set out in the table below:

Table 3

% lettable homes that became vacant	2024/25 Result	2024/25 Target	2023/24 Result
WHE	6.31%	8%	6.25%
WHS	8.51%	8%	7.92%
WHG	6.62%	8%	6.91%
Loretto	5.39%	8%	5.52%
RSL group	**6.84%**	**8%**	**6.95%**

Tenancy Sustainment

4.11 Charter Tenancy Sustainment for the Group in 2024/25 was 93.27%, the highest in the four years of our strategy. We exceeded our 90% target and are now above the 91.20% Scottish average published by the Regulator for 2023/24.

4.12 As defined by the SHR, Charter tenancy sustainment relates to new lets made in the previous year and requires these lets to be sustained for more than a year.

4.13 Our adjusted tenancy sustainment measure (excluding deaths and transfers to another home within the Group) has also improved to 94.83% compared to 93.27% last year. The improving trend in tenancy sustainment across the Group during 2024/25 is shown in the chart below:

Chart 1

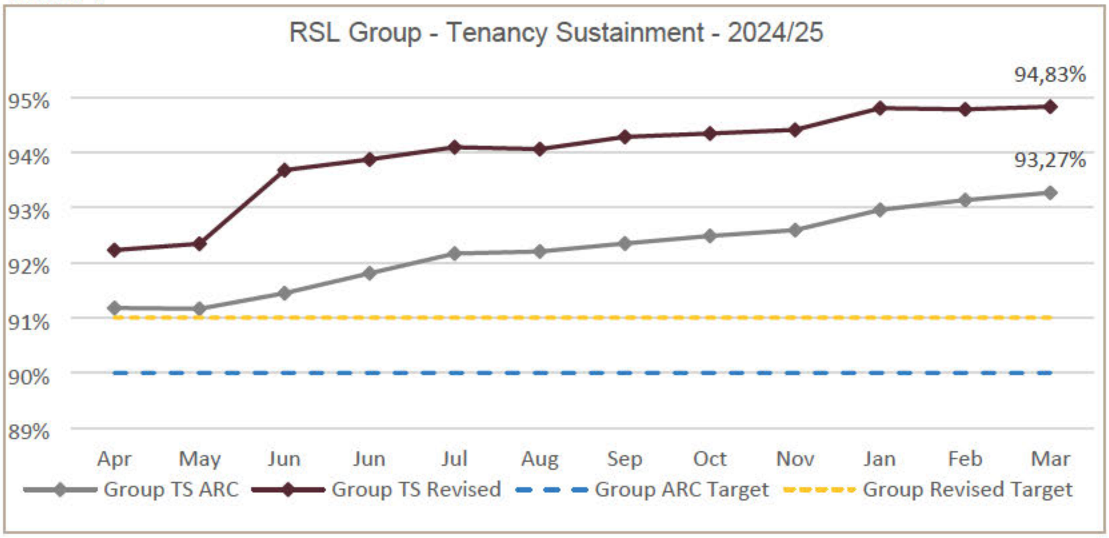

Table 4

RSL Tenancy Sustainment	Charter 2024/25	Target		Charter 2023/24	Revised 2024/25	Target		Revised 2023/24
WHE	94.42%	90%		91.77%	96.15%	91%		94.52%
WHS	90.81%	90%		86.10%	93.01%	91%		89.45%
WHG	93.61%	90%		92.00%	95.03%	91%		93.81%
Loretto	96.23%	90%		93.88%	96.20%	91%		94.52%
Group	**93.27%**	**90%**		**91.16%**	**94.83%**	**91%**		**93.27%**

Repairs

4.14 The average time taken to complete emergency and non-emergency repairs is detailed in the table below.

Table 5

Times to deliver repairs (Charter)	Emergency (hours)		Non-emergency (days)	
	Target	2024/25	Target	2024/25
WHG	3.00	3.26	7.50	7.90
Loretto	3.00	3.50	7.50	9.06
WHE	3.00	3.80	7.50	9.97
WHS	3.00	2.65	7.50	8.87
Group	**3.00**	**3.25**	**7.50**	**8.25**

4.15 At year-end, the Group average time to complete emergency repairs slightly exceeded the target at 3.25 hours, with WHS within target. This is an increase compared to the Group average of 2.91 hours for 2023/24 however is better than the 2024/25 SHN member average of 3.56 hours.

4.16 All RSLs exceeded the non-emergency target of 7.5 days, with the Group average at 8.25 days. This is a slight increase from 8.09 days in 2023/24 but is better than the 2024/25 SHN member average of 8.98 days.

4.17 Performance in WHG and WHE in particular was adversely impacted in the final two periods by Storm Éowyn. We have a specific plan in place to manage the reduction of the associated spike in jobs, most acute in Glasgow, and to date have been in line with projections for the reduction of jobs in Glasgow.

4.18 The Group right first-time results reduced slightly compared to 2023/24 shown in the following table, with all RSLs except WHG just below the 90% target. This indicator includes all responsive repairs which have gone over our targeted timescales. Therefore, this indicator was impacted by overdue repairs which increased after Storm Eowyn in January 2025. The SHR have removed the timescales element from this indicator as part of the 2025/26 ARC changes. This is better than the 2024/25 SHN member average of 87.81%.

Table 6

Percentage of repairs right first time (Charter)	2023/24	2024/25	Target	
WHG	91.62%	90.17%	90.0%	
Loretto	89.92%	86.83%	90.0%	
WHE	92.87%	88.11%	90.0%	
WHS	87.71%	89.49%	90.0%	
Group	**91.28%**	**89.76%**	**90.0%**	

Gas Safety

4.19 We continue to be in a 100% compliant position for gas safety with no expired gas certificates at year-end.

Scottish Housing Quality Standard ("**SHQS**")

4.20 The Charter 2024/25 results for SHQS and Energy Efficiency Standard for Social Housing ("**EESSH**") by RSL are shown in the table below, alongside figures for the previous year.

Table 7

RSL	Percentage of properties meeting the SHQS		Percentage of properties meeting the EESSH	
	2023/24	2024/25	2023/24	2024/25
WHS	87.79%	88.47%	91.36%	91.79%
WHG	99.55%	99.59%	100.00%*	100.00%*
WHE	99.52%	99.43%	99.68%	99.71%
Loretto	99.92%	99.93%	100.00%	100.00%

* reported at 2 decimal places based on 99.998%

Table 8

RSL	SHQS Exemption 2024/25	SHQS Abeyance 2024/25	Percentage of total stock with SHQS Exemption or Abeyance 2024/25	EESSH Exemption 2024/25	Percentage of total stock with EESSH Exemption 2024/25
WHS	860	319	13.03%	840	8.21%
WHG	22	150	0.41%	0	0.00%
WHE	0	20	0.30%	0	0.00%
Loretto	0	2	0.07%	0	0.00%

4.21 In relation to the exemptions and abeyances for SHQS and EESSH:

- **WHG** has no EESSH exemptions and for SHQS have 22 exemptions, 150 abeyances (including 35 abeyances for EICRs) and 1 fail;
- **WHE** has no EESSH exemptions and for SHQS have no exemptions, 20 abeyances (including 17 abeyances for EICRs) and 19 fails;
- **Loretto** has no EESSH exemptions, and for SHQS has 2 abeyances and no fails; and
- **WHS** has 840 EESSH exemptions but no EESSH fails. The reasons for EESSH exemption are 87 technical, 15 social, 733 excessive cost and 5 are long-term voids. There are 860 exemptions for SHQS and 319 abeyances. There are no SHQS fails.

4.22 The key issue in relation to SHQS property fails is access, with all 19 WHE fails relating to works required for heating systems that have not yet been able to be carried out due to access issues. The one WHG fail is expected to imminently move to pass on WHG's receipt of an updated EPC rating.

4.23 Of the properties in abeyance, the majority are where we have been unable to complete works due to the non-participation of owners. In addition, there are a total of 59 properties (WHG - 49, WHE - 7, Loretto - 2, WHS - 1) where we have been unable to gain access to carry out electrical fixed installation testing, despite multiple attempts. These will be considered for forced access if persistent access issues remain.

<u>Medical Adaptations</u>

4.24 We completed 1,751 adaptations in total, with the Group average time within the 25-day target at 24.53 days. The level and timing of grants through Local Authorities directly impact average completion times, with this being a particular issue in WHS.

4.25 The table below shows the number of households waiting, completions and the average time to complete adaptations by RSL.

Table 9

Medical Adaptations	Households Waiting 2023/24	Households Waiting 2024/25	Number Completed 2023/24	Average Days to Complete	Target
WHG	72	73	1,229	16.11	25
Loretto	3	0	64	17.13	25
WHE	0	10	92	20.15	25
WHS	0	1	366	55.19	25
Group	**75**	**84**	**1,751**	**24.53**	**25**

Non-Charter Performance

4.26 The following sections present draft year-end performance against non-Charter strategic and compliance measures by strategic theme, which are set out in full in Appendices 2 and 3.

Delivering Exceptional Customer Experience

CFC - Grade of Service

4.27 The year-end results for 2024/25, set out in the table below, show the CFC's performance against key measures for 2024/25.

Table 10

	2023/24	2024/25		
	Value	Value	Target	Status
Group – CFC CSAT	4.3/5	4.5/5	4.5/5	
Group - % calls answered <30 seconds (Grade of Service)	69.35%	68.27%	75%	
Group - Call abandonment rate	5.45%	6.70%	5%	
Group - Call abandonment rate - those waited over 30secs and abandoned	NEW	5.12%	4%	
Group - % of contacts to CFC resolved within CFC	NEW	89.79%	93%	

4.28 Customer satisfaction with the CFC (known as "**CFC CSAT**") remains the key indicator of the customer's perspective on their experience. The overall CFC CSAT score for the rolling 12-month period was 4.5/5 at the end of Q4, an improvement from the score of 4.4/5 at the end of Q3, with in-month CSAT for March 2025 achieving 4.5/5. Three of four subsidiaries are currently exceeding the 4.5/5 target – WHG (4.6/5), WHS (4.6/5) and Loretto (4.6/5).

4.29 Over the course of the year we transitioned the approach within the CFC to geographical teams for RSLs as well as a dedicated team handling Lowther Homes related calls. This was based on customer feedback, which indicated that call handlers having a more in-depth understanding of their RSL would improve the customer experience.

4.30 This transition from an overall pool of advisors who answered any call did result in a small increase in the average time to answer calls, the associated performance relative to the Grade of Service target, and the call abandonment rate. The customer feedback however has been positive since this change and is reflected in the high CSAT score.

4.31 The percentage of contacts to the CFC resolved within the CFC, without the need to be passed to teams outwith the CFC for resolution, was 89.79% at the end of 2024/25. We are currently experimenting with advisors retaining ownership for calls, which would otherwise ordinarily have necessitated a handoff, to establish if they could resolve it.

4.32 The early indications are that it is improving resolution, increasing CSAT and reducing repeat calls. We are expanding the pilot to further test these results at a greater scale and to establish the implications in areas such as call handling times and grade of service.

Complaints Handling

4.33 Our complaints handling timescale performance has improved over 2024/25 as shown in the table below. Our Stage 1 complaints for RSLs are now responded to in less than 4 days on average, [redacted] Stage 2 complaints are all well under the 20-day target.

Table 11

Charter - average time for a full response to complaints (working days)				
Subsidiary	**2023/24**		**2024/25**	
	Stage 1 (5-day target)	**Stage 2** (20-day target)	**Stage 1** (5-day target)	**Stage 2** (20-day target)
WHS	3.48	12.60	3.47	12.81
WHE	3.79	16.70	3.89	15.35
WHG	3.98	16.47	3.71	14.85
Loretto	3.48	15.17	3.59	15.66
[redacted]				

4.34 In addition to the Charter measures, we also require to report Scottish Public Sector Ombudsman ("SPSO") measures. The key performance measures to the end of 2024/25 for SPSO are summarised below, with the majority improving since last year. Further detail on SPSO measures is included in Appendix 4, alongside a Charter complaints summary.

Table 12

SPSO Indicator 2 - number and % of complaints at each stage that were fully closed within timescales of 5 and 20 working days			
Subsidiary	**Stage 1 - responded to within 5 working days**	**Stage 2 - responded to within 20 working days**	**Escalated complaints - responded to within 20 working days**
WHS	95.92%	100.00%	100.00%
WHG	96.48%	100.00%	100.00%
Loretto	99.66%	100.00%	100.00%
WHE	97.78%	100.00%	100.00%
[redacted]	[redacted]	[redacted]	[redacted]

Making the Most of Our Homes and Assets

New Build programme

4.35 Our target in 2024/25 was to deliver a total of 772 new homes (492 social rent and 280 MMR). A total of 844 homes were handed over, exceeding our target of 772. The table below shows the variance overall and by tenure and subsidiary:

Table 13

All New Builds			Social					[redacted]
		All	WHG (A)	WHG	LH	WHE	WHS	
Target	**772**	**492**	65	79	48	199	101	
Actual	**848**	**567**	8	83	63	312	101	
Variance	76	75	-57	4	15	113	0	

4.36 The WHG (A) represents the target of 65 acquisitions, which are subject to agreement with Glasgow City Council over grant funding. We acquired eight new build properties in 2024/25 in Drumchapel.

Investment in Improvement, Modernising and Maintaining Homes

4.37 In 2024/25, £84.8m has been invested in major improvements; £5m higher than budget. This was enabled by the additional capacity from the covenant change, investment to support the return of empty homes in Glasgow and Scottish Housing Net Zero projects which were both offset by additional grant income.

Volume of Emergency Repairs

4.38 The table below shows our position against the target to reduce the volume of emergency repairs by 10% by 2026. It was recognised that this was within the context of certain types of repairs requiring an emergency repair under our policy, the Right to Repair requirements and this being a demand led indicator.

4.39 We completed 99,629 in 2021/22 and 92,817 in 2024/24 which is a reduction of 6.84% over the first 4 years of the strategy. Compared to last year there was a very marginal increase in the number of emergency repairs. We have kept our emergency repairs under review, in particular the accuracy of diagnosis and quality assuring this within the CFC.

Table 14

Area	Completed Emergency Repairs		
	2023/24	2024/25	Variance to 2023/24
WHG	66,640	66,165	-0.71%
Loretto	4,212	4,509	7.05%
WHE	8,938	10,063	12.59%
WHS	13,015	12,080	-7.18%
Group	**92,805**	**92,817**	**0.01%**

Rate it

4.40 'Book It, Track It, Rate It' aims to improve visibility and communication during the repair journey. The Rate It element provides an opportunity for customer feedback on the experience on the day of a repair.

4.41 Performance for the West for 2024/25 is 4.5/5 (90%) from 25.593 ratings, 18.93% of all the feedback links shared with customers. For the East, the position is 4.4/5 from 2,540 responses, with a return rate of 15.96% of customer feedback links generated. For the South, the position is 4.7/5 from 6,623 responses, 16.84% of the customer feedback links.

My Voice

4.42 We also survey customers through MyVoice to gauge their satisfaction after the repairs have been completed. These surveys were carried out for the full performance year for Loretto Housing and from November 2024 for WHG. Any expressions of dissatisfaction are monitored and we contact customers with low satisfaction to discuss how their issues can be resolved. The results of these surveys are also discussed at monthly Customer Insight meetings to learn from any issues and, where appropriate, take action to address them.

4.43 Over 2024/25 we received just under 5,500 responses to these surveys. Loretto had a satisfaction rating of 4.3/5 and WHG 4.2/5 which, when applying the ARC equivalent methodology, equated to 78% satisfaction for both.

Damp and Mould

4.44 On 14 January 2025, the SHR included three new indicators for reporting on damp and/or mould in the Charter, applicable from financial year 2025/26. These results will then be included in our ARC submission from May 2026 onwards and reported to the Board over 2025/26. The early data shows that condensation (with the other two categories being ‘structural’ or ‘other’) has been the category of cause in over half of all cases.

4.45 In 2024/25 we have attended 74.42% of mould inspections within two working days at year end. For those out-with the 2 days, almost half (45.8%) were due to a customer's request for later appointment.

Table 15

Inspections completed	Category			
	No Mould Found	3 (mild)	2 (moderate)	1 (severe)
12,149	2,225	9,494	418	12

4.46 To year end, 75.32% of remedial mould repairs were completed within 15 working days. In March, the in-month average time was 14.8 days.

Health and Safety

4.47 The last workplace fire was in December 2023 for Wheatley Care and since then there have been no further accidental workplace fires to the end of the year 2024/25. During 2024/25, there have been 11 RIDDORs compared to 18 for 2023/24.

4.48 We investigate all RIDDOR incidents to identify relevant causation factors and highlight corrective actions where necessary, to prevent a recurrence. No themes or systemic issues were identified within the RIDDORs last year.

Changing Lives and Communities

Care – Care Service Quality

4.49 Currently, Wheatley Care has 18 services with inspection reports. 15 of these have active inspection reports with grades of 5 or above, equating to 83.33% of services compared to 73.68% at the end of 2023/24.

4.50 Breaking this down further into Quality Themes/Key Questions, 56 out of 61 (91.8%) Quality Themes/Key Questions in the Wheatley Care services inspected received grades of 5 or above compared to 75.34% last year.

4.51 Over 2024/25 there were 17.3 reportable accidents and incidents per 1,000 customers in care. This is a slight decrease from 2023/24 when there were 18.3 reportable incidents.

Peaceful Neighbourhoods

4.52 The Group's five-year strategic target is that 70% or more of our tenancies should be classified as “Peaceful” by 2026. Peaceful tenancies are defined as those where customer-reported incidents of anti-social behaviour (“**ASB**”) to Police Scotland are reducing and social deprivation indicators (**SIMD**) in the tenancy’s associated data zone are improving.

4.53 As the table below shows, we achieved 74.01% of tenancies classified as ‘Peaceful’.

Table 16

Percentage of Wheatley Group tenancies classified as (year to date average):	2023/24	2024/25	
	Percentage	Number	Percentage
Safe	5.98%	3,955	6.46%
Calm	17.83%	11,956	19.53%
Peaceful	76.16%	45,334	74.01%

4.54 During 2024/2025 we started the year off by embedding the ASB and Neighbourhood Management Polices that were approved at the end of the previous year.

Accidental Dwelling Fires

4.55 We have a target to reduce RSL accidental dwelling fires by 10% by 2025/26, against the baseline of 217 fires in 2020/21. During 2024/25, there was a total of 95 accidental dwelling fires.

4.56 The number of accidental dwelling fires has reduced for the fifth consecutive year across the Group and currently, during the first three years of the strategy period, accidental dwelling fires have reduced by 55.8%.

4.57 In our efforts to prevent Accidental Dwelling Fires we set a target of 42 Person Centred Risk Assessments (“**PCRAs”**) per month during 2024/25. In total 537 PCRAs were completed, exceeding the target of 504.

4.58 There is an additional measure of ‘relevant premises’ that have a current fire risk assessment in place. The target of 100% continues to be achieved for this measure.

Reducing Homelessness

4.59 We have provided 2,673 lets to homeless applicants in 2024/25, again surpassing the 2,000 annual target and the highest level in the first 4 years of the strategy. Over the 4 years we have provided 9,741 homes to homeless households, well on track to deliver the strategic objective of 11,000 by the end of 2025/26.

4.60 The following table provides the number of Charter homeless lets by each RSL and their percentage of relevant lets results (non-Charter).

Table 17

RSL	2024/25 Number of lets to homeless applicants (ARC)	2024/25 Target	2024/25 % relevant lets made to homeless applicants	2023/24 Number of lets to homeless applicants (ARC) – full year
WHE	412	N/A	65.55%	274
WHS	432	N/A	45.91%	393
WHG	1,707	N/A	64.62%	1,640
Loretto	122	N/A	62.50%	99
Total	**2,673**	**2,000**	**60.49%**	**2,406**

Allocations CSAT

4.61 The Allocations MyVoice survey seeks feedback from customers who have recently signed a tenancy agreement. The Allocations CSAT score across the Group for 2024/25 was 4.4 out of 5. We received 1,259 responses during 2024/25, reflecting the opinion of almost 1 in 3 customers with a new tenancy.

Jobs and Opportunities

4.62 Overall, the Wheatley Foundation has exceeded all Group targets for 2024/25. The number of children supported through Foundation programmes 2024/25 is 3,090 and significantly exceeds our target. Activity during 2024/25 included:

- Over 770 children received free monthly books through our partnership with the Dolly Parton Imagination Library. In February, we marked a major milestone - over 40,000 free books delivered since the partnership began in 2016;
- Working with **StreetwYze**, in partnership with Fare, to raise awareness of the dangers of gang culture and knife crime for young people in the East End of Glasgow; and
- A partnership with **Developing Young Workforce** (DYW) and our translation provider, DA Languages, to deliver a ‘Careers in Translation’ insight session for 25 young people. The session focused on those from households where English is not the first language—showing how their language skills could become valuable assets in future careers.

4.63 The Foundation also supported over 1,000 employment and training opportunities, exceeding the target of 800. Activity during 2024/25 included tailored employability support through Wheatley Works to people living in our homes and communities. The service offers a clear referral pathway for staff, partners, and customers, ensuring accessible and responsive support. Through personalised one-to-one engagement, Wheatley Works helped customers build skills, boost confidence, and improve their readiness for jobs, training, or apprenticeship opportunities.

4.64 The Foundation has supported over 11,000 customers in 2024/25 to help alleviate the impacts of poverty. This has included advocating for customers to maximise their income, developing local food larders and providing free furniture and white goods.

Table 18

Strategic Results	2024/25 Target	Year-end Performance 2024/25	
4,000 jobs, training places or apprenticeships created for customers and communities	**800 – Group**	**1,037 – Group**	
10,000 children and young people benefiting from targeted Foundation programmes in Wheatley communities	**1,000 – Group**	**3,090 – Group**	
20,000 people accessing services which help alleviate poverty in Wheatley communities	**8,970 – Group**	**11,439 – Group**	

4.65 In addition, our Welfare Benefits Advice and Fuel Advice services also supported over 8,000 customers in 2024/25, with an overall financial gain of £14.5m.

Developing our Shared Capability

People development and retention

4.66 In 2024/25 we met our targets on the four key strategic staffing measures:

- 75% of promoted posts successfully filled by internal candidates (compared to a target of 40%) and exceeding last year's performance of 72.2%; and
- Staff voluntary turnover (i.e. resignations) was 5.4% (compared to a target of 7%).
- 45 young people are provided with structured opportunities in 2024/25 and we have provided structured opportunities for 256 young people since the start of the strategy, achieving our 5-year target of 250; and
- The number of graduates provided with opportunities to work and gain experience in our sectors was eight and we have employed 56 graduates since the start of the strategy, exceeding our target of 50 over the life of the strategy.

Sickness Absence

4.67 We lost 4.66% of working time due to staff sickness absence in the year 2024/25. The key drivers remain minor illness and stress/anxiety (which includes non-work related) and we continue to provide support to managers in managing absence and to staff more widely through our health and wellbeing assistance.

Care – staff

4.68 Recruitment and retention continue to be a challenge across the social care sector. However, Wheatley Care's staff retention/stability percentage for 2024/25 was strong at 77.64% compared to 75.47% in 2023/24 and above the 71.8% target.

Enabling our Ambitions

[redacted]

[redacted]

Summary of Strategic Project Delivery

4.79 The full list of our strategic projects is attached to this report as Appendix 5. Ten of the projects for 2024/25 have now been completed:

- Customer insight driven services;
- Asset strategy;
- TC:G Strategy;
- Explore options to support private garden maintenance;
- Review of charging – district heating and heat with rent schemes;
- Automation and Artificial intelligence
- Review of defined contribution pension schemes;
- Develop a data and technology enabled approach to managing and monitoring building compliance;
- [redacted]; and
- Improving and evolving our multi-channel customer first centre.

4.80 Whilst most of our strategic projects have now concluded, two did not fully conclude within the anticipated milestones due to external interdependencies (Wyndford and Lochside Regeneration and one had a change in the project milestones agreed by this Board in year (personalised services).

5. Customer Engagement

5.1 We had several strategic projects that incorporated customer engagement, particularly the major regeneration projects where it is an ongoing part of the projects.

6. Environmental and sustainability implications

6.1 There are no environmental or sustainability implications associated with this report.

7. Digital transformation alignment

7.1 Our strategy is underpinned by digital transformation. The strategic projects for 2024/25 were fully aligned to our digital programme.

8. Financial and value for money implications

8.1 There are no direct financial implications arising from this report. Any financial requirements related to actions and projects within the report are subject to separate reporting and agreement.

9. Legal, regulatory and charitable implications

9.1 The SHR requires an Annual Return on the Charter from each RSL. Key indicators within this return are also included in quarterly performance reporting.

9.2 We are also required to involve tenants in the scrutiny of performance, which we do through the Group Scrutiny Panel (“the Panel”), and to report to tenants on performance by the end of October each year.

9.3 The Panel has considered key performance areas throughout 2024/25, including thematic reviews of our environmental service and tenancy sustainment. The Panel will now inform the annual report to tenants, to include a summary of their scrutiny on our Annual Return of the Charter.

10. Risk Appetite and assessment

10.1 This report covers performance across each of our strategic themes and as such there is no single agreed risk appetite. Having a strong performance management culture will in particular support our progression from excellence to outstanding for which we have an open risk appetite in relation to operational delivery with a cautious appetite in relation to compliance with law and regulation.

11. Equalities implications

11.1 There are no direct equalities implications associated with this report.

12. Key issues and conclusions

12.1 We continue to perform strongly in a wide range of areas, including relative to wider sector benchmarking. This includes areas such as gas safety checks, lets to homeless households, tenancy sustainment, time to complete medical adaptations, time to respond to complaints and gross rent arrears.

12.2 A key focus on the year ahead will be reducing our days to let and average repairs times as well as maintaining our high CSAT within the CFC.

13. Recommendations

13.1 The Board is asked to:

1) Note the contents of this report and that the draft Charter results have been submitted to the SHR following approval by RSL Boards in May; and
2) Note that final results and confirmed sector comparisons will be published by SHR in the Autumn. 2023/24 SHR member averages have been provided as indicative comparisons at this time.

LIST OF APPENDICES:

Appendix 1: Group Charter Results Matrix 2024/25
Appendix 2a: Strategic Measures Dashboard 2024/25
Appendix 2b: Other Key measures Dashboard 2024/25
Appendix 3: Strategic Projects Dashboard 2024/25
Appendix 4: SPSO and Charter Complaints 2024/25

	Appendix 1: Group Charter Results Matrix 2024/25	Wheatley Homes South			Wheatley Homes East			Wheatley Homes Glasgow			Loretto			SHR Scottish Average	SHN Member Average at 4/6/25
	Charter Indicators	2023/24 Results	Draft 2024/25 Results	2024/25 Target	2023/24 Results	Draft 2024/25 Results	2024/25 Target	2023/24 Results	Draft 2024/25 Results	2024/25 Target	2023/24 Results	Draft 2024/25 Results	2024/25 Target	2023/24	2024/25
01	Percentage of annual tenants satisfied with the overall service	87,84 %	94,74 %	>90%	95,58 %	95,58 %	>90%	86,70 %	86,70 %	>90%	92,75 %	92,75 %	>90%	86,50 %	86,22 %
02	Percentage of annual tenants who feel their landlord is good at keeping them informed about their services and decisions	96,49 %	98,42 %	90 %	98,07 %	98,07 %	90 %	93,64 %	93,64 %	90 %	97,89 %	97,89 %	90 %	90,50 %	89,14 %
03a	Percentage of complaints responded to in full at Stage 1	96,57 %	96,88 %	95 %	96,04 %	97,00 %	95 %	96,58 %	95,44 %	95 %	96,38 %	96,04 %	95 %	96,70 %	97,04 %
03b	Percentage of complaints responded to in full at Stage 2	96,30 %	89,33 %	100 %	89,02 %	93,96 %	100 %	94,18 %	93,93 %	100 %	96,67 %	92,11 %	100 %	90,70 %	90,21 %
04a	Average time in working days for a full response at Stage 1	3,48	3,47	5	3,79	3,89	5	3,98	3,71	5	3,48	3,59	5	5,10	5,53
04b	Average time in working days for a full response at Stage 2	12,60	12,81	20	16,70	15,35	20	16,47	14,85	20	15,17	15,66	20	17,50	21,48
05	Percentage of annual tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes	97,30 %	99,74 %	90 %	99,45 %	99,45 %	90 %	97,63 %	97,63 %	90 %	98,49 %	98,49 %	90 %	87,70 %	85,44 %
06	Percentage of stock meeting the Scottish Housing Quality Standard (SHQS)	87,79 %	88,47 %	89,29 %	99,52 %	99,43 %	100 %	99,55 %	99,59 %	99,58 %	99,92 %	99,93 %	100 %	84,40 %	86,90 %
07	Percentage of annual existing tenants satisfied with the quality of their home	88,65 %	93,16 %	>90%	95,03 %	95,03 %	>90%	86,32 %	86,32 %	>90%	94,26 %	94,26 %	>90%	84,00 %	84,21 %
08	Average time to complete emergency repairs (hours)	2,70	2,65	3	3,39	3,80	3	2,88	3,26	3	3,07	3,50	3	4,00	3,56
09	Average time to complete non-emergency repairs (working days)	8,58	8,87	7,5	7,73	9,97	7,5	8,04	7,90	7,5	8,61	9,06	7,5	9,00	8,98
10	Percentage of reactive repairs completed right first time	87,71 %	89,49 %	90 %	92,87 %	88,11 %	90 %	91,62 %	90,17 %	90 %	89,92 %	86,83 %	90 %	88,40 %	87,81 %
11	Number of times in the reporting year that you did not meet your statutory obligation to complete a gas safety check within 12 months of a gas appliance being fitted or its last check.	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
12	Percentage of tenants satisfied with repairs or maintenance carried out in last 12 months	89,17 %	96,93 %	90 %	96,77 %	96,77 %	90 %	92,58 %	92,58 %	90 %	85,51 %	85,51 %	90 %	87,30 %	86,38 %
13	Percentage of annual tenants satisfied with the landlord's contribution to the management of the neighbourhood they live in	94,86 %	94,47 %	90 %	93,09 %	93,09 %	90 %	91,07 %	91,07 %	90 %	94,56 %	94,56 %	90 %	84,70 %	83,32 %
14	Percentage of tenancy offers refused during the year	16,37 %	30,43 %	Contextual	8,35 %	10,82 %	Contextual	16,58 %	40,28 %	Contextual	5,49 %	30,60 %	Contextual	30,50 %	34,30 %
15	Percentage of anti-social behaviour cases reported in the last year which were resolved	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	94,30 %	92,75 %
16	Percentage of new tenancies sustained for more than a year - overall	86,10 %	90,81 %	90 %	91,77 %	94,42 %	90 %	92,00 %	93,61 %	90 %	93,88 %	96,23 %	90 %	91,20 %	90,77 %
17	Percentage of lettable houses that became vacant	7,92 %	8,51 %	8 %	6,25 %	6,31 %	8 %	6,91 %	6,62 %	8 %	5,52 %	5,39 %	8 %	7,20 %	7,22 %
18	Percentage of rent due lost through properties being empty	0,20 %	0,25 %	0,6%	1,02 %	0,85 %	0,6%	0,51 %	0,53 %	0,6%	0,18 %	0,16 %	0,6%	1,40 %	1,32 %
19	Number of households currently waiting for adaptations to their home	0	1	Contextual	0	10	Contextual	72	73	Contextual	3	0	Contextual	N/A	N/A
20	Total cost of adaptations completed in the year by source of funding (£)	£944 887	£669 000	Contextual	£227 837	£188 000	Contextual	£2 589 610	£2 545 000	Contextual	£104 208	£95 848	Contextual	N/A	N/A
21	Average time to complete approved applications for medical adaptations (calendar days)	24,57	55,19	25	13,66	20,15	25	17,73	16,11	25	18,09	17,13	25	44,80	44,4
22	Percentage of court actions initiated which resulted in eviction - overall	42,86 %	41,98 %	Contextual	52,63 %	51,92 %	Contextual	34,96 %	33,55 %	Contextual	50,00 %	76,92 %	Contextual	26,50 %	26,74 %
23a	Percentage of referrals under Section 5, and other referrals for homeless households made by the local authority, that resulted in an offer	81,44 %	45,78 %	Contextual	59,81 %	68,15 %	Contextual	106,82 %	90,40 %	Contextual	60,81 %	69,23 %	Contextual	37,10 %	37,63 %
23b	Percentage of offers made to LA Section 5 and other referrals for homeless households that result in a let	66,23 %	115,99 %	Contextual	109,60 %	99,76 %	Contextual	78,13 %	89,80 %	Contextual	110,00 %	123,23 %	Contextual	80,50 %	87,37 %
25	Percentage of annual tenants who feel that the rent for their property represents good value for money	95,14 %	97,11 %	85 %	95,86 %	95,86 %	85 %	89,36 %	89,36 %	85 %	93,05 %	93,05 %	85 %	81,60 %	80,97 %
26	Rent collected as % of total rent due	99,53 %	99,82 %	Contextual	98,77 %	98,81 %	Contextual	99,22 %	99,28 %	Contextual	99,79 %	99,54 %	Contextual	99,40 %	100,23 %
27	Gross rent arrears (%)	4,33 %	3,97 %	4,25 %	4,61 %	4,96 %	4,52 %	5,86 %	5,44 %	5,50 %	3,67 %	3,38 %	3,60 %	6,70 %	6,46 %
28	Average annual management fee per factored property.	£116,48	£124,63	Contextual	£215,89	£231,00	Contextual	£208,40	£222,99	Contextual	£208,40	£222,98	Contextual	£115,12	£118,08
29	Percentage of annual owners satisfied with the factoring service	24,63 %	24,63 %	60 %	48,09 %	48,09 %	60 %	37,82 %	37,82 %	60 %	41,06 %	41,06 %	60 %	59,50 %	56,60 %
30	Average length of time taken to re-let properties (calendar days)	11,01	8,31	16,00	13,93	14,20	16,00	15,81	21,38	16,00	10,87	9,72	16,00	56,70	62,97

Appendix 2a
Strategic Measures Dashboard – Q4 2024/25

Delivering Exceptional Customer Experience

Measure	2023/24	2024/25		
	Value	Value	Target	Status
CFC CSAT (Group)	4.3	4.5	4.5	
WHG	4.3	4.6	4.5	
Loretto	4.3	4.6	4.5	
WHE	4.2	4.2	4.5	
WHS	4.5	4.6	4.5	
Lowther Letting	4.1	4.4	4.5	
Lowther Owner	3.8	4.1	4.5	
% of contacts to CFC resolved within CFC	New	89.79%	93%	
Call abandonment rate	5.45%	6.70%	5%	
Call abandonment rate - those waited over 30secs and abandoned	New	5.12%	4%	
Allocations CSAT (Group)	4.4	4.4	4.5	
WHG	4.2	4.0	4.5	
Loretto	4.7	4.8	4.5	
WHE	4.7	4.6	4.5	
WHS	4.5	4.6	4.5	
Lowther Letting	4.5	4.6	4.5	

Making the Most of Our Homes and Assets

Measure	2023/24	2024/25		
	Value	Value	Target	Status
New build completions (total for Group)	348	848	772	
WHG - Social Housing	0	83	79	
WHG - Social Housing (market acquisitions)	New	8	65	
WHG - Mid-market	71	91	91	
Loretto - Social Housing	24	63	48	
WHE - Social Housing	168	312	199	
WHE - Mid-market	29	138	161	
WHS - Social Housing	35	101	101	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Reduce the volume of emergency repairs by 10% by 2025/26 (Group average)	Apr to Mar 23/24 – 92,805	92,817	0.01%	
WHG	Apr to Mar 23/24 – 66,640	66,165	-0.71%	
Loretto	Apr to Mar 23/24 – 4,212	4,509	7.05%	
WHE	Apr to Mar 23/24 – 8,938	10,063	12.59%	
WHS	Apr to Mar 23/24 – 13,015	12,080	-7.18%	

Changing Lives and Communities

Measure	2023/24	2024/25		
	Value	Value	Target	Status
Percentage of Care services graded very good (5) or better by the Care Inspectorate	73.68%	83.33%	80%	
Over 70% of customers live in neighbourhoods categorised as peaceful by 2025/26 (Group average)	76.16%	74.01%	75%	
Number of accidental dwelling fires recorded by Scottish Fire and Rescue (Group RSLs)	120	95	195 (Annual upper limit)	
WHG	98	57	Contextual	
Loretto	1	5	Contextual	
WHE	9	22	Contextual	
WHS	12	11	Contextual	
100% of relevant properties have a current fire risk assessment in place (HMOs) (Group)	100%	100%	100%	
Percentage of relevant lets to homeless applicants (Group)	58.64%	60.49%	Contextual	
WHG	62.00%	64.62%	Contextual	
Loretto	60.20%	62.50%	Contextual	
WHE	59.13%	65.55%	Contextual	
WHS	47.57%	45.91%	Contextual	
Percentage of lets to homeless applicants (Group RSL Charter)	56.84%	58.61%	Contextual	
WHG	60.58%	63.29%	Contextual	
Loretto	62.26%	59.51%	Contextual	
WHE	50.74%	57.38%	Contextual	
WHS	47.52%	45.91%	Contextual	

Measure	2023/24	2024/25		
	Value	Value	Target	Status
Number of lets to homeless applicants - 11,000 for Group by 2025/26 (Group RSL Charter)	2,406	2,673	2,000	
WHG	1,640	1,707	Contextual	
Loretto	99	122	Contextual	
WHE	274	412	Contextual	
WHS	393	432	Contextual	
% planned jobs, training places or apprenticeships created which are secured by our customers (Group)	72.57%	65.7%	60%	
Percentage of Community Benefit job and training opportunities arising through the spend associated with new home construction and our investment programme that have been secured by Wheatley customers (Group)	45.58%	66.25%	30%	
4,000 jobs, training places or apprenticeships created for customers and communities (Group)	988	734	630	
WHG	533	430	409	
Loretto	14	20	5	
WHS	117	35	87	
[redacted]	[redacted]	[redacted]	[redacted]	
WHE	220	178	69	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
10,000 of children and young people benefiting from targeted Foundation programmes in Wheatley Communities (Group)	2,257	2,320	850	
20,000 Wheatley customers accessing services which help alleviate poverty (Group)	11,555	8,151	6,550	

Developing our Shared Capability

Measure	2023/24	2024/25		
	Value	Value	Target	Status
Group - % Sickness rate excluding Care, Repairs and NETs	NEW	3.27%	3%	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Group Repairs Staff - % Sickness rate	NEW	4.11%	5%	
Group NETS - % Sickness rate	NEW	5.87%	5%	
Group CFC - % Sickness rate	4.02%	5.59%	5.5%	

Enabling our Ambitions

Measure	2023/24	2024/25		
	Value	Value	Target	Status
Reduce gross rent arrears to below 5% by 2026 (Group RSL Charter)	5.37%	5.06%	5.20%	
WHG A	5.86%	5.47%	Contextual	
WHG B	5.84%	4.94%	Contextual	
WHG Combined	5.86%	5.44%	5.50%	
Loretto A	4.07%	3.60%	Contextual	
Loretto B	3.12%	3.08%	Contextual	
Loretto Combined	3.67%	3.38%	3.60%	
WHE A	4.48%	4.86%	Contextual	
WHE B	5.58%	5.78%	Contextual	

Measure	2023/24	2024/25		
	Value	Value	Target	Status
WHE Combined	4.61%	4.96%	4.52%	
WHS	4.33%	3.97%	4.25%	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Average time to re-let properties (Group RSL)	14.51	17.53	16	
WHG	15.81	21.38	16	
Loretto	10.87	9.72	16	
WHE	13.93	14.20	16	
WHS	11.01	8.31	16	
Proportion of Care services breaking even (after management fee)	88.46%	70.37%	92%	
[redacted] a [redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	
£15 million generated in Gift Aid to Wheatley Foundation and reinvested in communities	£2,676,000	£3,400,000	£3,127,000	

Appendix 2b
Other Key Measures Dashboard 2024/25 (includes Compliance)

Measure	2023/24	2024/25		
	Value	Value	Target	Status
Percentage of new tenancies sustained for more than a year – all lets (Group RSL Charter)	91.16%	93.27%	90%	✔
WHG	92.00%	93.61%	90%	✔
Loretto	93.88%	96.23%	90%	✔
WHE	91.77%	94.42%	90%	✔
WHS	86.10%	90.81%	90%	✔
Percentage of new tenancies sustained for more than a year – statutory homeless lets (Group RSL Charter)	90.67%	93.60%	Contextual	
WHG	91.38%	94.57%	Contextual	
Loretto	94.55%	96.97%	Contextual	
WHE	93.89%	93.07%	Contextual	
WHS	84.35%	89.06%	Contextual	
Percentage of new tenancies sustained for more than a year – all lets revised (Group RSL non-Charter)	93.27%	94.83%	91%	✔
WHG	93.81%	95.03%	91%	✔
Loretto	94.52%	96.20%	91%	✔
WHE	94.52%	96.15%	91%	✔
WHS	89.45%	93.01%	91%	✔

Measure	2023/24	2024/25		
	Value	Value	Target	Status
Average time taken to complete emergency repairs (hours) – make safe (Group RSL Charter)	2.91	3.25	3	
WHG	2.88	3.26	3	
Loretto	3.07	3.50	3	
WHE	3.39	3.80	3	
WHS	2.91	2.65	3	
Average time taken to complete emergency repairs (hours) – make safe (Group including Lowther)	2.96	3.31	3	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	
Average time taken to complete non-emergency repairs (working days) (Group RSL Charter)	8.09	8.25	7.5	
WHG	8.04	7.90	7.5	
Loretto	8.61	9.06	7.5	
WHE	7.73	9.97	7.5	
WHS	8.58	8.87	7.5	
Average time taken to complete non-emergency repairs (working days) (Group including Lowther)	8.13	8.96	Contextual	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	
Average time to complete approved applications for medical adaptations (calendar days) (Group RSL Charter)	18.99	24.53	25	

Measure	2023/24	2024/25		
	Value	Value	Target	Status
WHG	17.73	16.11	25	
Loretto	18.09	17.13	25	
WHE	13.66	20.15	25	
WHS	24.57	55.19	25	
Percentage of reactive repairs completed right first time (Group RSL Charter)	91.28%	89.76%	90%	
WHG	91.62%	90.17%	90%	
Loretto	89.92%	86.83%	90%	
WHE	92.87%	88.11%	90%	
WHS	87.71%	89.49%	90%	
Number of times in the reporting year the RSL did not meet the statutory obligation to complete a gas safety check within 12 months of a gas appliance being fitted or its last check (Group RSL Charter)	0	0	0	
WHG	0	0	0	
Loretto	0	0	0	
WHE	0	0	0	
WHS	0	0	0	
Percentage of ASB incidents resolved (Group RSL Charter)	100%	100%	100%	
WHG	100%	100%	100%	

Measure	2023/24	2024/25		
	Value	Value	Target	Status
Loretto	100%	100%	100%	
WHE	100%	100%	100%	
WHS	100%	100%	100%	
Repeat antisocial behaviour cases in period – number of repeat addresses (Group)	952	700	768	
Percentage of lettable homes that became vacant (Group RSL Charter)	6.95%	6.84%	8%	
WHG	6.91%	6.62%	8%	
Loretto	5.52%	5.39%	8%	
WHE	6.25%	6.31%	8%	
WHS	7.92%	8.51%	8%	
Number of accidental fires in workplace	1	0	0	
Number of RIDDOR incidents reported	18	11	Contextual	
Number of Health and Safety Executive or local authority environmental team interventions	0	0	0	
Number of new employee liability claims received	3	3	Contextual	
Number of open employee liability claims	13	10	Contextual	
Number of days lost due to work related accidents	649	438	Contextual	
Lowther - Number of new eligible tenancies where deposit was collected	438	525	Contextual	
Lowther - % of new eligible tenancies where the deposit was lodged within 30 working days of date of entry	100%	100%	100%	

