

Group Statement on Environmental, Social and Governance 2019/20

www.wheatley-group.com

Making Homes and Lives Better



Introduction

“The Scottish Government recognises the important role that housing plays in tackling inequality, promoting social justice and securing economic growth”.

Kevin Stewart, Scottish Housing Minister

This report provides disclosure on the Environmental, Social and Governance (ESG) metrics we consider vital for the long-term operational, financial and strategic performance of Wheatley Group.

The social and environmental impact of housing associations upon our communities is significant, and it is critical we have robust governance structures in place to ensure our customers, staff and investors are protected.



The continued shortage of affordable homes across the UK is well-documented. The Scottish Government made a strong commitment to address this in 2016 with a five-year target to deliver 50,000 affordable homes, of which 35,000 should be for social rent. The Scottish Government’s most recent update was published in January 2020, covering progress to FY 2018-19¹ (the third year of the five-year target), with progress towards the 50,000 homes targets reported as follows:

Financial year	2016-17	2017-18	2018-19	3-year total
Social rent	4603	5292	6564	16,459
Other affordable rent	2756	3268	2990	9014
Total affordable completions	7359	8560	9554	25,473
Wheatley contribution	498	815	907	2220
Wheatley %	6.8%	9.5%	9.5%	8.7%

Wheatley, as the UK’s largest builder of socially rented homes in 2017, 2018, 2019 and 2020², completed 802 new homes during 2019/20. We were scheduled to complete 913 prior to the construction lockdown caused by Covid-19 on 23 March this year. There is much work still to be done, and Wheatley will play a key role in this delivery.

¹<https://www.gov.scot/publications/affordable-housing-supply-programme-out-turn-report-2018-2019/>

²<https://www.insidehousing.co.uk/insight/top-50-biggest-builders-2020-67141>



Figure 1. GHA homes in Barmulloch, Glasgow.

Our trajectory to decarbonise the organisation began in 2012 when undertaking our first Carbon Footprint assessment. Our corporate operations aim to be zero-carbon by 2026, and we are targeting ‘net zero GHG emissions’ by 2030 — a full 20 years ahead of the UK Government goal. This objective forms a core part of our Sustainability Strategy, which is modelled on the UN Sustainable Development Goals, with a particular focus on improving the lives of the communities we serve, thereby furthering the reciprocal benefits to Wheatley as a corporate entity as well as to staff, customers and communities throughout Scotland.

Wheatley operates across 19 local authority areas in central and south-west Scotland, with many of our homes in areas of the highest deprivation. The pandemic has had a disproportionately negative impact on those communities, and our award-winning³ Wheatley Foundation was already positioned to mobilise, expand and accelerate support to our most vulnerable customers when the pandemic hit.

³Wheatley Foundation won Best Foundation award in June 2019 at the Corporate Engagement Awards <https://www.corporateengagementawards.com/the-2019-winners/>

This critical nature of this emergency provision received recognition and financial support from the First Minister, Nicola Sturgeon, who announced at one of her Covid-19 daily briefings:

“We have announced £350,000 of extra funding for the Wheatley Group to provide 8500 food deliveries across 17 local authority areas. Each delivery will supply food to people in need for seven days.”

We have robust governance structures in place throughout Wheatley Group with experienced and diverse Boards providing oversight, with highly competent executive and leadership teams across the organisation.

Our agile staff and Boards were able to respond extremely quickly to the lockdown conditions imposed towards the end of this financial year, with clear leadership, communication and a seamless transition to moving staff to work from home where possible, and in communities where safe to do so. We are proud of our staff (3000 direct employees and 2000 as joint owners of City Building (Glasgow) LLP) for the resilience they have shown in recent months and the commitment they have to Wheatley Group and to our customers.

Figure 2. Wheatley Group delivering EatWell food packages to tenants





Environmental

We take our role as an innovator in housing seriously. Wheatley Group subsidiaries have continually invested and improved the energy and carbon emissions performance of our homes. This investment not only benefits householders, who enjoy lower energy consumption and higher thermal standards with each improvement, but also fits within our ethos as a conscientious champion of a sustainable built environment.

Housing energy and carbon performance

Wheatley Group performs better than the published average housing carbon emission standards across all tenures⁴ and average energy consumption⁵. With the Scottish average housing carbon emissions being 78kg/m² compared with Wheatley Group's 47kg/m² and an average primary energy demand for Scottish homes being 281 kWh/m², Wheatley Group homes require 278kWh/m² for an equal sized average home.