[redacted]

Compliance Programme Delivery

2024/25	WHG	Status	Loretto	Status	WHE	Status	WHS	Status
Legionella - percentage of applicable properties with a valid risk assessment in place	100%		100%		100%		43.02%	*
Percentage of domestic stair and through floor lifts with valid safety inspection	100%		100%		100%		100%	
Percentage of passenger lifts with a valid safety inspection	100%		100%		100%		100%	
Percentage of EICR certificates due to expire by end of financial year now renewed	90.57%		97%		98.7%		88.19%	
Percentage of properties with an EICR certificate up to 5 years old	99.91%		99.93%		99.7%		99.43%	

** this includes a mix of assessments which mandatory under our relevant policy and those which we assess as a matter of good practice. All mandatory assessments have been completed.*

Appendix 3 – Strategic Projects Dashboard

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Defining and agreeing our approach to vulnerability and personalised services (b)	31-Mar-2025		83%	01. Vulnerability strategy and plan developed	30-Jun-2024	Yes	First draft of Reasonable Adjustment Policy concluded and will be presented to the Board in the autumn. The reprofiled milestones for 2024/25 were all completed.
				02. Customer engagement concluded	31-Aug-2024	Yes	
				03. Board approval of strategy and implementation plan	30-Sep-2024	Yes	
				04. Implementation plan commenced	31-Oct-2024	Yes	
				05. Update to Board on implementation	31-Mar-2025	N/A	
				06. Review and refine plan phase 2	31-Mar-2025	N/A	
Customer insight driven services (b)	30-Sep-2024			01. Agree the top 3 priority areas for customer journey mapping based on analysis of customer insight on key satisfaction drivers	31-May-2024	Yes	This project is complete as previously reported
				02. Agree our pulse and thematic survey programme	31-May-2024	Yes	
				03. Undertake customer journey mapping, including through direct engagement with customers	31-Aug-2024	Yes	
				04. Group Executive team agree service, process and technology changes required to improve the customer journey and respond to the pulse survey findings	30-Sep-2024	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
[redacted]							
Asset strategy (b)	28-Feb-2025			01. Asset strategy featured as a key theme in Group partner Board strategy workshops	31-May-2024	Yes	This project is complete as previously reported
				02. Customer and staff engagement session	31-May-2024	Yes	
				03. Internal review and sign-off	31-May-2024	Yes	
				04. Group Board approval of Group Asset Management strategy	30-Jun-2024	Yes	
				05. Group partner asset management plans approved	30-Sep-2024	Yes	
				06. Staff launch of group asset management strategy and	31-Oct-2024	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				group partner asset management plans			
				07. Agreed approach through strategy informs 2025 investment plans	28-Feb-2025	Yes	
Wyndford regeneration (b)	31-Mar-2025		0%	01. Contractor Procurement completion	30-Dec-2024	No	Contractor procurement is being overseen by the WDSL Board
				02. Land Transfer completion	31-Mar-2025	No	
				03. Planning Application Submission	31-Mar-2025	No	
Lochside regeneration (b)	31-Mar-2025		25%	01. Masterplan Phasing & Capacities Agreed	31-May-2024	Yes	A customer engagement event is planned for July. The Masterplan has been submitted and is expected to be considered by DGC Committee over the summer. Osbourne Road and Findlater Court have been agreed as the first development progress to progress under the Lochside Masterplan, with preferred contractors having been identified from our Generation 3 Framework. Discussions are ongoing with DGC in relation to the land transfer, however this will also be determined by grant availability.
				02. PPiP Submission	31-Aug-2024	No	
				03. Contractor Procurement Complete	31-Jan-2025	No	
				04. Land Transfer Max High completion	31-Mar-2025	No	
Review of charging - district heating and heat	30-Aug-2024			01. Review of existing policy and approach	31-May-2024	Yes	This project is complete as previously reported

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
with rent schemes (b)				02. Proposed update(s) to policy and approach agreed by the Executive Team	14-Jun-2024	Yes	
				03. Group Board consider and agree updated district heating charging arrangements	30-Jun-2024	Yes	
				04. Customer engagement and communication on updates to charging arrangements	30-Aug-2024	Yes	
Automation & Artificial Intelligence - pilot to explore the potential for productivity gains and service enhancements through MS Co-Pilot and automation (b)	31-Mar-2025			01. Three priority areas for automation/use of AI (MS Co-Pilot) agreed and associated measures of success identified	31-May-2024	Yes	This project is complete with the AI pilot being extended into 2025/26.
				02. Deployment plan developed and commenced for each priority area	31-Jul-2024	Yes	
				03. Deployment plan progress update to the Group Executive Team	30-Dec-2024	Yes	
				04. Pilot evaluation and lessons learned review completed and recommendations, including a business case if appropriate, presented to the Executive Team	31-Mar-2025	Yes	
Develop a data and technology enabled approach to managing and monitoring building compliance (b)	31-Dec-2024			01. Review our existing compliance cycles, data management, integration and management information arrangements	31-Jul-2024	Yes	This project is complete as previously reported

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				02. Build our future building compliance model including desired compliance cycles, key data, data flows, degree of integration, required management information and desired customer touchpoints and functionality	31-Oct-2024	Yes	
				03. Undertake a gap analysis and options appraisal including costs and benefits of the change between current arrangement and desired future model	30-Nov-2024	Yes	
				04. Develop detailed implementation proposal and plan and update Executive Team including on timescales and anticipated benefits	31-Dec-2024	Yes	
Improving and evolving our multi-channel customer first centre (b)	28-Feb-2025			01. Customer Engagement on service improvement opportunities via Stronger Voices team	30-Jun-2024	Yes	The year 2 enhancement plan has been agreed and is now in the process of being implemented. .
				02. Agree approach and workplan for geographical subsidiary service delivery	31-Jul-2024	Yes	
				03. Pilot customer call transcription and automated quality assurance	31-Dec-2024	Yes	
				04. Scope and develop an approach for automation of identification and verification (IDV)	31-Dec-2024	Yes	
				05. Year 1 update of the	28-Feb-2025	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				Executive Team including customer feedback and Year 2 enhancement plan			
Review of Defined Contribution pension schemes (b)	31-Dec-2024			01. Review and benchmarking of current schemes	31-Aug-2024	Yes	This project is complete as previously reported.
				02. Develop proposals and proposed implementation approach	31-Oct-2024	Yes	
				03. Executive Team review, and agreement of, recommended approach	30-Nov-2024	Yes	
				04. Recommendations agreed by the Group Board as part of the approval of refreshed Group pensions strategy	31-Dec-2024	Yes	

Appendix 4 – SPSO and Charter Complaints: Q4 2024/25

1.1 This appendix provides ARC and SPSO measures up to Q4 2024/25.

1.2 For Group RSLs, ARC measures include complaints received from all customers who receive a service provided by the Group RSL or on their behalf. This includes factoring services delivered by Lowther Homes on behalf of RSLs.

1.3 For Group RSLs, SPSO measures include all complaints relating to the RSL, irrespective of the source of the complaint.

Charter (ARC) Measures

1.4 ARC measures are reported to SHR for each Registered Social Landlord (RSLs) in the Group. Performance is for all RSL customers, including those factored owners who receive a service from Lowther Homes on behalf of RSLs.

1.5 The number of complaints received under the Charter definition are as shown in the table below.

Charter RSLs – complaints received * excluding complaints carried over						
	*2023/24			2024/25		
	Stage 1	Stage 2	All	Stage 1	Stage 2	All
WHS	486	77	563	478	75	553
WHE	571	72	643	929	142	1,071
WHG	5,264	602	5,866	4,849	659	5,508
Loretto	355	28	383	297	36	333
Group	6,676	779	7,455	6,553	912	7,465

1.6 The table below outlines the average time for a full response (working days) for Stage One (“S1”) and Stage Two (“S2”) complaints. All targets are being met for this measure. Performance for all subsidiaries exceeds the 2023/24 SHR Scottish average of 5.1 days for S1 complaints and the Scottish average of 17.5 days for S2 complaints. Performance is for all RSLs, including Lowther Factored homeowners who receive a factoring service from Lowther on behalf of the respective RSL. The Lowther measure shows the results for their tenants (who are not included alongside RSL tenants) and all factored owners whether or not that service is provided on behalf of RSLs.

Charter - average time for a full response to complaints (working days)				
Subsidiary	2023/24 Stage 1 - 5-day target, Stage 2 – 20-day target		2024/25 – Stage 1 - 5-day target, Stage 2 – 20-day target	
	Stage 1	**Stage 2**	**Stage 1**	**Stage 2**
WHS	3.48	12.60	3.47	12.81
WHE	3.79	16.70	3.89	15.35
WHG	3.98	16.47	3.71	14.85
Loretto	3.48	15.17	3.59	15.66

[redacted]

1.7 The table below outlines the average time for a full response to complaints (working days) overall, for Stage 1 and Stage 2 combined.

Charter - average time for a full response to complaints (working days)		
Subsidiary	2023/24 – not targeted	2024/25 – not Targeted
WHS	4.75	4.64
WHE	5.29	5.42
WHG	5.28	5.06
Loretto	4.39	4.89

[redacted]

1.8 The table below displays the annual Charter measure for the percentage of complaints that were responded to in full.

Charter – percentage of complaints responded to in full				
Subsidiary	2022/23 Stage 1 – 96% target, Stage 2 – 100% target		2023/24 – YTD Stage 1 – 96% target, Stage 2 – 100% target	
	Stage 1	**Stage 2**	**Stage 1**	**Stage 2**
WHS	96.57%	96.30%	96.88%	89.33%
WHE	96.04%	89.02%	97.00%	93.96%
WHG	96.58%	94.18%	95.44%	93.93%
Loretto	96.38%	96.67%	96.04%	92.11%

SPSO Measures

1.9 SPSO measures includes all customers who raise a complaint. We are required to record our performance against the SPSO indicators and report these to the board and senior managers. On request the SPSO can ask that we provide them with details of our complaint handling performance in line with their indicators.

1.10 Stages of complaints are defined as:

- *Stage 1 complaints* –first time reports of dissatisfaction with services.

- *Stage 2 complaints* – directly received as Stage 2, i.e. not escalated from Stage 1. This can include cases which are considered a risk to reputation or require investigation due to the number of issues raised that could not have been reasonably resolved at Stage 1 as part of a frontline resolution.
- *Escalated complaints* – complaints that were received into the organisation at Stage 1 and later escalated to Stage 2.

1.11 A summary of the year-to date figures for each of the indicators are included below.

Indicator 1 - total number of complaints received.

1.12 For SPSO complaints, Stage 1 and Stage 2 complaints numbers have reduced, compared to 2023/24. At the end of 2023/24 the Group had received 7,235 Stage 1 and 64 Stage 2 complaints. In 2024/25 Group has received 7,119 Stage 1 (1.6% reduction) and 61 Stage 2 complaints (4.7% reduction).

SPSO Indicator 1 - total number of complaints received 2024/25		
Subsidiary	**Stage 1 (this includes escalated complaints as they were first received at Stage 1)**	**Stage 2 (directly received as Stage 2, i.e. not escalated from Stage 1)**
WHS	478	5
WHG	4,848	37
Loretto	297	2
WHE	929	12
[redacted]	[redacted]	[redacted]
Group by Stage YTD	7,119	61
Group - All Complaints YTD	7,180	

Indicator 2 - number and % of complaints at each stage that were fully closed within timescales of 5 and 20 working days. Full response has been given to customer/resolution has been reached, including those with outstanding actions. Extensions of time to a complaint will be included in the total count and will be considered "late".

1.13 All subsidiaries are achieving target of 95% for stage 1 and 100% for stage 2 for this year.

SPSO Indicator 2 - number and % of complaints at each stage that were fully closed within timescales of 5 and 20 working days						
Subsidiary	**Stage 1 - responded to within 5 working days**		**Stage 2 - responded to within 20 working days**		**Escalated complaints - responded to within 20 working days**	
	2023/24	**2024/25**	**2023/24**	**2024/25**	**2023/24**	**2024/25**
WHS	95.62%	95.92%	100.00%	100.00%	100.00%	100.00%
WHG	92.54%	96.48%	91.67%	100.00%	98.40%	100.00%
Loretto	96.82%	99.66%	100.00%	100.00%	96.15%	100.00%

WHE	95.70%	97.78%	80.00%	100.00%	100.00%	100.00%

[redacted]

Indicator 3 - the average time in working days for a full response to the stage.

1.14 All subsidiaries are achieving target of 5 days for stage 1 and 20 days for stage 2 for this year.

SPSO Indicator 3 - the average time in working days for a full response to the complaints at each stage – 2024/25			
Subsidiary	Stage 1 - responded to within 5 working days	Stage 2 - average time in working days to respond to complaint	Escalated complaints - Average time to respond to complaints after escalation from Stage 1 to Stage 2
WHS	3.47	16.00	12.66
WHG	3.71	15.62	14.80
Loretto	3.59	14.00	15.76
WHE	3.91	13.71	15.44
[redacted]	[redacted]	[redacted]	[redacted]

Indicator 4 - the outcome of complaints as a % of overall complaints.

SPSO Indicator 4 - the outcome of complaints as a % of overall complaints 2024/25				
Subsidiary	Stage 1 - upheld	Stage 1 - partially upheld	Stage 1 - not upheld	Stage 1 - resolved
WHS	18.88%	12.45%	47.21%	21.46%
WHG	35.44%	12.97%	30.65%	20.94%
Loretto	35.40%	7.22%	19.93%	37.46%
WHE	46.92%	14.46%	25.83%	13.80%
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
	Stage 2 - upheld	Stage 2 - partially upheld	Stage 2 - not upheld	Stage 2 - resolved
WHS	0.00%	66.67%	33.33%	0.00%
WHG	13.51%	56.76%	27.03%	2.70%
Loretto	0.00%	50.00%	50.00%	0.00%
WHE	14.29%	42.86%	42.86%	0.00%
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
	Escalated complaints - upheld	Escalated complaints - partially upheld	Escalated complaints - not upheld	Escalated complaints - resolved
WHS	32.81%	20.31%	46.88%	0.00%
WHG	42.90%	23.33%	32.14%	1.63%
Loretto	48.48%	24.24%	27.27%	0.00%
WHE	60.90%	12.78%	24.81%	1.50%
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Report

To: Wheatley Housing Group Board

By: Joanne Laverty, Director of People Services

Approved by: Steven Henderson, Group Chief Executive

Subject: People Services Annual Report

Date of meeting: 20 June 2025

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1. Purpose

1.1 To provide the Board with an update on key strategic issues, activity and achievement across People Services for 2024-25.

2. Authorising and strategic context

2.1 Under our Group Standing Orders the Group Remuneration Appointments Appraisals and Governance Committee ("**RAAG**") has responsibility for certain employment-related matters. The RAAG Committee considered our annual People Services update at its meeting in April.

2.2 The Developing Shared Capability strategic theme within our five-year strategy sets out our objectives in terms of how we support, develop and retain staff, and develop our leadership capability. It also focuses on how we provide a working environment which is inclusive and has a strong focus on supporting staff wellbeing.

3. Background

3.1 Our annual People Services report is part of the monitoring of the people element of our strategy and the ways in which the Board receives assurance in relation to our organisational culture.

4. Discussion

<u>Key Areas of Activity and Achievements 2024/25</u>

4.1 The key areas of activity in the April 2024-March 2025 period have been highlighted below with further details included in Appendix 1.

<u>Strategically Aligning our Resources</u>

4.2 We achieved our £500k workforce efficiency savings target. We remained committed to ensuring we have the right people in the right place at the right time and supported structure changes ensuring our resources are aligned with our key strategic aims.

4.3 Key activities over 2024/25 included:

- Enhancing the delivery of customer led repairs services in Wheatley Homes East by increasing the number of qualified trade staff and implementing a new shift pattern to increase appointment scheduling flexibility;
- Enhancing our neighbourhoods to support "Going for 90" within Wheatley Homes Glasgow with the creation of the new Neighbourhood Improvement Team to carry out key environmental improvement tasks;
- Supporting financial wellbeing for our customers by reviewing the structure of our money advice teams; and
- Review of support services teams within Wheatley Solutions to ensure our structures remain effective and aligned with our goals, which this year involved our IT, Business Improvement, Finance, Performance, Assets, and Customer First Centre teams.

Growing Leaders of the Future

4.4 Our strategic aim to Develop our Shared Capability has been a key theme across all learning and development activity this year. We have continued to update our programmes to grow and develop talented employees and support their ambitions to move into leadership roles. A total of 29 employees were enrolled in our existing leadership development programmes. We also launched a bespoke training programme for Repairs Team Leaders and Managers, with 34 staff completing this training.

Professionalising our Workforce

4.5 Over 100 employees gained a professional qualification delivered by our in-house team. Additionally, 24 colleagues across the group accessed bursary funding for further and higher education in support of their personal and professional development.

Investing in Early Careers

4.6 We are passionate about creating career pathways across group that provide exciting new opportunities for talented individuals to start their career with us. We recruited five new external housing graduates and three internal appointments to the international housing sector GEM programme which takes our total headcount in our graduate programmes to 56 since 2021.

4.7 We recruited and supported three trades apprentices for our in-house repairs service at Wheatley Homes East, as well as 27 Environmental Apprentices. We also launched a new traineeship programme with three placements in our Money Advice and Community Improvement Partnership teams to support succession planning. Finally, we relaunched our summer work programme giving 24 young people the opportunity to experience the world of work for the first time.

Continuous Learning and Development

4.8 Throughout the year we have worked to create and deliver training across our key workstreams, for example updated Customer Service Excellence and Think Yes Together training, which has been rolled out to 678 housing, NETs, and City Building staff.

4.9 In collaboration with our Different Together Community of Excellence ("**CoE**"), which involves staff representing a range of demographic backgrounds from across the organisation, we delivered three key equality, diversity and inclusion themed training courses to a total 1,861 staff across the organisation. A particular focus this year was on inclusivity for neurodiverse colleagues and customers.

4.10 We recognised an increase in support was required for frontline staff who interact with our most vulnerable customers experiencing complex mental health issues and trauma. We introduced sessions on suicide prevention, identifying domestic abuse, and building resilience for staff dealing with customers with complex issues. A total of 319 staff benefited from these sessions.

4.11 We launched an array of new training courses to elevate our colleagues' digital skills and efficiency, with 235 employees completing one of these sessions. We also delivered face-to-face training sessions attended by 244 employees on how to use our upgraded human resources system.

Fostering Strong Employee Relations

4.12 We provided 44 sessions to people managers across the organisation on managing attendance, disciplinary issues and managing grievances. This was supported by new e-learning modules and in-person workshops on sickness absence management and individual stress risk assessments.

4.13 Following changes to legislation, such as the Workers Protection Act, which places a specific duty on employers to prevent sexual harassment within the workplace, we updated our policies and created new training and e-learning modules to support staff and ensure compliance.

Promoting Staff Wellbeing

4.14 We have strengthened our processes around supporting staff witnessing traumatic incidents, including wellbeing calls, and guidance and tools for managers.

4.15 Normalising the challenges of mental health has been an important focus in our NETs and repairs teams, with 153 colleagues joining our men's mental health workshops. Feedback from these workshops highlighted a need for further support on gambling addiction, and the resulting gambling awareness talks were attended by over 180 colleagues.

4.16 We continue to encourage staff to invest time in their personal wellbeing through a variety of routes, including free taster treatments for massage and reflexology. We have also raised awareness of our wellbeing package, including our health plan, physiotherapy, counselling and financial benefits, with sessions attended by 232 employees. Our Group wellbeing workshop programme was particularly successful with 993 colleagues attending a wellbeing related course, including: stress and anxiety awareness, financial wellbeing, and mindfulness.

Inclusive Employee Engagement

4.17 Ensuring our 'Different Together' ethos is embedded across the Group is a key focus. Our CoE is led by our Director of People Services bringing together employees from across the organisation who are passionate about making a positive change across all aspects of inclusion.

4.18 We worked in partnership with our CoE and Employee Network groups to implement initiatives such as our menopause café network, planning for retirement courses, pride month celebrations, our Ramadan lunch and learn, and raising over £4600 for charity with MacMillan Coffee Mornings.

4.19 We also consulted with our LGBTQ+ network Group on our new gender identity policy and our disability and neurodiversity group on updates to our reasonable adjustment passport scheme.

Maintaining Good Industrial Relations

4.20 We recognise three trade unions for the purposes of staff representation, consultation, and collective bargaining: Unison, GMB and Unite.

4.21 Working with GMB, which represents many of the staff in our environmental teams, we identified ways in which to invest in these teams and their working environment, including new opportunities for trainee managerial positions, adult trade apprentice opportunities in partnership with City Building, upgrades to workstations and an increased minimum starting salary for Environmental Operatives.

4.22 In partnership with Unison, which represents staff from across the Group, including housing and support services, we signed up to the union's national "Violence at Work" charter, introduced a new gender identity policy and worked collaboratively on a staff domestic abuse policy.

4.23 In partnership with Unite we negotiated and secured a minimum starting salary for care roles which was above the Real Living Wage. Following this, we achieved formal Real Living Wage accreditation.

5. Environmental and sustainability implications

5.1 The content of this report does not have any environmental or sustainability implications.

6. Digital transformation alignment

6.1 We have supported our staff through our digital transformation journey, particularly through additional training, as well as supporting the restructure of our IT services. This support included providing in-person and online training to staff across the organisation on making the best of use of our newly updated HR system.

7. Financial and value for money implications

7.1 This is an update report which does not contain any implications to funding beyond what has previously been agreed in the business plan. The report details where efficiencies have been made.

8. Legal, regulatory and charitable implications

8.1 We have clear policies and procedures in place to ensure compliance with all employment related legislation and regulation and draw on external legal support as required.

9. Risk Appetite and assessment

9.1 The Group risk appetite in relation to strengthening the skills and agility of our staff is “hungry”, meaning we strive to be an increasingly sought after employer with a reputation for developing high quality people with transferable skills. The activities outlined in this report help ensure we are achieving this.

9.2 In relation to the financial delivery of this, we are “open” as resources will be allocated to capitalise on potential opportunities with appropriate controls in place to minimise the possibility of financial loss; achieving efficiencies as detailed supports this.

10. Equalities implications

10.1 We continue to ensure we comply with equalities duties, as well as activity to promote diversity and inclusion across the organisation.

11. Key issues and conclusions

11.1 This report provides an update on the key activities we have undertaken over the year to ensure that we have an engaged, motivated and well-skilled workforce. We are also focused on ensuring that we have a strong, inclusive organisational culture and strong industrial relations.

12. Recommendations

12.1 The Board is asked to note the content of the report.

LIST OF APPENDICES:

Appendix 1: Summary of Annual Activity

People Services

Summary of Annual Activity

Reporting Period: 1 April 2024 to 31 March 25

Wheatley Group

Summary of Contents

Optimising our resources	Summary of activity within workforce planning and the creation of new job opportunities to support service improvements.
Growing and developing our talent	Highlights of our investment in early careers through apprenticeships, graduate programmes and work experience.
Continuous learning & development across our workstreams	Details of various learning and development activity across group ensuring our employees have the skills and tools they require to best support our customers.
Fostering strong employee relations	Summary of key activity of the Employee Relations team including promoting attendance and ensuring compliance with changes in legislation.
Looking after our staff and promoting wellbeing	Details of our wellbeing offering to support the physical, financial and mental health needs of our employees.
Inclusive employee engagement	Summary of activity across our employee network groups to embed our 'Different Together' ethos.
Maintaining good industrial relations	Areas of focus through partnership working with our recognised trade unions.
Additional data and information	Insight into employee profile and transactional activity and a breakdown of workforce demographic.

Optimising our resources

Our Workforce Planning team continued to support the business ensuring we have the **right people in the right place at the right time.**

We successfully achieved our **£500K** workforce efficiency savings target.

Supporting the delivery of customer led repair services

Following the introduction of the new Servitor system and change of material suppliers in WHE Repairs, we collaborated with colleagues to assess the structure and resources of the in-house repairs team. We identified a need to enhance staffing levels within the WHE Repairs teams to address increasing customer demand and to future proof the service in line with planned new build development. We created a total of 30 new positions, strengthened our management structure and implemented a new shift pattern to provide greater flexibility for customers regarding appointment scheduling.

Enhancing our neighbourhoods to support 'Going for 90' within WHG

We want our customers to feel proud of where they live and recognised that there was an opportunity to enhance the environmental services we currently provide. We created a new 'Neighbourhood Improvement Team' to carry out key tasks such as gutter cleaning, power washing and garden maintenance ensuring we keep our outdoor spaces welcoming and ready for customers to enjoy all year round. The creation of this new team resulted in 15 new job opportunities within our environmental teams.

In addition to this a further 5 new roles have been created to implement a new assisted garden maintenance programme to customers who are elderly or unable to maintain their garden.

Supporting financial wellbeing for our customers

In recognition of the rising cost of living we reviewed our existing Money Advice structure to ensure we meet the evolving financial challenges facing our communities. We consulted and implemented a new Financial Wellbeing model to enable us to deliver services in a more holistic manner. Our new Financial Wellbeing structure featured redefined roles focused on empowering our customers to take control of their finances and build a more secure future.

Enhancing support services

We continued to work with colleagues in Wheatley Solutions to ensure our structures remain aligned with our goals and supportive of our group WFP efficiency savings target. Some examples of structure changes we have implemented are:

- We reviewed our IT structure to support future business needs, focusing on business innovation, streamlined group IT support and data strategy.
- We reviewed the structure within Business Improvement to refocus our resources in line with key business needs to improve our processes linked to complaints and member services.
- To support our group WFP saving challenge we gained efficiencies within the CFC whilst managing to balance staff to manager ratios more evenly.

In addition to the above changes, we also implemented new structures within Finance, Performance and Assets.

Growing and developing our talent

Our strategic goal to **Develop our Shared Capability** has been a key focus for People Services.

We remain committed to nurturing our future leaders and investing in early career development by providing various exciting opportunities, such as apprenticeships, graduate programmes, trainees and work experience initiatives.

Growing Leaders of the Future

We have continued to run our leadership programmes across group to support our aim to grow our leaders of the future which support our Group succession plan. 16 employees joined our Aspire programme in 2024/25 which offers development for talented employees with ambitions to move into a leadership role in the future. In addition, 13 employees joined our Leading with Impact programme which provides new learning and experiences for middle level managers across group.

We also worked with colleagues from our in-house repairs teams to develop a bespoke programme for Repairs Team Leaders and Managers to support them driving customer service excellence through their teams, 34 staff completed this training.

Professionalising our Workforce

Our ongoing support for professional and personal development through the staff bursary programme enabled 24 colleagues across group to access funding for further and higher education in support of personal and professional development.

In addition, 106 of our employees gained professional qualifications delivered by our team in house including:

- x15 CIH in Housing Practice Level 2
- x45 CIH in Housing Practice Level 3
- x46 CIH in Neighbourhood Maintenance level 2

Investing in Early Careers

Ignite Graduate Programme

We recruited 5 housing graduates to kick start their career in housing with Wheatley Homes Glasgow and Wheatley Homes East. These graduates have commenced their bespoke 4-year training plan providing them with opportunities to develop their skills and progress their careers.

Summer Work Experience

We relaunched our Summer Work Experience programme providing young people between the age of 16-19 the opportunity to experience the world of work. 24 young people completed our work experience programme, this was made up of 11 Wheatley customers and 13 employees' children.

Modern Apprentice Programme

We recruited 3 Trade Apprentices for our in-house Repairs service at Wheatley Homes East. The apprenticeship for trades includes a bespoke induction and attending college for their specific trade qualification In addition, 27 Environmental Apprentices were recruited and supported throughout 2024/25.

Traineeships

We recruited 3 trainees to support group succession planning within our Money Advice and CIP teams. These programmes have been designed to provide training and development to support our young people to become job ready.

Continuous learning & development across our workstreams

Creating a culture of continuous learning and development and ensuring our employees have the skills they require to excel in their role is a key focus for People Services.

Supporting WHG 'Going for 90'

We worked closely with frontline colleagues to establish training and development that could support WHG 'Going for 90' campaign. We identified an opportunity to refresh our **Customer Service Excellence and Think Yes Together** training to provide focus on personalised services that meet the various needs and preferences of our customers.

This has been rolled out to **678** WHG frontline housing, NETs and City Building staff. We will continue to be deliver this training across all frontline roles within our group subsidiaries.

Championing Equality, Diversity & Inclusion Through Learning

We collaborated with our Different Together COE to identify ways we could further promote inclusivity and better support customers in line with their differing needs. This included:

Neuro-inclusive Customer Service sessions to equip staff with the skills and insights they need to effectively engage with neurodivergent customers and ensure every customer interaction is positive and inclusive. **160** employees attended these sessions.

Neurodiversity Training We held neurodiversity (ND) training sessions for managers to support neurodivergent team members. Sessions for neurodivergent staff provided tools and support and championed the contribution neurodivergent employees make. Additionally, we offered sessions to parents and carers to support early identification of neurodiversity in children and navigating external support. **153** employees attended these sessions.

Equality, Diversity & Inclusion as part of our EDI action plan we have committed to delivering mandatory workshops to employees across group. These sessions are designed to raise awareness and provide valuable insights for employees as well as practical tools to support diversity and inclusion in their daily interactions with colleagues and customers. A total of **1,548** employees attended these workshops.

Supporting Staff and Customer Wellbeing Through Learning

We recognised an increase in support required for frontline staff who interact with our most vulnerable customers experiencing domestic abuse, complex mental health issues and trauma. We worked closely with colleagues to design and deliver a range of training options to support them with the emotional demands of their roles. This included:

SafeTALK sessions to support staff having open conversations about suicide. In 24/25 **148** employees completed this training.

SafeLives sessions to provide learning and enhance understanding of domestic abuse. In 24/25 **80** employees completed this training.

Vicarious Trauma sessions led by psychologists focused on resilience while working with vulnerable customers. In 24/25 **91** employees completed this training.

Supporting Digital Empowerment

In our rapidly evolving digital landscape, we're committed to providing training that not only promotes a secure and efficient digital environment but also empowers our teams to harness our digital tools to their fullest potential.

We launched an array of new training courses designed to elevate our digital proficiency. These include SharePoint Awareness and Introduction to MS Teams. These sessions are crafted to ensure our employees are well-equipped to navigate and excel in their role. **A total of 235 employees have completed our digital training sessions.**

To support the roll out of our upgraded people system to staff and managers we arranged **50 face to face training sessions** across our offices and NETs stations to enable staff to be able to fully utilise the new functionality of the system. These sessions were **attended by 244 employees**. Further learning material and videos were created and made available virtually, ensuring we meet employees' differing learning styles and needs.

Fostering strong employee relations

Our employee relations team remain focused on supporting managers across our subsidiaries with managing attendance, providing training, and handling case management to ensure a healthy and productive work environment.

Workshops for People Managers

Our team provide training for all new people managers across group as well as holding regular face to face refresher training for existing managers on supporting attendance, conducting disciplinaries, investigations and managing grievances as part of the "HR Essentials" training for managers. We delivered 44 sessions throughout the year.

In addition to our regular face to face training we introduced new e-learning modules on sickness absence management and for the Individual Stress Risk Assessment process. We also delivered 16 workshops with managers as an additional support.

Policy Improvement & Implementation

Following changes to legislation we updated policies and implemented training to ensure compliance with the Workers Protection Act 2023 and the specific prevention of Sexual Harassment within the workplace. This saw collaboration with other areas of the organisation to update OSM's, rolling out 28 face to face management training session and created an e-learning module for all staff. We also introduced Sexual Harassment Risk Assessments.

Absence Performance Indicators

This year our absence rate within NETs and Solutions remained below target. However, we saw an increase in absence within our Repairs, Housing and Care workforces. The table below shows the past two years absence rates across our workstreams.

	Housing	NETs	Repairs	Solutions	Care
Target	3%	6.15%	3%	3%	5%
Absence Rate 2023/24	2.45%	5.96%	2.80%	2.42%	6.38%
Absence Rate 2024/25	3.35%	5.88%	4.12%	2.45%	6.50%

Our analysis highlighted the following:

- Our top reason for absence across group is minor illness which has changed from stress & anxiety in 23/24.
- Our average days lost due to long term absence reduced from 45 days in 2023/24 to 35 days in 2024/25.
- We have noted a rise in short term absence across group and have put enhanced support in place by providing trigger reports for managers to put appropriate actions in place when a sickness trigger is breached.
- We put additional support and training in place for managers in housing following a spike in absence in June 2024 where absence rose to 4.33% following these interventions absence rates in housing reduced to 2.82% in March 2025. We are committed to implementing the same targeted approach to absence training to repairs.

Looking after our staff and promoting wellbeing

Our wellbeing and inclusion team has continued to provide holistic support to meet the physical, financial, and mental health needs of our people. Over the last year our wellbeing services have evolved to ensure we fully support the needs of our people.

Supporting Critical Incidents

Following the launch of the Group Suicide Prevention framework we worked with colleagues in Group Protection to strengthen our processes around supporting staff following the witnessing of traumatic incidents and interactions with customers experiencing suicidal ideation. We adapted our process to put in place wellbeing calls within 24 hours of any incidents. During these calls we ensure staff feel supported and offering a range of support including our employee counselling services and employee assistance programmes. In 24/25 we supported 24 employees who had experienced suicidal ideation or witnessed traumatic experiences within our communities. In addition, we have developed a suite of guidance for managers to ensure they have access to the tools they require to support staff in the event of these instances.

Continued Focus on Men's Mental Health

Normalising the challenges of mental health has been an important focus in our NETs and repairs teams with **153 colleagues joining our Men's Mental Health workshops**. These workshops offer space for awareness and acceptance of feelings to male colleagues who face cultural challenges seeking help for mental health. We have complemented these with wellbeing surgeries run at various depots to raise awareness of support routes.

Feedback at our workshops highlighted a need for further support on gambling, leading to our gambling awareness talks which were **attended by over 180 colleagues**. These sessions featured real-life transformational stories from peers in City Building who overcame their addictions and mental health issues with help from gamblers anonymous.

Personal Wellbeing & Self-Care

Encouraging staff to invest time in their personal wellbeing to promote healthy self-care has been an ongoing focus. Our on-site alternative treatment days at various hubs and depots across the Group have offered free taster treatments including massage, reflexology and reiki. This initiative was well received by our employees and over **174 colleagues received treatments across 10 locations** and will continue into 2025/26.

As we remind colleagues of the importance in looking after their personal wellbeing, we have been working with managers to promote the range of wellbeing services available to staff. This includes raising visibility and awareness of our holistic wellbeing package including our health plan, physiotherapy services, counselling and financial benefits. We delivered these sessions to **232 employees, targeting those hardest hit by the ongoing cost of living crisis reaching 126 staff working in our care teams**.

Team-led sessions together with Group-based opportunities have offered more ways for staff to engage in wellbeing campaigns. Our Group wellbeing workshop programme saw **993 colleagues attend a wellbeing related course this year including**: stress and anxiety awareness, financial wellbeing, mindfulness and breathwork and more.

In November we launched our wellbeing movement challenge (30 x 30) and 121 employees participated and found fun new ways to remain active. Following the success of this challenge we arranged for 12 walking pads to be placed in our local hubs across all group subsidiaries.

Inclusive employee engagement

Ensuring our '**Different Together**' ethos is embedded across Group is a key focus for our People Services team. Our Community of Excellence (CoE) is led by our Director of People Services and meetings are held throughout the year bringing together employees from across the organisation who are passionate about making a positive change across all aspects of inclusion.

Our **six network groups** have a total of **129 members** and continue to meet every 8 weeks to drive improvements and introduce new initiatives for colleagues across Group. Some of the highlights of our Group's activity over this year are noted below:

Age Network

We worked with our age network to bring in regular financial wellbeing and planning for retirement courses, complete with 1-2-1 support calls with a financial advisor for individual guidance. These have been attended by 99 employees across Group in 2024-25. Our network also supported our Young People events with 109 employees attending with a focus on resilience, career development and networking.

Menopause Cafe

Our menopause café network has grown to over 60 colleagues from across the Group, holding workshops on areas of menopausal health causing concern for employees including: understanding HRT, nutrition and using alternative therapies to manage symptoms and stress. Workshops and awareness raising for World Menopause Day in October has complemented our existing support to help individuals, and colleagues tell us these provide spaces for essential peer support and encourage conversations with line managers to work in a supportive way. So far, 63 managers have completed our menopause for managers training.

LGBTQ+

In partnership with our LGBTQ+ network and Unison we launched our Gender Identity Policy detailing how we support transgender employees, or those who are in the process of transitioning. This launched as part of our Pride month celebrations which included various staff stories and video blogs on why Pride events matter. Wheatley colleagues, family and friends also attended Glasgow pride to represent LGBTQ+ employees and customers in our communities.

Disability & Neurodiversity

Together with our D&N network we launched our refreshed reasonable adjustment passport to broaden its coverage and inclusivity of support for neurodiversity. The passport was reviewed by external neurodiversity experts Lexxic and further supported by neurodiversity training for both employees, managers and parents/carers of neurodiverse loved ones. We also delivered workshops for managers on supporting cancer in the workplace and in partnership with our network raised +£4600 from MacMillan Coffee Mornings.

Race & Multicultural

Our Race and Multicultural Network has been raising awareness of key cultural dates, including hosting a lunch and learn event on Ramadan accompanied by guidance for managers and teams to help understand the cultural significance and working adjustments that may be needed by our Muslim employees as part of fasting and prayer commitments. This also included how to approach communications with Muslim customers who may be observing the holy period.

Maintaining good industrial relations

Working in partnership with our three recognised trade unions Unison, GMB and Unite is a key priority for People Services. To support collaboration, we hold Monthly strategy meetings with each of our trade unions.

Engagement with GMB

Ongoing engagement with GMB resulted in identifying opportunities to invest in our NETs teams. We visited various NETs depots and sites which resulted in the following enhancements:

New Career Pathways

To support our group succession plan we created exciting new opportunities for trainee managerial positions within NETs. These bespoke programmes provide tailored learning and development to support our future Team Leaders and Support Managers.

Adult Trade Apprentice Opportunities

We worked closely with our partners at City Building to create new ring-fenced opportunities for NETs staff to undertake an adult apprenticeship and gain a trade qualification in either; joinery, plumbing, electrical or painting.

Accelerated MSF Site Upgrades

We secured additional investment budget to improve the standard of workstations within our multi storey flats (MSFs).

Enhanced Starting Salary

Following 23/24 pay negotiations we increased the minimum starting salary to £14 per hour for Environmental Operatives.

Engagement with Unite

Through pay negotiations with Unite we successfully managed to secure a minimum starting salary for care roles which was above the Real Living Wage.

Following this, Wheatley Group achieved Real Living Wage accreditation for the first time.

Engagement with Unison

Some of the key areas of focus from partnership working with Unison are as follows:

Violence at Work Charter

Wheatley has joined Unison's Violence at Work Charter to support the campaign to end workplace violence. As part of this commitment, we were required to provide evidence of the measures we have taken to address workplace violence and aggression, as well as to implement and enforce relevant policies.

Gender Identity Policy

A new policy aimed at assisting staff who are transitioning or seeking to reassign their gender identity. This initiative reflects Wheatley's dedication to offering extensive support for employees undergoing transitions and provides details to guide staff towards appropriate internal and external services, along with recommendations for managers to support their employees.

Staff Domestic Abuse Policy

We worked closely with Unison to create a new policy to support the wellbeing of staff experiencing domestic abuse. This policy provides channels for staff to inform their employer about their situation and directs them to support agencies catering to various groups, including male, female, LGBTQ+, black and minority ethnic, socio-economic backgrounds, and perpetrators of domestic abuse. Additionally, the policy offers practical advice for line managers on how to identify and support employees who are victims of domestic abuse.

Additional Data & Information

We have provided additional data and dashboards to give further insight into our employee profile and transactional activity.

Group Staff Profile 2024/25 Data

Group Headcount

2,774 Total Group Employees

Breakdown by Workforce

Solutions	794
NETs	699
Care	569
Housing	444
Repairs	268

NB above data excludes modern apprentices, changing lives trainees, graduates, relief workers and external secondees.

96% of employees have permanent contracts

- x2,686 permanent
- x88 fixed term

214 Additional Workforce Headcount

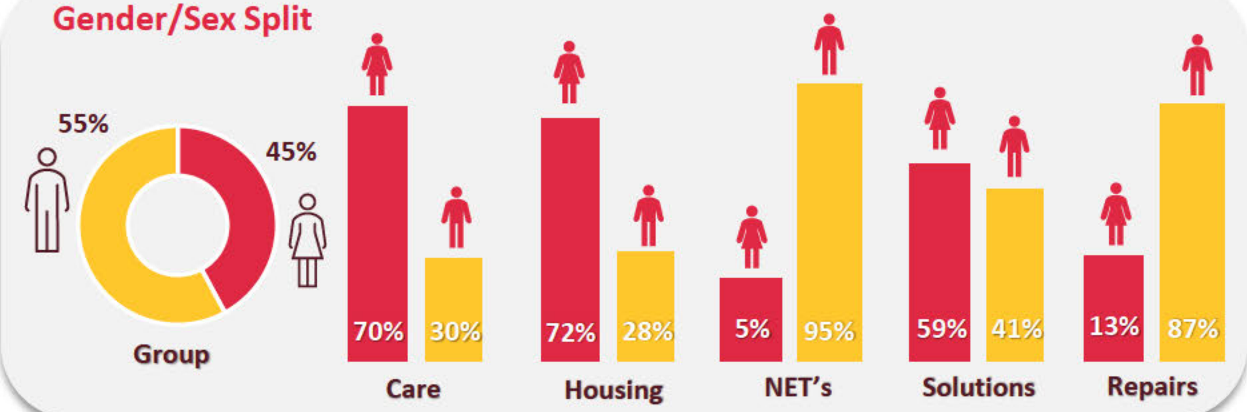
Relief (Care)	60
Secondees	20
CLTs*	47
Apprentices	64
Relief (Trade)	20
Graduates	3

*Changing Lives Trainee

Group Work Patterns

Full-time	1617
Shift	940
Part-time	112
Condensed	98
Term Time	7

Gender/Sex Split



Group Average Age 44 years old

- NETs Average Age = 45 years old
- Care Average Age = 45 years old
- Repairs Average Age = 44 years old
- Solutions Average Age = 44 years old
- Housing Average Age = 42 years old

Average Length of Service

Care	8yrs
Repairs	10yrs
Solutions	11.5yrs
NETs	13.4yrs
Housing	13.4 yrs

Resignation Rate

(Group target 7%)

- Care **14.3%** (reduced from 20% in 23/24)
- Wheatley Solutions **3.6%**
- NETs **3%**
- Repairs **4.2%**
- Housing **1.1%**

5.4% Resignation Rate

Total Resignations

148 resignations

Housing	5 employees
Repairs	11 employees
NETs	21 employees
Solutions	28 employees
Care	83 employees

Exit Monitoring Key Themes

55% of Leavers Completed our Exit Monitoring Questionnaire

- Our top 3 reasons for resigning were Career Advancement (26%), Age Retirement (17%) and relocation (9%)
- 77% of leavers felt they had access to the training and development they required
- 68% of leavers felt they aligned with the company values and culture
- 64% of leavers felt valued in their role

Highlights of People Service Activity 2023/24

282 Jobs Advertised in 2024/25

- x71 Care Roles
- x71 Solutions Roles
- x85 NETs Roles
- x35 Repairs Roles
- x20 Housing Roles

384 Care Assistant Interviews arranged by our Resourcing Team

- 301 Interviews Held
- 66 No Shows
- 17 Rescheduled

Total New Starts Processed & Completed Induction

390 New Starts

Breakdown by Workforce

Workforce	New Starts
NETs	149
Care	132
Solutions	64
Repairs	31
Housing	14

NB Data includes 94 apprentice and changing lives roles.

665 Total Disclosure & PVG Checks Completed in 2023/24

- x188 NETs
- x273 Care
- x81 Solutions
- x90 Housing
- x33 Repairs

Resulting in **22** disclosure discussions with Employee Relations

723 Recruitment & Resourcing Transactions Completed (Transfers, Redeployment, Promotions and Contract Extensions)

75% of promoted roles filled by internal candidates

395,554 payslips processed

147 Payrolls Ran

110 Family Friendly Leave Requests

Includes maternity, paternity, adoption & shared parental leave

Workforce Planning Requests

695 WFP Requests

Workforce	Requests
Care	363
Solutions	161
NETs	104
Housing	47
Repairs	20

70 Job Evaluations Completed

8 Care Inspectorate Recruitment Audits

6 Recruitment Events within Communities

Employee Relations Cases

108 Cases Supported

Case type	Cases
Disciplines	37
Capability	33
Grievance & DAW	27
Flex Working Appeals	6
Appeals	5

Existing Accreditations

- Disability Confident Employer
- Carer Positive
- Mindful Employer
- IiP Platinum
- Menopause Friendly Committed

Modernising Our Services

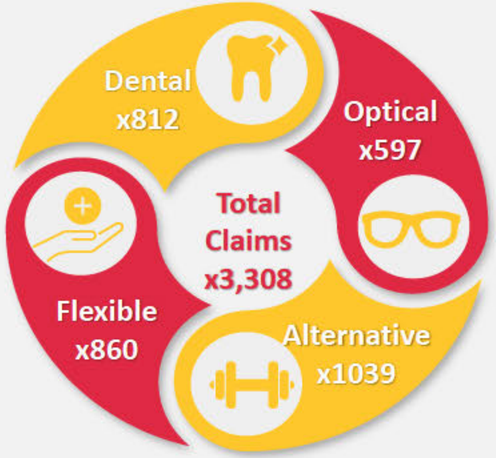
Our core HR system was upgraded to a cloud-based version with Wheatley Group branding. This new system allows staff to access the system via mobile devices, enabling housing officers, NETs, and repairs teams to make use of our people system while working in the local communities they serve.

In August 2024 we successfully achieved **Investors in Young People – Gold reaccreditation**

Employee Wellbeing Additional Data

W.E Benefit

Our W.E Benefit scheme remains a popular financial benefit with staff, in 2023/24 we received a total of 3,308 claims from employees across group:



Claims by Workforce

- Solutions x1,344 claims
- NETs x534 claims
- Housing x756 claims
- Care x493 claims
- Repairs x181 claims

A Total of 123 employees used our 'Health Plan in Advance' Scheme to receive payment up front.

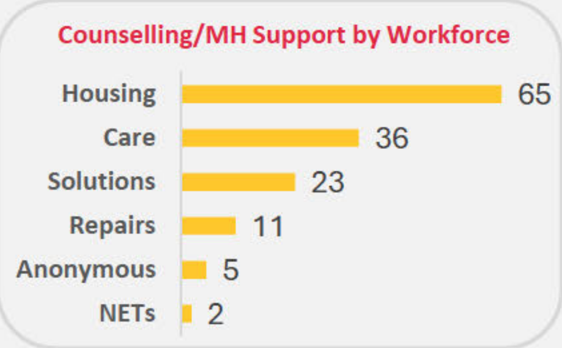
Additional wellbeing activity noted below:

- Our wellbeing team coordinated **5** flu clinics where **242** employees across group received their flu vaccination.
- **4** health check clinics with **78** attendees
- **55** employees were supported with cycle to work claims
- **34** employees were supported with driving lesson claims
- **76** employees were supported with Physiotherapy

Employee Assistance Programme

We also offer 24/7 support to our employees for stress/anxiety, counselling, bereavement, relationships and financial wellbeing through our EAP provider, PAM Assist.

142 employees were supported through counselling/mental health support:



The top three presenting reasons in 2024/25 were Anxiety & Mental Health (32%), Relationship Changes (10%) and Bereavement (10%).

An additional 8 employees were supported with legal/debt consultations.

Wellbeing Alternative Counselling

We continue to offer enhanced support to colleagues across group through counselling support to either individual staff members, with family in their immediate household, or as part of a couple. Our wellbeing team have two employees qualified in COSCA counselling skills and actively maintain a bank of specialist counsellors and facilitate any employee requests to use these support services.

Our dedicated wellbeing team have supported 182 employees across group and facilitated specialist counselling for 92 employees in 2024/25.

Our top three presenting reasons for alternative counselling were:

- **Anxiety – Non-Work Related (26%)**
- **Bereavement (19%)**
- **Relationship Changes (11%)**

Counselling support was provided to the following presenting groups:

- **84x Employees**
- **3x Employee's Child**
- **2x Employee's Spouse**
- **1x Family Group**

Report

To: **Wheatley Housing Group Board**

By: **Pauline Turnock, Group Director of Finance**

Approved by: **Steven Henderson, Group Chief Executive**

Subject: **Treasury & Funding update**

Date of Meeting: **20 June 2025**

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1. Purpose

1.1 The purpose of this report is to:

- provide an update on the annual credit rating review process from Standard & Poor's ("**S&P**") ;
- seek approval for the updated Treasury Management Policy;
- seek approval for the Loan Portfolio Return to the Scottish Housing Regulator;
- seek approval to provide a delegated authority to the Strategic Development Committee to approve the future issuance of the retained bonds; and
- note the key milestones in the establishment of the Loan Note Programme and the proposed approach for renewing and increasing our working capital facilities.

2. Authorising and strategic context

2.1 The Group Standing Orders state that matters in relation to Group treasury management and funding are reserved to the Group Board.

2.2 The Board delegated authority to the Strategic Development Committee ("**SDC**") to oversee the establishment of a capital markets funding programme and to make recommendations to this Board on these matters. Under the terms of the Intra-Group Agreements between the Wheatley Group and its subsidiaries the Group Board is responsible for monitoring performance against agreed targets. This includes the on-going performance of its finances.

3. Background

3.1 S&P Global undertook their annual review process of the Group's current financial position and outlook for the future. No change was made to our A+ rating with a stable outlook, reflecting the strong financial position of the Group.

3.2 The Treasury Management Policy has been updated to reflect the changes arising from the inclusion of sustainability links in some funding arrangements, entity name changes and restructures within the Group and to reflect changes to the operating environment.

3.3 The annual submission of the Loan Portfolio Return to the SHR is due by 30 June 2025 and requires approval from this Board.

3.4 The SDC are due to meet on 18 June 2025 to consider the timetable for the agreed 2025/26 actions under the Group Funding Strategy for the establishment of the Loan Note Programme, the upcoming renewal of our Revolving Credit Facilities (“**RCFs**”) and the process for the future issue of the retained bonds.

4. Discussion

S&P credit rating update

4.1 The S&P team carried out their annual assessment in April 2025, visiting several new build sites and investment works in Glasgow and meeting with the management team.

4.2 Given our recent engagement on the creation of the retained bonds in March 2025 and the provision of information to S&P to support the bond rating, the review was straightforward, and S&P elected to make no change to the rating. Wheatley Housing Group Limited, Wheatley Homes Glasgow and Wheatley Group Capital plc remain rated at A+ with a Stable outlook. Lowther Homes remains at A with a Stable outlook. Current sector ratings are set out in the table below:

S&P Rating	Outlook	Housing Association
AA-	Positive	
	Stable	Local Space
	Negative	
A+	Positive	Plymouth Community Homes Ltd
	Stable	Anchor Hanover Group, BPHA Ltd, Bromford Flagship Ltd, Cross Keys Homes Ltd, Housing Solutions, **Wheatley Housing Group Ltd**
	Negative	Paradigm Housing Group Ltd, Thrive Homes Ltd
A	Positive	Karbon Homes Ltd
	Stable	Accent Group Ltd, Aster Group Ltd, ClwydAlyn Housing Group, East Midlands Housing Group Ltd, Futures Housing Group Ltd, Link Housing Group Ltd, Richmond Housing Partnership, Sanctuary Housing Association, VIVID Housing Ltd
	Negative	Housing Plus Group Ltd (merged with Wrekin Housing Group Ltd)
A-	Positive	
	Stable	Apex Housing Association Ltd, Chelmer Housing Partnership, Clarion Housing Group Ltd, Gentoo Group, Guiness Partnership (The), Home Group Ltd, Housing 21, Lincolnshire Housing Partnership, Metropolitan Housing Trust Ltd, Sovereign Housing Association Ltd, Stonewater Ltd
	Negative	Hyde Housing Association Ltd, Incommunities Group Ltd, Notting Hill Genesis, Peabody Trust, Places for People Group Scotland Ltd
BBB+	Positive	
	Stable	Hexagon Housing Association Ltd, London & Quadrant Housing Trust, Paragon Arsa Housing Ltd
	Negative	

Group Treasury Management Policy

4.3 The Treasury Management Policy ("**TMP"**) was last updated in June 2022 and has been updated in line with our three yearly approach. The updated TMP is included in Appendix 1 to this report, with a 'redline' version which reflects the changes between the 2022 and 2025 versions in Appendix 2.

4.4 The key areas which have been changed and/or introduced for the first time in the 2025 version are set out below:

(a) Inclusion of sustainability links in funding arrangements; and
(b) Administrative name changes to Wheatley RSLs and the transfers/transfers of engagements of previous RSLs within the Group structure.

4.5 Reflecting the Group Standing Orders, the TMP clarifies that any new funding, whether arranged for WFL1, WFL2 or for any RSL on a bilateral agreement (such as new lending with Allia or THFC) is subject to the approval of Wheatley Group Board, prior to the relevant subsidiary board approvals.

4.6 In 2020 TMP was reviewed by independent treasury risk consultants, Chatham Financial Europe, who confirmed it was comprehensive and met best practice for the sector. The proposed amendments to the TMP do not fundamentally alter the processes and procedures set out in the policy documentation.

Loan Portfolio Return

4.7 We are required to submit the loan facilities and borrowing position, as at 31 March 2025, to the Scottish Housing Regulator via the Regulator's online portal by 30 June 2025. The submission report in Appendix 3 contains the detail which will be transferred to the portal, showing both the information and the layout. The submission for Wheatley Housing Group includes the loans held by Wheatley Funding No. 1 Ltd ("WFL1") on behalf of the RSL Borrower Group, any direct loans to Group RSLs, and related security information.

4.8 The submission report contains the debt position at financial year end for external loans with our lenders and the internal loans between WFL1, Group RSLs and WDSL.

[redacted] [redacted]

- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]

4.10 As part of the submission to the Scottish Housing Regulator, the Chair of the Board and Director/Chief Executive are required to confirm the following:

"I hereby certify for and on behalf of the RSL that the information provided in this return is, to the best of my knowledge and belief, an accurate and fair representation of the affairs of the RSL."

Strategic Development Committee update

4.11 The SDC are due to meet to consider the process for issuing the retained bonds, the timetable for the establishment of the Loan Note Programme by 31 March 2026, the planned approach for the upcoming renewal of our RCFs, the proportion of our funding facilities in RCFs and work being undertaken to assess the benefit in increasing the amount of RCFs for working capital purposes given the growth in the business over recent years..

Process for issue of retained bonds

4.12 The process for issuance of the retained bonds created in March 2025 will be discussed with the SDC at their upcoming meeting. Our next funding requirement falls in the third quarter of this year, and we would look to progress with the issue, depending on investor interest, prevailing gilt rates relative to the assumed cost of funds in our business plan, and an evaluation of alternative funding sources, at that time.

4.13 A meeting of the SDC will be convened in the third quarter to provide an update on markets and pricing. Subject to agreement to proceed with the sale of the bonds, the SDC will be requested at that point to approve delegated authority for the Group Director of Finance and the Director of Treasury to complete the sale bonds, contingent upon agreed parameters concerning amount and price/yield.

[redacted]

Loan Note Programme

4.15 As part of our Group Funding Strategy we agreed the establishment of a Loan Note Programme during the 2025/26 with the following key milestones:

Milestone	Date	Detail
Procurement of advisors	31 July 2025	Via mini-competition process, supported by procurement.
Documentation prepared	February 2026	Working with our legal advisors, Pinsent Masons, and with counsel for the Bond Trustees, we will build on our refreshed risk factors and sector update in our 2025 bond tap documentation to prepare standardised terms for future issuance under the programme. This will include the ability to issue with sustainability links.
FCA approval	Mid- March 2026	This is required as the debt issued under the programme will include publicly listed bonds.
Programme launched	31 March 2026	We are not obligated to issue debt at the launch date.

4.16 The programme enables future public and private debt raising via standardised documentation. We anticipate bringing updated documentation to this Board for approval (following recommendation by the SDC) at the February 2026 meeting.

[redacted]

5. Customer Engagement

5.1 There has been no customer engagement on matters in this report.

6. Environmental and sustainability implications

6.1 Not directly impacted by matters covered in this report.

7. Digital transformation alignment

7.1 No direct impact on the digital transformation programme.

8. Financial and value for money implications

8.1 There are no direct financial and value for money implications arising from this report.

9. Legal, regulatory and charitable implications

9.1 The SHR requires that RSLs maintain a Treasury Management Policy which complies with the CIPFA code. A regular cycle of review of the existing policy ensures that the Group remains compliant with this requirement. The Loan Portfolio Return forms part of the mandatory annual reporting requirement to the SHR.

10. Risk Appetite and assessment

10.1 The Board's risk appetite in relation to compliance with law and regulation is "cautious", which is defined as "preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward".

10.2 Maintaining compliance with legal and regulatory requirements is a key element in delivering our strategy and maintaining the confidence of investors.

11. Equalities implications

11.1 No direct impact on equalities.

12. Key issues and conclusions

12.1 The Group TMP is refreshed every 3 years, or sooner where required. The TMP has been updated to include a reference to the inclusion of sustainability links in loans restructures. It has been refreshed to reflect the current operating environment.

12.2 The Loan Portfolio Return has been updated to reflect the funding position in the RSL Borrower Group at financial year-end for submission to the SHR.

12.3 The process for issuance of the retained bonds has been shared in detail with the SDC. This Board is asked to provide a delegated authority to the SDC to approve the issuance of the bonds at a rate no worse than assumed in the February 2025 financial projections.

12.4 The Loan Note Programme will be in place by 31 March 2026 an establish standardised documentation to enable efficient access to public and private debt markets over the medium term.

[redacted]

13. Recommendations

13.1 The Board is asked to:

1) Approve the updated June 2025 Treasury Management Policy;
2) Approve the submission of the loan portfolio return to the Scottish Housing Regulator;
3) [redacted]
4) Note the timetable for the establishment of the Loan Note Programme; and
5) Note the strategy for working capital facilities will be presented to the SDC in August with a recommendation to be presented to this Board for approval at our next meeting.

LIST OF APPENDICES:

Appendix 1: Draft 2025 Treasury Management Policy (‘clean’ version)
Appendix 2: Amended 2022 Treasury Management Policy (‘redline’ version)
Appendix 3: Loan Portfolio Return submission

Wheatley Housing Group

Treasury Management Policy

June 2025

Table of Contents

Abbreviations

The following abbreviations are used in this report:

Care	Wheatley Care
WH East	Wheatley Homes East Limited
WH South	Wheatley Homes South Limited
EIB	European Investment Bank
FRA	Forward Rate Agreement
WH Glasgow	Wheatley Homes Glasgow Limited
ISDA	International Swap Dealers Association
LHA	Loretto Housing Association Ltd
LHL	Lowther Homes Ltd
SDC	Strategic Development Committee
SHR	Scottish Housing Regulator
RSL	Registered Social Landlord
SPV	Special Purpose Vehicle
The Group	Wheatley Housing Group Limited
WDSL	Wheatley Developments (Scotland) Limited
WFL1	Wheatley Funding No.1 Ltd
WFL2	Wheatley Funding No.2 Ltd
WGC	Wheatley Group Capital plc
WHG	Wheatley Housing Group Limited

1. Introduction

1.1 Wheatley Housing Group

Wheatley Housing Group ("the Group") is the largest housing, community regeneration and care provider in Scotland with owned and managed housing stock over 95,000 units across nineteen local authority areas in central and south-west Scotland.

The Group provides, through its subsidiaries, high-quality homes for social, mid-market and full-market rent, as well as specialist care services and property management services across its communities.

1.2 Group Governance

Wheatley Group Board
The Wheatley Group Board is responsible for overseeing the strategic direction of the entire Group, the subsidiaries and the subsidiary Boards. It is responsible for oversight of our Group funding arrangements, risk management processes, and control systems.

The Wheatley Board can exercise constitutional control over its subsidiaries through provisions contained in each subsidiary's constitution.

Subsidiary Boards
Each subsidiary within the group has its own Board of Directors. The subsidiary Boards oversee the delivery of their own subsidiary strategies which contribute to the overall Group strategy. Each subsidiary must also enter into an Intra-Group Agreement with Wheatley Housing Group Limited. This Agreement governs the parent/subsidiary relationship and the various obligations on each party.

RSL Borrowing Group
All RSLs (WH Glasgow, Loretto, WH East and WH South) are funded as one RSL Borrowing Group through WFL1. The Group's tax efficient development company, WDSL is also a member of the RSL Borrower Group and can borrow directly from WFL1. The RSL Borrowing Group pools all assets in a single security trust deed for funding purposes, with each RSL cross guaranteeing each other's obligations to WFL1. Care has access to a total £1m standby facility via the RSL Borrowing Group.

Commercial Activities
The group's commercial activities are funded through WFL2. , £45m of funding isin place via a loan from WH Glasgow to Lowther Homes. , with £36m drawn at 31 March 2025 to support the delivery of LHL's new build programme. The RSL Borrowing Group is not permitted to provide additional funding to WFL2 without consent from the lenders to WFL1. The RSLs are not permitted to provide guarantees to or take security over assets owned by the commercial subsidiaries.

1.3 Corporate strategy – long term platform for growth

The Group's strategy for 2021-26 "Your Home, Your Community, Your Future" sets out key objectives for the Group's financial and treasury management including:

a) Enabling the ambitions of the Group via a strong funding platform;
b) Maintaining a strong credit rating from S&P Global.

Where discounts or incentives are available to the Group via sustainability targets in funding arrangements (including positive environmental, social or governance outcomes), these will be included where aligned with our strategic objectives.

2. Policy objectives

In order to achieve its ambitious strategic objectives, the Group needs clear financial and treasury management principles as well as robust controls in place.

Treasury management is the management of the Group's cash flows, funding, banking, investments, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

The Group maintains and operates a Treasury Management Policy (TMP) in line with the CIPFA guidance on Treasury Management in the Public Services (most recently updated in 2021). The SHR's Standards of Governance and Financial Management for RSLs requires, under Standard 3 that RSLs manage their resources to ensure financial wellbeing, while maintaining rents at a level that tenants can afford to pay.

Standard 4.5 of the SHR Assurance Framework requires that RSLs must prepare and publish an Annual Assurance Statement to confirm to tenants and the SHR that they are meeting the Standards of Governance and Financial Management.

The Group's RSLs must have effective financial and treasury management controls and procedures, with Board Members expected to fully understand the implications of the treasury management strategy to ensure it is in the best interests of the RSL and to understand the associated risks. The Group Boards must monitor, report on and comply with lender covenants and understand the risks associated with non-compliance and take pre-emptive action to avoid such an outcome.

In 2015, the Scottish Housing Regulator placed an ongoing requirement on housing associations to comply with the CIPFA Code. This TMP sets out the framework for managing the Group's overall financial position as well as investing and managing its cash, raising loans and managing financial risks.

Key objectives of this policy are to:

- define the Group's financial objectives and set out a clear set of Golden Rules for management of treasury activities

- ensure that the Group's loan portfolio represents the optimum balance of risk in interest rate, loan maturity, flexibility and fixed rate exposure

- ensure that the Group's officers have the authority to take the necessary action as and when required in response to changes in the financial markets

The overriding objective of this policy is to be risk averse, whilst allowing the Group to achieve its strategic objectives within agreed financial parameters.

To ensure that the Group's treasury objectives are achieved, this policy is subject to review at least every three years, to bring it in line with changes in the financial markets, economic environment, changes in the housing sector as well as changes in the Group's strategic direction. Any changes to this policy must be approved by the Wheatley Group Board.

This policy is accompanied by the Group Treasury Operational Framework, which sets out the detailed mechanical arrangements for how the group's funding and liquidity arrangements will work in practice, including securing and drawing down funding at subsidiary level (set out in the Intra-Group Agreements), cash management (monitored daily via electronic banking and Daily Cash data) and management of financial risks, including compliance with funding agreements (set out in the Covenant Reporting documentation).

3. Delegation of Responsibilities

The Board of WHG has the overall responsibility for WHG's funding and investment strategy and the approach to managing financial risk, via a variety of mechanisms including the approval of the Group business plan, setting of treasury policies, appointment of the Group Chief Executive (who appoints other senior officers, e.g. the Group Director of Finance) and delegation of duties to execute policy objectives.

The Board of WHG has responsibility for:

- setting out the financial direction for the Group, including principles of Group financial management such as key financial ratios the Group is required to meet

- raising of finance for the Group and signing off any new borrowing facilities via Group funding vehicles, WFL1 and WFL2

- raising of finance for the Group via the public debt capital markets via the Group publicly listed company, Wheatley Group Capital plc

- setting treasury policies in relation to cash investments, intra-group borrowing and management of financial risks

- management of strategic financial risks for the Group, including interest rate risk, inflation risk, funding risk, liquidity and counterparty risk

- interest rate hedging using financial instruments

- monitoring overall cash flow and financial performance across the Group, including compliance with funding agreements and Golden Rules at WFL1 and WFL2 level

The subsidiary Boards are responsible for:

- setting their own financial plans within the parameters set out by the Group Board

- managing their cash flow to ensure delivery of objectives by drawing down funding from Group funding vehicles, WFL1 and WFL2, in line with their approved business plans

- ensuring compliance with intra-group funding conditions as agreed with WFL1 and WFL2

- management of operational financial risks in line with this policy and approved subsidiary business plans

The Strategic Development Committee has responsibility for:

- under a delegated authority from Group Board, approving the Group Funding Strategy, including debt capital markets issuance and associated regulatory and documentation requirements

The Group Treasury Management Policy sets out the framework for all treasury activities and no activity can be undertaken unless specifically authorised within the policy.

The Group Director of Finance has authority, within the parameters of this policy, to:

- drawdown and repay loans at WFL1 and WFL2 level under any committed debt facility and incur associated fees and interest costs as set out in the related funding documentation

- enter into negotiations on new borrowings and incur reasonable costs such as loan arrangement fees in doing so in line with the Scheme of Financial Delegation.

- manage the Group's funding relationships

- lead the external investor relations communications

- monitor compliance with WHG's loan covenant obligations and Board-approved Golden Rules and take remedial actions as appropriate

The Group's commitment to any new borrowing and any material changes to existing borrowing facilities must be approved by the Wheatley Board.

Based on the approved business plan for each subsidiary (within the overall Group business plan), the debt drawdown and repayment profile for the year will be agreed for each subsidiary, subject to any subsequent changes approved by their Boards. The Director of Treasury has authority to manage subsidiary borrowings within the Group funding arrangements and in line with agreed subsidiary debt profiles.

Under guidance from Group Director of Finance, designated treasury staff are authorised to place surplus cash balances with the institutions approved in accordance with this policy.

Should the Group Director of Finance propose to undertake a transaction which is not in accordance with this policy, the proposed transaction and reasons for it will be presented to the Wheatley Board for its approval before the transaction is carried out.

Given the Group's ambitious business plan, pace of growth and the related impact on the funding requirement, the Group Director of Finance will review the size, relevance and cost of the Group's debt facilities at least annually.

The Group will maintain clear Board approved mandates for all debt and banking transactions.

4. Financial Management

4.1 The Group will operate subject to the following key financial principles:

- Each subsidiary will be financially viable in its own right (any subsidiary transactions will be subject to intra-group dealing principles set out in section 9 of this policy).

- There is a clear differentiation between charitable activities of the Group, which are run for the benefit of customers, and the Group's commercial activities, which are focused on maximising surpluses which can be re-invested in the Group's charitable activities

- WDSL is a commercial entity within the RSL Borrower Group, but its activities are limited by its Articles such that it can only carry out development work on behalf of Group RSLs. No other operating activity is permitted

- The Group will deliver value for its customers by being as efficient as possible, by sharing services, using economies of scale and robust contract management

- Any investment decisions will be supported by financial diligence, meeting the criteria set out in section 7

- The Group will operate in accordance with Board approved set of financial Golden Rules, which will help ensure we remain financially strong and sustainable as a Group.

The Golden Rules are derived from key measures used by the credit rating agencies to assess the Group's financial strength as well as our financial covenants agreed with the Group's funders. These have been developed to fit our specific financial profile and circumstances and are comparable with similar approaches adopted by other large English Registered Providers of social housing. These will be subject to annual review by the Wheatley Group Board and cannot be altered without Group Board approval.

Financial covenants are reported quarterly and are additionally reported alongside the publication of the Group's statutory financial statements annually. Covenant compliance is a key focus of management with covenants reported to and approved by Group Board prior to submission to the lenders. Adherence to the Golden Rules, set outside of the covenant levels, ensures compliance with our key lending covenant measures. Close monitoring of financial performance ensures any necessary actions can be taken proactively in advance of any potential breach.

To ensure the financial sustainability of the Group as a whole, the Group Board approves an annual Group business plan, representing a consolidation of each of the annual subsidiary business plans which are in turn approved by each subsidiary board, taking account of local markets and priorities. Each subsidiary will also approve their own rent increases within the parameters set by the Group Board, taking account of local markets and priorities.

Robust treasury management practices, as set out in this policy, will ensure that the Group can monitor compliance with the Golden Rules, manage associated risks and implement mitigating actions as appropriate to ensure long term financial strength of the Group.

5. Liquidity Management

The Group will ensure that it has enough immediately available liquidity in the right place and at the right time to meet all payment needs, by:

- Understanding cash requirements across the Group through detailed cash flow forecasting and monitoring of known inflows and outflows
- Ensuring minimum cash balances are maintained and any surplus cash is invested in line with key agreed investment principles
- Ensuring sufficient committed liquidity lines are available to be drawn as required to meet payment needs
- Maximising, as far as possible, the transparency and efficiency of cash positions across legal entities, taking account of any regulatory requirements
- Identifying and establishing diverse contingent funding sources

5.1 Understanding cash flow

WHG will ensure at all times that for the RSL Borrowing Group and Lowther, the following cash flow forecasts are available:
- An annual, in-year cash flow forecast, based on approved business plan projections
- a rolling 12-week cash flow forecast (in-year, but supplemented by daily cash data as we approach year-end), reported quarterly to Group Board
- a detailed daily cash flow forecast for the immediate 4-week period

A variance analysis on projected figures is also to be produced and reported to the Group and subsidiary Boards on a quarterly basis to validate actual cash position against business plan projections and agree corrective actions as appropriate.

The 12 month rolling cash flow forecast for subsidiaries will be consolidated to produce Group cash flow projections – for the RSL Borrowing Group, the commercial subsidiaries and the whole of the Wheatley Housing Group.

Detailed cash flow projections and past trends will then be used to identify the size and timing of cash requirements across the Group to ensure that cash can be made available as required.

5.2 Managing cash

The Group will maintain cash levels that reflect its liquidity requirements (as set out in the Golden Rules).

The Group will work within the following cash limits:

- an amount within each RSL subsidiary, or as pooled RSL Borrowing Group cash, which covers the total sum to cover a minimum of one months' cash requirement, being day-to-day running costs as well as any planned refurbishment costs and development activities
- an amount within each commercial subsidiary to cover a minimum of 2 weeks' cash requirement at any time.

Grants from the Scottish Government will be used for their defined purpose and in priority to interest-bearing debt finance.

5.3 Committed credit lines

At all times the Group will ensure that it has access to committed credit lines that when taken together with any cash balances, mean there is sufficient available funding to meet the Group's liquidity Golden Rule.

This will be achieved through the Group having in place committed term and revolving loans as well as flexible access to overdraft facilities.

However, the objective will be to maintain a minimum of £10m intra-group positive cash position and only utilise these overdraft and credit line facilities when necessary or when it is financially beneficial, so as to minimise annual interest costs and to ensure day to day cash management can be managed efficiently.

5.4 Managing working capital

The Group will pay suppliers promptly, and in line with its legislative obligations as a Contracting Authority under Scottish procurement regulations.

The Group and all its subsidiaries will pursue a debt control policy, particularly with regard to rental income, service charges and charges to owner-occupiers. This will include maintaining an effective sales ledger system where outstanding debts are followed up regularly.

There are different implications for the Group's working capital requirements depending on what benefit regime the tenant receives.

Approximately 70% of tenants receive full or partial housing benefit payments by way of Housing Benefit (paid directly to the Group by the relevant local authority) or via a housing payment within Universal Credit (where the tenant must elect to have the housing payment paid directly to the RSL or can choose to receive this directly and manage payments themselves).

Any further changes to the benefits system, e.g. as a result of UK Government's Welfare Reforms, will be closely monitored so that their potential impact on rent arrears can be well understood and mitigating actions put in place to maintain stability of the Group's income.

For all commercial subsidiaries, effective debt control policy is crucial with any late payments followed up promptly and appropriate action taken to safeguard income as early as possible.

6. Borrowing policy

The Group's borrowing policy sets out the parameters within which the Group and all Group subsidiaries can raise and manage funding from permitted sources to facilitate delivery of their objectives, including growth, whilst ensuring that that the overall cost of funds is optimised.

6.1 Sources and types of funding

a) Public subsidy

Around 95% of the Group's operations are in the affordable housing market, with new build development partly funded by public subsidy by way of grant from the Scottish Government. Furthermore, there may be other grants available for specific purposes, such as for implementation of green measures as part of new housing design (or retrofitting existing housing) or for wider regeneration and community benefit initiatives.

The Group will ensure that any available public subsidy is fully explored and utilised as appropriate before its own financial resources are used to fund capital improvements, new developments and wider community benefit activities of the Group.

Equally, if there are any grants or other forms of government support (e.g. guarantees) available for any parts of the commercial activities of the group, these will be fully explored and implemented alongside any private finance.

b) Private finance

The Group's activities are financed using approved debt instruments, methods and techniques, as set out in this policy. In general, our funding is arranged on a secured basis, but we will explore unsecured debt where this is available and cost effective, delivering value for money.

The following debt instruments are approved sources of mid to long term private finance for the Group:

- banks and building societies; authorised and regulated by the Financial Conduct Authority (FCA), or their EU equivalent for European banks;

- the capital markets by way of issuing bonds either via an intermediary or in WHG's own name;

- Pension Funds / Insurance Companies – via issuance of bonds or a direct placement of debt instruments;

- not for profit borrowing vehicle companies/intermediaries such as The Housing Finance Corporation;

- Leasing Companies;

- Public bodies such as the Scottish Government or Scottish National Investment Bank, including the SG charitable bond programme administered by Allia;

- Bank of England / HM Treasury funding schemes; and

- syndicated loans where there is a syndicate of lenders drawn from the above.

Each debt counterparty, such as banks and financial institutions, will be assessed with reference to their credit quality as part of the borrowing decision process. This will include assessment of counter-party credit ratings, level of government support (if any) and any other market information available at the time.

Any new sources of long-term funding and funding structures involving any of the subsidiaries will be subject to approval by Wheatley Group Board.

As a result of onerous capital requirements for banks following the credit crisis in 2008, their ability to provide long-term funding remains relatively constrained. Capital market funding and direct lending from pension funds and insurance companies are the key sources of long-term funding (> 10 years) for the RSL Borrowing Group, supplemented by flexible shorter-term bank funding (≤ 10 years).

In addition to long term funding, to ensure liquidity of the group, short- and medium-term funding such as bank overdrafts as well as term loans and revolving credit facilities will be put in place alongside long term bonds, private placements and our legacy bank financing.

Furthermore, project specific funding arrangements may be put in place to fund the Group's wider activities in line with its strategic objectives and alongside any public funding options available for specific projects to create optimum funding solutions.

The mix of different forms of funding will be selected and maintained to meet the specific business needs of the Group and all its subsidiaries.

We will maintain diversity of funders, and types of funders, to minimise reliance on single lenders and/or single sectors of the financial markets.

6.2 Group funding structure

The Group's funding structure has been developed to reflect the following factors:

- Registered Social Landlord regulation and charities law,
- appropriate intra-group lending arrangements,
- requirement for guarantees
- security considerations
- interaction with existing funding facilities and compliance requirements
- risk profile and overall funding costs to the group

- flexibility to adapt to external market conditions and business needs
- recognition that the Group's assets are held in perpetuity

The Group funding structure is set out below. The structure recognises the requirement to separate the funding for regulated charitable activities and any commercial activities.

1. **Wheatley Funding No. 1 Limited** (WFL1)

   WFL1 is the funding vehicle for the Group's four RSLs and WDSL and is known as the RSL Borrowing Group. New partners joining the Group may accede to the RSL Borrowing Group arrangement from time to time. WFL1 allows the RSLs to be funded collectively, within a cross-guarantee structure. The RSLs pool their assets in the WFL1 Security Trust Deed (managed by M&G Trustees) with borrowings secured against these assets. WDSL is included in the cross-guarantee arrangement via a Deed of Guarantee and Indemnity, but does not own any assets and therefore is not party to the security trust deed. Financial covenants and other funding conditions are tested, and reported, at the RSL Borrowing Group level, however, each RSL also monitors and reports funding compliance at the subsidiary level.

2. **Bilateral agreements**

There are several bilateral loan agreements in place for the Wheatley RSLs (at the date of this report, for WH East and WH South). While the presumption is all new lending will be put in place for the RSLs via WFL 1, from time to time direct bilateral loans may be considered if they provide value for money and/or advantageous commercial terms. Bilateral arrangements may also exist in the event that they have been inherited as part of new partnership arrangements. In such cases the presumption is that these loans will be novated, where possible and subject to value for money, to the WFL1 RSL Borrowing Group structure.

3. **Wheatley Funding No. 2 Limited** (WFL2)

   WFL2 funds the commercial activities of the Group, currently including Lowther Homes Limited for its letting and property management activities. There is a security trust deed in place for WFL2, and the assets owned by Lowther are secured to the Security Trustee (Bank of Scotland Trustees) and allocated to WFL2 lenders. There is no cross-guarantee between WFL1 and WFL2.

6.3 Balanced debt portfolio

In order to create a loan portfolio that is complementary to the Group's overall objectives, our aim is to ensure that the Group's debt portfolio has the right balance of:

- Fixed and variable interest rates
- long, medium and short term duration
- term and revolving loans
- secured and unsecured loans
- funding costs and funding conditions/restrictions
- Sustainability links (i.e. Environmental, Social or Governance targets)

a) <u>Interest rate management</u>

In determining the mix of the loan portfolio and the split between different interest rates (fixed or variable), the Group will consider the following in its assessment:

- The shape of the yield curve, to give an indication of where short-term and long-term rates are expected to move in the future and to identify where there is 'value' relative to other maturity dates.

- The sensitivity of the annual surplus and headroom to Golden Rules to movement in interest rates in line with the approved Business Plan.

- The availability, and cost, of financial derivatives to allow the Group to manage the mix between the various rate types effectively.

- The loan offers, particularly via the capital markets and/or private placement markets, which are generally only available on fixed rate terms.

- The effect on the Group and its subsidiaries' ability to meet their financial covenants and ratios.

The Group has the objective to meet the following interest rate mix across the debt portfolio:

	Target minimum %	Target maximum %
Fixed	75	95
Variable	5	25

The Group's mix of fixed and floating rate debt will be reviewed at least annually as part of the approval of the business plan and following any changes to the Group's debt profile. Ongoing Treasury reporting will assess the risks associated with the interest rate mix being outside the targets set out above and consideration will be given, where appropriate, to aligning the fixed:floating loans ratio, considering market conditions and associated costs at the time. Throughout the year the Director of Treasury will monitor the arrangements in relation to the ongoing funding requirements and current level of market interest rates.

Use of derivatives

The use of derivatives such as Swaps, Forward Rate Agreements (FRAs), Collars, and Caps and Rate Locks is permitted for the sole purpose of managing interest rate risk (hedging). The use of derivatives requires approval from the governing body of the subsidiary company for which they will be used as well as the Wheatley Group Board. The Group will not use derivative instruments to maximise return but to protect its risk exposure and to control interest costs. This means that derivatives may only be used to hedge a loan, or loans, and that there should be no scope to to use derivatives for speculative purposes. From time to time this may have a significant cash flow cost, or benefit, to the Group (which will be offset by a corresponding benefit, or cost, on the underlying loan instrument) and any such impact will be assessed over the full period of the hedging instrument in question.

Stand-alone derivatives create the potential for the hedge counterparties (most likely, the lending bank(s)) to demand a cash collateral amount to cover current and future exposure under the contract, the terms of which would be negotiated under a Credit Support Agreement. The financial reporting implications arising from the use of derivatives will also be considered in any decision to utilise swaps or other hedging instruments. Any decision to enter into stand-alone derivatives would be subject to Group Board approval and within parameters set out in Appendix 3 to this policy.

b) Debt maturity profile

The Group will be funded by a combination of:

- long dated capital markets or institutional funding (via private placements) with bullet repayment – our core sources of long-term funding for the Group

- legacy long dated bank funding with a pre-agreed repayment profile – expected to reduce over time as loans mature and long-term bank funding is replaced with other forms of finance

- shorter dated bank loans, primarily via revolving credit facilities which can be drawn, repaid and redrawn without penalty, with maturities between 5 and 10 years, providing operational liquidity, development funding facilities and project specific funding

- loans from Scottish Government, including via the charitable bond programme, administered by Allia

The Group will ensure that its loan portfolio is sufficiently balanced in relation to the maturity (i.e. date of repayment) of its loans so that there is no undue pressure on cash flow to make debt repayments ensuring that refinancing risk can be managed in a timely manner and golden rules are complied with.

To achieve that objective, the Group will endeavour to ensure that no more than 10% of its total loan maturities fall due for repayment in the immediate 18 month period and no more than 25% within the immediate 5 years unless such higher repayments (e.g. when bonds mature) can be supported by latest approved business plan cash flows.

In order to minimise any potential liquidity problem this could present, the Group will endeavour to negotiate loans and/or access capital markets for new funding to allow for refinancing to take place as and when necessary and in good time of any loan maturity. In addition, the Group will run a continuous charging programme over new build assets (known as the 'Build to Secure' programme) to provide availability of security to support new fund-raising.

Maturing bonds will be refinanced no less than 18 months in advance of their maturity date, unless otherwise approved by Group Board. The Group can utilise any agreed overdraft facilities or short-term working capital facilities as required to ensure that liquidity is always maintained. Significant refinancing risks will be reported to the Boards of WHG, WFL1 and WFL2 through the rolling 12-month cash flow and treasury reporting.

c) Term and revolving loans

To ensure sufficient liquidity for the Group and to help manage the overall cost of borrowing, the Group will ensure that its overall debt portfolio has sufficient revolving credit line facilities alongside term debt.

The Group will endeavour to have at least 10% of its overall bank loan facilities as revolving loans at any time. As at 31 March 2025, RCF committed funds stood at 16% of total funding availability. This will allow it to repay some of its bank debt if the cash flow allows it to minimise interest costs, whilst maintaining access to liquidity as and when required.

d) Secured and unsecured debt

In line with the nature of the Group's core activities the Group will raise long term funding for RSL activities mostly on a secured basis, where the RSLs' affordable housing assets will be used for debt security purposes.

Similarly, funding for asset based commercial activities, such as development or acquisition of new housing for market rental will be raised mostly on a secured basis.

The Group may also raise, where appropriate, funding on unsecured basis, however, this will be considered on a case by case basis by reference to funding strategy, cost of funds, and other funding conditions.

e) Cost of funds and funding terms

The main objective is to maintain the lowest average cost of funds that is possible for the Group to achieve whilst ensuring that loan covenants, security arrangements and consent requirements allow sufficient flexibility for the Group to achieve its strategic objectives.

As far as possible, the Group will seek to utilise the cheapest source of funds, however each offer will be assessed in a holistic manner, considering not just the headline cost of funds, but will evaluate all aspects of the funding (arrangement fees, non-utilisation fees, covenants, security requirements, prepayment terms, anticipated drawdown cycle from the business plan, consent requirements etc.).

The Group will also ensure that funding terms relating to its debt facilities are not too onerous, in particular:

- that there is sufficient headroom in financial covenant targets and Golden Rule thresholds when tested against latest business plan projections

- other funding conditions, including funders' consent requirements permit the Group to achieve its strategic objectives

The overriding objective in terms of loan covenants is to ensure that any existing covenants, and their associated Golden Rules, are met comfortably. The definitions used to arrive at these ratios will be negotiated to the Group's best advantage.

Business plans at subsidiary level and across the whole group are presented annually in February. This analysis includes anticipated funding requirements and the corresponding impacts on covenants and Golden Rules.

Compliance with loan/bond covenants is of critical importance and is monitored monthly in relation to actual covenant ratios achieved and future projections, so any corrective actions can be taken as soon as possible.

Additionally, WHG will avoid onerous covenants on new (and existing) facilities, even if this is at the price of a marginal increase in the borrowing rate. The aim will be to reduce (if not eliminate) any negative covenants that will restrict the Group in carrying on its normal business.

f) Currency Risk

WHG is not permitted to take on direct currency risk (i.e. to enter into a loan denominated in a currency other than GBP). Board approval is required in the event of indirect currency exposure associated with fundraising (i.e. for a USD private placement whereby WHG may be required to indemnify currency losses in the event of an early redemption of the debt).

g) Sustainability Linked Funding

Bank and capital market investors are increasingly focused on incentivising borrowers to fund positive Environmental, Social or Governance (ESG) outcomes arising from their investment. For social housing, these ESG outcomes include funding the development of new build homes with high rates of energy efficiency, retrofitting existing homes to reduce carbon emissions, providing homes to people experiencing homelessness, enabling access to education, training or employment to customers, and ensuring greater diverse representation on boards and in management teams.

The Group has sustainability-linked loans from the Syndicate and Barclays whereby the cost of drawn debt will be marginally reduced if pre-determined sustainability key performance indicators (KPIs) are met.

Any inclusion of sustainability KPIs or other ESG targets in bank funding or capital markets debt must be considered assessing the potential discount available and the potential broadening of investor demand with the data reporting required to evidence the delivery of the target, potentially including external accreditation or audit.

6.4 Asset security

The Group will aim to maximise the use of its property stock for the purpose of security to support its debt facilities. In so doing, it will seek to achieve a valuation type that will maximise the valuation arrived at and a loan to value covenant that will optimise the amount that can be drawn on any given level of property security.

Release of property security as a result of revaluations in line with the loan documentation will happen as a matter of course where permitted by lenders. Housing stock released will therefore be available for supporting additional loans on new properties or other schemes the Group may wish to undertake where possible.

The Build to Secure programme will continue to charge new build assets such that these become available for security purposes with a target date of 24 months post-completion.

Affordable housing assets of the RSLs in the RSL Borrowing Group will be secured to the WFL1 security trust deed and allocated to lenders to support borrowings where required. All RSLs in the Borrowing Group will be required to have sufficient assets to support their debts.

The Group will avoid granting floating charges to its lenders wherever possible.

6.5 Management of funding relationships

The Group will have a number of funding relationships:

- with banks, either on syndicated or bilateral basis
- with bond investors and credit rating agencies
- with any other institutional investors
- with the Scottish Government, via a capital markets intermediary

It is crucial that all funding relationships are managed effectively. The Group will ensure that:

- all financial and management information is prepared to a high standard and is provided promptly to all funders
- compliance with all financial covenants is monitored regularly as part of monthly management accounts with any issues resolved in good time
- all other funding conditions, as set out in funding agreements, are monitored with any requirements met as appropriate
- annual investor updates will be provided to all direct funders (i.e. banks and PP arrangers), proactively setting out strategic objectives, financial performance and future plans which may require consent

The Group will maintain close relationships with its funders, in particular, on key strategic issues, as appropriate, to ensure continued support of the Group's strategy.

6.6 Credit Rating Agencies

The Group has had credit ratings in place for the following legal entities with S&P Global Ratings ('S&P') since 2014:

- Wheatley Housing Group Limited
- Wheatley Homes Glasgow Limited
- Wheatley Group Capital PLC
- Lowther Homes Limited (since May 2021)

The management of the on-going relationship with S&P is critical due to the implications for the Group's funding costs, determined by the credit rating, their continual assessment of the creditworthiness of the Group and that of the affordable housing sector in the UK on behalf of bond investors. S&P, and any successor or additional credit rating agency, are recognised as key stakeholders for the Group and are managed according to the same principles as any of the Group's funders. Meetings are held quarterly, with an annual review held in person with S&P representatives and senior Group management.

While some external factors (sovereign downgrades and sector-wide impacts resulting from governmental change) remain outside the control of the Group, the Group maintains strategic focus on maintaining and, where possible, improving credit rating and outlook across the four rated entities.

The Group will also manage and maintain relationships with bond investors, with updates in the form of meetings, webinars and/or material provided in our Investor Relations section of the Group's website on at least an annual basis to explain the Group's latest performance, plans and Environmental, Social & Governance (ESG) reporting.

As at our May 2025 review, the three core entities are rated as A+ Stable. Lowther Homes Limited, a non-core subsidiary, is rated at A Stable.

7. Investment policy

As a general principle, the Group will ensure that any surplus funds are invested without risk exposure to the capital invested, whilst at the same time maximising the return on investment and allowing ease of access in terms of liquidity. The bulk of short-term liquidity for the Group is provided by way of Revolving Credit Facilities ('RCFs') rather than via cash deposits, to avoid the inefficiency of drawing term debt to place it on deposit prior to use.

7.1 Principles of investment

WHG will follow these key principles in the order stated before any investment decision is made:

- Security of Capital – Protection of sum invested. The key aim will be to ensure that the capital amount invested is not put at risk. Investments that could see the erosion of the capital value are prohibited. The return received on the funds invested is the only aspect of the investment that will fluctuate in line with market movements.

- Investment Liquidity – Allowing ease of access to funds to meet ongoing investment and development expenditure. To achieve this, the Group will invest a proportion of available surplus funds in products that allow easy access, so that surplus cash can be utilised, as far as possible, to meet liquidity requirements before debt drawdown. As set out above, the majority of investment liquidity will be provided via RCFs to ensure we meet our Golden Rule on liquidity requirements.

- Investment Return – Total return on investment (including interest income). This is to ensure that a sufficient financial return to reduce net funding costs. The current low interest rate environment versus the Group's legacy average cost of funds means that any net investment return is negative, thus the preference for the Group to have liquidity provided via RCFs rather than holding cash on deposit.

- Diversification of Investment Portfolio – Ensuring that funds are invested in different instruments or in an investment with diversified holdings, with different high-quality counterparties and for different maturities to reduce investment risk.

7.2 Approved investment instruments

The following investment instruments are approved for the purposes of investing surplus funds:

- Short term money market deposits (up to 12 months) and with Weighted Average Maturity (WAM) of no more than 90 days

- Bank and Building Society Deposits with institutions approved for investment in line with this policy

- Triple ‘A’ Rated Money Market Funds (AAA)

- UK Government Securities (Gilts & Treasury Bills) – directly or via a government securities fund

These instruments will allow for the Group’s key investment principles of protecting the capital sum whilst at the same time maintaining liquidity, investment diversification and always achieving a reasonable return.

Any funds used for investment purposes will be closely monitored for exposure to any non-cash asset backed instruments which may be affected by market volatility.

7.3 Investment counterparties

The Group should avoid dealing with counterparties rated below acceptable credit rating levels. The counterparty credit rating is based on a set of recognised credit criteria which will allow the Group to make an informed decision on the creditworthiness of any investment counterparty and level of any potential exposure involved.

It is therefore essential that the Group maintains an objective credit policy, which is based on independent professional opinion. When appraising the credit quality of investment counterparties, the Group will rely on the assessments made by the following credit rating agencies:

- Fitch Ratings,

- Moody’s Investor Service, and/or

- S&P Global Ratings

The credit ratings of counterparties is only one factor to be considered in the analysis of the credit quality of any counterparty and other credit risk factors will be considered before a decision is made. Other credit factors which will be considered including market data, financial press, financial support from the government, etc.

We may have to consider placing deposits with existing lenders or operational bankers to the Group (or any other lender or banking provider which may in future join the group funding arrangements through a sell down of debt in the market or as a lender to the Group’s new partners), even where these financial counterparties do not meet the minimum threshold as set out in the table below for relationship reasons. In these exceptional circumstances, we would only be permitted to place investments with the Group's existing or future lenders and/or operational bankers if the credit rating is two notches lower than our minimum threshold.

Other than with its existing lenders, as a policy objective, WHG will seek to invest funds with the financial institutions which have the following credit ratings:

Short Term	Fitch	F1+, F1, F2
	Moody's	P-1, P-2
	S&P	A-1+, A-1, A-2
Long Term	Fitch	AAA, AA+, AA, AA-,A+
	Moody's	Aaa, Aa1, Aa2, Aa3, A1
	S&P	AAA, AA+, AA, AA-,A+, A

It should be noted however, that these ratings may not be achieved. Therefore, an exception may be considered to allow investments with major UK clearing banks which have UK Government support (e.g. Royal Bank of Scotland/Natwest bank), provided Wheatley Group Board approval is obtained in advance of any such deposit being placed.

Using external treasury advisers as necessary, the investees / borrowers list will regularly be reviewed and updated. In so doing, the Group will consider the length of time the investment is to be outstanding with any one counterparty, based on their credit rating at the time. It will also fully consider the minimum credit quality of the counterparty in comparison to that of its group position. This will mean that, if the counterparty concerned forms part of a wider group structure, the rating to be considered may extend to the wider group in relation to the nature of support given by the parent to that subsidiary counter party. In particular, the legal obligations within the group will need to be fully considered.

The Director of Treasury is responsible for monitoring credit ratings of the Group's borrowing and investment counterparties and reporting any material changes in their credit quality as part of the quarterly treasury report to the Wheatley Group Board.

7.4 Amounts invested with any one institution

The Group will diversify its investment portfolio by investing funds with high quality counterparties to prevent over-reliance on a small number of counterparties.

The following principles will be applied in determining the amount to be invested with any one institution:

- The maximum investment amount allowed with the Group's key relationship and account bank (currently RBS) will be the higher of £125m or 70% of the total amount available to be invested.

- The maximum investment amount allowed with each of the Group's key relationship banks will be the higher of £100m or 50% of the total amount available to be invested.

- The maximum investment amount allowed with the Group's other relationship banks or any one counterparty other than the relationship banks will be the higher of £75m or 40% of the total amount available to be invested.

- To further minimise the risk of exposure to any one investor, the maximum term any investment can be made for is limited to 6 months, after which time the counterparty credit risk needs to be reviewed.

Should there be a need to invest outside of these terms, specific Board approval will be sought. In such a case, the Board will be required to approve the method of investment, having sought suitable independent professional advice as necessary.

It is possible that interest could be 'rolled over', with accrued interest on the investment, when it matures with any one counterparty. In such circumstances accrued interest on the deposit is realised and consequently a breach of the credit limit for the counterparty may occur. Therefore, rollovers of principal plus interest are permitted subject to a limit excess of 10% of the maximum permitted amount to be invested with any one institution. However, the Group is to ensure at all times that interest left to accrue on the capital sum will not be at the expense of drawing down loan funds to meet the costs of the business plan.

As a general principle, the Group is not permitted to invest surplus funds if this would result in drawing down debt funding to meet business plan requirements as in a normal market borrowing rates are higher than investment rates and would result in "negative arbitrage". Therefore, the Group will aim to have liquidity provided via Revolving Credit Facilities, rather than drawn funds placed on deposit.

7.5 Investment return

The Group will ensure at all times that the rate received for invested funds is the best possible rate available in the market at the time for that type of investment, taking account of ease of access, maturity and credit quality of the investment counterparty.

To achieve this, the Group will use available market information and, if necessary, investment brokers to obtain market quotes and benchmark the total return on any proposed investments. For the purpose of this calculation, the total investment return will include the cost of transfer of funds and any administration charge involved in investing with an institution other than the Group's main bankers. The Group's main bankers will therefore act as a benchmark to other financial institutions meeting the Group's investment criteria.

8. Financial risk management

Effective management of financial risks is key to the long-term financial viability of the Group and its ability to achieve its strategic objectives.

The principal financial risks the Group is exposed to and key mitigating actions the Group will employ to manage these are:

Risk	Risk description	Category	Risk management
Liquidity risk	Risk that the Group may have insufficient financial resources to meet day to day fluctuation in working capital and cash flow (e.g. insufficient cash available to pay staff salaries or supplier invoices when they become due), which may result in breach of contracts	Low	− Robust cash flow forecasting and management − Working capital management − Sufficient cash and committed credit lines available to cover Golden Rules on liquidity − Alternative contingent funding sources available (overdraft)
Funding risk	Risk that the Group may be unable to raise the required finance in the market or pay too high a price for its finance and thus reduce overall resources available to deliver its objectives. Risk that funding information requirements are not met, and if unable to be resolved within specified remediation periods, will result in a breach. Risk that covenants are breached Risk of insufficient security availability to meet minimum asset cover requirements	Medium	− Robust financial management in line with Golden Rules − Strong relationship with lenders, bond investors and rating agencies − New funding arranged at least 18 months before maturity of existing funding − Notification and reporting processes across the Group in the Treasury and Finance teams − Projections of covenants prepared with mitigation actions taken in advance to avoid forecast breaches − Build to Secure asset charging programme to provide security availability for the Group on a continuous basis
Interest rate risk	Risk that the Group's interest costs on its borrowings may be unaffordable if market interest rates rise or that in the environment of falling interest rates, the Group may not be able to take advantage of lower market interest rates in relation to	Medium	− Interest rate exposure monitored and understood − High proportion of fixed rate debt − Regular assessment of market projections for short- and long-term interest rates − Existing hedges monitored for effectiveness

	its borrowings (opportunity cost)		− Action taken as opportunities arise to align hedging position with policy
Inflation risk	Risk that the Group's cash flow will be adversely affected either through reduction in income or increase in costs as a result of movement in general inflation rates	Medium	− Monitoring of net inflation exposure − Matching of inflation linked income and expenditure − Robust procurement
Counterparty credit risk	Risk that the Group may incur financial losses if a counterparty to treasury transactions fails and is unable to fulfil their obligations.	Low	− regular monitoring of counterparty credit ratings − counterparty exposure and credit rating limits − diversification of investments − monitoring of financial health of counterparty banks, using CDS data where appropriate
Risk of fraud	Risk that the Group's employees involved in treasury transactions and transactions involving cash may act fraudulently to their personal benefit Risk that criminals target the Group's payment systems and/or send fraudulent invoices for processing or instruct payments over the telephone (Phishing, email cloning or other fraud approaches) Risk that the Group's employees with payment cards spend the Group's money on personal transactions	Low	− clear procedures for dual authorisation of treasury transactions − segregation of duties − regular internal and external audit of Group Treasury − regular Cyber Security training from Group IT − external training (from our relationship banks and/or law enforcement) to keep updated on new fraud approaches − limits on individual payment cards with maximum £200 per transaction and monthly limit of £1000 as standard. Higher limits require sign-off from Executive Team member or senior manager as appropriate.
Credit rating downgrade risk	Risk that the Group is downgraded to BBB+ or lower by S&P / BBB+ by Fitch / Baa1 by Moody's (if more than one rating is in place, the lowest rating will apply), will trigger a cancellation of availability and a demand to prepay all drawn debt after a 30-day consultation period on the EIB facilities Risk that a prepayment event on EIB facilities will	Medium	− while the Group is in control of the various internal financial disciplines which influence the credit rating agencies (liquidity, gearing, strategy & management, financial performance, asset quality), there are external factors (UK and Scottish Government benefit regimes; UK and Scottish sovereign ratings) which remain outside of the Group's control − we have quarterly updates

	trigger cross-default provisions for other WFL facilities		with S&P with the credit rating agency being a key relationship for the Group − Clear strategic objective to maintain credit rating at least at A+ stable

Implementation of the key principles of this Treasury and Financial Management Policy is central to managing financial risks.

In order to manage the above risks effectively, the Group will:

- Maintain an up-to-date Risk Register (note the Treasury sections form part of the Finance Risk Register reporting) to identify, record and measure all financial risk
- Implement strategies for dealing with specific risks
- Regularly report on effectiveness of these risk mitigation/management strategies
- Annually re-evaluate the whole risk management approach and process taking into account treasury policies and linkages between different risks

The Group will have a focused and cohesive reporting framework in place for Board members as well as the Senior Management team. This will include the following:

- Compliance with this policy
- Reporting on the Group's interest rate, inflation and credit risk exposure and how they are managed
- The actual position of the Group's financial covenants and forward covenant projections
- Sensitivity tests highlighting the effect on the Group's financial results and ability to meet the financial covenants and ratios.

9. Inter-company dealing

9.1 Key principles

As the Group comprises charitable regulated RSLs and commercial subsidiaries it is crucial that any financial inter-company transactions are carried out in accordance with clear principles, any applicable law, regulatory guidance, and Golden Rules approved by the Wheatley Group Board.

The financial inter-company transactions covered by this policy fall into the following key categories:

- Funding transactions within the Group funding arrangements
- Financial support between group companies – inter-company loans other than from Group funding vehicles WFL1 and WFL2
- Financial investment in Group companies – e.g. equity investment
- Any cash pooling arrangements for the purpose of maximising return on surplus cash

As a general principle, all inter-company dealings (e.g. loans, deposits, equity investments etc.) between a charity and non-charity may only be allowed if they are for the “benefit of the charity”. It will be for the relevant governing body of those involved in the dealings to formally approve any such arrangements. To satisfy this requirement, the following factors need to be considered:

- a commercial rate of interest is charged on loans/deposits once the funded assets become income-generating

- there is formal documentation in place which sets out the terms and conditions of the loan/deposit e.g. repayments, interest payment dates, expiry date etc.

- the right balance of risk and return can be demonstrated on any inter-company investments, such as equity investments

In particular, for any inter-company loans, where a charity is funding a non-charitable Group entity, the charity will have sufficient documentary evidence showing careful and proper due diligence was carried out on the financial viability of the that entity prior to making a loan.

Based on the above, any inter-company investments and borrowings between Group entities will always be carried out on an arm’s length basis. In each case, detailed legal and tax advice will be sought to ensure that the optimal arrangements can be put in place, to meet all applicable legal, regulatory and taxation requirements.

To ensure that the return on surplus cash balances of the RSL Borrowing Group can be optimised, the Group will endeavour to pool any cash surpluses of charitable RSLs within the Group, subject to satisfying any legal and taxation requirements (based on specialist external advice).

Similarly, any cash surpluses of commercial subsidiaries will be pooled for investment purposes.

The Group will seek legal, tax and financial risk management advice as appropriate as to the most efficient method of managing surplus funds across the Group to maximise the benefit of the potential group arrangements within any known restrictions.

9.2 Group funding arrangements

The Group will operate group funding arrangements which recognise the different credit profiles of the charitable and non-charitable group activities and allow associated risks to be adequately ring-fenced:

- Charitable regulated activities of the Group RSLs will be funded as one RSL Borrowing Group through Wheatley Funding No.1 Limited (‘WFL1’), to allow a degree of flexibility in how funding is used by the RSLs and so that charitable assets can be used most effectively for security purposes. New RSL partners may operate outside the RSL Borrowing Group for a period, but there will be a general presumption that subject to value for money and their continued ability to meet their strategic objectives any such partners will seek to accede to the RSL Borrowing Group arrangement.

- Activities of commercial subsidiaries will be funded separately through Wheatley Funding No.2 Limited (‘WFL2’) with funding terms appropriate to their credit profile.

There will be no cross guarantees between the charitable and non-charitable parts of the Group funding structure.

a) Funding charitable RSL Borrowing Group

For funding purposes, the RSL Borrowing Group is regarded as one entity, with all affordable housing assets of the RSLs pooled for debt security and financial covenants set on the combined financial results of the RSL Borrowing Group. To achieve this, the RSLs and WDSL will provide cross-guarantees for each other's obligations to WFL1.

However, in accordance with the Group's key financial management principles and Golden Rules, each RSL will need to demonstrate stand-alone financial viability. This means each RSL and WDSL must be from able to support any debt from WFL1 from their own assets and cash flows.

Whilst overall lender financial covenants will be set at the RSL Borrowing Group level, each subsidiary will also be required to operate within a business plan agreed by its own Board and the Wheatley Group Board.

Within the RSL Group funding arrangements, total funding costs of WFL1, including interest costs (taking account of any fixed rate arrangements), commitment fees and any other related fees, will be shared between the RSLs based on their individual proportion of the overall WFL1 funding. This will be done through an all-in funding rate on borrowing, which will be equal for all RSLs and WDSL which will be subject to monthly review and notified via the issue of a monthly loan statement. This statement sets out:

- Interest rate
- Loan amounts (opening, closing and drawdowns/repayments)
- Year-to-date interest paid and current month interest due

b) Funding non-charitable activities

Non-charitable activities of the Group, including the development/acquisition of market rented housing, will be funded through WFL2 and be subject to separate asset cover and financial covenant requirements agreed with commercial lenders.

Lowther Homes will be funded by a combination of equity investment from WH Glasgow and commercial debt.

10. Treasury Controls & Compliance with Policy

Internal control procedures over treasury activities will be maintained so that any material fraud or error is either prevented entirely or is identified and reported as soon as it occurs in line with the Group's Risk Management Framework.

To achieve this the following principal controls will be applied:

- Segregation of duties between treasury dealing and related accounting and recording. All dealing activity (over the phone or on-line) will be undertaken within the Treasury department whilst any related recording of treasury transactions will be performed independently within the Financial Reporting department

- Controls over disbursement of funds requires dual authorisations for all payments, documented for each bank in a formal bank mandate. The bank mandates will be kept up to date, listing all bank signatories and identifying individuals authorised to transact money market deals on behalf of WHG

- All term deposit transactions and money market fund subscriptions will be accompanied by a dealing ticket, authorised by two signatories, only one of whom is in the Treasury team, as per the relevant bank mandates

- All relevant treasury limits will be monitored for headroom prior to any deals being transacted and any breaches reported to the Board as soon as practicable after they are identified.

In order for WHG to ensure compliance with all its funding agreements, there are delegated controls in place between the treasury team and other key officers within the organisation including the new build development team, asset team, property legal, governance, procurement and the financial reporting team

The areas for monitoring by these officers include asset disposals / acquisitions, fulfilling the terms of public grant obligations, arranging corporate reorganisations, the granting or release of security, entering into third party agreements in relation to payment or other financial products and changes in key management roles such that Treasury can manage any consent requirements and/or information undertakings proactively with our lenders.

While Treasury undertakes an overview monitoring role, it is the responsibility of the key officers to provide timely information in respect of the areas set out above. The Board will be advised of any issues which may lead to default under these agreements.

A detailed Treasury report, covering all aspects of Treasury activities as set out in this policy, will be submitted to the Group Board at least quarterly. This will include:

- analysis of cash flow and borrowing requirement together with an explanation of variances to previous forecast
- analysis of group debt position, including debt drawn to date, any repayments due, cost of borrowing and forecast borrowing position for the next 24 months
- compliance with funding agreements, including financial covenants
- management of financial risks, including review of fixed and floating rate proportions, counterparty exposures and their credit ratings
- summary reporting on asset security

There will be ongoing training for all staff in the Group Treasury team to ensure they keep abreast of all latest treasury developments. The Group Treasury team will be subject to regular review by internal audit.

11. SHR Annual Assurance Statement

In February 2019, the SHR published its guidelines on Annual Assurance Statements ("AAS"). These statements represent a key part of the SHR's regulatory risk assessment and are intended to provide assurance to stakeholders, including the SHR, that the Group's RSL's comply with relevant requirements of Chapter 3 of the Regulatory Framework, including:

- all relevant standards and outcomes in the Scottish Social Housing Charter;
- all relevant legislative duties; and
- the Standards of Governance and Financial Management.

The AAS is required to cover and include the following:

- areas of material non-compliance, describing how the RSL plans to improve in those areas
- timeframe for improvement
- confirm that the RSL has seen and considered appropriate evidence to support the level of assurance
- confirm the date of the meeting of the governing body or committee at which the Statement was considered and agreed

This Treasury Management Policy (TMP) is intended to support compliance with relevant regulatory requirements including the Standards of Governance and Financial Management, including the Standards of Governance and Financial Management.

The TMP supports the Board(s) and Officers in fulfilling their responsibilities and providing assurance and evidence to support compliance with relevant regulatory requirements within the Annual Assurance Statement or identify or assess areas where Wheatley and its subsidiary RSLs does not materially comply with the relevant regulatory requirements.

Glossary

Bond	A bond is a debt instrument issued in the capital markets. The issuer (in this case, the Group) borrows the principal amount of the bond from capital markets investors (generally pension funds, insurance companies, other long-term institutional investors), attracts a rate of interest (either on-going or rolled-up to the maturity date) with the principal amount becoming repayable on a single maturity date.
Capital market	A financial market where participants can issue new debt or buy and sell debt instruments (usually in the form of bonds).
Counterparty	Institutions such as Banks and institutional investors (such as pension funds, insurance companies etc.)
Credit rating	An evaluation of the credit worthiness of a counterparty, i.e. their ability to repay debt made by a credit rating agency. A summary table of all credit ratings has been included in Appendix 3.
Credit Rating Agencies	Companies that evaluate, assess and then rate the financial standing of Corporations and Institutions. There are three main credit rating agencies; Moody's, Standard & Poor and Fitch.
Derivatives	Financial Instruments that provides the opportunity of reducing risk exposures such as interest rate, inflation rate and exchange rate
Forward Rate Agreement (FRA)	A Legally binding agreement between two parties committing to swap related payments from variable rate into fix rates (or vice versa) at a Future Date
Interest Rate Cap	An agreement under which a maximum interest rate is agreed between the Bank and the borrower, known as the strike rate. This allows the borrower to take advantage of low interest rates up to the agreed strike rate in return for a premium. This premium is similar to an insurance premium, in that it allows for the borrower to be protected against increases in interest rate above the strike rate.
Interest Rate Collar	Where an interest rate cap is an agreement for a maximum interest rate exposure, and an interest rate floor agrees a minimum interest rate cost, an interest rate collar is a contract combining an interest rate cap and an interest rate floor and hence sets a lower and upper limit on the interest rate exposure of the borrower. The borrower therefore **buys** a cap and **sells** a floor
Interest Rate Swaps	Legally binding agreement between two parties to exchange (swap) interest streams with different characteristics i.e. fix to variable and variable to fix, on the same principle amount.

Wheatley Housing Group

Treasury Management Policy

June ~~2022~~2025

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Abbreviations

The following abbreviations are used in this report:

Care	Wheatley Care
~~Cube~~	~~Cube Housing Association~~
~~DCH~~WH East	~~Dunedin Canmore Housing~~ Wheatley Homes East Limited
~~DGHP~~WH South	~~Dumfries and Galloway Housing Partnership~~Wheatley Homes South Limited
EIB	European Investment Bank
FRA	Forward Rate Agreement
~~GHA~~WH Glasgow	~~Glasgow Housing Association~~Wheatley Homes Glasgow Limited
ISDA	International Swap Dealers Association
LHA	Loretto Housing Association Ltd
LHL	Lowther Homes Ltd
SDC	Strategic Development Committee
SHR	Scottish Housing Regulator
RSL	Registered Social Landlord
SPV	Special Purpose Vehicle
The Group	Wheatley Housing Group Limited
WDSL	Wheatley Developments (Scotland) Limited
WFL1	Wheatley Funding No.1 Ltd ~~(WFL1)~~
WFL2	Wheatley Funding No.2 Ltd ~~(WFL2)~~
WGC	Wheatley Group Capital plc
WHG	Wheatley Housing Group Limited
~~WLHP~~	~~West Lothian Housing Partnership~~

1. Introduction

1.1 Wheatley Housing Group

Wheatley Housing Group ("the Group") is the largest housing, community regeneration and care provider in Scotland with owned and managed housing stock ~~of~~ over 954~~8~~,000 units across nineteen local authority areas in central and south-west Scotland.

The Group provides, through its subsidiaries, ~~an extensive range of~~ high-quality homes for social, mid-market and full-market rent, ~~stock and services to the social housing, mid and full-market rental sectors,~~ as well as specialist care services and property management services across its communities.

1.2 Group Governance

Wheatley Group Board

The Wheatley Group Board is responsible for overseeing the strategic direction of the entire Group, the subsidiaries and the subsidiary Boards. It is responsible for oversight of our Group funding arrangements, risk management processes, and control systems.

The Wheatley Board ~~has the ability to~~can exercise constitutional control over its subsidiaries through provisions contained in each subsidiary's constitution.

Subsidiary Boards

Each subsidiary within the group has its own Board of Directors. The subsidiary Boards oversee the delivery of their own subsidiary strategies which contribute to the overall Group strategy. Each subsidiary must also enter into an Intra-Group Agreement with Wheatley Housing Group Limited. This Agreement governs the parent/subsidiary relationship and the various obligations on each party.

RSL Borrowing Group

All RSLs (~~GHA, WLHP~~WH Glasgow, Loretto, ~~DCH,~~WH East and WH South ~~DGHP~~) are funded as one RSL Borrowing Group through WFL1. The Group's tax efficient development company, ~~Wheatley Developments (Scotland) Limited (~~WDSL~~)~~ is also a member of the RSL Borrower Group and can borrow directly from WFL1. The RSL Borrowing Group pools all assets in a single security trust deed for funding purposes, with each RSL cross guaranteeing each other's obligations to WFL1. Care has access to a total £1m standby facility via the RSL Borrowing Group.

Commercial Activities

The group's commercial activities are funded through WFL2. ~~In 2011~~, £45m of funding ~~was put~~ is in place via a ~~£30m~~ loan from ~~GHA~~ WH Glasgow to Lowther Homes. ~~This intragroup funding was increased to £45m in May 2021~~, with £36m drawn at 31 March 2025 to support the delivery of LHL's new build programme. The RSL Borrowing Group is not permitted to provide~~re is no~~ additional funding ~~of commercial subsidiaries from the charitable RSLs~~to WFL2 without consent from the lenders to WFL1. The RSLs are not permitted to provide guarantees to or take security over assets owned by the ~~No guarantees shall be provided by the charitable RSLs over the liabilities of~~ commercial subsidiaries.

1.3 Corporate strategy – long term platform for growth

~~The Wheatley Group corporate strategy for 2015-20, "*Investing in our Futures*" was successfully delivered, with Treasury focused on diversifying the funding base, maintaining a strong credit rating and providing a strong and stable long-term platform for growth; all of which were delivered.~~
The Group's strategy for 2021-26 "Your Home, Your Community, Your Future" ~~was launched to cover the period 2021-26 (2020-21 being impacted by the Covid-19 pandemic).~~sets out ~~The~~ key objectives for the Group's financial and treasury management including:

a) ~~are to~~ E~~e~~nabl~~e~~ing the ambitions of the Group via a strong funding platform;
b) ~~to facilitate efficient growth and by m~~Maintaining a strong credit rating from S&P Global.

Where discounts or incentives are available to the Group via sustainability targets in funding arrangements (including positive environmental, social or governance outcomes), these will be included where aligned with our strategic objectives~~The Group is committed to embedding sustainability targets within our financing arrangements~~.

2. Policy objectives

In order to achieve its ambitious strategic objectives, the Group needs clear financial and treasury management principles as well as robust controls in place.

Treasury management is the management of the Group's cash flows, funding, banking, investments, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

The Group maintains and operates a Treasury Management Policy (~~G~~TMP) in line with the CIPFA guidance on Treasury Management in the Public Services (most recently updated in 2021~~17~~). The SHR's Standards of Governance and Financial Management for RSLs requires, under Standard 3 that RSLs manage their resources to ensure financial wellbeing, while maintaining rents at a level that tenants can afford to pay.

Standard 4.5 of the SHR Assurance Framework requires that RSLs must prepare and publish an Annual Assurance Statement to confirm to tenants and the SHR that they are meeting the Standards of Governance and Financial Management.

The Group's RSLs must have effective financial and treasury management controls and procedures, with Board Members expected to fully understand the implications of the treasury management strategy to ensure it is in the best interests of the RSL and to understand the associated risks. The Group Boards ~~–~~must monitor, report on and comply with lender covenants and understand the risks associated with non-compliance and take pre-emptive action to avoid such an outcome.

In 2015, the Scottish Housing Regulator placed an ongoing requirement on housing associations to comply with ~~this document~~the CIPFA Code. This ~~G~~TMP sets out the framework for managing the Group's overall financial position as well as investing and managing its cash, raising loans and managing financial risks.

Key objectives of this policy are to:

- define the Group's financial objectives and set out a clear set of Golden Rules for management of treasury activities

- ensure that the Group's loan portfolio represents the optimum balance of risk in interest rate, loan maturity, flexibility and fixed rate exposure

- ensure that the Group's officers have the authority to take the necessary action as and when required in response to changes in the financial markets

The overriding objective of this policy is to be risk averse, whilst allowing the Group to achieve its strategic objectives within agreed financial parameters.

~~In order to~~To ensure that the Group's treasury objectives are achieved, this policy is ~~to be reviewed~~subject to review at least every three years, to bring it in line with changes in the financial markets, economic environment, changes in the housing sector as well as changes in the G~~g~~roup's strategic direction. Any changes to this policy ~~will~~ must be approved by the Wheatley Group Board.

This policy is accompanied by the Group Treasury Operational Framework, which sets out the detailed mechanical arrangements for how the group's funding and liquidity arrangements will work in practice, including securing and drawing down funding at subsidiary level (set out in the Intra-Group Agreements), cash management (monitored daily via electronic banking and Daily Cash data) and management of financial risks, including compliance with funding agreements (set out in the Covenant Reporting documentation).

3. Delegation of Responsibilities

The Board of WHG has the overall responsibility for WHG's funding and investment strategy and the approach to managing financial risk, via a variety of mechanisms ~~such as~~including the approval of the Group business plan, setting of treasury policies, appointment of the Group Chief Executive (who appoints other senior officers, e.g. the Group Director of Finance) and delegation of duties to execute policy objectives.

The Board of WHG has responsibility for:

- setting out the financial direction for the Group, including principles of Group financial management such as key financial ratios the Group is required to meet

- raising of finance for the Group and signing off any new borrowing facilities via Group funding vehicles, WFL1 and WFL2

- raising of finance for the Group via the public debt capital markets via the Group publicly listed company, Wheatley Group Capital plc

- setting treasury policies in relation to cash investments, intra-group borrowing and management of financial risks

- management of strategic financial risks for the Group, including interest rate risk, inflation risk, funding risk, liquidity and counterparty risk

- interest rate hedging using financial instruments

- monitoring overall cash flow and financial performance across the Group, including compliance with funding agreements and Golden Rules at WFL1 and WFL2 level

The subsidiary Boards are responsible for:

- setting their own financial plans within the parameters set out by the Group Board

- managing their cash flow to ensure delivery of objectives by drawing down funding from Group funding vehicles, WFL1 and WFL2, in line with their approved business plans

- ensuring compliance with intra-group funding conditions as agreed with WFL1 and WFL2

- management of operational financial risks in line with this policy and approved subsidiary business plans

The Strategic Development Committee has responsibility for:

- under a delegated authority from Group Board, approving the Group Funding Strategy, including debt capital markets issuance and associated regulatory and documentation requirements

The Group Treasury Management Policy sets out the framework for all treasury activities and no activity can be undertaken unless specifically authorised within the policy.

The Group Director of Finance has authority, within the parameters of this policy, to:

- drawdown and repay loans at WFL1 and WFL2 level under any committed debt facility and incur associated fees and interest costs as set out in the related funding documentation

- enter into negotiations on new borrowings and incur reasonable costs such as loan arrangement fees in doing so in line with the Scheme of Financial Delegation.

- manage the Group's funding relationships

- lead the external investor relations communications

- monitor compliance with WHG's loan covenant obligations and Board-approved Golden Rules and take remedial actions as appropriate

The Group's commitment to any new borrowing and any material changes to existing borrowing facilities must be approved by the Wheatley Board.

Based on the approved business plan for each subsidiary (within the overall Group business plan), the debt drawdown and repayment profile for the year will be agreed for each subsidiary, subject to any subsequent changes approved by their Boards. The Director of Treasury has authority to manage subsidiary borrowings within the Group funding arrangements and in line with agreed subsidiary debt profiles.

Under guidance from Group Director of Finance, designated treasury staff are authorised to place surplus cash balances with the institutions approved in accordance with this policy.

Should the Group Director of Finance propose to undertake a transaction which is not in accordance with this policy, the proposed transaction and reasons for it will be presented to the Wheatley Board for its approval before the transaction is carried out.

Given the Group's ~~dynamic~~ ambitious business plan, pace of growth and the related impact on the funding requirement, the Group Director of Finance will review the size, relevance and cost of the Group's debt facilities at least annually.

The Group will maintain clear Board approved mandates for all debt and banking transactions.

4. Financial Management

4.1 The Group will operate subject to the following key financial principles:

- Each subsidiary will be financially viable in its own right (any subsidiary transactions will be subject to intra-group dealing principles set out in section 9 of this policy).

- There is a clear differentiation between charitable activities of the Group, which are run for the benefit of customers, and the Group's commercial activities, which are focused on maximising surpluses which can be re-invested in the Group's charitable activities

- WDSL is a commercial entity within the RSL Borrower Group, but its activities are limited by its Articles such that it can only carry out development work on behalf of Group RSLs. No other operating activity is permitted

- The Group will deliver value for its customers by being as efficient as possible, by sharing services, using economies of scale and robust contract management

- Any investment decisions will be supported by ~~a strong business case~~ financial diligence, meeting the criteria set out in section 7

- The Group will operate in accordance with Board approved set of financial Golden Rules, which will help ensure we remain financially strong and sustainable as a Group.

The Golden Rules are derived from key measures used by the credit rating agencies to assess the Group's financial strength as well as ~~by~~ our financial covenants agreed with the Group's funders. These have been developed to fit our specific financial profile and circumstances and are comparable with similar approaches adopted by other large English Registered ~~Social Housing~~ Providers of social housing. These will be subject to annual review by the Wheatley Group Board and cannot be altered without Group Board approval.~~.~~

Financial covenants are reported quarterly and are additionally reported alongside the publication of the Group's statutory financial statements annually. Covenant compliance is~~are~~ a key focus of management with covenants reported to and approved by Group Board prior to submission to the lenders. Adherence to the Golden Rules, set outside of the covenant levels, ensures compliance with our key lending covenant measures. Close monitoring of financial performance ~~and Board-level reporting and are closely monitored to~~ ensures any necessary actions can be taken proactively in advance of any potential breach~~as soon as possible~~.

To ensure the financial sustainability of the Group as a whole, the ~~Wheatley~~ Group Board ~~will also annually~~ approves an annual Group business plan, representing a consolidation of each of the annual subsidiary business plans which are in turn approved by each subsidiary board, taking account of local markets and priorities. ~~and subsidiary business plans and a Group-wide range for rent increases in the following year.~~
Each subsidiary will also approve their own rent increases ~~financial plans~~ within the parameters set by the Group Board, taking account of local markets and priorities.

Robust treasury management practices, as set out in this policy, will ensure that the Group can monitor compliance with the Golden Rules, manage ~~any~~ associated risks and implement mitigating actions as appropriate to ensure long term financial strength of the Group.

5. Liquidity Management

The Group will ensure that it has enough ~~cash~~ immediately available liquidity in the right place and at the right time to meet all payment needs, by:

- Understanding cash ~~needs~~ requirements across the Group through detailed cash flow forecasting and monitoring of known inflows and outflows
- Ensuring minimum cash balances are maintained and any surplus cash is invested in line with key agreed investment principles
- Ensuring sufficient committed liquidity lines are available to be drawn as required to meet payment needs
- Maximising, as far as possible, the transparency and efficiency of cash positions across legal entities, taking account of any regulatory requirements
- Identifying and establishing diverse contingent funding sources

5.1 Understanding cash flow

WHG will ensure at all times that for the RSL Borrowing Group and Lowther, the following cash flow forecasts are available:

- An annual, in-year cash flow forecast, based on approved business plan projections
- a rolling 12-week cash flow forecast (in-year, but supplemented by daily cash data as we approach year-end), reported quarterly to Group Board
- a detailed daily cash flow forecast for the immediate 4-week period

A variance analysis on projected figures is also to be produced and reported to the Group and subsidiary Boards on a quarterly basis to validate actual cash position against business plan projections and agree corrective actions as appropriate.

The 12 month rolling cash flow forecast for subsidiaries will be consolidated to produce Group cash flow projections – for the RSL Borrowing Group, the commercial subsidiaries and the whole of the Wheatley Housing Group.

Detailed cash flow projections and past trends will then be used to identify the size and timing of cash requirements across the Group to ensure that cash can be made available as required.

5.2 Managing cash

The Group will maintain cash levels that reflect its liquidity requirements (as set out in the Golden Rules).

The Group will work within the following cash limits:

- an amount within each RSL subsidiary, or as pooled RSL Borrowing Group cash, which covers the total sum to cover a minimum of one months' cash requirement, being day-to-day running costs as well as any planned refurbishment costs and development activities
- an amount within each commercial subsidiary to cover a minimum of 2 weeks' cash requirement at any time.

Grants from the Scottish Government will be used for their defined purpose and in priority to interest-bearing debt finance.

5.3 Committed credit lines

At all times the Group will ensure that it has access to committed credit lines that when taken together with any cash balances, mean there is sufficient available funding to meet the Group's liquidity Golden Rule.

This will be achieved through the Group having in place committed term and revolving loans as well as flexible access to overdraft facilities.

However, the objective will be to maintain a minimum of £10m intra-group positive cash position and only utilise these overdraft and credit line facilities when necessary or when it is financially beneficial, so as to minimise annual interest costs and to ensure day to day cash management can be managed efficiently.

5.4 Managing working capital

The Group will pay suppliers promptly, and in line with its legislative obligations as a Contracting Authority under Scottish procurement regulations.

The Group and all its subsidiaries will pursue a debt control policy, particularly with regard to rental income, service charges and ~~re~~charges to owner-occupiers. This will include maintaining an effective sales ledger system where outstanding debts are followed up regularly.

~~As at end-March 2022, for subsidiary RSLs within the Group, 58.72% are in receipt of welfare benefits. The rate of tenants moving onto UC has accelerated as a result of the Covid-19 pandemic. Rental income will continue to be impacted by a migration to UC, reflecting the intent of HM Government to simplify the benefits regime into one system by 2023.~~

There are different implications for the Group's working capital requirements depending on what benefit regime the tenant receives.

Approximately 70% of tenants receive full or partial housing benefit payments by way of Housing Benefit (paid directly to the Group by the relevant local authority) or via a housing payment within Universal Credit (where the tenant must elect to have the housing payment paid directly to the RSL or can choose to receive this directly and manage payments themselves).

~~Housing benefit is paid directly from the relevant local authority to the Group, the receipt of which is crucial in allowing WHG to manage its cash flow. A system is to be maintained to allow for all outstanding housing benefit payments to be followed up as and when due.~~

~~UC was introduced in staged rollouts from late 2013, and now covers all of Scotland. UC replaces six benefits, including housing benefit, and merges them into one monthly sum paid in arrears. The 5-week delay in receipt of the initial UC payment leads to all tenants being in arrears once their benefits have moved from housing benefit to UC. Mitigating actions are in place with a Group Universal Credit team set up in 2019 to support customers and staff to meet the challenges of the new benefit regime.~~

Any further changes to the benefits system, e.g. as a result of UK Government's Welfare Reforms, will be closely monitored so that their potential impact on rent arrears can be well understood and mitigating actions put in place to maintain stability of the Group's income.

For all commercial subsidiaries, effective debt control policy is crucial with any late payments followed up promptly and appropriate action taken to safeguard income as early as possible.

6. Borrowing policy

The Group's borrowing policy sets out the parameters within which the Group and all ~~of its~~ Group subsidiaries can raise and manage funding from ~~any~~ permitted sources to facilitate delivery of their objectives, including growth, whilst ensuring that that the overall cost of funds is optimised.

6.1 Sources and types of funding

a) Public subsidy

Around 95% of the Group's operations are in the affordable housing market, with ~~any~~ new build development~~s~~ partly funded~~supported~~ by public subsidy by way of grant from the Scottish Government. Furthermore, there may be other grants available for specific purposes, such as for implementation of green measures as part of new housing design (or retrofitting~~ed~~ ~~to~~ existing housing) or for wider regeneration and community benefit initiatives.

The Group will ensure that any available public subsidy is fully explored and utilised as appropriate before its own~~private~~ financial resources~~e~~ are~~is~~ used to fund capital improvements, new developments and wider community benefit activities of the Group.

Equally, if there are any grants or other forms of government support (e.g. guarantees) available for any parts of the commercial activities of the group, these will be fully explored and implemented alongside any private finance.

b) Private finance

~~The key method of financing the~~The Group's activities ~~in the long term will be~~are financed ~~in the form of~~using approved debt instruments, methods and techniques, as set out in this policy. ~~-~~In general, our funding is arranged on a secured basis, but we will explore unsecured debt where this is available and cost effective, delivering value for money.

The following debt instruments are approved sources~~methods~~ of mid to long term private finance for the Group:

- banks and building societies; authorised and regulated by the Financial Conduct Authority (FCA), or their EU equivalent for European banks;
- the capital markets by way of issuing bonds either via an intermediary or in WHG's own name;
- Pension Funds / Insurance Companies – via issuance of bonds or a direct placement of debt instruments;
- not for profit borrowing vehicle companies/intermediaries such as The Housing Finance Corporation;
- Leasing Companies;
- Public bodies such as the Scottish Government or Scottish National Investment Bank, including the SG charitable bond programme administered by Allia;
- Bank of England / HM Treasury funding schemes; and
- syndicated loans where there is a syndicate of lenders drawn from the above.

Each debt counterparty, such as banks and financial institutions, will be assessed with reference to their credit quality as part of the borrowing decision process. This will include assessment of counter-party credit ratings, level of government support (if any) and any other market information available at the time.

Any new sources of long-term funding and funding structures involving any of the subsidiaries will be subject to approval by Wheatley Group Board.

As a result of onerous capital requirements for banks following the credit crisis in 2008, their ability to provide long-term funding remains relatively constrained. Capital market funding and direct lending from pension funds and insurance companies are the key sources of long-term funding (> 10 years) for the RSL Borrowing Group, supplemented by flexible shorter-term bank funding (≤ 10 years).

In addition to long term funding, to ensure liquidity of the group, short- and medium-term funding such as bank overdrafts as well as term loans and revolving credit facilities will ~~also~~ be put in place alongside long term bonds, private placements and our legacy bank financing.

Furthermore, project specific funding arrangements may be put in place to fund the Group's wider activities in line with its strategic objectives and alongside any public funding options available for specific projects to create optimum funding solutions.

The mix of different forms of funding will be selected and maintained to meet the specific business needs of the Group and all its subsidiaries.

We will maintain diversity of funders, and types of funders, to minimise reliance on single lenders and/or single sectors of the financial markets.

6.2 Group funding structure

The Group's funding structure has been developed ~~giving consideration to the~~to reflect the following factors:

- Registered Social Landlord regulation and charities law,
- appropriate intra-group lending arrangements,
- requirement for guarantees
- security considerations
- interaction with existing funding facilities and compliance requirements
- risk profile and overall funding costs to the group
- flexibility to adapt to external market conditions and business needs
- recognition that the Group's assets are held in perpetuity

The Group funding structure is set out below. The structure recognises the requirement to separate the funding for ~~our~~ regulated charitable activities ~~from~~and any commercial activities.

1. **Wheatley Funding No. 1 Limited** (WFL1)

WFL1 is the funding vehicle for the Group's four RSLs and WDSL and is ~~WFL1 funds the regulated, charitable RSLs in the Group through a structure~~ known as the RSL Borrowing Group. New partners joining the Group may accede to the RSL Borrowing Group arrangement from time to time. WFL1 allows the RSLs to be funded collectively, within a cross-guarantee structure. The RSLs pool their assets in the WFL1 Security Trust Deed (managed by M&G Trustees) with borrowings secured against these assets. WDSL is included in the cross-guarantee arrangement via a Deed of Guarantee and Indemnity, but does not own any assets and therefore is not party to the security trust deed. ~~which allows all RSL-owned assets to be pooled for~~

~~security purposes. In this structure f~~Financial covenants and other funding conditions ~~will~~are ~~be~~ tested, and reported, at the RSL Borrowing Group level, however, each RSL ~~will~~ also monitors and reports funding compliance at the subsidiary level.

2. **Bilateral agreements**

There are ~~a number of~~several bilateral loan agreements in place for the Wheatley RSLs (at the date of this report, for ~~DCH~~ WH East and WH South~~and DGHP~~). While the presumption is all new lending will be put in place for the RSLs via WFL 1, from time to time direct bilateral loans may be considered if they provide value for money and/or advantageous commercial terms. Bilateral arrangements may also exist in the event that they have been inherited as part of new partnership arrangements. In such cases the presumption ~~will be~~is that these loans will be novated, where possible and subject to value for money, to the WFL1 RSL Borrowing Group structure.

3. **Wheatley Funding No. 2 Limited** (WFL2)

WFL2 funds the commercial activities of the Group, currently including Lowther Homes Limited for its letting and property management activities. There is a security trust deed in place for WFL2, and the assets owned by Lowther are secured to the Security Trustee (~~M&G Trustees~~Bank of Scotland Trustees) and allocated to WFL2 lenders. There is no cross-guarantee between WFL1 and WFL2.

6.3 Balanced debt portfolio

In order to create a loan portfolio that is complementary to ~~WHG's~~ the Group's overall objectives, our aim is to ensure that the Group's debt portfolio has the right balance of:

- Fixed and variable interest rates
- long-, medium- and short-term duration~~debt~~
- term and revolving loans
- secured and unsecured loans
- funding costs and funding conditions/restrictions
- Sustainability links (i.e. Environmental, Social or Governance targets)

a) Interest rate management

In determining the mix of the loan portfolio and the split between different interest rates ~~bases~~ (fixed or variable), the Group will ~~include~~ consider the following ~~areas~~ in its assessment:

- The shape of the yield curve, to give an indication of where short-term and long-term rates are expected to move in the future and to identify where there is 'value' relative to other maturity dates.

- The sensitivity of the annual surplus and headroom to Golden Rules to movement in interest rates in line with the approved Business Plan.

- The availability, and cost, of financial derivatives to allow the Group to manage the mix between the various rate types effectively.

- The loan offers, particularly via the capital markets and/or private placement markets, which are generally only available on fixed rate terms.

- The effect on the Group and its subsidiaries' ability to meet their financial covenants and ratios.

~~It is recognised that the Group has large existing fixed rate arrangements in place (embedded in the Group's funding arrangements) and terminating these may incur significant breakage costs. Long-term funding arranged since 2014 (bond issuance in 2014, retained bond issuance in 2015, private placements with BlackRock in 2017 and 2018, private placement with M&G in 2019) has all been on a fixed rate/coupon basis, resulting in a high proportion of fixed rate debt for the Group. Therefore, due to existing fixed rate arrangements and availability of current long-term funding being primarily on a fixed rate basis only, the Group's debt portfolio has a very high proportion of fixed rate debt. However, as a long-term policy objective, the Group will endeavour to achieve the following interest rate split target for its debt portfolio over the three-year period of this policy~~The Group has the objective to meet the following interest rate mix across the debt portfolio:

	Target minimum %	Target maximum %
Fixed	75	95
Variable	5	25

~~To do this, the Group will frequently monitor the market and the associated termination costs on existing fixed rate arrangements and look for opportunities to restructure and/or break these when market conditions allow, to reduce the proportion of fixed rate bank loans over time. Due to the fluid nature of the Group's business plan and timing of income receipts e.g. grants and housing benefit, the targets above will be reviewed every three years in line with this policy being updated.~~

~~In addition, in aiming to achieve these target proportions, the Group will consider the market environment and the market's expectations for future interest rate movements. The actual position may vary from target, on the basis that the variance may be justified due to an improvement in funding costs (versus the business plan assumptions) and/or to reduce risk given the market conditions.~~The Group's ~~hedging arrangements~~mix of fixed and floating rate debt will be reviewed at least annually as part of the approval of the business plan and following any changes to the Group's debt profile. Ongoing Treasury reporting will assess the risks associated with the ~~hedge profile~~interest rate mix being outside the targets set out above and consideration will be given, where appropriate, to aligning the fixed:floating loans ratio, considering market conditions and associated costs at the time. Throughout the year the Director of Treasury will monitor the arrangements in relation to the ongoing funding requirements and current level of market interest rates.

Use of derivatives

The use of derivatives such as Swaps, Forward Rate Agreements (FRAs), Collars, and Caps and Rate Locks is permitted for the sole purpose of managing interest rate risk (hedging). The use of derivatives requires ~~to be approved by~~approval from the governing body of the ~~entity~~ subsidiary company for which they will be used as well as the Wheatley Group Board. The Group~~WHG~~ will not use derivative instruments to maximise return but to protect its risk exposure and to control interest costs. This means that derivatives may only be used to hedge a loan, or loans, and that there should be no scope to ~~make profits or losses as a result of such derivatives~~to use derivatives for speculative purposes. From time to time this may have a significant cash flow cost, or benefit, to the Group (which will be offset by a corresponding benefit, or cost, on the underlying loan instrument) and any such impact will be assessed over the full period of the hedging instrument in question.

Stand-alone derivatives create the potential for the hedge counterparties (most likely, the lending bank(s)) to demand a cash collateral amount to cover current and future exposure under the contract, the terms of which would be negotiated under a Credit Support Agreement. The financial reporting implications arising from the use of derivatives will also be considered in any decision to utilise swaps or other hedging instruments. Any decision to enter into stand-alone derivatives would be subject to Group Board approval and within parameters set out in Appendix 3 to this policy.

b) Debt maturity profile

The Group will be funded by a combination of:

- long dated capital markets or institutional funding (via private placements) with bullet repayment – our core sources of long-term funding for the Group

- legacy long dated bank funding with a pre-agreed repayment profile – expected to reduce over time as loans mature and long-term bank funding is replaced with other forms of finance

- shorter dated bank loans, primarily via revolving credit facilities which can be drawn, repaid and redrawn without penalty, with maturities between 5 and 10 years, providing operational liquidity, development funding facilities and project specific funding

- loans from Scottish Government, including via the charitable bond programme, administered by Allia

The Group will ensure that its loan portfolio is sufficiently balanced in relation to the maturity (i.e. date of repayment) of its loans so that there is no undue pressure on cash flow to make debt repayments ~~and~~ ensuring that refinancing risk can be managed in a timely manner and golden rules are complied with.

To achieve that objective, the Group will endeavour to ensure that no more than 10% of its total loan maturities fall due for repayment in the immediate 18 month period and no more than 25% within the immediate 5 years unless such higher repayments (e.g. when bonds mature) can be supported by latest approved business plan cash flows.

In order to minimise any potential liquidity problem this could present, the Group will endeavour to negotiate loans and/or access capital markets for new funding to allow for refinancing to take place as and when necessary and in good time of any loan maturity. In addition, the Group will run a continuous charging programme over new build assets (known as the 'Build to Secure' programme) to provide availability of security to support new fund-raising.

Maturing bonds will be refinanced no less than 18 months in advance of their maturity date, unless otherwise approved by Group Board. The Group can utilise any agreed overdraft facilities or short-term working capital facilities as required to ensure that liquidity is always maintained. Significant refinancing risks will be reported to the Boards of WHG, WFL1 and WFL2 through the rolling 12-month cash flow and treasury reporting.

c) Term and revolving loans

~~In order to~~To ensure sufficient liquidity for the Group and to help manage the overall cost of borrowing, the Group will ensure that its overall debt portfolio has sufficient revolving credit line facilities alongside term debt.

The Group will endeavour to have at least 10% of its overall bank loan facilities as revolving loans at any time. ~~-~~As at 31 March 202~~2~~5, RCF committed funds stood at 16~~.8~~% of total funding availability. This will allow it to repay some of its bank debt if the cash flow allows it to minimise interest costs, whilst maintaining access to liquidity as and when required.

d) Secured and unsecured debt

In line with the nature of the Group's core activities the Group will raise long term funding for RSL activities mostly on a secured basis, where the RSLs' affordable housing assets will be used for debt security purposes.

Similarly, funding for asset based commercial activities, such as development or acquisition of new housing for market rental will be raised mostly on a secured basis.

The Group may also raise, where appropriate, funding on unsecured basis, however, this will be considered on a case by case basis by reference to funding strategy, cost of funds, and other funding conditions.

e) Cost of funds and funding terms

The main objective is to maintain the lowest average cost of funds that is possible for the Group to achieve whilst ensuring that loan covenants, ~~and~~ security arrangements~~requirements~~ and consent requirements allow sufficient flexibility for the Group to achieve its strategic objectives.

As far as possible, the Group will seek to utilise the cheapest source of funds, however each offer will be assessed in a holistic manner, considering not just the headline cost of funds, but will evaluate all aspects of the funding (arrangement fees, non-utilisation fees, covenants, security requirements, prepayment terms, anticipated drawdown cycle from the business plan, consent requirements etc.).

The Group will also ensure that funding terms relating to its debt facilities are not too onerous, in particular:

- that there is sufficient headroom in financial covenant targets and Golden Rule thresholds when tested against latest business plan projections
- other funding conditions, including funders' consent requirements permit~~allow~~ the Group to achieve its strategic objectives

The overriding objective in terms of loan covenants is to ensure that any existing covenants, and their associated Golden Rules, are met comfortably. The definitions used to arrive at these ratios will be negotiated to the Group's best advantage.

Business plans at subsidiary level and across the whole group are presented ~~6-monthly to the Boards (in February and August Board cycles)~~ annually in February.

This analysis includes anticipated funding requirements and the corresponding impacts on covenants and Golden Rules.

Compliance with loan/bond covenants is of critical importance and is monitored ~~on a~~ monthly ~~basis~~ in relation to actual covenant ratios achieved and future projections, so any corrective actions can be taken as soon as possible.

Additionally, WHG will avoid onerous covenants on new (and existing) facilities, even if this is at the price of a marginal increase in the borrowing rate. The aim will be to reduce (if not eliminate) any negative covenants that will restrict the Group in carrying on its normal business.

f) Currency Risk

WHG is not permitted to take on direct currency risk (i.e. to enter into a loan denominated in a currency other than GBP). Board approval is required in the event of indirect currency exposure associated with fundraising (i.e. for a USD private placement whereby WHG may be required to indemnify currency losses in the event of an early redemption of the debt).

g) Sustainability Linked Funding

Bank and capital market investors are increasingly focused on incentivising borrowers to fund positive Environmental, Social or Governance (ESG) outcomes arising from their investment. For social housing, these ESG outcomes include funding the development of new build homes with high rates of energy efficiency, retrofitting existing homes to reduce carbon emissions, providing homes to people experiencing homelessness, enabling access to education, training or employment to customers, and ensuring greater diverse representation on boards and in management teams.

The Group has sustainability-linked loans from the Syndicate and Barclays whereby the cost of drawn debt will be marginally reduced if pre-determined sustainability key performance indicators (KPIs) are met.

Any inclusion of sustainability KPIs or other ESG targets in bank funding or capital markets debt must be considered assessing the potential discount available and the potential broadening of investor demand with the data reporting required to evidence the delivery of the target, potentially including external accreditation or audit.

6.4 Asset security

The Group will aim to maximise the use of its property stock for the purpose of security to support its debt facilities. In so doing, it will seek to achieve a valuation type that will maximise the valuation arrived at and a loan to value covenant that will optimise the amount that can be drawn on any given level of property security.

Release of property security as a result of revaluations in line with the loan documentation will happen as a matter of course where permitted by lenders ~~(notwithstanding security to cover mark-to-market exposures on embedded fixed rate loans on the syndicate position)~~. Housing stock released will therefore be available for supporting additional loans on new properties or other schemes the Group may wish to undertake where possible.

The Build to Secure programme will continue to charge new build assets such that these become available for security purposes with~~in~~ a target date of 24 months post-~~of~~ completion.

Affordable housing assets of the RSLs in the RSL Borrowing Group will be secured to the WFL1 security trust deed and allocated to lenders ~~pooled for asset security purposes to the extent required~~ to support borrowings where required. ~~and cross-guarantees will be in place between the RSLs to facilitate the pooling of security.~~ All RSLs in the Borrowing Group will be required to have sufficient assets to support their debts. ~~A Build-to-Secure programme is in place with the Wheatley Development team to accelerate the timing between completion of homes and those assets becoming available for security purposes.~~

The Group will avoid granting floating charges to its lenders wherever possible.

6.5 Management of funding relationships

The Group will have a number of funding relationships:

- with banks, either on syndicated or bilateral basis
- with bond investors and credit rating agencies
- with any other institutional investors
- with the Scottish Government, via a capital markets intermediary

It is crucial that all funding relationships are managed effectively. The Group will ensure that:

- all financial and management information is prepared to a high standard and is provided promptly to all funders
- compliance with all financial covenants is monitored regularly as part of monthly management accounts ~~and~~ with any issues resolved in good time
- all other funding conditions, as set out in funding agreements, are monitored with~~and~~ any requirements met as appropriate
- annual investor updates will be provided to all direct funders (i.e. banks and PP arrangers), proactively setting out strategic objectives, financial performance and future plans which may require consent

The Group will ~~endeavour to~~ maintain close relationships with its funders, in particular, on key strategic issues, as appropriate, to ensure continued support of the Group's strategy.

6.6 Credit Rating Agencies

The Group has had credit ratings in place for the following legal entities with S&P Global Ratings~~Standard & Poor's~~ ('S&P') since 2014:

− Wheatley Housing Group Limited
− Wheatley Homes Glasgow Limited
− Wheatley Group Capital PLC
− Lowther Homes Limited (since May 2021)

The management of the on-going relationship with S&P is critical due to the implications for the Group's funding costs, determined by the credit rating, their continual assessment of the creditworthiness of the Group and that of the affordable housing sector in the UK on behalf of bond investors. S&P, and any successor or additional credit rating agency, are recognised as ~~a~~ key stakeholders for the Group and are managed according to the same principles as any of the Group's funders. Meetings ~~(via telephone or in person)~~ are held quarterly, with an annual review held in person ~~in the Group's Head Office~~ with S&P representatives and senior Group management.

While some external ~~issues~~ factors (sovereign downgrades and sector-wide impacts resulting from governmental change) remain outside the control of the Group, the Group maintains strategic focus on maintaining and, where possible, improving credit rating and outlook across the ~~three~~ four rated entities.

The Group will also manage and maintain relationships with bond investors, with updates in the form of meetings, webinars and/or material provided in our Investor Relations section of the Group's website on at least an annual basis to explain the Group's latest performance, plans and Environmental, Social & Governance (ESG) reporting.

As at our May 2025~~2~~ review, the three core entities are rated as A+ Stable. Lowther Homes Limited, a non-core subsidiary, is rated at A Stable.

7. Investment policy

As a general principle, the Group will ensure that any surplus funds are invested without risk exposure to the capital invested, whilst at the same time maximising the return on investment and allowing ease of access in terms of liquidity.~~–~~ The bulk of short-term liquidity for the Group is provided by way of Revolving Credit Facilities ('RCFs') rather than via cash deposits, to avoid the inefficiency of drawing term debt to place it on deposit~~s~~ prior to use.

7.1 Principles of investment

WHG will follow these key principles in the order stated before any investment decision is made:

- Security of Capital ~~-~~– Protection of sum invested. The key aim will be to ensure that the capital amount invested is not put at risk. Investments that could see the erosion of the capital value are prohibited. The return received on the funds invested is the only aspect of the investment that will fluctuate in line with market movements.

- Investment Liquidity – ~~-~~Allowing ease of access to funds ~~particularly in the early years~~ to meet ongoing investment and development expenditure. To achieve this, the Group will invest a proportion of available surplus funds in products that allow easy access, so that surplus cash can be utilised, as far as possible, to meet liquidity requirements before debt drawdown.~~-~~ As set out above, the majority of investment liquidity will be provided via RCFs to ensure we meet our Golden Rule on liquidity requirements.

- Investment Return – Total return on investment (including interest income). This is to ensure that a sufficient financial return to reduce net funding costs. The current low interest rate environment versus the Group's legacy average cost of funds means that any net investment return is negative, thus the preference for the Group to have liquidity provided via RCFs rather than holding cash on deposit.

- Diversification of Investment Portfolio – Ensuring that funds are invested in different instruments or in an investment with diversified holdings, with different high-quality counterparties and for different maturities to reduce investment risk.

7.2 Approved investment instruments

The following investment instruments are approved for the purposes of investing surplus funds:

- Short term money market deposits (up to 12 months) and with Weighted Average Maturity (WAM) of no more than 90 days

- Bank and Building Society Deposits with institutions approved for investment in line with this policy

- Triple 'A' Rated Money Market Funds (AAA)

- UK Government Securities (Gilts & Treasury Bills) – directly or via a government securities fund

These instruments will allow for the Group's key investment principles of protecting the capital sum whilst at the same time maintaining liquidity, investment diversification and ~~achieving a reasonable return at all times~~always achieving a reasonable return.

Any funds used for investment purposes will be closely monitored for exposure to any non-cash asset backed instruments which may be affected by market volatility.

7.3 Investment counterparties

The Group should avoid dealing with counterparties rated below acceptable credit rating levels. ~~key policy objective is for the Group to avoid the risk of dealing with a counterparty with a less than acceptable credit rating.~~ The counterparty credit rating is based on a set of recognised credit criteria which will allow the Group to make an informed decision on the creditworthiness of any investment counterparty and level of any potential exposure involved.

It is therefore essential that the Group maintains an objective credit policy, which is based on independent professional opinion. ~~In assessing~~When appraising the credit quality of investment counterparties~~the organisations it is to invest in~~, the Group will ~~therefore~~ rely on the assessments made by the following credit rating agencies:

- Fitch Ratings,
- Moody's Investor Service, and/or
- S&P ~~tandard & Poor~~ Global Ratings'~~s~~

The credit ratings of counterparties ~~should only be considered as a starting point in~~is only one factor to be considered in the analysis of ~~analysing~~ the credit quality of any counterparty and other credit risk factors will be considered before a decision is made. Other credit factors which will be ~~taken into account~~considered including~~e~~ market data, financial press, financial support from the government, etc.

We may have to consider placing deposits with existing lenders or operational bankers to the Group (or any other lender or banking provider which may in future join the group funding arrangements through a sell down of debt in the market or as a lender to the Group's new partners), even where these financial counterparties~~y~~ do not meet the minimum threshold as set out in the table below for relationship reasons. In these exceptional circumstances, we would only be permitted to place investments with the Group's existing or future lenders and/or operational bankers if the credit rating is two notches lower than our minimum threshold.

Other than with its existing lenders, as a policy objective, WHG will seek to invest funds with the financial institutions which have the following credit ratings:

Short Term	Fitch	F1+, F1, F2
	Moody's	P-1, P-2
	S&P	A-1+, A-1, A-2
Long Term	Fitch	AAA, AA+, AA, AA-,A+
	Moody's	Aaa, Aa1, Aa2, Aa3, A1
	S&P	AAA, AA+, AA, AA-,A+, A

It should be noted however, that ~~in the current financial environment~~ these ratings may not be achieved. Therefore, an exception may be considered to allow investments with major UK clearing banks which have ~~a large amount of~~ UK Government support (e.g. Royal Bank of Scotland/Natwest bank), provided Wheatley Group Board approval is obtained in advance of any such deposit being placed.

Using external treasury advisers as necessary, the investees / borrowers list will regularly be reviewed and updated. In so doing, the Group will consider the length of time the investment is to be outstanding with any one counterparty, based on their credit rating at the time. It will also fully consider the minimum credit quality of the counterparty in comparison to that of its group position. This will mean that, if the counterparty concerned forms part of a wider group structure, the rating to be considered may extend to the wider group in relation to the nature of support given by the parent to that subsidiary counter party. In particular, the legal obligations within the group will need to be fully considered.

The Director of Treasury is responsible for monitoring credit ratings of the Group's borrowing and investment counterparties and reporting any material changes in their credit quality as part of the quarterly treasury report to the Wheatley Group Board.

7.4 Amounts invested with any one institution

The Group will diversify its investment portfolio by investing funds with high quality counterparties to prevent over-reliance on a small number of counterparties. ~~The following amounts are across the entire group (i.e. in relation to funds held by WFL1, RSL Borrower Group, WFL2 including the commercial subsidiaries and DGHP).~~

The following principles will be applied in determining the amount to be invested with any one institution:

- The maximum investment amount allowed with the Group's key relationship and account bank (currently RBS) will be the higher of £125m or 70% of the total amount available to be invested.

- The maximum investment amount allowed with each of the Group's key relationship banks will be the higher of £100m or 50% of the total amount available to be invested.

- The maximum investment amount allowed with the Group's other relationship banks or any one counterparty other than the relationship banks will be the higher of £75m or 40% of the total amount available to be invested.

- To further minimise the risk of exposure to any one investor, the maximum term any investment can be made for is limited to 6 months, after which time the counterparty credit risk needs to be reviewed.

Should there be a need to invest outside of these terms, specific Board approval will be sought. In such a case, the Board will be required to approve the method of investment, having sought suitable independent professional advice as necessary.

It is possible that interest could be 'rolled over', with accrued interest on the investment, when it matures with any one counterparty. In such circumstances accrued interest on the deposit is realised and consequently a breach of the credit limit for the counterparty may occur. Therefore, rollovers of principal plus interest are permitted subject to a limit excess of 10% of the maximum permitted amount to be invested with any one institution. However, the Group is to ensure at all times that interest left to accrue on the capital sum will not be at the expense of drawing down loan funds to meet the costs of the business plan.

As a general principle, the Group is not permitted to invest surplus funds if this would result in drawing down debt funding to meet business plan requirements as in a normal market borrowing rates are higher than investment rates and would result in "negative arbitrage". Therefore, the Group will aim to have liquidity provided via Revolving Credit Facilities, rather than drawn funds placed on deposit.

7.5 Investment return

The Group will ensure at all times that the rate received for invested funds is the best possible rate available in the market at the time for that type of investment, taking account of ease of access, maturity and credit quality of the investment counterparty.

To achieve this, the Group will use available market information and, if necessary, investment brokers to obtain market quotes and benchmark the total return on any proposed investments. For the purpose of this calculation, the total investment return will include the cost of transfer of funds and any administration charge involved in investing with an institution other than the Group’s main bankers. The Group’s main bankers will therefore act as a benchmark to other financial institutions meeting the Group’s investment criteria.

8. Financial risk management

Effective management of financial risks is key to the long-term financial viability of the Group and its ability to achieve its strategic objectives.

The principal financial risks the Group is exposed to and key mitigating actions the Group will employ to manage these are:

Risk	Risk description	Category	Risk management
Liquidity risk	Risk that the Group may have insufficient financial resources to meet day to day fluctuation in working capital and cash flow (e.g. insufficient cash available to pay staff salaries or supplier invoices when they become due), which may result in breach of contracts	Low	− Robust cash flow forecasting and management − Working capital management − Sufficient cash and committed credit lines available to cover Golden Rules on liquidity − Alternative contingent funding sources available (overdraft)
Funding risk	Risk that the Group may be unable to raise the required finance in the market or pay too high a price for its finance and thus reduce overall resources available to deliver its objectives. Risk that funding information requirements are not met, and if unable to be resolved within specified remediation periods, will result in a breach. Risk that covenants are breached Risk of insufficient security availability to meet minimum asset cover requirements	Medium	− Robust financial management in line with Golden Rules − Strong relationship with lenders, bond investors and rating agencies − New funding arranged at least 18 months before maturity of existing funding − Notification and reporting processes across the Group in the Treasury and Finance teams − Projections of covenants prepared with mitigation actions taken in advance to avoid forecast breaches − Build to Secure asset charging programme to provide security availability for the Group on a continuous basis
Interest rate risk	Risk that the Group's interest costs on its borrowings may be unaffordable if market interest rates rise or that in the environment of falling interest rates, the Group may not be able to take advantage of lower market interest rates in relation to	Medium	− Interest rate exposure monitored and understood − High proportion of fixed rate debt − Regular assessment of market projections for short- and long-term interest rates − Existing hedges monitored for effectiveness

	its borrowings (opportunity cost)		− Action taken as opportunities arise to align hedging position with policy
Inflation risk	Risk that the Group's cash flow will be adversely affected either through reduction in income or increase in costs as a result of movement in general inflation rates	Medium	− Monitoring of net inflation exposure − Matching of inflation linked income and expenditure − Robust procurement
Counterparty credit risk	Risk that the Group may incur financial losses if a counterparty to treasury transactions fails and is unable to fulfil their obligations.	Low	− regular monitoring of counterparty credit ratings − counterparty exposure and credit rating limits − diversification of investments − monitoring of financial health of counterparty banks, using CDS data where appropriate
Risk of fraud	Risk that the Group's employees involved in treasury transactions and transactions involving cash may act fraudulently to their personal benefit Risk that criminals target the Group's payment systems and/or send fraudulent invoices for processing or instruct payments over the telephone (Phishing, email cloning or other fraud approaches) Risk that the Group's employees with payment cards spend the Group's money on personal transactions	Low	− clear procedures for dual authorisation of treasury transactions − segregation of duties − regular internal and external audit of Group Treasury − regular Cyber Security training from Group IT − external training (from our relationship banks and/or law enforcement) to keep updated on new fraud approaches − limits on individual payment cards with maximum £200 per transaction and monthly limit of £1000 as standard. Higher limits require sign-off from Executive Team member or senior manager as appropriate.
Credit rating downgrade risk	Risk that the Group is downgraded to BBB+ or lower by S&P / BBB+ by Fitch / Baa1 by Moody's (if more than one rating is in place, the lowest rating will apply), will trigger a cancellation of availability and a demand to prepay all drawn debt after a 30-day consultation period on the EIB facilities Risk that a prepayment event on EIB facilities will	Medium	− while the Group is in control of the various internal financial disciplines which influence the credit rating agencies (liquidity, gearing, strategy & management, financial performance, asset quality), there are external factors (UK and Scottish Government benefit regimes; UK and Scottish sovereign ratings) which remain outside of the Group's control − we have quarterly updates

	trigger cross-default provisions for other WFL facilities		with S&P with the credit rating agency being a key relationship for the Group − Clear strategic objective to maintain credit rating at least at A+ stable

Implementation of the key principles of this Treasury and Financial Management Policy is central to managing financial risks.

In order to manage the above risks effectively, the Group will:

- Maintain an ~~up to date~~up-to-date Risk Register (note the Treasury sections form part of the Finance Risk Register reporting) to identify, record and measure all financial risk
- Implement strategies for dealing with specific risks
- Regularly report on effectiveness of these risk mitigation/management strategies
- Annually re-evaluate the whole risk management approach and process taking into account treasury policies and linkages between different risks

The Group will have a focused and cohesive reporting framework in place for Board members as well as the Senior Management team. This will include the following:

- Compliance with this policy
- Reporting on the Group's interest rate, inflation and credit risk exposure and how they are managed
- The actual position of the Group's financial covenants and forward covenant projections
- Sensitivity tests highlighting the effect on the Group's financial results and ability to meet the financial covenants and ratios.

9. Inter-company dealing

9.1 Key principles

As the Group comprises charitable regulated RSLs and commercial subsidiaries it is crucial that any financial inter-company transactions are carried out in accordance with clear principles, any applicable law, regulatory guidance, and Golden Rules approved by the Wheatley Group Board.

The financial inter-company transactions covered by this policy fall into the following key categories:

- Funding transactions within the Group funding arrangements
- Financial support between group companies – inter-company loans other than from Group funding vehicles WFL1 and WFL2
- Financial investment in Group companies – e.g. equity investment
- Any cash pooling arrangements for the purpose of maximising return on surplus cash

As a general principle, all inter-company dealings (e.g. loans, deposits, equity investments etc.) between a charity and non-charity may only be allowed if they are for the "benefit of the charity". It will be for the relevant governing body of those involved in the dealings to formally approve any such arrangements. To satisfy this requirement, the following factors need to be ~~present:~~considered:

- ~~any inter-company loans/deposits are adequately secured~~

- a commercial rate of interest is charged on loans/deposits once the funded assets become income-generating

- there is ~~a proper agreement~~formal documentation in place which sets out ~~showing~~ the terms and conditions of the loan/deposit e.g. repayments, interest payment dates, expiry date etc.

- the right balance of risk and return can be demonstrated on any inter-company investments, such as equity investments

In particular, for any inter-company loans, where a charity is funding a non-charitable Group entity, the charity will have sufficient documentary evidence showing careful and proper due diligence was carried out on the financial viability of the that entity prior to making a loan.

Based on the above, any inter-company investments and borrowings between Group entities will always be carried out on an arm's length basis. In each case, detailed legal and tax advice will be sought to ensure that the optimal arrangements can be put in place, to meet ~~any and all~~all applicable legal, regulatory and taxation requirements.

To ensure that the return on surplus cash balances of the RSL Borrowing Group can be optimised, the Group will endeavour to pool any cash surpluses of charitable RSLs within the Group, subject to satisfying any legal and taxation requirements (based on specialist external advice).

Similarly, any cash surpluses of commercial subsidiaries will be pooled for investment purposes.

The Group will seek legal, tax and financial risk management advice as appropriate as to the most efficient method of managing surplus funds across the Group to maximise the benefit of the potential group arrangements within any known restrictions.

9.2 Group funding arrangements

The Group will operate group funding arrangements which recognise the different credit profiles of the charitable and non-charitable group activities and allow associated risks to be adequately ring-fenced:

- Charitable regulated activities of the Group RSLs will be funded as one RSL Borrowing Group through Wheatley Funding No.1 Limited ('WFL1'), to allow a degree of flexibility in how funding is used by the RSLs and so that charitable assets can be used most effectively for security purposes. New RSL partners may operate ~~outwith this~~outside the RSL Borrowing Group for a period, but there will be a general presumption that ~~(~~subject to value for money and their continued ability to meet their strategic objectives~~)~~ any such partners will seek to accede to the RSL Borrowing Group arrangement.

- Activities of commercial subsidiaries will be funded separately through Wheatley Funding No.2 Limited ('WFL2') with funding terms appropriate to their credit profile.

There will be no cross guarantees between the charitable and non-charitable parts of the Group funding structure.

a) Funding charitable RSL Borrowing Group

For funding purposes, the RSL Borrowing Group ~~will therefore be seen~~is regarded as one entity, with all affordable housing assets of the RSLs pooled for debt security and financial covenants set on the combined financial results of the RSL Borrowing Group. To achieve this, ~~all of~~ the ~~charitable~~ RSLs and WDSL will provide cross-guarantees for each other's obligations to WFL1.

However, in accordance with the Group's key financial management principles and Golden Rules, each RSL will need to demonstrate stand-alone financial viability ~~in its own right~~. This means each RSL and WDSL must be from able to support any debt from WFL1 from their own assets and cash flows.

Whilst overall lender financial covenants will be set at the RSL Borrowing Group level, each subsidiary will also be required to operate within a business plan agreed by its own Board and the Wheatley Group Board.

Within the RSL Group funding arrangements, total funding costs of WFL1, including interest costs (taking account of any fixed rate arrangements), commitment fees and any other related fees, will be shared between the RSLs based on their individual proportion of the overall WFL1 funding. This will be done through an all-in funding rate on borrowing, which will be equal for all RSLs and WDSL which will be subject to monthly review and notified via the issue of a monthly loan statement. This statement sets out:

- Interest rate
- Loan amounts (opening, closing and drawdowns/repayments)
- Year-to-date interest paid and current month interest due

b) Funding non-charitable activities

Non-charitable activities of the Group, ~~in particular~~including the development/acquisition of market rented housing, will be funded through WFL2 and be subject to separate asset cover and financial covenant requirements agreed with commercial lenders.

Lowther Homes will be funded by a combination of equity investment from ~~GHA~~ WH Glasgow and commercial debt.

10. Treasury Controls & Compliance with Policy

Internal control procedures over treasury activities will be maintained so that any material fraud or error is either prevented entirely~~,~~ or is identified and reported as soon as it occurs in line with the Group's Risk Management Framework.

To achieve this the following principal controls will be applied:

- Segregation of duties between treasury dealing and related accounting and recording. All dealing activity (over the phone or on-line) will be undertaken within the Treasury department whilst any related recording of treasury transactions will be performed independently within the Financial Reporting department

- Controls over disbursement of funds ~~will include~~requires dual ~~authorisation~~authorisations for all payments, documented for each bank in a formal bank mandate. The bank mandates will ~~always~~ be kept up to date, ~~and apart from~~ listing all bank signatories ~~will also~~and identifying individuals authorised to transact money market deals on behalf of WHG

- All term deposit transactions and money market fund subscriptions will be accompanied by a dealing ticket, authorised by two signatories, only one of whom is in the Treasury team, as per the relevant bank mandates

- All relevant treasury limits will be monitored for headroom prior to any deals being transacted and any breaches reported to the Board as soon as practicable after they are identified.

In order for WHG to ensure compliance with all its funding agreements, there are delegated controls in place between the treasury team and other key officers within the organisation ~~(primarily in~~including the new build development team, asset team, property legal, governance, ~~and~~ procurement and the financial reporting team~~).~~

The areas for monitoring by these officers include asset disposals / acquisitions, fulfilling the terms of public grant obligations, arranging corporate reorganisations, the granting or release of security, entering into third party agreements in relation to payment or other financial products and changes in key management roles such that Treasury can manage any consent requirements and/or information undertakings proactively with our lenders.

While Treasury undertakes an overview monitoring role, it is the responsibility of the key officers to provide timely information in respect of the areas set out above. The Board will be advised of any issues which may lead to default under these agreements.

A detailed ~~t~~Treasury report, covering all aspects of ~~t~~Treasury activities as set out in this policy, will be submitted to the Group Board at least quarterly. This will include:

- analysis of cash flow and borrowing requirement together with an explanation of variances to previous forecast
- analysis of group debt position, including debt drawn to date, any repayments due, cost of borrowing and forecast borrowing position for the next 24 months
- compliance with funding agreements, including financial covenants
- management of financial risks, including review of ~~hedging arrangements~~fixed and floating rate proportions, counterparty exposures and their credit ratings
- summary reporting on asset security ~~where term deposits have been placed~~

There will be ongoing training for all staff in the Group Treasury team~~function~~ to ensure they keep abreast of all latest treasury developments. The Group Treasury ~~function~~team will be subject to regular review by internal audit.

11. SHR Annual Assurance Statement

In February 2019, the SHR published its guidelines on Annual Assurance Statements (“AAS”). These statements represent a key part of the SHR’s regulatory risk assessment and are intended to provide assurance to stakeholders, including the SHR, that the Group’s RSL’s comply with relevant requirements of Chapter 3 of the Regulatory Framework, including:

- all relevant standards and outcomes in the Scottish Social Housing Charter;
- all relevant legislative duties; and
- the Standards of Governance and Financial Management.

The AAS is required to cover and include the following:

- areas of material non-compliance, describing how the RSL plans~~ning~~ to improve in those areas
- timeframe for improvement
- confirm that the RSL has seen and considered appropriate evidence to support the level of assurance
- confirm the date of the meeting of the governing body or committee at which the Statement was considered and agreed

This Treasury Management Policy (TMP) is intended to support compliance with relevant regulatory requirements including the Standards of Governance and Financial Management, including the Standards of Governance and Financial Management.

The TMP supports the Board(s) and Officers in fulfilling their responsibilities and providing assurance and evidence to support compliance with relevant regulatory requirements within the Annual Assurance Statement or identify or assess areas where Wheatley and its subsidiary RSLs does not materially comply with the relevant regulatory requirements.

Glossary

Bond	A bond is a debt instrument issued in the capital markets. The issuer (in this case, the Group) borrows the principal amount of the bond from capital markets investors (generally pension funds, insurance companies, other long-term institutional investors), attracts a rate of interest (either on-going or rolled-up to the maturity date) with the principal amount becoming repayable on a single maturity date.
Capital market	A financial market where participants can issue new debt or buy and sell debt instruments (usually in the form of bonds).
Counterparty	Institutions such as Banks and institutional investors (such as pension funds, insurance companies etc.)
Credit rating	An evaluation of the credit worthiness of a counterparty, i.e. their ability to repay debt made by a credit rating agency. A summary table of all credit ratings has been included in Appendix 3.
Credit Rating Agencies	Companies that evaluate, assess and then rate the financial standing of Corporations and Institutions. There are three main credit rating agencies; Moody's, Standard & Poor and Fitch.
Derivatives	Financial Instruments that provides the opportunity of reducing risk exposures such as interest rate, inflation rate and exchange rate
Forward Rate Agreement (FRA)	A Legally binding agreement between two parties committing to swap related payments from variable rate into fix rates (or vice versa) at a Future Date
Interest Rate Cap	An agreement under which a maximum interest rate is agreed between the Bank and the borrower, known as the strike rate. This allows the borrower to take advantage of low interest rates up to the agreed strike rate in return for a premium. This premium is similar to an insurance premium, in that it allows for the borrower to be protected against increases in interest rate above the strike rate.
Interest Rate Collar	Where an interest rate cap is an agreement for a maximum interest rate exposure, and an interest rate floor agrees a minimum interest rate cost, an interest rate collar is a contract combining an interest rate cap and an interest rate floor and hence sets a lower and upper limit on the interest rate exposure of the borrower. The borrower therefore **buys** a cap and **sells** a floor
Interest Rate Swaps	Legally binding agreement between two parties to exchange (swap) interest streams with different characteristics i.e. fix to variable and variable to fix, on the same principle amount.

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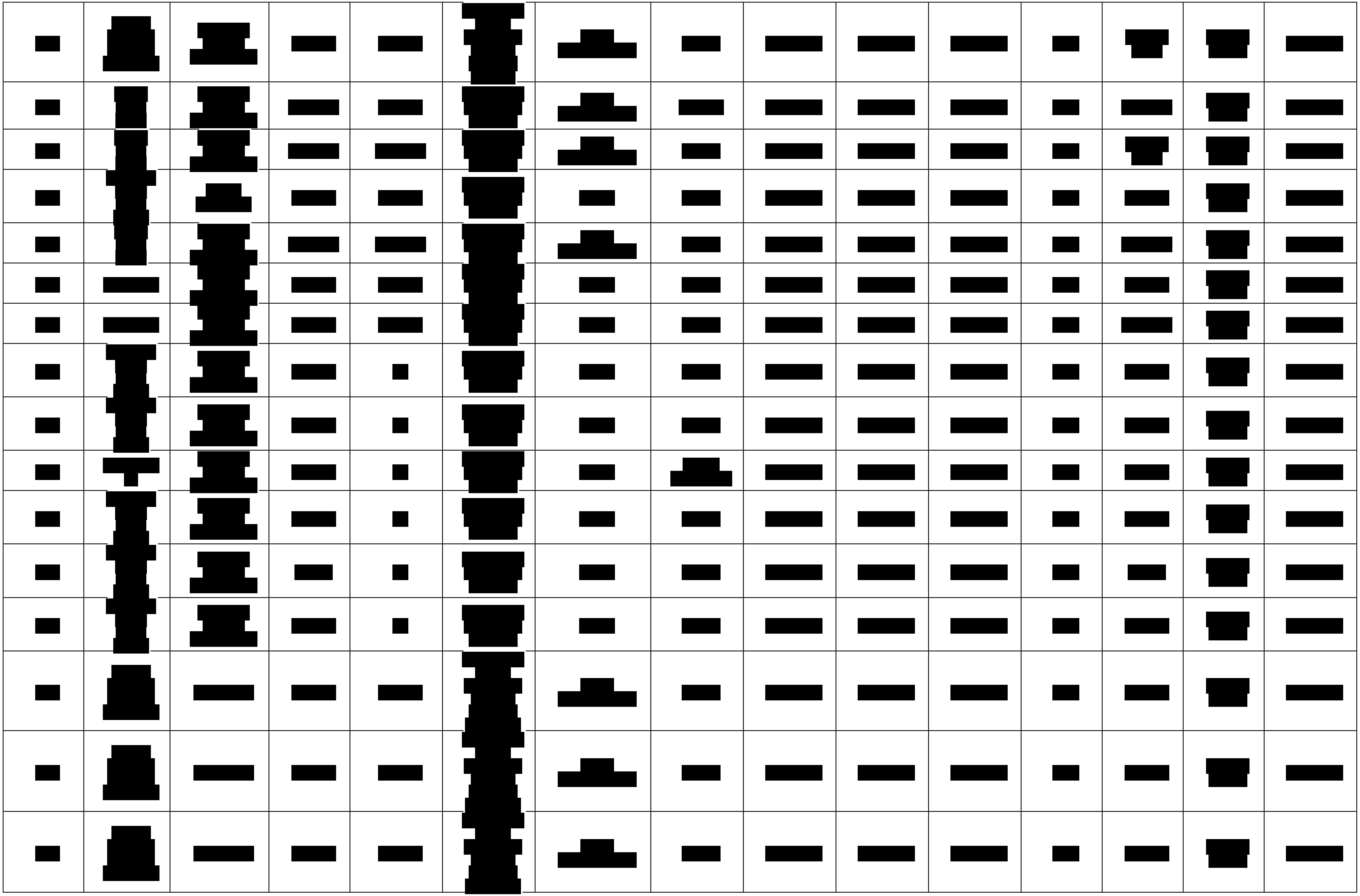

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Wheatley Group

Report

To: Wheatley Housing Group Board

By: Anthony Allison, Group Director of Governance and Business Solutions

Approved by: Steven Henderson, Group Chief Executive

Subject: Governance update

Date of Meeting: 20 June 2025

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1. Purpose

1.1 This report provides an update to the Board, and where appropriate, seeks approval, on the following governance-related matters:

- Resignation of John McCraw and the proposed appointment of Pamela Paton and Rhona Conleth as a co-opted Board members; and
- corporate structure.

2. Authorising and strategic context

2.1 Under the Group Standing Orders, the Group Board, on recommendation from the Group Remuneration, Appointments, Appraisal and Governance ("**RAAG**") Committee, is responsible for appointments to the Board.

2.2 Under our Group Standing Orders, the Group Board is responsible for our corporate structure. The establishment, disposal or dissolution of subsidiaries is reserved to this Board for approval.

2.3 The Board has overarching responsibility for ensuring that we are compliant with relevant legislation and regulations and managing any associated risk. This responsibility is discharged through a combination of Group Committees, individual Boards and direct updates to this Board.

3. Background

3.1 As previously advised to the Board, John McCraw has advised that he wishes to resign. This is with effect from June 2025.

3.2 As part of our last strategic governance review, in October 2021, the Board agreed that we should take a number of steps to reduce the complexity of our corporate structure.

3.3 As we have implemented these changes, we have progressed the process of formally dissolving any legal entities within the Group that subsequently no longer undertake any business activity. This involves a range of prescribed legal and regulatory steps which must be, and are being, followed.

4. Discussion

Board appointments

4.1 John McCraw tendered his resignation from the Board due to personal circumstances. He agreed to remain on the Board for a short period to allow us to appoint a successor

4.2 We identified Pamela Paton, a tenant Board member on Wheatley Homes East, as a suitable replacement due to her skills and experience. This includes working in the housing sector for nearly 15 years including as a Senior Client Services Manager for the Home Group, a Service Manager (Young People) for Places for People and most recently as Performance and Quality Coordinator at Bield Housing and Care. She is currently the Operations Manager at the Fife Operational Trust.

4.3 Following a positive meeting with the Group Chief Executive and on recommendation from the RAAG Committee it is recommended that Pamela is appointed as co-opted Board member. She will take up the post at the earliest opportunity, subject to our standard diligence checks and completion of the relevant declarations.

4.4 The Group RAAG Committee also agreed to recommend Rhona Conleth, a Wheatley Homes Glasgow Board member, for appointment upon Bernadette Hewitt's retirement in September. Rhona is retired having spent the majority of her career working in customer services across various sectors including British Telecom and Citizens Advice.

4.5 Under our Articles of Association co-opted director appointments are subject to annual review

Corporate structure

4.6 We continue to progress the dissolution of WLHP. The application for strike off has been processed and the first notice has been posted. It is anticipated that this will conclude as expected in August. The voluntary liquidation process is underway for GBG however, as this is a more involved process, we expect this to conclude by the end of the calendar year.

5. Customer engagement

5.1 There are no customer engagement matters in relation to this report.

6. Environmental and sustainability implications

6.1 There are no environmental or sustainability implications arising from this report.

7. Digital transformation alignment

7.1 There are no digital transformation implications associated with this report.

8. Financial and value for money implications

8.1 There are no financial implications for us arising from the recommendations contained within this report.

9. Legal, regulatory and charitable implications

9.1 With any wind-up of a legal entity within the Group we engage our external legal advisors to ensure that our process is the most appropriate and follows all necessary legal requirements.

9.2 Standard 7 of the SHR's Standards of Governance and Financial Management requires that:

'*The governing body ensures that disposals, acquisitions and investments fit with the RSL's objectives and business plan, and that its strategy is sustainable. It considers these taking account of appropriate professional advice and a consideration of value for money - whether as part of a broader strategy or on a case-by-case basis*.'

10. Risk appetite and assessment

10.1 The matters in this report cover a number of our strategic outcomes. Across each of these we have an open or hungry appetite for operational delivery and a minimal approach to legal and regulatory compliance.

10.2 Our policy for acquisitions and disposals, including the requirement to report annually to the Board, ensures that we have a process in place for monitoring the significant property transactions that our subsidiaries enter into.

11. Equalities implications

11.1 There are no equalities implications arising from this report.

12. Key issues and conclusions

12.1 Following the resignation of John McCraw it is necessary to appoint another co-opted Board member. Pamela Paton has been identified and recommended for appointment. We have also identified a successor for Bernadette Hewitt upon her planned retirement in September 2025.

12.2 We have continued to progress with the consolidation of our corporate structure to support it being more streamlined and less complex. The dissolution of WLHP and GBG will further reduce the number of entities within our Group.

13. Recommendations

13.1 The Board is asked to:

1) Note the resignation of John McCraw;
2) Approve the appointment of Pamela Paton as a co-opted Board Member at the earliest opportunity, subject to our standard diligence checks and completion of the relevant declarations;
3) Approve the appointment of Rhona Conleth as a co-opted Board Member from 24 September 2025; and
4) Note the remainder of this report.

LIST OF APPENDICES:

None

Wheatley Group

Report

To:	**Wheatley Housing Group Board**
By:	**Pauline Turnock, Group Director of Finance**
Approved by:	**Steven Henderson, Group Chief Executive**
Subject:	**Risk Management update**
Date of Meeting:	**20 June 2025**

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1. Purpose

1.1 This report asks the Board to:

- Note the summary of risk management activity during 2024/25;
- Approve the Group Risk Appetite Statements for 2025/26; and
- Approve the proposed changes to the Strategic Risk Register.

2. Authorising and strategic context

2.1 In accordance with its Terms of Reference, the Group Audit Committee is responsible for "monitoring, reviewing and advising the Group Board on the overall risk assessment and management system within the Group". The Group Audit Committee on 14 May 2025 recommended the changes being proposed below to the Strategic Risk Register, for approval by the Group Board.

2.2 Following the Group Audit Committee, the UK Government and Ofgem have confirmed a "*very controlled and very slow phase out*" for the RTS switch off. This will mean that switch off will only happen in an area when there are minimal (tens rather than thousands) of RTS meters remaining, and emergency response plans in place for those meters. As a result, management has reduced the residual risk score from the 4 (I) x 4 (L) score reported to the Group Audit Committee to 4 (I) x 3 (L). The risk remains outwith risk appetite.

2.3 In accordance with Group Standing Orders, the Group Board is responsible for managing and monitoring the Group Risk Appetite Statements each year, while Subsidiary Boards are responsible for reviewing Subsidiary Board Risk Appetite Statements. The Subsidiary Boards have reviewed and approved their risk appetite statements at board meetings in May and June 2025, and the Group risk appetite statements are included in this paper, for Board members to approve.

3. Background

3.1 As part of our Risk Management Approach, an annual Risk Management Report is prepared, summarising the Group's key risk management activities during 2024/25.

3.2 Our risk management approach requires that the Group Board review the Risk Appetite Statements annually, to consider whether these remain an accurate reflection of the Board's willingness to accept risk associated with the achievement of its Strategic Aims.

3.3 In addition, this paper gives an overview of the Group's current risk position for consideration by the Board. As set out in the Group Risk Management approach, this update focuses on risks to bring to the attention of the Board. This includes risks in the following categories:

A. Risks outwith risk appetite;
B. Risks with a residual risk score of 12 of more or an inherent risk score of 20 or more, for which the Board has not received an update on the operation of the controls in the last 6 months; and
C. Risks highlighted for consideration. This will include new risks, risks to be removed from the Strategic Risk Register, or risks with a significant change in scoring. It also includes brief details of any significant changes to the external environment that may impact on the Board's risk profile ("**Horizon Scanning**").

4. Discussion

Risk Management Activities 2024/25

4.1 The Internal Audit team has facilitated the following activities during the current financial year:

- ***Board risk workshops:*** During May and June 2024, risk workshops were held with subsidiary Boards to review Risk Appetite Statements and Corporate Risk Registers. During May and June 2025 we have attended the subsidiary Board strategy workshops;
- ***Directorate Management Team (DMT) risk workshops:*** The internal audit team facilitated biannual risk workshops for each DMT during the year;
- ***Fraud risk review:*** All fraud risks have been updated as part of the most recent review of all Group risks and an updated fraud risk heatmap is reported to Group Audit Committee annually; and,
- ***Risk horizon scanning***: During 2024/25 we benchmarked the Group Risk Profile against information published by the Institute of Internal Auditors, Institute of Risk Management, and Inside Housing. An overview of this activity is set out at paragraph 4.2 below.

Risk Horizon Scanning

4.2 In October 2024, we shared the results of the European Confederation of Institutes of Internal Auditing's 'Risk in Focus 2025' report with the Executive Team. This annual survey asked Chief Audit Executives to rank 16 risk areas in priority of most concern to their organisations. We mapped the Group's risks to these 16 areas and found only one category with no strategic or Board level risk: 'mergers and acquisitions'. This reflects that the Group has no existing risks or activities in this area.

4.3 In January 2025, we also shared the results of Inside Housing's publication about the top ten risks facing the 100 largest housing associations with the Group Audit Committee. There were no new areas of risk highlighted that were not already included in the Group's risk profile.

4.4 In February 2025, the Institute of Risk Management published its 'Risk Trends 2025' report which provides a global view of future risk. The report identified seven top emerging risks facing organisations in 2025.

4.5 Overall, these reports identified 19 top risk areas for 2025. The Group Risk Profile has existing risks in relation to all of these identified risk areas except 'mergers and acquisitions' which, as mentioned above, is currently not applicable to the Group.

<u>Risk Appetite Statements</u>

4.6 We use the risk appetite definitions to define a risk appetite statement for each type of risk (e.g. financial/VfM or operational delivery) that might occur when delivering each Strategic Aim with these ranging from Averse to Hungry. The risk appetite definitions are provided in Appendix 1.

4.7 We have used these Group Risk Appetite definitions to review our appetite for risk against each of our Strategic aims. As detailed in 4.1, this review has been informed through discussions and workshops held internally with staff and at the recent subsidiary Board risk workshops, and the results are set out in a summary Risk Appetite Statement below. The full Risk Appetite Statements are available for review in Appendix 2.

Strategic Theme 1: Delivering exceptional customer experience	**Financial**	**Reputational**	**Operational**	**Compliance**
1.Progressing from excellent to outstanding	*Cautious*	*Minimal*	*Open*	*Cautious*
2.Enabling customers to lead	*Open*	*Open*	*Open*	*Minimal*
3.Developing a customer-led repairs service	*Open*	*Open*	*Open*	*Minimal*
[redacted]				
Strategic Theme 2: Making the most of our homes and our assets	**Financial**	**Reputational**	**Operational**	**Compliance**
5.Increasing the supply of new homes	*Averse*	*Minimal*	*Open*	*Minimal*
6.Investing in existing homes and environments	*Cautious*	*Open*	*Open*	*Minimal*
7.Setting the benchmark for sustainability and reducing carbon footprint	*Open*	*Open*	*Hungry*	*Cautious*
8. Building community voice, engagement and resilience	*Open*	*Open*	*Open*	*Cautious*
Strategic Theme 3: Changing Lives and Communities	**Financial**	**Reputational**	**Operational**	**Compliance**
[redacted]				

10.Developing peaceful and connected neighbourhoods	*Minimal*	*Open*	*Open*	*Minimal*
11.Supporting economic resilience in our communities	*Open*	*Open*	*Open*	*Minimal*
Strategic Theme 4: Developing our shared capacity	**Financial**	**Reputational**	**Operational**	**Compliance**
12.W.E.Think – creating our “Thinking Yes Together” culture	*Open*	*Open*	*Hungry*	*Cautious*
13.W.E.Create – driving innovation	*Open*	*Open*	*Hungry*	*Cautious*
14.W.E.Work – strengthening the skills and agility of our staff	*Open*	*Hungry*	*Hungry*	*Cautious*
Strategic Theme 5: Enabling our Ambitions	**Financial**	**Reputational**	**Operational**	**Compliance**
15.Raising the funding to support our ambitions	*Open*	*Minimal*	*Cautious*	*Minimal*
16.Maintaining a strong credit rating and managing financial risk	*Minimal*	*Averse*	*Cautious*	*Averse*
17. Evolving digital platforms to support our activities	*Open*	*Open*	*Open*	*Minimal*
18.Influencing locally and nationally to benefit our communities	*Cautious*	*Open*	*Open*	*Minimal*

4.8 We have reviewed the risk appetite statements, considering factors such as strategic priorities for 2025/26; external factors which may impact on achievement of the Strategic Aims and Group specific factors that may impact on the Board’s willingness to take risk in different areas. Each Subsidiary Board has also reviewed and approved its Risk Appetite Statements for 2025/26. There are no proposed changes to risk appetite arising from this review as we enter the final year of our 2021-26 Strategy given our Strategic aims are well established. We will develop new appetite statements which will support the new 2026-31 Strategy and the new Strategic Aims and outcomes contained within it.

4.9 The Board is asked to consider whether the Group Risk Appetite Statements can be approved for 2025/26.

Strategic Risk Register

4.10 The Group’s risk management approach requires that the full Strategic Risk Register should be reviewed by the Group Audit Committee and the Group Board annually. Accordingly, the full risk register is available for review at Appendix 3.

4.11 The chart below shows all risks within the Strategic Risk Register. The chart and the summary risk register at Appendix 3 are colour-coded as follows:

- Red font – risks highlighted for Member consideration (as set out in paragraph 3.2) and discussed further below;
- Purple font – risks with a high residual risk or inherent risk score where Boards have received an update on the operation of the controls in the last 6 months; and
- Black font – lower scoring risks that have remained stable within the current period.

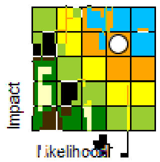
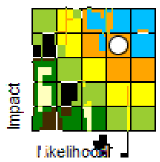
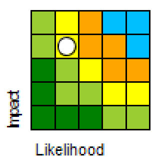
Impact	1	2	3	4	5
5					
4		• Fire Event (A) • Ability to meet Scottish Government legislative requirements for energy efficiency	• Reduced availability of financial support from S Gov't / Local Gov't • [redacted] • Radio Teleswitch switch off (A - NEW)	• Delayed recovery in the event of a cyber-attack (A) • Disruption following a cyber-attack on a key system provider (A)	
3		[redacted] • Business Continuity • Senior staff recruitment • Staff development and succession planning • Damp and Mould • Fire Safety • Group Credit Rating • Customer Satisfaction (tenants) • Rent arrears management • Governance Structure • Commercial Operations • New build contractor non-conformance with building standards	• Impact on our customers of reduced public funding • Laws and Regulations • Staff behaviour enables a cyber-attack • Compliance with funders requirements • Repairs supply chain disruption • Securing new funding and adverse market changes • Political & Policy changes impact on strategic key partnerships • Underperformance of main delivery partner • Non-achievement of sustainability targets	• Climate change impact on Group Assets and Services	
2				• Monitoring H&S arrangements (C - NEW)	
1					

Likelihood

4.12 The remainder of this section provides additional commentary on those risks highlighted in red font.

A - Risks outwith risk appetite

4.13 There are five risks with a residual risk score that is greater than the approved risk appetite, including one risk which is new to the Strategic Risk Register. These are set out in the table over the page:

Risk	Residual Risk Score	Risk Appetite Level	Commentary
RISK 019.2: Delayed recovery in the event of a cyber-attack		Cautious	This risk covers our ability and the time taken to return to normal business operations in the period following a cyber-attack. To mitigate this, the Group regularly reviews business continuity arrangements including scenario planning exercises to test the effectiveness of these plans and to identify any additional refinements. We back up data from all core IT systems daily, hold in a secure location and have conducted integrity testing with planned downtime and restart of IT systems.
RISK 019.3: Disruption following a cyber-attack on a key system provider		Cautious	This risk reflects the risk that a key supplier is affected by a cyber-attack. The extent to which we can influence supplier controls to prevent an attack is limited, however we are enhancing the controls and checks within the contract lifecycle through scheduled supplier engagement by contract owners, additional questions focused on the supplier's resilience and DR plans, data breach processes and notifications within the annual Vendor Security Assessments and Data Privacy Assessments being reviewed on an annual basis.
RISK 020 - Radio Teleswitch switch off (NEW)	[redacted]	Minimal	This new risk is in response to the Radio Teleswitch (RTS) switch off and the impact this may have if c.5000 customers with RTS electricity meters do not engage with their energy suppliers to have these meters updated in advance of the switch off. The Group is unable to directly resolve this issue on behalf of its customers, but is engaging with third parties, contacting affected customers and raising awareness through communications for customers and staff.
RISK 089 – Fire Event		Minimal	This is focused on the risk of a fire within a customer's property. It is outwith risk appetite due to the limited control the Group has over the actions of third parties to minimise fire risk. Despite best efforts, we cannot eliminate all risk of accidental dwelling fires. We have reduced these year-on-year, through proactive engagement with our customers and rigorous fire safety inspections of our assets on a rolling programme basis and mitigating measures, but we will continue to experience accidental dwelling fires.
RISK072 – Financial viability of	[redacted]	Minimal	The residual risk score for this risk remains outwith risk appetite as a result of the announced change to employers National Insurance rates. The business plan shows

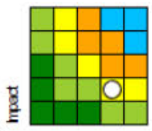
[redacted]

B – High scoring risks with controls due for review

4.15 There are no risks with a residual risk score that is greater than the 12, or an inherent risk score of 20 or more, for which the Board has not received an update on the operation of the controls in the last 6 months.

C - Horizon Scanning

4.16 Our review of the Strategic Risk Register has identified the following change to bring to the attention of Committee members.

Risk	Residual Risk Score	Risk Appetite Level	Commentary
RISK 090 – Monitoring Health & Safety arrangements (NEW)	 [redacted]	Cautious	This new risk has been added to capture the risk that the H&S monitoring function does not work effectively to detect non-compliance with H&S policy and procedures or drive improvement across the Group due to poor team coordination, insufficient support, or lack of awareness of relevant issues by that function. The risk is currently being managed within risk appetite.

4.17 It is possible that potential UK Government welfare budget cuts will impact on our customers' ability to pay rent. While our rent charges currently remain well within the benefit cap limit, this is an area of potential risk that we will continue to monitor. Risks around the impact of funding cuts and the cost of living on customers are already included in the wider Group Risk profile.

4.18 The Board is asked to consider whether any changes should be made to the Strategic Risk Register, or if any matters discussed elsewhere during the meeting result in additional risks to be captured in the risk register.

5. Customer Engagement

5.1 No customer engagement implications arise directly from this report.

6. Environmental and sustainability implications

6.1 No environmental or sustainability implications arise directly from this report.

7. Digital transformation alignment

7.1 No digital transformation alignment implications arise directly from this report.

8. Financial and value for money implications

8.1 No financial or value for money implications arise directly from this report.

9. Legal, regulatory, and charitable implications

9.1 No legal, regulatory, or charitable implications arise directly from this report.

10. Risk Appetite and assessment

10.1 There is no single risk appetite associated with this paper. Instead, the review of risks within the Strategic Risk Register, as outlined in this paper is designed to provide assurance on the controls in place to manage strategic risks such that the residual risk score is within risk appetite and to identify additional actions planned to reduce residual risk further, where required.

11. Equalities implications

11.1 This report does not require an equalities impact assessment.

12. Key issues and conclusions

12.1 The review of the Risk Appetite Statements has not identified any required changes to the Statements for 2025/26.

12.2 Our review of the Strategic Risk Register, has identified five risks that are out-with risk appetite, including one risk newly added to the Strategic Risk Register. One additional new risk has been flagged for Board attention.

13. Recommendations

13.1 The Board is asked to:

1) Approve the Risk Appetite Statements for 2025/26;
2) Approve the proposed changes to the Strategic Risk Register; and
3) Identify any further changes required to the Risk Register.

LIST OF APPENDICES:

Appendix 1: Risk Appetite Definitions
Appendix 2: Wheatley Group Risk Appetite Statements 2025/26
Appendix 3: Wheatley Group Strategic Risk Register

Appendix 1: Risk Appetite Definitions

	Financial or VFM	Reputation / Credibility	Operational Delivery	Regulatory/ Legal Compliance
Averse - Avoidance of risk and uncertainty is a key organisational objective.	Avoidance of financial loss is a key objective. Only willing to accept the low-cost option. Resources withdrawn from non-essential activities.	Minimal tolerance for any decisions that could lead to external scrutiny.	Defensive approach to objectives – aim to maintain or protect, rather than to create or innovate. Priority for tight management controls and oversight with limited devolved decision-making authority. General avoidance of systems / technology developments.	Avoid anything which could be challenged, even unsuccessfully. Play safe.
Minimal - Preference for ultra-safe business delivery options with a low degree of inherent risk and potential for only limited reward.	Only prepared to accept the possibility of very limited financial loss if essential. VFM is primary concern.	Tolerance for risk taking limited to those events where there is no chance of significant repercussion.	Innovations always avoided unless essential. Decision making authority held by senior management. Only essential systems /technology developments to protect current operations.	Want to be very sure we would win any challenge.
Cautious - Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.	Prepared to accept the possibility of some limited financial loss. VFM still the primary concern but willing to also consider the benefits. Resources generally restricted to core operational targets.	Tolerance for risk taking limited those events where there is little chance of any significant repercussion should there be a failure.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Systems / technology developments limited to improvements to protection of current operations.	Limited tolerance for "sticking our neck out". Want to be reasonably sure we would win any challenge.
Open - Willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of risk / reward (and VFM etc.).	Prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level. Value and benefits considered (not just cheapest price). Resources allocated in order to capitalise on potential opportunities.	Appetite to take decisions with potential to expose us to additional scrutiny but only when appropriate steps have been taken to minimise any exposure.	Innovation supported, with demonstration of commensurate improvements in management control. Systems / technology developments considered to enable operational delivery. Responsibility for non-critical decisions may be devolved.	Challenge will be problematic, but we are likely to win it, and the gain will outweigh the adverse consequences.
Hungry - Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk).	Prepared to invest for the best possible reward and accept the possibility of financial loss (although controls may be in place). Resources allocated without firm guarantee of return – 'investment capital' type approach.	Appetite to take decisions that are likely to bring external scrutiny but where potential benefits outweigh the risks.	Innovation pursued – desire to 'break the mould' and challenge current working practices. New technologies viewed as a key enabler of operational activity.	Chances or losing are high and consequences serious. But a win would be seen as a great coup.

Appendix 2: Wheatley Group Risk Appetite Statements

Theme 1 Delivering exceptional customer experience

Strategic Outcome	Financial or VFM	Reputation and Credibility	Operational Delivery	Compliance: Legal / Regulatory
Progressing from Excellent to Outstanding	***Cautious:*** We aim to deliver the highest levels of customer service whilst optimising VfM for the services provided. We must be able to transparently demonstrate how our services and products provide VfM.	***Minimal:*** We will continue to seek to influence at a national level and be externally validated as global leaders in customer service and benchmarked results. It is vital that we deliver strong performance against key business measures. We must be very sure that there is little chance of any significant reputational repercussion should there be a failure.	***Open:*** We are keen to pursue opportunities to use digital services and platforms to improve the customer experience. We should be able to demonstrate the benefits that these new digital approaches will make, including improvements to the control environment.	***Cautious:*** We will increasingly use integrated online and digital engagement platforms and spaces to support engagement with customers and should be satisfied that they protect the online safety and personal information of users. We must be reasonably sure we could win any legislative challenge related to the use of these customer engagement tools.
Enabling customers to lead	***Open:*** Increasingly, more customer control of expenditure will ensure resources are targeted at the things which matter to our customers. We will allocate financial resource to support increased customer control of expenditure where the value and benefits can be demonstrated. We accept that there is a possibility of some financial loss as this new customer-led approach is embedded, but mitigating actions should be taken to manage this to a tolerable level.	***Open:*** We aim to create a cultural shift for customers and staff, shifting the balance of power and control to the customer and ensuring the service they experience is aligned to their personal priorities. Equality and diversity will be at the heart of our service re-design and we will choose options that are the most likely to successfully deliver these ambitions and elevate our reputation in these areas. We are willing to take decisions which might expose us to additional scrutiny, as long as steps have been taken to minimise any negative impact.	***Open:*** We aim to be a digitally led business which delivers innovative and transformative digital solutions. We will pursue opportunities to use digital services and platforms to improve the customer experience, without leaving anyone behind. Our operating model must reflect the needs of all customers.	***Minimal:*** Staff will increasingly be trusted advisors, but it is essential that mitigations are in place to help keep customers safe and prevent any misuse of trust. Digital platforms and the use of artificial Intelligence and predictive analytics will be essential tools in our digitally led services; however, we must be able to demonstrate that we comply with legislation regarding the security and use of data.
Developing a customer led	**Open:** We are prepared to invest in improvements to the repairs	**Open:** The repairs service is a core driver of customer value, and we aim	**Open:** Our ambition is to continue to improve the repairs	**Minimal:** Keeping customers and staff safe is a key priority

Strategic Outcome	Financial or VFM	Reputation and Credibility	Operational Delivery	Compliance: Legal / Regulatory
repairs service	service, particularly where investment will result in optimised efficiency, consistency in approach and customer led services. Our spending decisions must be transparent and withstand scrutiny.	to deliver repairs efficiently and effectively, achieving a high level of customer satisfaction. We seek to improve the repairs service and be innovative in how we meet the repair needs of customers. We accept that change may bring additional scrutiny, but we will only act where we are satisfied that the results will lead to overall improvement and increased	service, and the new systems infrastructure will support our aim to introduce more dynamic ways for repairs to be delivered. We will choose options that are most likely to result in success and seek opportunities to use developments in systems and technology to improve our	and we must be able to demonstrate that we comply with Health and Safety legislation in relation to our repairs activity.

[redacted]

Theme 2 – Making the most of our homes and assets

Strategic Outcome	Financial or VFM	Reputation and Credibility	Operational Delivery	Compliance: Legal / Regulatory
Increasing the supply of new homes	***Averse:*** Achieving our target return on investment will be an important factor in decisions about what and where we build. Avoiding financial loss is a key objective.	***Minimal:*** We aim to use the strength of the Group and the national significance of our new build programme to influence the Scottish Government to sustain the current budget allocation and grant conditions for affordable housing. We also seek to extend our influence with grant funders, Glasgow and Edinburgh councils and the Scottish Government, to increase the share of Affordable Housing Supply Programme (AHSP) budget allocation to the Group. Therefore, our tolerance for risk taking in relation to the safe delivery of the new build programme is limited to events where there is no chance of significant repercussion.	***Open:*** Operationally, we are keen to grow new partnerships beyond our current footprint and explore options to facilitate development opportunities in other geographic areas. We will choose options that are most likely to result in successful delivery, while also providing an acceptable level of reward for the Group.	***Minimal:*** We must be able to demonstrate that we comply with legislation in relation to our new build activity, including procurement, construction and Health and Safety legislation.
Investing in existing homes and environments	***Cautious:*** Ongoing financial strength is crucial to enable us to continue to improve, modernise and maintain homes. We will revise our well-established investment processes to include more focus on what creates most value for our customers. Value for money will still be the key factor in our decision making, but wider benefits, such as reducing levels of emergency and reactive repairs and customer satisfaction, will also be considered.	***Open:*** Improvements to Locality Planning and engagement approaches will allow us to better understand what investment activity creates the most value for our customers. However, this increased customer engagement may also raise expectations and invite scrutiny. We must ensure that the outcomes of Locality Planning and customer engagement are fully considered in our decision making and that we can explain the reasons for actions taken.	***Open:*** We are eager to exploit technological innovations to enhance the efficiency and convenience of our investment and maintenance services. We will explore the use of data to inform a more intelligence-led repairs and maintenance service. We are prepared to choose options that are most likely to result in successful delivery, while also providing an acceptable level of reward.	***Minimal:*** Keeping customers and staff safe is a key priority and we must be able to demonstrate that we comply with Health and Safety legislation in relation to our investment activity.

Strategic Outcome	Financial or VFM	Reputation and Credibility	Operational Delivery	Compliance: Legal / Regulatory
Setting the benchmark for sustainability and reducing carbon footprint	***Open:*** A significant investment in retrofitting will be required to increase the energy efficiency and reduce the carbon footprint of our existing homes. In this context we are prepared to invest for reward, considering both the value and benefits which this investment will bring. However, we must still minimise the possibility of financial loss by managing risks to a tolerable level.	***Open:*** We aim to establish Wheatley Group as role-model for sustainability nationally and beyond, as well as influencing the rest of the sector to raise its standards. We seek to partner with the Scottish Government and other organisations (e.g. Sustainable Glasgow) to achieve our common climate change and sustainable development goals. We are prepared to be innovative to deliver these aims and take decisions that might expose us to additional scrutiny, but only where success is likely, and we have taken appropriate steps to minimise any negative exposure.	***Hungry:*** We are eager to be innovative and pioneer new approaches to sustainability through the delivery of innovative energy generation opportunities. We will prioritise solutions that enhance control and cost savings for customers, and work with research partners to solve long standing challenges for improving energy efficiency in non-standard construction types. We are prepared to take greater risks where we believe opportunities will significantly support our aim to 'break the mould' and establish us as a leader in sustainability and reducing carbon footprint.	***Cautious:*** This area is gaining more importance for stakeholders, including potential investors, staff and customers. We must be able to demonstrate that we have taken action to comply with all existing and emerging legislative and regulatory requirements in this area and be reasonably sure we would win any challenge.
Building community voice, engagement and resilience	***Open:*** Our new engagement approaches will give tenants a far greater say over Group investment. We will continue to use our Group-wide procurement frameworks to drive wider community benefits with our suppliers and will harness our size and buying power to get the best deals possible for our customers. Financial decisions will consider both value and benefits, as well as cost.	***Open:*** Customers and wider communities will increasingly be more involved in our decision making. We will also work with communities to co-create a ‘Wheatley Place Measure’ that reflects the criteria our customers identify as the hallmarks of a successful and resilient community. This increased involvement should encourage customers to expect improvements and challenge us more. We must ensure that we can demonstrate how the outcomes of this engagement have been used in our decision making.	***Open:*** Our aim is to establish a greater sense of customer and community ownership, through planning and designing new homes and communities together.. The overarching purpose of the Foundation will be to raise customer aspirations and build lasting customer and community resilience rather than meet short-term need. Innovation in this area is supported, but we must take reasonable steps to mitigate uncertainty and be able to demonstrate the value and benefits of actions taken.	***Cautious:*** We will increasingly use integrated online and digital engagement platforms and spaces to support engagement with customers and should be satisfied that they protect the online safety and personal information of users. We must be reasonably sure we could win any legislative challenge related to the use of these customer engagement tools.

Theme 3 – Changing Lives and Communities

Strategic Outcome	Financial or VFM	Reputation and Credibility	Operational Delivery	Compliance: Legal / Regulatory
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Developing peaceful and connected neighbourhoods	***Minimal:*** We will work with partners at national and local level to secure funding for our customers to have increased access to devices, low or no costs mobile data and support customers to secure the most affordable broadband connections. We have a preference for safe delivery options that have a low degree of inherent risk. Value for money is a primary concern, but we are also willing to consider all benefits in our financial decisions.	***Open:*** We will take a lead role in influencing other organisations and agencies in the interests of our customers. We will help our customers and communities to have their voice heard and will seek to harness collaborative action to achieve a greater collective impact on improving the wellbeing of our communities. This will involve establishing common objectives, agreed and co-ordinated approaches, shared data and common indicators of success, all of which may bring additional scrutiny. Therefore, we must ensure that appropriate steps are taken to mitigate any negative impact on our reputation or credibility.	***Open:*** We seek to build on our existing successes and maximise opportunities to use new systems and technology to further improve our current operations. Innovation is supported but we must be able to demonstrate commensurate improvements in management control.	***Minimal:*** Ensuring the best Fire Safety precautions throughout our housing will continue to be a priority. We also plan to maximise the use of the facilities we own in our areas and develop digital platforms to support customer engagement, both with us and within their communities. Keeping customers and staff safe is a key priority and we must be able to demonstrate that we comply with our legislative responsibilities in relation to all this activity.
Supporting economic resilience in our communities	***Open:*** We are committed to supporting our customers and communities. We are prepared to invest in Group initiatives including the Wheatley bursary programme and the delivery of jobs, training and apprenticeship places, in order to help improve the economic resilience of our customers and communities. We will also seek funding to support the delivery of targeted Foundation Programmes to support children in our communities. We will ensure that the terms and conditions of any funding received are met.	***Open:*** We aim to expand the level of support available to our customers through the provision of wrap-around services and Foundation programmes and bursaries. While we are willing to choose options that will deliver the most successful outcomes for our customers, we must ensure that we take appropriate steps to minimise any negative exposure which could impact on the level of future funding available to us.	***Open:*** We will reshape our services to provide additional support to our customers who have or are at risk of losing their job or entering the benefit system for the first time. We will seek options that will most likely result in successful outcomes for our customers, while also providing an acceptable level of value for money.	***Minimal:*** We will proactively engage with those at risk to provide them with the support of our wraparound services. Staff will increasingly be trusted advisors, but it is essential that mitigations are in place to help keep customers safe and prevent any misuse of trust.

Theme 4 – Developing our shared capacity

Strategic Outcome	Financial or VFM	Reputation and Credibility	Operational Delivery	Compliance: Legal / Regulatory
W.E. Think – creating our "Thinking Yes Together" culture	***Open:*** We will build on our Think Yes culture and evolve it to deliver our vision for 2026. Resources will be allocated to capitalise on potential opportunities. We will invest in options that are most likely to result in success but must have appropriate controls in place to minimise the possibility of financial loss.	***Open:*** We aim to ensure external influencers, including politicians, regulators and funders, understand Wheatley's unique offering and capacity, and seek to work with us. We will firmly establish Wheatley's authority and credibility, both as a result of our track record of achievements and because of the strength of our engagement model, which will enable us to effectively represent the views of our huge customer base. In order to transform our culture and thinking we accept that we may need to take decisions with potential to expose us to additional scrutiny, but appropriate steps must be taken to minimise any negative exposure.	***Hungry:*** The transformational redesign of our services and operating models to make the most of our investment in technology and digital platforms is already underway. Innovation is pursued as we challenge current working practices and inspire our staff to think and act differently. Developing the appropriate skills, behaviours and confidence required for staff at all levels to innovate and influence effectively will be a key feature of our learning and development programme. We will monitor success by ensuring our performance measures are aligned to the behaviours and outcomes we want to drive.	***Cautious:*** Wheatley staff are trusted advisors, but it is essential that mitigations are in place to help keep customers safe and prevent any misuse of trust. We will use integrated online and digital platforms and spaces to interact with customers and should be satisfied that they protect the online safety and personal information of users. We must be reasonably sure we could win any legislative challenge related to the use of these online tools.
W.E. Create – driving innovation	***Open:*** Resources will be allocated to capitalise on potential opportunities. We will invest in options that are most likely to result in success but must have appropriate controls in place to minimise the possibility of financial loss.	***Open:*** Wheatley will seek to benchmark with world-class organisations. We will pursue appropriate external recognition that serves to raise our profile as a role-model and exemplar for people practice and creating customer value.	***Hungry:*** We are eager to 'break the mould' and stimulate innovation and learning in our communities as well as our workforce. New technology will be viewed as a key enabler of change as we create a virtual space for innovation and learning and transform how we engage with technology and innovation possibilities in a collaborative way.	***Cautious:*** We will increasingly use integrated online and digital platforms and spaces to interact with customers and partner organisations and should be satisfied that these protect the online safety and personal information of users. We must be reasonably sure we could win any legislative challenge related to the use of these online tools.

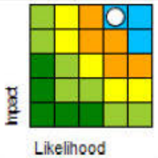
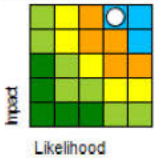
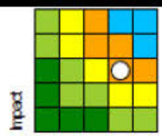
W.E. Work – strengthening the skills and agility of our staff	***Open:*** Resources will be allocated to capitalise on potential opportunities. We will invest in options that are most likely to result in success but must have appropriate controls in place to minimise the possibility of financial loss.	***Hungry:*** Wheatley will be an increasingly sought-after employer in people's career journeys. The Executive Team will lead the way in influencing and positioning Wheatley with external partners and strategic decision makers, building relationships that offer strong potential to create fresh opportunities for the benefit of the Group. We are eager to be innovative and pursue opportunities that offer high business rewards; however, the benefits must outweigh any reputational risks.	***Hungry:*** New technology will be viewed as a key enabler of operational activity, with staff across the business being increasingly digitally active. We are also eager to be innovative and explore new working practices that offer high business reward for both staff and customers. How we work will continue to change as we reshape our roles and operating model.	***Cautious:*** Staff will be trusted advisors, but it is essential that mitigations are in place to help keep customers safe and prevent any misuse of trust. We will explore opportunities to co-design modern employment terms and conditions and working practices that appeal to our evolving workforce and ensure maximum flexibility to meet changing needs. However, we are unwilling to take unnecessary risks regarding the delivery of employer responsibilities and must be reasonably sure we would win any challenge regarding employment legislation.

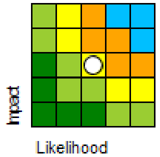
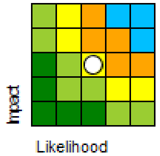
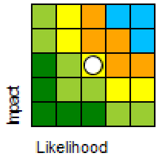
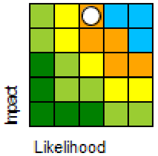
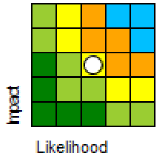
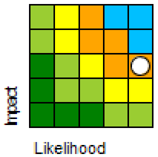
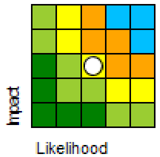
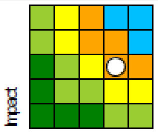
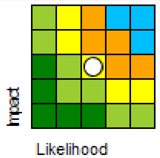
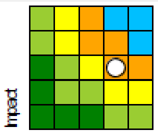
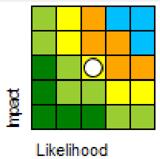
Theme 5 – Enabling our Ambitions

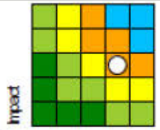
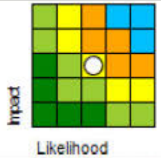
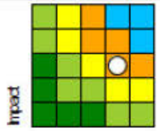
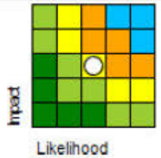
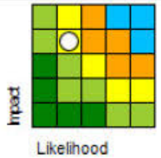
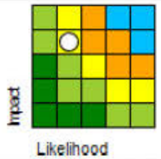
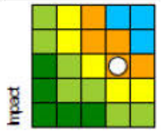
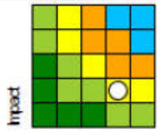
Strategic Outcome	Financial or VFM	Reputation and Credibility	Operational Delivery	Compliance: Legal / Regulatory
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Maintaining a strong credit rating and managing financial risks	***Minimal:*** We will test our business plan against a set of financial golden rules and ensure we have mitigating actions ready to address a wide range of adverse scenarios and stresses. We prefer safe business delivery options and are unwilling to tolerate a breach of the golden rules.	***Averse:*** We will maintain a strong investment grade credit rating, with our stand-alone credit profile remaining close to the sovereign rating. We will not expose our Group to risks from build-for-sale housing, and our private housing rental and factoring subsidiary, Lowther Homes, will continue to be ring fenced in financial terms from our regulated charitable subsidiaries. We want to avoid risk and uncertainty in this area and will not tolerate decisions which could lead to the Group being downgraded.	***Cautious:*** We want to maintain our strong credit rating and manage our financial risk. Therefore, we prefer to take safe delivery options which will protect our current position	***Averse:*** We must be able to demonstrate that we comply with legislation and regulation in order to meet the expectation of stakeholders and maintain our strong credit rating. Avoidance of risk in this area is a key objective.

Strategic Outcome	Financial or VFM	Reputation and Credibility	Operational Delivery	Compliance: Legal / Regulatory
Evolving digital platforms to support our activities	***Open:*** As our delivery approach becomes increasingly digitally led, investment in new technology should be focused on business activities which can be re-shaped by technology. We must be able to demonstrate how this investment in technology will create enhanced value for customers and contribute to the delivery of the Group's Strategic themes. We will assess digital investment in terms of strategic fit, complexity, risk, people and quality measures as well as financial considerations.	***Open:*** The transition that our customers and staff make to self-managed services must be both successful and sustainable as well as being based on offerings that fundamentally improve services beyond that which is possible in an off-line environment. We accept that change may expose us to additional scrutiny, but appropriate steps must be taken to minimise any exposure.	***Open:*** We want Wheatley to become synonymous across the sector as the home of technology innovation that shapes the future of housing and property management. Technological innovation will be supported, but we must be able to demonstrate commensurate improvements in management control.	***Minimal:*** Data and information will play an increasingly important role in enabling the delivery of all aspects of our services with data standards and interoperability key. We must be able to demonstrate that we have robust processes in place to comply with legislation regarding the security and use of data.
Influencing locally and nationally to benefit our communities	***Cautious:*** Continuing to raise our profile beyond our national borders and outside our sector will support our ambitions to raise future finance. Our preference will continue to be for safe funding options that have a low degree of inherent risk, however we are keen to explore all options and seek the best possible value in all funding available to us. Keeping funders and potential funders aware of our excellence in product and service provision is significant in building their confidence to invest.	***Open:*** Cementing our position as a leading influencer is a key theme for this strategy period. We aim to confidently and deliberately raise our profile further and take a leading role on the UK and international stage, which will also support our ambitions to raise future finance. We must ensure that the Group's existing reputation and credibility is protected, while maximising the impact of future exposure. In this context, we are prepared take decisions which have the potential to expose us to additional scrutiny if appropriate steps have been taken to minimise any negative exposure, and the overall benefit to the Group's profile will outweigh it.	***Open:*** Identifying and exploring different ways of working and solutions developed across a broader range of contexts will stimulate and inform our thinking as we re-configure our business to create increased value for our customers. Innovation is supported and we are willing to choose options that are most likely to result in successful delivery while also providing an acceptable level of reward.	***Minimal:*** In order to successfully influence on both a UK and international stage, we must be able to demonstrate that we take appropriate steps to comply with our legislative and regulatory responsibilities.

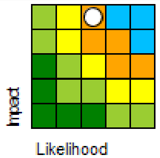
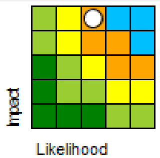
Appendix 3 – Wheatley Group Strategic Risk Register

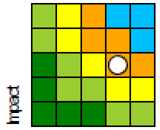
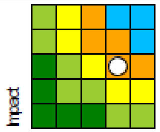
Code	Title	Original Score	Risk Appetite	Current Risk Score	Owner	Strategic Outcome	Ref to Appendix 2
RISK 019.2 F	Delayed recovery in the event of a cyber attack		Risk Appetite is **CAUTIOUS** (Yellow)	[redacted]	Group Director of Governance and Business Solutions	Maintaining a strong credit rating and managing financial risk	Page 26 Above risk appetite
RISK 019.3 F	Disruption following a cyber-attack on a key system provider	[redacted]	Risk Appetite is **CAUTIOUS** (Yellow)	[redacted]	Group Director of Governance and Business Solutions	Maintaining a strong credit rating and managing financial risk	Page 27 Above risk appetite
RISK 020	Radio Teleswitch switch off	[redacted]	Risk Appetite is **MINIMAL** (Light Green)	[redacted]	Group Director of Assets and Development	Progressing from Excellence to Outstanding	Page 28 New Risk; Above risk appetite
RISK 021	Reduced availability of financial support from Scottish Government and / or local government		Risk Appetite is **OPEN** (Orange)	[redacted]	Group Director of Finance	Raising the funding to support our ambitions	Page 29
[redacted]							
RISK 023	Climate change impact on Group customers, assets and services	[redacted]	Risk Appetite is **OPEN** (Orange)	[redacted]	Group Director of Assets and Development	Setting the benchmark for sustainability and reducing carbon footprint	Page 31

Code	Title	Original Score	Risk Appetite	Current Risk Score	Owner	Strategic Outcome	Ref to Appendix 2
RISK 001	Impact on our customers of reduced public funding	[redacted]	Risk Appetite is **OPEN** (Orange)		Group Director of Communities	Supporting economic resilience in our communities	Page 32
RISK 016	Laws and Regulations	[redacted]	Risk Appetite is **CAUTIOUS** (Yellow)		Group Director of Governance and Business Solutions	Progressing from Excellent to Outstanding	Page 33
RISK 019.1 F	Staff behaviour enables a cyber-attack	[redacted]	Risk Appetite is **CAUTIOUS** (Yellow)		Group Director of Governance and Business Solutions	Maintaining a strong credit rating and managing financial risk	Page 34
RISK 008	Compliance with funders' requirements		Risk Appetite is **OPEN** (Orange)		Group Director of Finance	Raising the funding to support our ambitions	Page 35
RISK 018	Repairs supply chain disruption		Risk Appetite is **OPEN** (Orange)		Group Director of Governance and Business Solutions	Investing in existing homes and environments	Page 36
RISK 011	Securing new funding and adverse market changes	 [redacted]	Risk Appetite is **OPEN** (Orange)		Group Director of Finance	Raising the funding to support our ambitions	Page 37
RISK 014	Political and Policy changes impact on strategic key partnerships	 [redacted]	Risk Appetite is **OPEN** (Orange)		Group Director of Governance and Business Solutions; Group CEO	Influencing locally and nationally to benefit our communities	Page 38

Code	Title	Original Score	Risk Appetite	Current Risk Score	Owner	Strategic Outcome	Ref to Appendix 2
RISK 100	Underperformance of main delivery partner	 [redacted]	Risk Appetite is **OPEN** (Orange)		Group Director of Assets and Development	Investing in existing homes and environments	Page 39
RISK 137	Non-achievement of sustainability targets	 [redacted]	Risk Appetite is **OPEN** (Orange)		Group Director of Assets and Development	Setting the benchmark for sustainability and reducing carbon footprint	Page 40
RISK 004	Ability to meet Scottish Government legislative requirements for energy efficiency	[redacted]	Risk Appetite is **CAUTIOUS** (Yellow)		Group Director of Assets and Development	Investing in existing homes and environments	Page 41
RISK 089	Fire Event	[redacted]	Risk Appetite is **MINIMAL** (Light Green)		Group Director of Assets and Development	Developing peaceful and connected neighbourhoods	Page 42 Above risk appetite
RISK 090	Monitoring H&S arrangements		Risk Appetite is **CAUTIOUS** (Yellow)		Group Director of Assets and Development	W.E. Work – Strengthening the skills and agility of	Page 43 New Risk

[redacted]

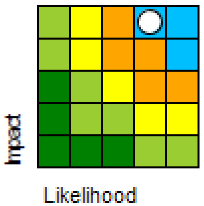
Code	Title	Original Score	Risk Appetite	Current Risk Score	Owner	Strategic Outcome	Ref to Appendix 2
RISK 012	Business Continuity	[redacted]	Risk Appetite is **OPEN** (Orange)	[redacted]	Group Director of Assets and Development	Progressing from Excellent to Outstanding	Page 45
RISK 031	Senior staff recruitment	[redacted]	Risk Appetite is **HUNGRY** (Blue)	[redacted]	Group Director of Finance; Group Director of Governance and Business Solutions	W.E. Work – strengthening the skills and agility of our staff	Page 46
RISK 032	Staff development and succession planning	[redacted]	Risk Appetite is **HUNGRY** (Blue)	[redacted]	Group Director of Finance; Group Director of Governance and Business Solutions	W.E. Work – strengthening the skills and agility of our staff	Page 47
RISK 053	Damp and Mould	[redacted]	Risk appetite is **MINIMAL** (Light Green)	[redacted]	Group Director of Assets and Development	Investing in existing homes and environments	Page 48
RISK 003	Fire Safety		Risk Appetite is **MINIMAL** (Light Green)	[redacted]	Group Director of Assets and Development	Investing in existing homes and environments	Page 49
RISK 010	Group Credit Rating		Risk Appetite is **MINIMAL** (Light Green)	[redacted]	Group Director of Finance	Maintaining a strong credit rating and managing financial risks	Page 50

Code	Title	Original Score	Risk Appetite	Current Risk Score	Owner	Strategic Outcome	Ref to Appendix 2
RISK 006	Customer Satisfaction (tenants)	[redacted]	Risk Appetite is <u>**OPEN**</u> (Orange)	[redacted]	Group Managing Director of RSLs	Enabling customers to lead	Page 51
RISK 007	Rent Arrears management	 [redacted]	Risk Appetite is <u>**OPEN**</u> (Orange)	[redacted]	Group Managing Director of RSLs	Enabling Customers to Lead	Page 52
RISK 009	Governance Structure	[redacted]	Risk Appetite is <u>**CAUTIOUS**</u> (Yellow)	[redacted]	Group Director of Governance and Business Solutions; Group CEO	W.E. Work-strengthening the skills and agility of our staff	Page 53
RISK 013	Commercial Operations	 [redacted]	Risk Appetite is <u>**OPEN**</u> (Orange)	[redacted]	Group Director of Communities	Supporting economic resilience in our communities	Page 54
RISK 204	New Build contractor non-compliance with building standards	[redacted]	Risk Appetite is <u>**MINIMAL**</u> (Light Green)	[redacted]	Group Director of Assets and Development	Increasing the supply of new homes	Page 55

RISK 019.2 F Delayed recovery in the event of a cyber attack

Strategic Outcome	Maintaining a strong credit rating and managing financial risk	Risk type	Operational Delivery	Risk owner	Group Director of Governance and Business Solutions

Description	***Controls***
There is a risk that the Group is unable to restore business as usual systems within a 2-week window following a cyber-attack such as ransomware or data theft due to ineffective or inadequate disaster recovery procedures, resulting in an inability to deliver services and financial loss.	Cyber response plans integrate business response planning and are regularly tested across core scenarios. Business continuity plans templates require business owners to integrate DR and Cyber response plans and activities. DR activities are clearly documented and plans across core services are invoked annually. DR tasks completed include post-implementation reviews and lessons learned. Annual Cyber Insurance engagement is conducted (covering insurer workshop/tabletop exercise covering incident notification/escalation and response management). 2025-26 DR workplan agreed – the workplan is reviewed quarterly. BC workshop covering Ransomware scenario performed annually (Care, Housing, CFC, Repairs focussed areas) - last workshop Nov 24. NCC incident Response reviews are conducted annually (last IRR October 24)

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
	[redacted]	Risk Appetite is **CAUTIOUS** (Yellow)	Audit Committee updates on Cyber Security/DR twice per year. Wheatley Solutions (quarterly) – standing item on progress with digital transformation programme and Cyber Security programme

RISK 019.3 F Disruption following a cyber-attack on a key system provider

<table>
<tr><td>Strategic Outcome</td><td colspan="2">Maintaining a strong credit rating and managing financial risk</td><td>Risk type</td><td>Operational Delivery</td><td>Risk owner</td><td>Group Director of Governance and Business Solutions</td></tr>
<tr><td colspan="3">Description</td><td colspan="4">Controls</td></tr>
<tr><td colspan="3">There is a risk that the Group is impacted by a cyber-attack on a third-party provider of a critical Software as a Service (SAAS) provider due to inadequate contract management, resulting in an inability to deliver services, and financial loss.</td><td colspan="4">Procurement procedures require potential suppliers to confirm they comply with the Group’s security requirements through pre-procurement guidance and checklist for cyber actions.
Cyber Non-Functional Requirements have been drafted for SAAS and on-premise services to support business owners.
A SAAS register of services that have completed Vendor Security Assessments is maintained, VSAs are reviewed annually (with vendor and business owner review).
Business owners are required to review supplier contract performance regularly, including annual review of Vendor Security Assessments and Data Privacy Impact Assessments.
Contracts and VSA record data breach notification processes, vendor-performed security testing and DR approach and testing.
Quarterly meetings with contract owners for Group critical services includes review of risks and mitigations.
Detailed supply chain cyber guidance is published and integrated with Procurement policies and guidance</td></tr>
<tr><td>Inherent risk</td><td>Residual risk</td><td>Risk Appetite level:</td><td colspan="4">Previous / Next detailed Board update on operation of controls listed above:</td></tr>
<tr><td>[redacted]</td><td>[redacted]</td><td>Risk Appetite is <u>CAUTIOUS</u> (Yellow)</td><td colspan="4">Audit Committee updates on Cyber Security/DR twice per year.
Wheatley Solutions (quarterly) – standing item on progress with digital transformation programme and Cyber Security programme.</td></tr>
</table>

RISK 020 Radio Teleswitch switch off

Strategic Outcome	Progressing from Excellence to Outstanding	Risk type	Reputation and Credibility	Risk owner	Group Director of Assets and Development

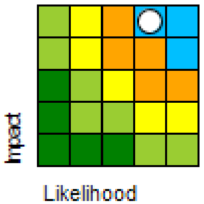
Description	***Controls***
There is a risk that customers with Radio Teleswitch (RTS) electricity meters (c.5000 customers) do not engage with their energy suppliers to have these meters updated in advance of the RTS switch off, resulting in these customers' storage heaters being left permanently switched on or off, depending on the last signal received. Either outcome could have a negative impact on customer experience and satisfaction, particularly as the Group is unable to directly resolve this issue on the behalf of its customers.	Engagement with SFHA, OFGEM, Scottish and UK Government and energy companies to raise awareness of the issue from an RSL perspective, including participation in the OFGEN and Energy UK (the energy industry trade body) events. Participation in the RTS Consumer Engagement Group monthly meetings (scheduled to Dec 2025). Data Sharing agreement in place with Scottish Power, enabling us to contact affected RTS customers and encourage them arrange to switch via our Connected Response programme. Communications campaign including letters to customers, at various times, to encourage them to respond to Scottish Power communications; posters in MSF blocks; and prompts for CFC call handlers to reinforce the need for customers with RTS meters to contact their energy company. Staff awareness campaign. Internal project team formed to monitor progress with switching and coordinate the listed control activities. **Planned Controls:** Working with Scottish Power to develop a targeted campaign. Also going to proactively contact affected customers. Flags being built into CRM system to pick up engagement if affected customers call in to CFC. Business Continuity/Crisis Management planning in the event the switch off occurs.

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
[redacted]	[redacted]	Risk Appetite is **MINIMAL** (Light Green)	RSL Board updates at every meeting until not required.

RISK 021 Reduced availability of financial support from Scottish Government and / or local government

Strategic Outcome	Raising the funding to support our ambitions	Risk type	Financial or VFM	Risk owner	Group Director of Finance

Description	***Controls***
There is a risk that without sufficient Scottish Government financial support we may be unable to deliver Scottish Government targets in relation to the development of new homes and energy efficiency. Inflation will also impact on the Scottish Government and / or local authority financial support available for new build targets resulting in an inability to deliver strategic outcomes.	• Regular engagement with Scottish Government representatives to proactively present the case for housing investment directly and through our representative bodies. • Participate in the Scottish Government reviews of grant availability. • Pathway to Net Zero Group draws on independent expertise to support evolution of plans in this area. • Provision in the Business plan tested against the Asset Management Strategy to ensure sufficient provision within the Plan. • Financial planning sensitivities undertaken to understand the potential impact under a variety of grant scenarios. • Actively pursue external funding opportunities including those with the Scottish Government to support our investment in energy efficiency works.

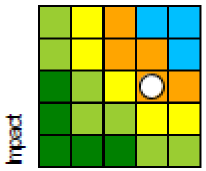
Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
	[redacted]	Risk Appetite is **OPEN** (Orange)	Group Board (Group Business Plan Financial Projections) (Annually in February) Group Board (5-Year Development Plan) (Annually) Group Board (Asset Management Strategy) Group Board (5-Year Investment Plan)

[redacted]

RISK 023 Climate change impact on Group customers, assets and services

Strategic Outcome	Setting the benchmark for sustainability and reducing carbon footprint	Risk type	Financial or VFM	Risk owner	Group Director of Assets and Development

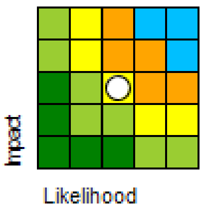
Description	***Controls***
There is a risk that the impact of climate change consequences on Group customers, assets and services are not anticipated resulting in damage to the value of our assets and our ability to deliver services to our customers.	Business continuity plans (both at Group and local level) provide for operational responses to extreme weather events such as flooding and severe winter snow (e.g. "Beast from the East" type events). Group works in line with National Planning requirements, including the use of SEPA flood risk maps to assess New Build locations. Asset Management Strategy will ensure future investment maintains and improves condition of our asset including to mitigate any climate change related risks.

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
[redacted]	 [redacted]	Risk Appetite is **OPEN** (Orange)	Group Boards - Asset strategy in June 24, and subsequent strategic asset investment planning. Wheatley Solutions Board updated on sustainability related matters at its meetings. Sustainability update planned for Group Board in June 25, in advance of updating strategy later in 2025.

RISK 001 Impact on our customers of reduced public funding

Strategic Outcome	Supporting economic resilience in our communities	Risk type	Operational	Risk owner	Group Director of Communities

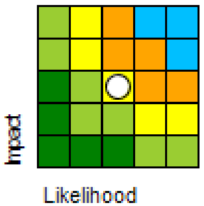
Description	***Controls***
There is a risk that the impact of reductions in Local Authority services leaves the Group unable to meet increased levels of demand for wrap-around and / or Wheatley Foundation services, and therefore unable to deliver its strategic outcome to support economic resilience for all customers in need.	Monthly performance meetings, reviewing project activity/demand against available budget. Monitoring of business information from across Group to identify emerging customer/community issues. Regular liaison meetings with stakeholders and funders. Monthly “External Funding Opportunities” meeting – Foundation staff. Development of ALISS to signpost customer to additional support. Performance/Budget updates provided quarterly to Foundation Board. Monthly “Helping Hands” rent support updates provided to MDs.

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
[redacted]		Risk Appetite is **OPEN** (Orange)	Group Board paper on 2023/24 rent setting (February 2024) Group Board paper on Group Business Plans Financial Projections (February 2024) Strategy session/ annual report to Foundation Board to review priorities and ensure responding to customer priorities (Annually) Performance/Budget updates provided quarterly to Foundation Board.

RISK 016 Laws and Regulations

Strategic Outcome	Progressing from Excellent to Outstanding	Risk type	Compliance: Legal/Regulatory	Risk owner	Group Director of Governance and Business Solutions

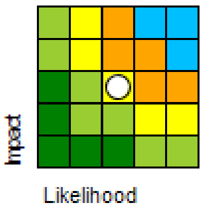
Description	*Controls*
Non-compliance with statutory laws and regulations, including but not limited to: • Scottish Housing Regulator and Care Inspectorate regulations, • Financial Conduct Authority (FCA) regulations, • compliance with Health and Safety Building Regulations • Freedom of Information (Scotland) Act, and • General Data Protection Regulations, and • OSCR, the Scottish Charities Regulator, resulting in adverse feedback and loss in confidence from regulators, funders, customers and potential partners, as well as potential fines and penalties.	A Group-wide annual assurance review is carried out against the SHR's regulatory framework, as well as the Care and Lowther regulatory frameworks. These help to ensure we meet the requirements of the SHR, OSCR, Care Inspectorate and other regulatory entities. Standing Orders/Scheme of delegation set out roles and responsibilities in relation to key legislative and regulatory requirements. The Group has on-going relationship management with the Scottish Housing Regulator. Changes to existing legislation are identified and implemented by identified responsible officers across the Group. Group wide approach to how the Group manages information. Privacy Impact Statements implemented across the Group. Legislative compliance maps are in place for all teams, documenting key legislative requirements and the detective controls that have been put in place to confirm ongoing compliance.

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
[redacted]		Risk Appetite is **CAUTIOUS** (Yellow)	Annual reporting to RSLs, Care and Lowther (Aug-Oct) each year.

RISK 019.1 F Staff behaviour enables a cyber-attack

Strategic Outcome	Maintaining a strong credit rating and managing financial risk	Risk type	Operational Delivery	Risk owner	Group Director of Governance and Business Solutions

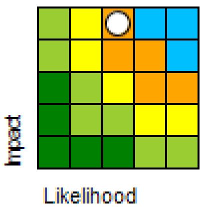
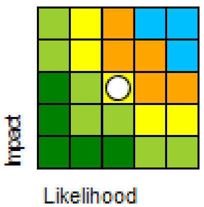
Description	*Controls*
There is a risk that the Group is subject to a cyber-attack such as ransomware or data theft caused by risky or malicious staff behaviour, resulting in an inability to deliver services, regulatory censure and financial loss.	Staff are required to complete mandatory, annual training provided by a specialist cyber training provider. Completion rates for the training are monitored by MyAcademy and reported to senior management. SIEM technical logging approaches include behavioural analysis metrics - alerts generated lead to actions including account suspension and remediation. Cyber behavioural metrics are reviewed to inform training and communications. Phishing campaigns inform additional behavioural insight to cyber risks and incidents - these are performed across Group 2-3 times per year. Phishing reporting available per-campaign. Routine testing of the external environment is provided by the Group's security consultants. Group tenancy includes 'user risk scoring' to identify accounts with higher risk of compromise or low security behaviours – these alerts are monitored 24 hours per day via SIEM service provider and infrastructure team. Security Forum review of training/phishing/SIEM (account attack) activity. **Planned controls:** Review of cyber-security training and extensions to current training offered to staff to include specific role elements (e.g. payment/PII handling) (July 25) Failed Phishing campaign staff process (management escalation and staff training/guidance approach) (July 25) Senior (LBM) Cyber Security CPD/engagement (Sept 25) via NCC

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
[redacted]		Risk Appetite is **CAUTIOUS** (Yellow)	Audit Committee updates on Cyber Security/DR twice per year. Wheatley Solutions (quarterly) – standing item on progress with digital transformation programme and Cyber Security programme

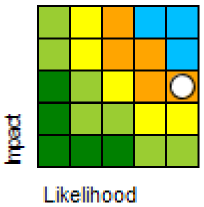
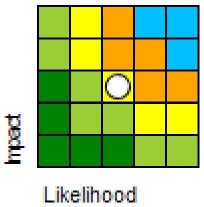
RISK 008 Compliance with funders' requirements

Strategic Outcome	Raising the funding to support our ambitions	Risk type	Financial or VFM	Risk owner	Group Director of Finance

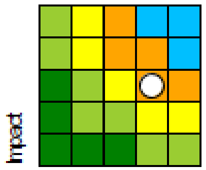
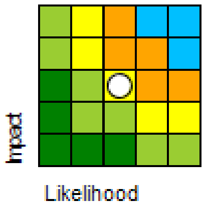
Description	*Controls*
There is a risk of defaulting on loan agreements as a result of failing to meet or maintain compliance with loan agreements. This would result in withdrawal of the funding, potential for cross-default on other facilities, difficulty in obtaining future funding from other funders, and would likely result in higher cost of funding.	Regular meetings with funders and investor representatives to update on financial status of the Group. Financial performance monitored monthly and covenant compliance reviewed quarterly by the Group Board, before being submitted externally to funders. Covenant compliance monitoring tool introduced by Finance. Funder legal agreements set out the key dates and requirements. Subsidiary and Group Business Plans are subject to annual updates and review by respective Boards. Additional protection via 'Golden Rules' to produce forward-looking monitoring with headroom against loan covenants. Golden Rules subject to annual board approval, with performance monitored quarterly and any anticipated breaches, requiring board approval.

Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:
		Risk Appetite is **OPEN** (Orange)	Business plan projections in Feb and for rent setting discussions. Finance reports, including covenant compliance and Golden Rules, are a standing item for all Boards. (Ongoing) Treasury update reports are presented quarterly to Group and WFL1 Boards. (Quarterly)

RISK 018 Repairs supply chain disruption

<table>
<tr><td>Strategic Outcome</td><td colspan="2">Investing in existing homes and environments</td><td>Risk type</td><td>Operational Delivery</td><td>Risk owner</td><td>Group Director of Governance and Business Solutions</td></tr>
<tr><td colspan="3">Description</td><td colspan="4">Controls</td></tr>
<tr><td colspan="3">There is a risk that the Group faces disruption to its Repairs supply chain (including delays to supply deliveries, increased costs of supplies, or supplier business failure) due to global events such as the war in Ukraine / Mid East, and manufacturing challenges such as shipping, increased trade tariffs, the UK cost of living crisis and rising inflation, resulting in delays or an inability to deliver operational targets and potential financial loss or reputational damage.</td><td colspan="4">Utilisation of Group and 3rd party frameworks to minimise price increase risk. Procurement procedures include assessment of suppliers’ financial health. Active use of Contract Management System which contains system generated alerts to flag risk. Integrated Repairs Management software (Civica Servitor) in WHS /WHE to manage van stock levels including and where possible, advance purchase of components and materials. Engagement with key suppliers on stock levels. Specific contingency plans for key services e.g. lifts. Local staff directly employed by CBG, WHE or WHS PS. Identified lead for Repairs monitors supply chain materials contract. In the event of supplier insolvency, procurement frameworks / approved supplier listings would be used to identify alternative suppliers.</td></tr>
<tr><td>Inherent risk</td><td>Residual risk</td><td>Risk Appetite level:</td><td colspan="4">Previous / Next detailed Board update on operation of controls listed above:</td></tr>
<tr><td>
</td><td>
</td><td>Risk Appetite is OPEN (Orange)</td><td colspan="4">Group DevCo - tenders/ programme performance/ Contractor financial exposure. These are standing items at each meeting. (Ongoing)
Annual Procurement strategy and policy updates presented to Boards for approval (10 February 2025)
All Boards receive procurement performance, finance and development updates (Ongoing standing items)</td></tr>
</table>

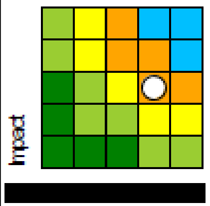
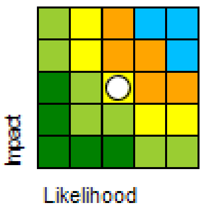
RISK 011 Securing new funding and adverse market changes

<table>
<tr><td>Strategic Outcome</td><td colspan="2">Raising the funding to support our ambitions</td><td>Risk type</td><td>Financial or VFM</td><td>Risk owner</td><td>Group Director of Finance</td></tr>
<tr><td colspan="3">Description</td><td colspan="4">Controls</td></tr>
<tr><td colspan="3">There is a risk that the Group's ability to raise borrowing at cost-effective rates or raise the funds required to meet our liquidity Golden Rules is limited by wider economic or political conditions such as another banking crisis, rising interest rates, prolonged high inflation, default in the sector, increasing focus on ESG credentials or constitutional changes; resulting in an inability to hold enough cash to meet our commitments or achieve our business objectives.</td><td colspan="4">Our strategy is to diversify financing sources and relationships, providing a range of options for future funding in the event of adverse market changes. Our liquidity Golden Rule is designed to ensure that we have sufficient cash available for two years + 25% contingency, and this rule is re-assessed annually by the Group Board. Compliance is reported to the Group and WFL Boards quarterly. We also review our approach to hedging in respect of interest rate risk on a quarterly basis. We do not borrow in currencies other than sterling to reduce exchange rate risks, including in the event of a potential future change in currency. Annual ESG reporting in place with reports issued alongside the statutory accounts and we maintain a Sustainability Financing Framework which is accredited by S&P. Group Board receive quarterly updates within the Treasury paper of any fundraising activity.</td></tr>
<tr><td>Inherent risk</td><td>Residual risk</td><td>Risk Appetite level:</td><td colspan="4">Previous / Next detailed Board update on operation of controls listed above:</td></tr>
<tr><td> [redacted]</td><td></td><td>Risk Appetite is <u>OPEN</u> (Orange)</td><td colspan="4">Treasury management update to WFL1/Board every quarter, which includes update on market conditions. (Ongoing)
Business Plan Financial Projections reported to Group Board (Annually, February)
Annual Sustainability Report (Annually, August)
Funding Strategy discussed at Group Board (Annually, June residential)</td></tr>
</table>

RISK 014 Political and Policy changes impact on strategic key partnerships

Strategic Outcome	Influencing locally and nationally to benefit our communities	Risk type	Reputation and Credibility	Risk owner	Group Director of Governance and Business Solutions; Group CEO

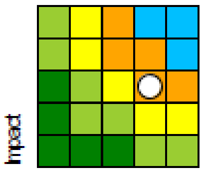
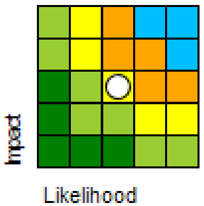
Description	***Controls***
The risk that political and policy changes (within Scotland and the UK) lead to less effective working relationships with key strategic partners, including elected members, and affect the ability of the Group to deliver its strategic objectives resulting in significant adverse reputational impact.	The Group has an established national approach to stakeholder management led by the Executive Team and Communications Team. We have ongoing engagement with senior officials and policy leads within the Scottish Government and key local Authority partners. We are also part of national policy working groups and actively look for opportunities to engage with key politicians. Annual MSP survey carried out to track progress, with plan put in place to address negative comments. Strategic Agreements in place with GCC and DGC. Partnership agreements in place with WLC (in respect of a shared understanding amongst WLC and other RSLs in relation to new build housing development) and work closely with CEC. We hold Board workshops on key policy areas, including annual strategy workshops and standalone Board/CPD events where required. The Group's policy of not building homes for sale also mitigates potential property market risk. At a community level, good stakeholder and partnership relations, including with elected members, are carried out by Executive Team, Managing Directors, Locality Housing Directors and the Director of Communications and Marketing. We actively look for opportunities to engage with key politicians to promote partnership working and projects highlighting the work of the Group and subsidiaries in 'Making Homes and Lives Better'.

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
		Risk Appetite is **OPEN** (Orange)	Group CEO update to group Board as standing item includes update on political engagements. (Ongoing) Senior political presence at all WH-G Board meetings through GCC drawn appointments. (Ongoing)

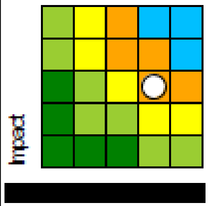
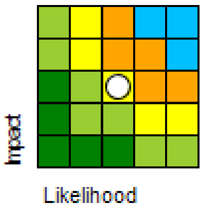
RISK 100 Underperformance of main delivery partner

Strategic Outcome	Investing in existing homes and environments	Risk type	Operational Delivery	Risk owner	Group Director of Assets and Development

Description	***Controls***
There is a risk that Wheatley's main delivery partner in the West (CBG) is unable to deliver as expected and fails to deliver WH-G, Loretto and Lowther's annual investment plans and repairs targets resulting in reputational damage as a result of failing to deliver commitments made to customers.	CBG prepare a 5-year business plan each year. This is informed by workload information provided by both Members and for WHG linked directly through to the WHG financial projections and informs CBG resource and labour planning. The investment plans are routinely monitored in respect of delivery and reports are considered monthly at DMT on the delivery status of the annual programme. Performance in the delivery of the repairs service is also routinely monitored between operational delivery and management teams. WHG and CBG staff are co-located to ensure that this is achieved. Service levels and efficiency are measured against agreed targets and where issues are identified as part of this monitoring, improvement actions are then agreed and their effect monitored.

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
 [redacted]		Risk Appetite is **OPEN** (Orange)	Regular updates to RSL Boards and the Group Board are provided. Most recently an update was provided on Repairs Service delivery and on the service enhancements that are underway in February 2024.

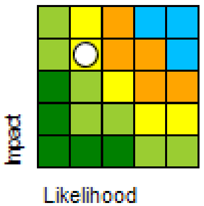
RISK 137 Non-achievement of sustainability targets

<table>
<tr><td>Strategic Outcome</td><td colspan="2">Setting the benchmark for sustainability and reducing carbon footprint</td><td>Risk type</td><td>Reputation and Credibility</td><td>Risk owner</td><td>Group Director of Assets and Development</td></tr>
<tr><td colspan="3">Description</td><td colspan="4">Controls</td></tr>
<tr><td colspan="3">There is a risk that the Group is not able to demonstrate how it is contributing to climate-change mitigation activities, due to non-achievement of targets within its Sustainability Framework, resulting in reputational damage with key stakeholders, including investors, government and customers.</td><td colspan="4">We have detailed asset information and baseline data, and our asset strategy includes an assessment of the likely requirements of the new Social Housing Net Zero Standard which is currently being consulted on by Scottish Government. We have secured some funding from the Scottish Government to invest in properties through bids to the SHNZ (Social Housing Net Zero Fund). Targets to reduce emissions from our homes are monitored and reported each year to Wheatley Solutions. Progress towards our aim of being carbon neutral is assessed independently and reported each year.
The Group's ethos is that demolition is not a preferred option, although we will explore this if following assessment this is found to be the best option including in terms of sustainability impact.
We produce an annual ESG report for investors setting out our progress on the environmental agenda and have produced a sustainability framework for investors to support the raising of sustainability-linked finance.
In addition to ESG reporting, increased public messaging around our work in relation to climate change is ongoing and we have developed and are implementing a group sustainability strategy.</td></tr>
<tr><td>Inherent risk</td><td>Residual risk</td><td>Risk Appetite level:</td><td colspan="4">Previous / Next detailed Board update on operation of controls listed above:</td></tr>
<tr><td>
</td><td>
</td><td>Risk Appetite is OPEN (Orange)</td><td colspan="4">All Boards – business plan including detailed 5-year capital investment plan
Wheatley Solutions/Group Board projected Co2 reduction (Annually in February)
Sustainability update report to all Boards (Annually Group (June) others in September)
Sustainability as a key driver in our asset strategy</td></tr>
</table>

RISK 004 Ability to meet Scottish Government legislative requirements for energy efficiency

Strategic Outcome	Investing in existing homes and environments	Risk type	Financial/VFM	Risk owner	Group Director of Assets and Development

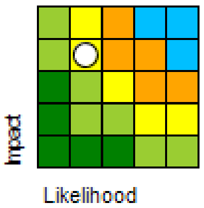
Description	***Controls***
There is a risk that the combined cost impact of several years of high inflation and increasing regulatory / statutory compliance requirements results in assets which require significant investment in order to meet required standards and expectations.	Five-year business plan is reviewed annually 6 months in advance. Plan is developed through consultation with Locality Housing Directors and after consideration of external regulations and environment. Group Asset strategy and subsidiary strategic asset investment plans have been developed to clearly articulate investment need and priorities and ensure that our available investment is focused where it has greatest impact. Funding considerations are also re-assessed annually and inform the rent proposals. The Finance team has reviewed financial plans against a variety of assumptions and undertaken stress testing of these assumptions. Financial projections are regularly reviewed and updated as additional information becomes available. Group Board approves the financial projections including key assumptions including those around funding and investment in existing homes and environments.

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
[redacted]		Risk Appetite is **CAUTIOUS** (Yellow)	Group Board asset strategy approved (June 2024). RSL Boards strategic asset investment plans (Autumn 2024). These will be reviewed and refreshed as needed each year. 5-year investment plans refreshed each year and considered by Boards annually in February. All Boards receive an update on financial performance at each meeting.

RISK 089 Fire Event

Strategic Outcome	Developing peaceful and connected neighbourhoods	Risk type	Compliance: Legal/Regulatory	Risk owner	Group Director of Assets and Development

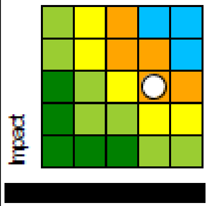
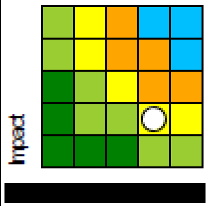
Description	***Controls***
Actions and behaviours of customers or third parties which are outwith the Group's control lead to a fire within our buildings, resulting in the injury or fatality of individuals, damage to Group property, and reputational damage.	Fire Prevention and Mitigation Framework, including our approach to high rise block inspections and Livingwell. Fire Risk Assessments are completed on a rolling cycle and include assessment of Wilful Fire Raising. Person Centred Risk Assessments (Home Fire Safety Visits) undertaken by Fire Safety Officers where vulnerable customers identified. Daily, weekly and monthly inspections of high-rise domestic premises maintained by Environmental Teams in between Fire Risk Assessments being completed. Statutory maintenance of Domestic Properties undertaken to include Gas Safety Installations, Electrical Installations and the provision of Heat and Smoke Detection. New Build properties are built with Water Suppression Systems as per new Building Standards requirements. Flats are designed to prevent the spread of fire through compartmentalisation. Extensive compliance and investment regime to achieve compliance with building safety regulations (as required) and best practice guidance. Fire Working Group attended by Snr Mgt Teams every 2 months that feeds into a Group Executive Fire Liaison Meeting chaired by Executive Lead and attended by Leadership Directors to review performance, emerging issues and escalate matters as required. Compliance Steering Group established to monitor and review compliance events that could contribute to risk of fire e.g. Gas Safety, Electrical Safety etc. Weekly report of PCRA Outstanding Actions issued to Managing Directors, Locality Housing Directors and Heads of Housing for Action.

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
[redacted]		Risk Appetite is **MINIMAL** (Light Green)	Annual report to RSL Boards on Fire Prevention and Mitigation Framework. Group, RSL and Lowther Boards - Fire safety performance related KPIs (ADFs and FRAs) as part of standing performance updates. (Ongoing) Board updates (Annually - Nov)

RISK 090 Monitoring H&S arrangements

Strategic Outcome	W.E. Work – Strengthening the skills and agility of our staff	Risk type	Compliance: Legal/ Regulatory	Risk owner	Group Director of Assets and Development

Description	***Controls***
There is a risk that the H&S monitoring function does not work effectively to detect non-compliance with H&S policy and procedures or drive improvement across the Group due to poor team coordination, insufficient support, or lack of awareness of relevant issues by that function. Undetected non-compliance with Group H&S policy and procedures could lead to an event which results in statutory action by the Health and Safety Executive or civil action, with potential HSE improvement actions, prosecution, financial penalties and reputational damage.	A programme of H&S audits and inspections will be undertaken by the Wheatley Group H&S Team, covering all work locations. Audit/ inspection reports and actions are issued to responsible managers, and completion of these actions within allocated timescales is monitored by H&S. Progress and outcomes arising from this programme are reported to operational and strategic H&S meetings, as well as being reported to the Executive Team.

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
		Risk Appetite is **CAUTIOUS** (Yellow)	Annual reporting on H&S (May) and Fire Safety matters (Nov)

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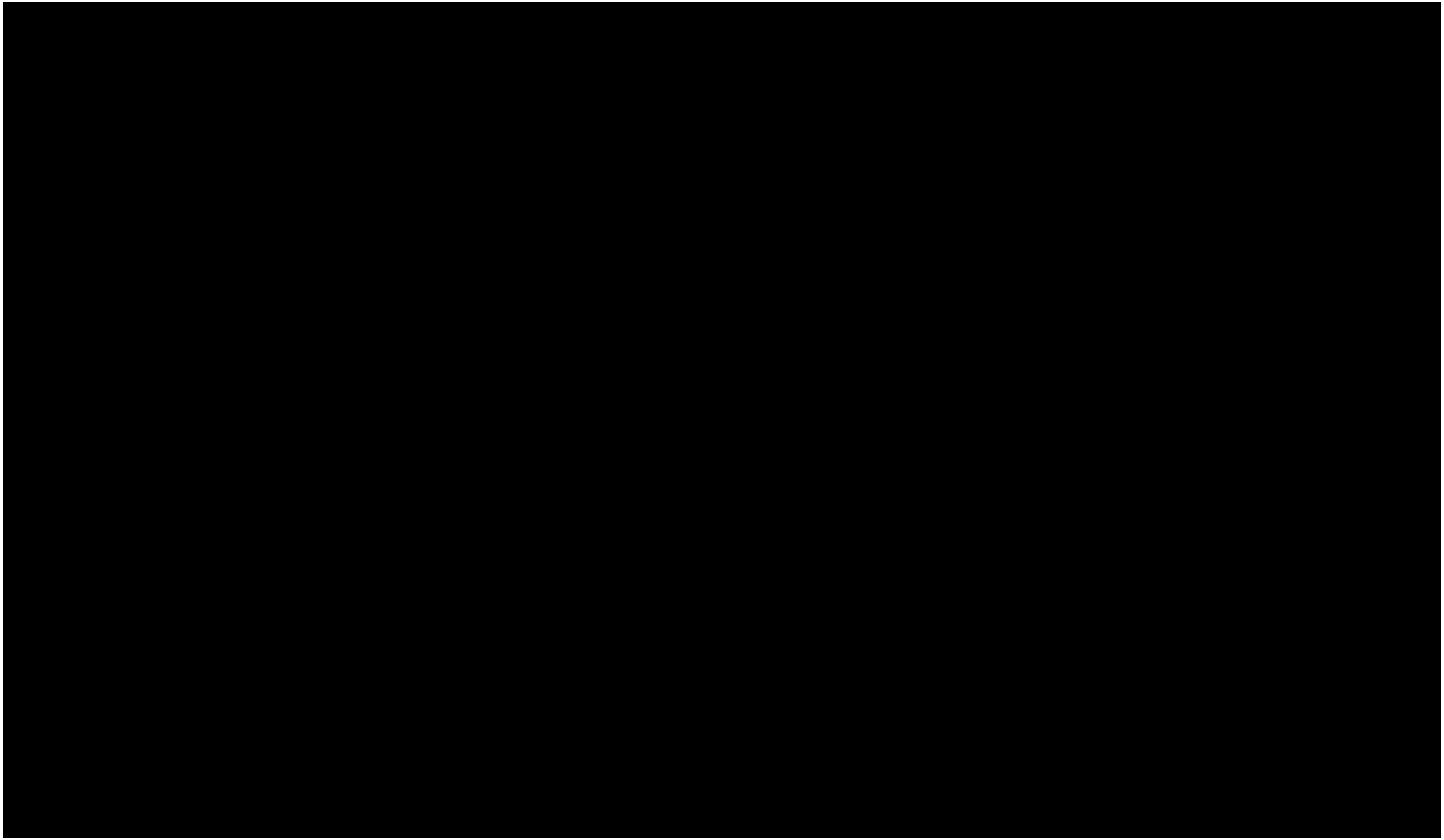


RISK 012 Business Continuity

Strategic Outcome	Progressing from Excellent to Outstanding		Risk type	Operational Delivery	Risk owner	Group Director of Assets and Development
Description			***Controls***			
The Wheatley Housing Group does not have adequate or tested Business Continuity / Disaster Recovery Plans in place for key business activities and may rely on the provision of technology provided by third parties (for example: repairs service, care provision/staff cover, customer payment systems/technology, CFC telephony), resulting in significant disruption to service and avoidable reputational damage.			Business Continuity Plans are in place across all business areas. A business continuity steering group oversees the collating, reviewing and designing the Group's Business Continuity Plans. The business continuity framework and Business Continuity Policy are now embedded across the Group and in all business areas, in line with the Group's new business operating model and in light of experience through the COVID-19 pandemic. Regular testing and exercising of the Business Continuity Plans will continue to be implemented across all business areas. Winter Readiness Plans have been developed to ensure there is a collaborative approach to business interruption across this period where we may experience more adverse weather. Crisis Management Plan remains in place and is reviewed prior to the festive period every year in line with our Winter Readiness Plans.		
Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**			
[redacted]	[redacted]	Risk Appetite is **OPEN** (Orange)	Disaster Recovery arrangements included in paper to Wheatley Solutions Board – Digital Transformation Programme Update (Feb 23) Bi-annual update to the Group Audit Committee on Cyber security which includes details of cyber resilience and business continuity planning in response to a cyber security event (Feb 25)			

RISK 031 Senior staff recruitment

Strategic Outcome	W.E. Work – strengthening the skills and agility of our staff	Risk type	Operational Delivery	Risk owner	Group Director of Finance; Group Director of Governance and Business Solutions

Description	***Controls***
The Group cannot attract candidates for senior roles with the desired qualities, skills or experience due to competing demand for staff in the sector, resulting in reduced levels of service provision.	HR policies on recruitment and selection. Leadership Development Programme to bring in new talent across Group RSLs and Wheatley Solutions. Use of specialist recruitment agencies for senior posts. Targeted advertising via CIH/ Inside Housing/ similar publications used to attract professionally trained staff. Benchmarking of starting salaries/benefits offered to ensure these remain sector leading/competitive.

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
[redacted]	[redacted]	Risk Appetite is **HUNGRY** (Blue)	RAAG is kept informed of senior recruitment activity.

RISK 032 Staff development and succession planning

Strategic Outcome	W.E. Work – strengthening the skills and agility of our staff	Risk type	Operational Delivery	Risk owner	Group Director of Finance; Group Director of Governance and Business Solutions

Description	***Controls***
Failure to succession plan and develop staff leads to there being a lack of internal talent available with the relevant skills, knowledge and experience to fill business critical roles as required, resulting in a loss of expertise, disruption to operating activity while posts are vacant and additional costs for temporary or new staff joining the Group.	Career Pathways provide opportunities to develop and expand on knowledge and experience The Workforce Plan MyAppraisal process for all staff and integrated with MyAcademy. Training records for all staff and training courses at the Academy and Leadership Development Programme, succession planning and talent management programme. Aspiring Leaders/Leading with Impact to support the succession of Executive and senior leadership roles IGNITE graduate training programme Bursary Programme

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
[redacted]	[redacted]	Risk Appetite is **HUNGRY** (Blue)	People Services Annual report to RAAG (April each year)

RISK 053 Damp and Mould

Strategic Outcome	Investing in existing homes and environments	Risk type	Compliance - Legal / Regulatory	Risk owner	Group Director of Assets and Development

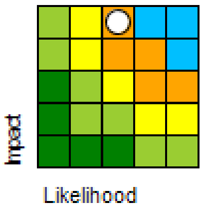
Description	*Controls*
There is a risk that housing stock is in a poor-quality condition as a result of damp and mould, resulting in harm to tenants' health.	The Group has a Damp and Mould Policy, which is supported by detailed procedures. Mould and damp are recorded as specific work order descriptions, with agreed timescales for completion of the works. Target timescales for completion of mould works have been reduced from 30 to 15 days and all jobs include a full inspection within target of 2 working days. Additional staff, to specialise in mould and damp, have been recruited to provide additional resource to the existing team. Over 70 staff have done City & Guild accredited courses. Arrangements are also in place for specialist external support to this Service. A process is in place to contact tenants with completed mould and damp jobs to determine whether the reported issue has been resolved. Trades staff are made aware of condensation and its causes, as well as being trained in application of products used to manage it. There are annual visits to properties as part of technical compliance programme, with those in attendance advised to report any issues noted while in a property, including damp and mould. Housing Officers also access properties at least once per annum (usually more frequently) and have been supported with training and guidance on the identification and reporting of damp and mould. Housing Officers have access to information about current mould and damp jobs, factsheets to provide to tenants and can direct tenants to videos on how to manage issues. These are also available on Group websites. Training has been developed for all frontline staff who work with tenants including housing, wraparound services, CFC and care staff. CFC staff have specific script for probing when someone raises concern about damp or mould, so we understand clearly the extent of concern at the outset. A No Access Policy to cover the Group's approach to forced access, including in instances where repeated issues of damp and mould are raised but access is refused, has been rolled out. All staff with reason to visit customer homes have been provided with training to help recognise signs of damp and mould. This also includes CBG trades operatives. The effect of this should be that the likelihood of any unreported cases of damp and mould should be reduced, and the likelihood of any severe cases should also reduce given the time these would take to develop to that stage. Employ technological solutions to treat mould where appropriate e.g. misting machines.

Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:
[redacted]	[redacted]	Risk appetite is **MINIMAL** (Light Green)	Damp and Mould measures included in regular performance reporting to RSL and Group Boards From 2025/26, ARC measures on damp and mould will be reported to RSL and Group Boards as part of established ARC reporting before submission to SHR

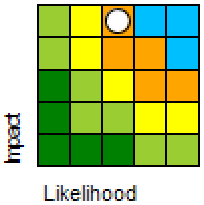
RISK 003 Fire Safety

Strategic Outcome	Investing in existing homes and environments	Risk type	Compliance: Legal/Regulatory	Risk owner	Group Director of Assets and Development

Description	***Controls***
There is a risk that a failure to comply with relevant fire safety standards for our buildings results in harm to the health or safety of our customers and/or staff, leading to injuries or fatalities, enforcement action and reputational damage	Group Fire Safety Team focuses on identification of fire preventions actions for implementation by MDs. Fire Working Group attended by Snr Mgt teams every 2 months feeds into a Group Executive Fire Liaison Meeting chaired by Executive Lead and attended by Directors to review performance, emerging issues and escalate matters as required. Quarterly Bi-annual reporting of implementation of actions to Group Audit Committee. Outwith relevant premises, Fire Prevention and Mitigation Framework, including our approach to high rise block inspections and Livingwell, and Fire Risk Assessments are completed on a rolling cycle. Daily, weekly and monthly inspections of high-rise domestic premises maintained by Environmental Teams in between Fire Risk Assessments being completed. Extensive compliance and investment regime to achieve compliance with building safety regulations (as required) and best practice guidance.

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
	[redacted]	Risk Appetite is **MINIMAL** (Light Green)	Standing biannual item at Group Audit Committee meetings. (May / November) Annual Report to RSL and Lowther Boards on Fire Prevention and Mitigation Framework Group, RSL and Lowther Boards - Fire safety performance related KPIs (ADFs and FRAs) as part of standing performance updates. (Ongoing)

RISK 010 Group Credit Rating

Strategic Outcome	Maintaining a strong credit rating and managing financial risks		Risk type	Financial or VFM	Risk owner	Group Director of Finance
Description			***Controls***			
There is a risk that external factors such as a downgrade of the UK's credit rating or a default by another organisation within the social housing sector results in a downgrading of the Group's credit rating to BBB+ or below, resulting in a potential requirement to repay our European Investment Bank loans, a reduction in the availability of future borrowing, and/ or an increase in the cost of current debt.			The Group's business plan is designed to maintain a strong standalone credit rating, for example excluding build for sale. Our financial Golden Rules include maintaining strong levels of liquidity to mitigate refinance risks. We have reduced the specific risk related to the EIB rating requirement with mitigation language in the funding documentation; the legal clauses specifically exclude a downgrade to BBB+ as an Event of Default (thereby avoiding cross-default). Additionally, the legal clauses provide for a period to negotiate with EIB on mitigating measures, such as revisions to covenants or posting of increased security/collateral. We maintain strong relationships with other investors/lender relationships in case of unanticipated funding need. Our strong relationship with S&P Global is managed proactively with quarterly meetings and an annual review each April, enabling pre-emptive actions to be taken where required.			
Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**			
	[redacted]	Risk Appetite is **MINIMAL** (Light Green)	Business plan projections for all Boards set out how we will maintain financial position (Annually, each February) The Group and WFL1 Boards receive quarterly treasury reports on the current credit market conditions and any credit rating updates. (Quarterly)			

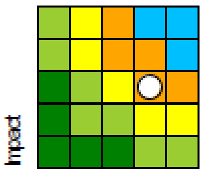
RISK 006 Customer Satisfaction (tenants)

Strategic Outcome	Enabling customers to lead	Risk type	Reputation and Credibility	Risk owner	Group Managing Director of RSLs

Description	*Controls*
Group service failures or Local Authority service cuts cause our customers to feel that our homes and services do not meet their needs and/or the standards they expect, leading to declining customer satisfaction.	Customer service excellence is a key element of 2021-26 strategy. We use a variety of methods to continuously monitor customer feedback and satisfaction including: • My Voice • Book it track it rate it • Customer Voice panels • Group Scrutiny panel • Customer focus groups • Annual Customer satisfaction survey • Postal surveys • Learning from complaints • Annual tenancy visits, strategic targets in place for 24/25 and 25/26. • Complaints performance monitored as an indicator of satisfaction This information helps us understand customer views and informs our delivery and investment plans every year. This will be augmented by a range of new approaches to improve satisfaction among target groups such as young families. The new performance management framework will also include a stronger focus on measuring drivers of customer value in our key services. Housing officer patch sizes of 1:250 (1:200 in WH-S) allow housing staff to deliver personalised services. 1-2-1 meetings with Housing Officers to identify and address any operational issues or staff performance issues. DMTs and Leadership Business Meetings allow MDs to discuss engagement with customers and support required from other business areas. Senior Leadership Forums keep oversight of operational management and weekly VMBs. Communications plans used to keep customers informed of key service information and manage expectations.

Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:
[redacted]	[redacted]	Risk Appetite is **OPEN** (Orange)	Quarterly performance reports include details on complaints received from tenants. (Ongoing) Bi-annual customer insight report to RSL Boards.

RISK 007 Rent Arrears management

<table>
<tr><td>Strategic Outcome</td><td colspan="2">Enabling Customers to Lead</td><td>Risk type</td><td>Financial or VFM</td><td>Risk owner</td><td>Group Managing Director of RSLs</td></tr>
<tr><td colspan="3">Description</td><td colspan="4">Controls</td></tr>
<tr><td colspan="3">There is a risk that the Group does not collect expected levels of income, caused by arrears management processes not being implemented effectively, resulting in financial loss for the Group and negative impacts for customers, with increasing financial hardship. This includes processes put in place to support tenants during the continued migration to universal credit.</td><td colspan="4">Our small housing patch sizes provide a key mitigation, allowing staff to work proactively with customers before their debts become unmanageable.
Joint working with Wheatley Foundation colleagues to deliver our full range of wrap around services to help customers sustain their tenancy and address issues of debt and financial exclusion. The Here For You fund is also available to support customers who are struggling, and this has been extended into 2025/2026.
Performance against key indicators is monitored closely at Local, SLT, DMT and ET performance meetings including scrutiny of overall performance in relation to gross debit and top quartile benchmarks.
The Rents Matters Toolkit is regularly updated, with training delivered for all staff. The toolkit is available for staff on W.E.Connect and supported by Business Improvement Teams.
Our annual rent campaign mitigates against Christmas spike in arrears.
Universal Credit managed migration approach has been developed, including a comprehensive staff and customer communication plan and staff training.
Comprehensive UC action plan in place and implemented with RSL presence on UC Subgroup of Rents COE.
Group Rents COE monitors performance and action plan includes delivery of Group Rent and Income Framework.
The Group business plan also contains a significant buffer within its assumptions for risk in relation to bad debts and rent arrears. In addition, arrears performance is reviewed by Boards.</td></tr>
<tr><td>Inherent risk</td><td>Residual risk</td><td>Risk Appetite level:</td><td colspan="4">Previous / Next detailed Board update on operation of controls listed above:</td></tr>
<tr><td>
[redacted]</td><td>[redacted]</td><td>Risk Appetite is <u>OPEN</u> (Orange)</td><td colspan="4">The Group, RSL and Lowther Boards consider this on a quarterly basis through performance report. (Ongoing)
RSL/Lowther five-year financial projections and management accounts. (Ongoing)</td></tr>
</table>

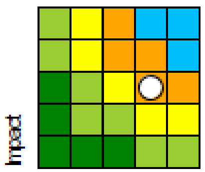
RISK 009 Governance Structure

Strategic Outcome	W.E. Work- strengthening the skills and agility of our staff	Risk type	Compliance: Legal/Regulatory	Risk owner	Group Director of Governance and Business Solutions; Group CEO

Description	***Controls***
The governance arrangements are not clearly defined, are overly complex and lack appropriate skills at Board and Committee levels to govern the Group effectively. Failure of corporate governance arrangements could lead to serious service and financial failures.	We carry out an annual assurance review and complete an Annual Assurance Statement each year. This is reviewed by the Assurance Team and by external consultants every three-years. Formal succession planning for Board members is in place. Governance arrangements regularly reviewed by the Scottish Housing Regulator, external consultants, internal and external audit functions. A Board induction and CPD programme helps us to ensure that Board members are equipped with the skills to govern our business. There is horizon-scanning of changes to corporate governance aspects of the Group's regulatory world and the potential impact on the Group's structure.

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
[redacted]	[redacted]	Risk Appetite is **CAUTIOUS** (Yellow)	Our Boards receive regular reports that cover succession planning, skills and Board appraisal. RAAG receives regular updates on succession planning. (Ongoing)

RISK 013 Commercial Operations

<table>
<tr><td>Strategic Outcome</td><td>Supporting economic resilience in our communities</td><td>Risk type</td><td colspan="2">Financial or VFM</td><td>Risk owner</td><td>Group Director of Communities</td></tr>
<tr><td colspan="3">Description</td><td colspan="4">Controls</td></tr>
<tr><td colspan="3">Failure to achieve financial growth returns in our commercial operations. This results in reduced surpluses available to support the Group’s charitable activity, in particular through the Wheatley Foundation.</td><td colspan="4">Robust monitoring arrangements in place to appraise the operational performance and delivery of strategic objectives. Levels of performance are monitored by Divisional Management Teams (DMTs), Executive Team (ET) and the relevant Boards as well as Group Board.
Monthly meetings held between MD & finance and Exec Lead and finance to review financial performance.</td></tr>
<tr><td>Inherent risk</td><td>Residual risk</td><td>Risk Appetite level:</td><td colspan="4">Previous / Next detailed Board update on operation of controls listed above:</td></tr>
<tr><td>

[redacted]</td><td>[redacted]</td><td>Risk Appetite is <u>OPEN</u> (Orange)</td><td colspan="4">[redacted]
Finance reports are a standing item at all Board meetings, which highlight any variances against projected financial growth to allow necessary intervention. (Ongoing)</td></tr>
</table>

RISK 204 New Build contractor non-compliance with building standards

Strategic Outcome	Increasing the supply of new homes	Risk type	Compliance: Legislative/Regulatory	Risk owner	Group Director of Assets and Development

Description	*Controls*
There is a risk that a supplier provides properties that do not meet required build quality, including building standards, which leads to additional project cost, properties that are not fit for habitation, reputational risks or potential harm to tenants.	Clerk of Works monitoring quality of work produced Employers agent employed to manage the construction contract. Proactive contract management and regular contractor engagement. Suppliers selected from procurement framework. Revised Development Team Structure enhances focus on quality and construction.

Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:
[redacted]	[redacted]	Risk Appetite is **MINIMAL** (Light Green)	Project monitoring and contractor engagement update including updated financial assessment provided to each meeting of the Wheatley Development Scotland Board

Report

To: Wheatley Housing Group Board

By: Pauline Turnock, Group Director of Finance

Approved by: Steven Henderson, Group Chief Executive

Subject: Finance report to 30 April 2025

Date of Meeting: 20 June 2025

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1. Purpose

1.1 The purpose of this paper is to:

- Provide the Board with an update on the financial results for the period to 30 April 2025; and
- Seek approval for the Loan portfolio submission to the Scottish Housing Regulator.

2. Authorising and strategic context

2.1 Under the Terms of Reference, the Group Board is responsible for the on-going monitoring of performance against agreed targets. This includes the on-going performance of its finances.

2.2 The key themes and aims of the 2021-26 strategy Your Home, Your Community, Your Future set the context for the preparation of the 2025/26 business plan and budget.

3. Background - Financial performance to 30 April 2025

[redacted]

	[redacted]		
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]

4. Discussion

4.1 The Group is reporting a strong start to the year with financial performance £5.4m favourable to budget. While the variance to budget includes £4.8m of new build grant recognised on the earlier than budgeted completion of units at Sibbalds Brae and West Craigs in WH East, an early strong operating performance has also been delivered with the letting performance improving the income position and reduced costs compared to budget.

4.2 Key variances against budget include:

- Net rental income is £131k favourable to budget with lower void levels driving the variance at a rate of 1.12% compared to a budget of 1.41% with all RSLs and [redacted] and
- New build grant income is £4,759k favourable with early completions in the East. 41 SR units were handed over at Sibbalds Brae and West Craigs Ph 1 & 3.

Within operating expenditure, total costs are £489k favourable to budget, with lower expenditure than budget across all expenditure lines:

- Employee costs (direct and group services) are £123k favourable mainly arising from staff vacancies within the NETS team compared to the budgeted structure. The NETS budget included provision for the enhanced team to undertake chargeable gardening services from April however the structure will not be fully in place until June and also provision for 15 NETS/ CBG apprenticeships of which 8 were in place in April;
- Running costs are £151k lower than budget linked to the timing of expenditure and lower than budgeted group recharges across Wheatley Solutions contributing to the underspend;
- Revenue repairs and maintenance spend is £11k favourable to budget. Higher spend was reported in responsive repairs of £287k with the unfavourable position driven by the reduction in outstanding job numbers over April in Glasgow reducing from 9,155 live repairs at the start of the month to 7,310 live repairs by the end and in Loretto from 600 to 480 live repairs over the same period. This unfavourable position on reactive repairs has been offset by reduced compliance spend due to timing of spend compared to the budget profiling at this point in the year. Trends on reactive repairs continue to be close monitored;
- Bad debt costs are £204k lower than budget. As in previous years our bad debt budget contains a headroom provision against expected costs.

4.3 Net capital expenditure is £759k lower than budget. Net new build spend is overall in line with budget with gross new build spend is £498k lower than budget and correspondingly new build grant income is £513k lower. The reduced spend reflects the delay in works at Crosshill and Bank Street in Loretto and Leswalt in WHSouth and [redacted] Works are progressing ahead of schedule at a number of sites including North Toryglen and Wallyford 5.

4.4 Net core investment spend was £332k lower than budget, mainly due to timing of core programme spend in WH East after the end of period 1 with their work programme now mobilised. Core investment spend in the other RSLs is broadly in line with budget. Capitalised repairs is offset by increased void spend mainly in Glasgow due to an increase in the number of higher specification spend voids, with 6 properties with requirement for works over £10k in April.

4.5 <u>Scottish Housing Regulator ("**SHR**") Loan Portfolio Submission</u>

- We are required to submit a loan facilities and borrowing position, as at 31 March 2025, to the Scottish Housing Regulator via the Regulator's online portal. The submission report in Appendix 2 contains the details which will be transferred to the portal, showing both the information and the layout. The submission for Wheatley Housing Group includes the loans held by Wheatley Funding No. 1 Ltd ("**WFL1**") on behalf of the RSL Borrower Group, any direct loans to the RSL Borrower Group, and related security information;
- The submission report contains the information relating to the loans held by, and the intragroup funding from, WFL1, this information being factual information on the debt position as at the financial year end;

[redacted]

- As part of the submission to the Scottish Housing Regulator, the Chair of the Board and Director/Chief Executive are required to confirm the following:

  "I hereby certify for and on behalf of the RSL that the information provided in this return is, to the best of my knowledge and belief, an accurate and fair representation of the affairs of the RSL."

5. Customer Engagement

5.1 This report relates to our financial reporting and therefore there is no direct customer implications arising from this report.

6. Environmental and sustainability implications

6.1 There are no environmental or sustainability implications arising from this report.

7. Digital transformation alignment

7.1 There are no digital transformation alignment implications arising from this report.

8. Financial and value for money implications

8.1 As noted above.

9. Legal, regulatory and charitable implications

9.1 As noted above.

10. Risk Appetite and assessment

10.1 The Board's agreed risk appetite for business planning and budgeting assumptions is "open". This level of risk tolerance is defined as "prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level".

10.2 Delivery of financial results within approved budgetary limits is a key element in delivering our strategy and maintaining the confidence of investors.

11. Equalities implications

11.1 There are no equalities implications arising from this report.

12. Key issues and conclusions

12.1 This paper presents the financial performance position for the period to 30 April 2025. [redacted]

13. Recommendations

13.1 The Board is requested to:
1) Note the financial performance for the Group to 30 April 2025; and
2) Approve the SHR Loan Portfolio Submission as at 31 March 2025

LIST OF APPENDICES

Appendix 1: Wheatley Group Financial Report to 30 April 2025
Appendix 2: Loan Portfolio Submission as at 31 March 2025

Appendix 1: Wheatley Group Financial Report To April 2025 (Period 1)

1a) Wheatley Group – Period to 30 April 2025

	Period to 30 April 2025			Full Year Budget £'000
	Actual £'000	Budget £'000	Variance £'000	
INCOME				
Net Rental Income	31,104	30,973	131	382,279
Grant income New Build	4,759	-	4,759	80,845
Grant income Other	146	149	(3)	5,114
Other Income	3,823	3,825	(1)	43,964
Total Income	**39,832**	**34,947**	**4,886**	**512,202**
EXPENDITURE				
Employee Costs	8,293	8,417	123	99,863
ER/VR	-	-	-	1,025
Running Costs	3,843	3,994	151	53,448
Repairs & Maintenance	8,242	8,253	11	98,779
Bad debts	241	445	204	5,336
Depreciation	10,394	10,394	-	124,714
Demolition Programme	-	-	-	-
Total Expenditure	**31,013**	**31,503**	**489**	**383,165**
NET OPERATING SURPLUS	**8,819**	**3,444**	**5,375**	**129,037**
	22.1%	9.9%		25.2%
Net interest payable	(6,193)	(6,213)	20	(80,301)
STATUTORY SURPLUS	**2,626**	**(2,769)**	**5,395**	**48,736**

Key highlights:

A Statutory surplus of £2,626k is reported, £5,395k favourable compared to budget with grant income recognised on the early handover of completed units contributing to the favourable position. Excluding new build grant income, the operating performance has started the year well with additional net rental income reported reflecting the early handovers and reduced void losses, and an overall favourable expenditure position compared to budget.

- Net rental income is £131k favourable to budget. Gross rental income is favourable due to the earlier than budgeted handovers in the month in the East and at East Lane, Paisley in Loretto where units completed earlier than budgeted in 2024/25. In addition, rent loss on voids is £91k favourable with voids at 1.12% compared to the budgeted 1.41%.
- New build grant income is £4,759k favourable with early completions in the East. 41 SR units were handed over at Sibbalds Brae and West Craigs Ph 1 & 3.
- Other grant income of £146k and other income of £3,823k are overall in line with budget.
- Employee costs (direct and group services) are £123k favourable mainly arising from staff vacancies within the NETS team compared to the budgeted structure. The NETS budget included provision for the enhanced team to undertake chargeable gardening services from April however the structure will not be fully in place until June and also provision for 15 NETS/ CBG apprenticeships of which 8 were in place in April.
- Running costs (direct and group services) are £151k favourable to budget driven by lower than budgeted group recharges of £88k due to a number of departments reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance spend is overall in line with budget. Higher spend was reported in responsive repairs of £287k with the unfavourable position driven by the reduction in outstanding job numbers over April in Glasgow reducing from 9,155 live repairs to 7,310 live repairs and in Loretto from 600 to 480 live repairs. Ongoing spend in reactive work is being closely monitored. This unfavourable position has been offset by reduced compliance spend due to timing of spend compared to the budget profiling at this point in the year.
- Bad debts are £204k favourable to budget with a prudent provision set aside for increases in arrears.
- Net interest payable is £20k favourable to budget and includes £18k of unbudgeted interest earned in Wheatley Foundation from a high interest, short-term deposit account.

1a) Wheatley Group – Period to 30 April 2025

Capital Investment	Period to 30 April 2025 Actual £'000	Budget £'000	Variance £'000	Full Year Budget £'000
CORE PROGRAMME				
Empty Homes	0	0	0	270
Adaptations	13	13	0	2,454
Grant Income	**13**	**13**	**0**	**2,724**
Core Investment Programme	3,139	3,444	305	61,132
Empty Homes	0	0	0	468
Adaptations	259	270	11	3,768
Voids	1,476	1,350	(126)	15,388
Capitalised Repairs	820	962	142	11,517
Total Core Investment	**5,694**	**6,026**	**332**	**92,273**
NET CORE INVESTMENT SPEND	**5,681**	**6,013**	**332**	**89,549**
NEW BUILD				
New Build Grant Income Received	3,240	3,753	(513)	83,697
New Build investment	10,467	10,965	498	136,829
NET NEW BUILD INVESTMENT SPEND	**7,227**	**7,212**	**(15)**	**53,132**
OTHER FIXED ASSET INVESTMENT SPEND	**503**	**945**	**442**	**12,033**
TOTAL NET CAPITAL INVESTMENT SPEND	**13,411**	**14,170**	**759**	**154,714**

Key highlights:

- The net core investment spend was £332k lower than budget, mainly due to timing of core programme spend and capitalised repairs, offset by increased void spend mainly in Glasgow due to an increase in the number of higher specification spend voids, with 6 over £10k in April. There were also smaller overages also in Loretto and the East offset by a reduction in void spend in Lowther.

- An adaptations grant award of £1.4m has been confirmed by Scottish Government £0.8m higher than budgeted which will allow a higher number of modifications to be made to tenants homes in WH South this year. Other adaptations grant applications are broadly in line with budget.

- Net new build spend is overall in line with budget.
  - New build grant income of £3,240k is £513k less than budget due to lower claims, reflecting the timing of new build spend across a number of development projects including in Loretto for Bank Street and at the South for Leswalt, partially offset by accelerated claims in WH East for Builyeon.
  - Reduced new build spend of £498k reflects the delay in the works at Crosshill and Bank Street in Loretto and Leswalt in the South and at Ashgill in Lowther which was budgeted for in 2025/26 but completed ahead of schedule in March 2025, partly offset by additional spend at North Toryglen in Glasgow and at Wallyford 5 A/B with works progressing ahead of the budgeted schedule.

- Other fixed assets investment includes spend on corporate estate and IT capital projects. The spend is below budget mainly due to the timing of spend on IT projects.

Wheatley Group Financial Report
To April 2025 (Period 1)

RSL Borrower Group

2a) RSL Borrower Group – Period to 30 April 2025

	Period to 30 April 2025			Full Year Budget £'000
	Actual £'000	Budget £'000	Variance £'000	
INCOME				
Net Rental Income	29,142	29,034	108	357,255
Grant income New Build	4,759	-	4,759	78,861
Grant income Other	146	149	(3)	5,114
Other Income	1,443	1,441	1	16,806
Total Income	**35,490**	**30,624**	**4,865**	**458,036**
EXPENDITURE				
Employee Costs	5,885	6,016	130	71,747
ER/VR	-	-	-	1,025
Running Costs	2,847	2,969	122	39,811
Repairs & Maintenance	7,564	7,568	4	91,069
Bad debts	175	398	223	4,781
Depreciation	10,394	10,394	-	124,714
Demolition Programme	-	-	-	-
Total Expenditure	**26,866**	**27,345**	**480**	**333,148**
NET OPERATING SURPLUS	**8,624**	**3,279**	**5,345**	**124,888**
	24.3%	10.7%		27.3%
Net interest payable	(5,973)	(5,975)	2	(77,400)
STATUTORY SURPLUS/(DEFICIT)	**2,651**	**(2,696)**	**5,347**	**47,488**

Key highlights:

A statutory surplus of £2,651k is reported, £5,347k favourable compared to budget with grant income recognised on the early handover of completed units contributing to the favourable position. Excluding new build grant income, the operating performance had a good start to the year with additional net rental income reported reflecting the early handovers and reduced void losses, and an overall favourable expenditure position compared to budget.

- Net rental income is £108k favourable to budget. Gross rental income is favourable due to the earlier than budgeted handovers in the month in the East and at East Lane, Paisley in Loretto where units completed earlier than budgeted in 2024/25. In addition, rent loss on voids is £69k favourable with voids at 1.11% compared to the budgeted 1.36%.
- New build grant income is £4,759k favourable with early completions in the East. 41 SR units were handed over at Sibbalds Brae and West Craigs Ph 1 & 3.
- Other grant income of £146k and other income of £1,443k are overall in line with budget.
- Employee costs (direct and group services) are £130k favourable mainly arising from staff vacancies within the NETS team compared to the budgeted structure. The NETS budget included provision for the enhanced team to undertake chargeable gardening services from April however the structure will not be fully in place until June and also provision for 15 NETS/CBG apprenticeships of which 8 were in place in April.
- Running costs (direct and group services) are £122k favourable to budget driven by lower than budgeted group recharges of £88k due to a number of departments reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance spend is in line with budget. Higher spend was reported in responsive repairs of £294k with the unfavourable position driven by the reduction in outstanding job numbers over April in Glasgow reducing from 9,155 live repairs to 7,310 live repairs and in Loretto from 600 to 480 live repairs. This unfavourable position has been offset by reduced compliance spend due to timing of spend compared to the budget profiling at this point in the year.
- Bad debts are £223k favourable to budget with a prudent provision set aside for increases in arrears.
- Net interest payable is in line with budget.

2a) RSL Borrower Group – Period to 30 April 2025

Capital Investment	Period to 30 April 2025 Actual £'000	Budget £'000	Variance £'000	Full Year Budget £'000
CORE PROGRAMME				
Empty Homes	0	0	0	270
Adaptations	13	13	0	2,454
Grant Income	**13**	**13**	**0**	**2,724**
Core Investment Programme	2,963	3,227	264	59,357
Empty Homes	0	0	0	468
Adaptations	259	270	11	3,768
Voids	1,476	1,350	(126)	15,388
Capitalised Repairs	820	962	142	11,517
Total Core Investment	**5,518**	**5,809**	**291**	**90,498**
NET CORE INVESTMENT SPEND	**5,505**	**5,796**	**291**	**87,774**
NEW BUILD				
New Build Grant Income Received	2,387	2,810	(423)	75,681
New Build investment	9,627	9,819	192	125,880
NET NEW BUILD INVESTMENT SPEND	**7,240**	**7,009**	**(231)**	**50,199**
OTHER FIXED ASSET INVESTMENT SPEND	**497**	**929**	**432**	**11,855**
TOTAL NET CAPITAL INVESTMENT SPEND	**13,242**	**13,734**	**492**	**149,828**

Key highlights:

- The net core investment spend was £291k lower than budget, mainly due to timing of core programme spend and capitalised repairs, offset by increased void spend mainly in Glasgow due to an increase in the number of higher specification spend voids, with 6 over £10k in April. There were also smaller overages also in Loretto and the East .
- An adaptations grant award of £1.4m has been confirmed by Scottish Government £0.8m higher than budgeted which will allow a higher number of modifications to be made to tenants homes in WH South this year. Other adaptations grant applications are broadly in line with budget.
- Net new build spend is £231k higher than budget.
  - New build grant income of £2,387k is £423k less than budget due to lower claims, reflecting the timing of new build spend, across a number of development projects including in Loretto for Bank Street and at the South for Leswalt, partially offset by accelerated claims in WH East for Builyeon.
  - Reduced new build spend of £192k reflects the delay in the works at Crosshill and Bank Street in Loretto and Leswalt in the South, partly offset by additional spend at North Toryglen in Glasgow and at Wallyford 5 A/B with works progressing ahead of the budgeted schedule.
- Other fixed assets investment includes spend on corporate estate and IT capital projects. The spend is below budget mainly due to the timing of spend on IT projects.

2b) RSL Borrower Group underlying surplus – Period to 30 April 2025

The Wheatley Group and RSL Borrower Group operating Statement (Income and Expenditure Account) on pages 2 and 5 are prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2014).

However, the inclusion of grant income on new build developments creates volatility in the results and does not reflect the underlying cash surplus/deficit on our letting activity.

The chart below therefore shows a measure of underlying surplus in the RSL Borrower Group which adjusts our net operating surplus by excluding the accounting adjustments for the recognition of grant income and depreciation but including capital expenditure on our existing properties.

An underlying surplus of £2,768k has been reported for the period to 30 April 2025. The favourable variance of £879k to budget is reflects the operating performance that had a good start to the year with additional net rental income reported reflecting the early handovers in 2024/25 and reduced void losses, and an overall favourable expenditure position compared to budget.

Borrower Group Underlying Surplus - April				
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks	FY Budget £ks
Net Operating Surplus	8,624	3,279	5,345	124,888
add back:				
Depreciation	10,394	10,394	0	124,714
less:				
Grant Income	(4,759)	0	(4,759)	(80,653)
Net interest payable	(5,973)	(5,975)	2	(77,400)
Total Core investment	(5,518)	(5,809)	291	(85,990)
Underlying surplus	**2,768**	**1,889**	**879**	**5,559**

2c) Wheatley Homes Glasgow – Period to 30 April 2025

Wheatley Homes Glasgow

	Period to 30 April 2025			Full Year
	YTD Actual	YTD Budget	YTD Variance	Budget
	£k	£k	£k	£k
INCOME				
Rental Income	19,634	19,631	3	£241,420
Void Losses	(218)	(259)	41	(£3,034)
Net Rental Income	**19,416**	**19,372**	**44**	£238,386
Grant Income New Build	0	0	0	£25,685
Grant Income Other	18	18	0	£2,864
Other Income	1,023	1,023	0	£14,912
Total Income	**20,457**	**20,413**	**44**	**£281,847**
EXPENDITURE				
Employee Costs - Direct	3,087	3,221	134	£37,846
Employee Costs - Group Services	1,272	1,265	(7)	£15,388
ER / VR	0	0	0	£1,025
Direct Running Costs	1,169	1,177	8	£16,402
Running Costs - Group Services	623	655	32	£8,942
Revenue Repairs and Maintenance	5,411	5,396	(15)	£64,808
Bad debts	102	242	140	£2,907
Depreciation	6,965	6,965	0	£83,576
Demolition and Tenants Compensation	0	0	0	£0
TOTAL EXPENDITURE	**18,629**	**18,921**	**292**	**£230,894**
NET OPERATING SURPLUS / (DEFICIT)	**1,828**	**1,492**	**336**	**£50,953**
Net operating margin	*8.9%*	*7.3%*	*0*	*18.1%*
Donation to Foundation	0	0	0	
Net Interest payable & similar charges	(4,121)	(4,113)	(8)	(£54,695)
STATUTORY SURPLUS / (DEFICIT)	**(2,293)**	**(2,621)**	**328**	**(£3,742)**

INVESTMENT	Period to 30 April 2025			Full Year
	Actual	Budget	Variance	Budget
	£ks	£ks	£ks	£ks
Total Capital Investment Income	**0**	**0**	**0**	**£46,314**
Total Expenditure on Core Programme	4,172	4,198	26	£62,937
New Build & other investment expenditure	4,621	4,474	(147)	£62,304
Other Capital Expenditure	385	679	294	£8,625
TOTAL CAPITAL EXPENDITURE	**9,178**	**9,351**	**173**	**£133,866**
NET CAPITAL EXPENDITURE	**9,178**	**9,351**	**173**	**£87,552**

Key highlights:

A net operating surplus of £1,828k, £336k favourable to budget and a statutory deficit of £2,293k, is £328k favourable to budget reported. The financial performance reflects the overall favourable expenditure position to budget at P1.

- Net Rental income is £44k favourable to budget with the variance mainly related to lower voids losses at 1.11% for the period compared to the budgeted 1.32%.
- Employee costs (direct and group services) are £127k favourable mainly arising from staff vacancies within the NETS team compared to the budgeted structure. The NETS budget included provision for the enhanced team to undertake chargeable gardening services from April however the structure will not be fully in place until June and also provision for 15 NETS/ CBG apprenticeships of which 8 were in place in April.
- Total running costs (direct and group services) are £40k favourable to budget. Group services running costs are £32k favourable to budget due to a number of departments reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance spend is £15k overall unfavourable to budget. Higher spend was reported in responsive repairs of £278k with the unfavourable position driven by the reduction in outstanding job numbers over April in Glasgow reducing from 9,155 live repairs to 7,310 live repairs. This unfavourable position has been offset by reduced compliance spend due to timing of spend compared to the budget profiling at this point in the year.
- Bad debts are £140k favourable to budget, with headroom built into the budget in line with previous years.
- Net Interest payable is £8k unfavourable to budget linked to the timing of interest receivable compared to budget.

Net capital expenditure of £9,178k is £173k lower than budget.

- Investment programme spend is £26k lower than budget, mainly due to timing of core programme spend and capitalised repairs, offset by increased void spend mainly in Glasgow due to an increase in the number of higher specification spend voids, with 6 over £10k in April.
- New build spend is £147k higher than budget, mainly due to works at North Toryglen progressing faster than anticipated in the budget.
- Other capital expenditure of £385k is £294k lower than budget due to the timing of IT project spend.

2d) Loretto Housing – Period to 30 April 2025

Loretto Housing

	Period To 30 April 2025			Full Year
	Actual £k	Budget £k	Variance £k	Budget £k
INCOME				
Rental Income	1,547	1,533	14	18,652
Void Losses	(33)	(35)	2	(422)
Net Rental Income	**1,514**	**1,498**	**16**	**18,230**
Grant Income	**0**	**0**	**0**	**9,922**
Other Grant Income	**0**	**0**	**0**	**120**
Other Income	**13**	**10**	**3**	**351**
Total Income	**1,527**	**1,508**	**19**	**28,623**
EXPENDITURE				
Employee Costs - Direct	129	129	0	1,548
Employee Costs - Group Services	84	83	(1)	1,015
ER / VR	0	0	0	0
Direct Running Costs	154	164	10	2,079
Running Costs - Group Services	42	51	9	606
Revenue Repairs and Maintenance	419	391	(28)	4,969
Bad debts	1	22	21	266
Depreciation	651	651	0	7,807
TOTAL EXPENDITURE	**1,480**	**1,491**	**11**	**18,290**
OPERATING SURPLUS / (DEFICIT)	**47**	**17**	**30**	**10,333**
Net operating margin	*3.1%*	*1.1%*	*2.0%*	
Interest Payable	(328)	(327)	(1)	(4,185)
STATUTORY SURPLUS / (DEFICIT)	**(281)**	**(310)**	**29**	**6,148**

	Period To 30 April 2025			Full Year
	Actual £k	Budget £k	Variance £k	Budget £k
INVESTMENT				
Total Capital Investment Income	**79**	**249**	**(170)**	**1,885**
Investment Programme	140	133	(7)	4,497
New Build Programme	496	879	383	6,537
Other Capital Expenditure	13	25	12	302
TOTAL CAPITAL EXPENDITURE	**649**	**1,037**	**388**	**11,336**
NET CAPITAL EXPENDITURE	**570**	**788**	**218**	**9,451**

Key highlights:

A net operating surplus of £47k, £30k favourable to budget and a statutory deficit of £281k, £29k favourable to budget is reported. Rental income from earlier than budgeted new build completions is contributing to the favourable performance, in conjunction with lower operating expenditure and interest payable.

- Net rental income is £16k favourable to budget due to the early completion of the second tranche of 24 East Lane units in 2024/25 and void losses of 2.13% in the year to date compared to the budgeted 2.28%.
- Total employee costs (direct and group services) are overall in line with budget.
- Total running costs are £19k favourable to budget, linked to the timing of spend at P1.
- Revenue repairs and maintenance is £28k unfavourable to budget. Responsive repairs are £27k unfavourable to budget driven by the reduction in outstanding job numbers over April reducing from 600 live repairs to 480 live repairs, and compliance spend is £1k higher than budget due to additional M&E costs than planned.
- Bad debts are £21k favourable to budget, with headroom built into the budget in line with previous years.

Net interest payable of £328k includes interest due on the loans due to Wheatley Funding No.1 Ltd and is in line with budget.

Net capital expenditure of £570k is £218k lower than budget.

- Capital investment income (grant) is £170k lower than budget due to the timing of the grant claims for Bank Street which were accelerated in 2024/25.
- Investment programme expenditure of £140k relates to core programme works, capitalised repairs and voids. A small unfavourable variance is reported due to higher spend on capitalised repairs and void repairs in April, linked to the clearance of outstanding jobs.
- New build spend is £383k lower than budget due to the timing of spend for South Crosshill and Bank Street.
- Other capital expenditure of £13k relates to Loretto's contribution to Wheatley Group IT costs.

2e) Wheatley Homes East – Period to 30 April 2025

Wheatley Homes East

	Current Period			Full Year
	Actual £k	Budget £k	Variance £k	Budget £k
INCOME				
Rental Income	3,819	3,798	21	47,147
Void Losses	(52)	(56)	4	(685)
Net Rental Income	**3,767**	**3,742**	**25**	**46,462**
Grant Income	4,759	0	4,759	37,011
Other Grant Income	33	36	(3)	588
Other Income	397	402	(5)	5,982
TOTAL INCOME	**8,956**	**4,180**	**4,777**	**90,043**
EXPENDITURE				
Employee Costs - Direct	437	437	(0)	5,258
Employee Costs - Group Services	243	242	(1)	2,944
ER/VR	0	0	0	0
Direct Running Costs	406	405	(1)	5,172
Running Costs - Group Services	123	147	24	1,759
Revenue Repairs and Maintenance	719	733	14	8,794
Bad Debts	64	41	(23)	489
Depreciation	1,470	1,470	(0)	17,636
TOTAL EXPENDITURE	**3,462**	**3,475**	**13**	**42,052**
NET OPERATING SURPLUS	**5,494**	**705**	**4,789**	**47,991**
Net Operating Margin	*61%*	*17%*	*44%*	*53%*
Net Interest payable & similar charges	(927)	(928)	1	(11,299)
STATUTORY SURPLUS	**4,567**	**(223)**	**4,791**	**36,692**

	Current Period			Full Year
	Actual £k	Budget £k	Variance £k	Budget £k
INVESTMENT				
Total Capital Investment Income	**1,370**	**1,205**	**165**	**10,276**
Investment Programme Expenditure	584	809	225	9,156
New Build & Other Investment	3,853	3,287	(566)	34,945
Other Capital Expenditure	36	110	74	945
TOTAL CAPITAL EXPENDITURE	**4,473**	**4,206**	**(266)**	**45,046**
NET CAPITAL EXPENDITURE	**3,103**	**3,001**	**(102)**	**34,770**

Key highlights:

Net operating surplus of £5,494k is £4,789k favourable to budget, statutory surplus is £4,567k favourable to budget, predominantly driven by the earlier than budgeted recognition of grant income on new build completions.

- Net rental income is £25k favourable to budget due to the earlier than budgeted handover of units in 2024/25.
- Grant income recognised is £4,759k favourable to budget due to the earlier than budgeted completion of (4SR) units at Sibbalds Brae, (11SR) units at West Craigs Ph1 and (26SR) units at West Craigs Ph 3.
- Total employee costs (direct and group services) are overall in line with budget.
- Total running costs are £23k favourable to budget with direct costs being in line with budget and group running costs being £24k favourable to budget due to departments reporting lower costs in Wheatley Solutions.
- Revenue Repairs and Maintenance spend is £14k favourable to budget. Responsive repairs are £4k favourable and include additional in-house maintenance team staffing costs while the staffing structure continues to be embedded. Overall Cyclical Repairs are £10k favourable due to timing of spend compared to the budget profiling at this point in the year.
- Bad debt provision is £23k unfavourable to budget due an increase in the provision for aged debt at month end.

Net interest payable of £927k includes interest due on the loans due to Wheatley Funding No.1 Ltd and external funders and is in line with budget.

Net capital expenditure of £3,103k is £102k higher than budget.

- Capital Investment income is £165k greater than budget due to additional grant claims at Builyeon.
- Investment programme spend is £225k under budget. Core investment spend was under budget due to the timing of spend, however this was partly offset by additional spend in voids and capitalised repairs.
- New build spend of £3,853k is £566k higher than budget, mainly driven by the timing of spend with additional spend at Wallyford 5 A/B partly offset by reduced spend at Dalhousie and Winchburgh BB.
- Other capital expenditure of £36k is £74k under budget due to timing of spend of IT projects.

2f) Wheatley Homes South – Period to 30 April 2025

OPERATING STATEMENT	Period to April 2025 Actual £ks	Period to April 2025 Budget £ks	Period to April 2025 Variance £ks	Full Year Budget £ks
INCOME				
Rental Income	4,472	4,471	1	54,778
Void Losses	(27)	(49)	22	(600)
Net Rental Income	**4,445**	**4,422**	**23**	**54,178**
Grant Income	0	0	0	6,244
Other Grant Income	95	95	0	1,542
Other Income	144	144	0	2,364
TOTAL INCOME	**4,684**	**4,660**	**23**	**64,328**
EXPENDITURE				
Employee Costs - Direct	437	441	4	5,344
Employee Costs - Group Services	288	287	(1)	3,492
Direct Running Costs	228	245	17	3,348
Running Costs - Group Services	145	174	29	2,086
Revenue Repairs and Maintenance	1,015	1,048	33	12,496
Bad debts	8	93	85	1,119
Depreciation	1,308	1,308	0	15,695
TOTAL EXPENDITURE	**3,429**	**3,596**	**167**	**43,580**
NET OPERATING SURPLUS	**1,255**	**1,064**	**191**	**20,748**
Net operating margin	*27%*	*23%*	*4%*	*32%*
Interest receivable	10	8	2	90
Interest payable & similar charges	(607)	(615)	8	(7,311)
STATUTORY SURPLUS	**658**	**457**	**201**	**13,527**

INVESTMENT	Actual £ks	Budget £ks	Variance £ks	Budget £ks
TOTAL CAPITAL INVESTMENT INCOME	**951**	**1,369**	**(418)**	**19,930**
Capital Investment spend	621	695	74	13,908
New Build Programme	1,119	1,639	520	27,229
Other Fixed Assets	63	115	53	1,983
TOTAL INVESTMENT EXPENDITURE	**1,803**	**2,449**	**647**	**43,120**
NET CAPITAL EXPENDITURE	**852**	**1,080**	**229**	**23,190**

Wheatley Homes South

Key highlights :

Net operating surplus of £1,255k, £191k favourable to budget and a statutory surplus of £658k, £201k favourable is reported. The financial performance reflects the overall favourable expenditure position to budget at P1.

- Net rental income is £23k higher than budget. Void losses are £22k favourable to budget, with a void loss rate of 0.6% vs 1.0% in budget. Rental income is in line with budget.
- Total employee costs (direct and group services) are broadly in line with budget.
- Total running costs (direct & group services) are £46k favourable to budget with savings in both direct costs and across a number of departments within Wheatley Solutions.
- Repairs costs are £33k favourable to budget. Responsive repairs are in line with budget. Gas maintenance and compliance are favourable due to timing of spend compared to the budget profiling at this point in the year..
- Bad debts are £85k favourable to budget driven by a movement of the age profile of debt. Headroom is built into the budget in line with previous years.
- Interest payable of £607k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders.

Net capital expenditure of £852k is £229k lower than budget.

- Capital investment income is £418k lower than budget. New build grant income is unfavourable to budget due to a delayed start at Leswalt.
- Total capital investment spend of £621k is £74k lower than budget driven by lower spend on capitalised voids.
- New Build expenditure is £520k lower due to later than budgeted start dates at Leswalt.
- Other capital expenditure of £63k is £53k lower than budget due to timing of IT spend.

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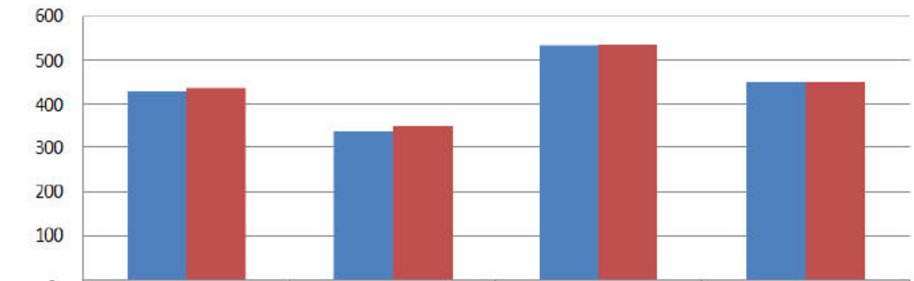
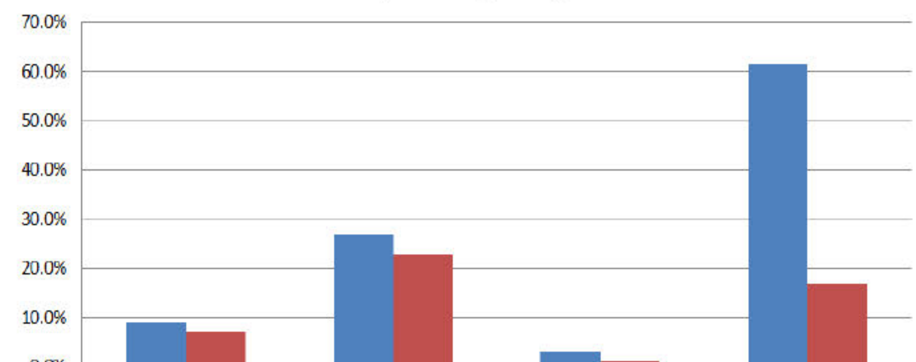
3) Summary of RSL operating costs and margin v budget

Operating costs per unit £
YTD



	WH-Glasgow	WHSouth	LHA	WHEast
Actual	431	335	535	451
Budget	438	351	539	453

Net operating margin



	WH-Glasgow	WHSouth	LHA	WHEast
Actual	8.9%	26.8%	3.1%	61.3%
Budget	7.3%	22.8%	1.1%	16.9%

Operating costs per unit:

- At April 2025 operating costs per unit are lower than budget for all RSL's. This lower unit cost variance for all other RSLs is attributable to the lower operating expenditure.
- Operating costs per unit vary across the RSLs depending on the stock profiles and types of accommodation offered.

Net operating margin

- Net operating margin is favourable to budget in all RSL's. The increase in margin compared to budget in WH East is due to the early recognition of the new build grants.
- Similar to operating costs, the favourable variances across expenditure lines is impacting margins in the RSLs.

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