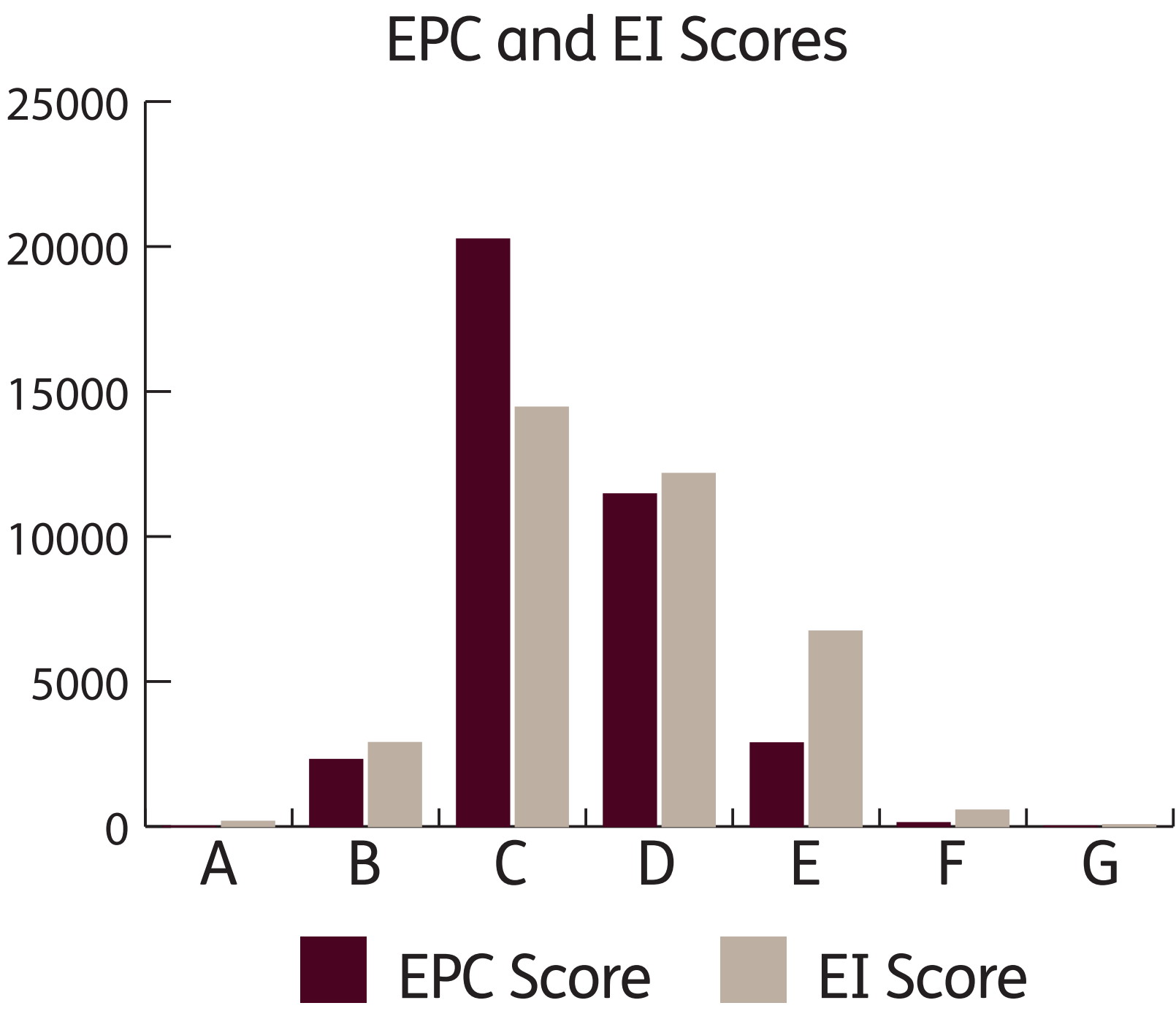
Wheatley Group has consistently exceeded the social housing sector in progress towards the Scottish Government's legislation for Energy Efficiency Standards in Social Housing⁶.

	2016	2017	2018	2019	2020
Scottish EESSH average	68%	75%	80%	85%	88%
Wheatley average	93%	94%	96%	97%	98%

⁴Scottish House Condition Survey 2017: Key Findings, section 3.5.2, https://www.gov.scot/publications/scottish-house-condition-survey-2017-key-findings/pages/5/#s3_5.
⁵<https://www.gov.uk/government/statistics/national-energy-efficiency-data-framework-need-consumption-data-tables-2019>
⁶<https://www.gov.scot/publications/energy-efficiency-standard-social-housing-eessh-scottish-government-guidance-social-landlords-revised-february-2019/pages/8/> (Note – data excludes DGHP which joined Wheatley in December 2019)



Wheatley also performs above the Scottish average for Energy Performance Certificate (EPC) and Environmental Impact (EI) rating scores. We hold over 39,000 compliant EPCs in our catalogue of certificates which have been compiled over the past 11 years – some of which will under-report their scores as a result of subsequent energy efficiency investment, such as the biomass district heating project in Cube’s Wyndford community in Glasgow which directly benefited over 800 households.



In anticipation of the UK Government’s Carbon Zero target by 2050, Wheatley Group is on a trajectory to implement a range of low and zero-carbon energy generation assets throughout our stock. Wheatley Group already owns and operates the largest number of district heating network connections in Scotland, with over 4131 properties linked to low or zero carbon energy centres, served by a variety of technologies from biomass pellet to the UK’s largest air source heat pump.

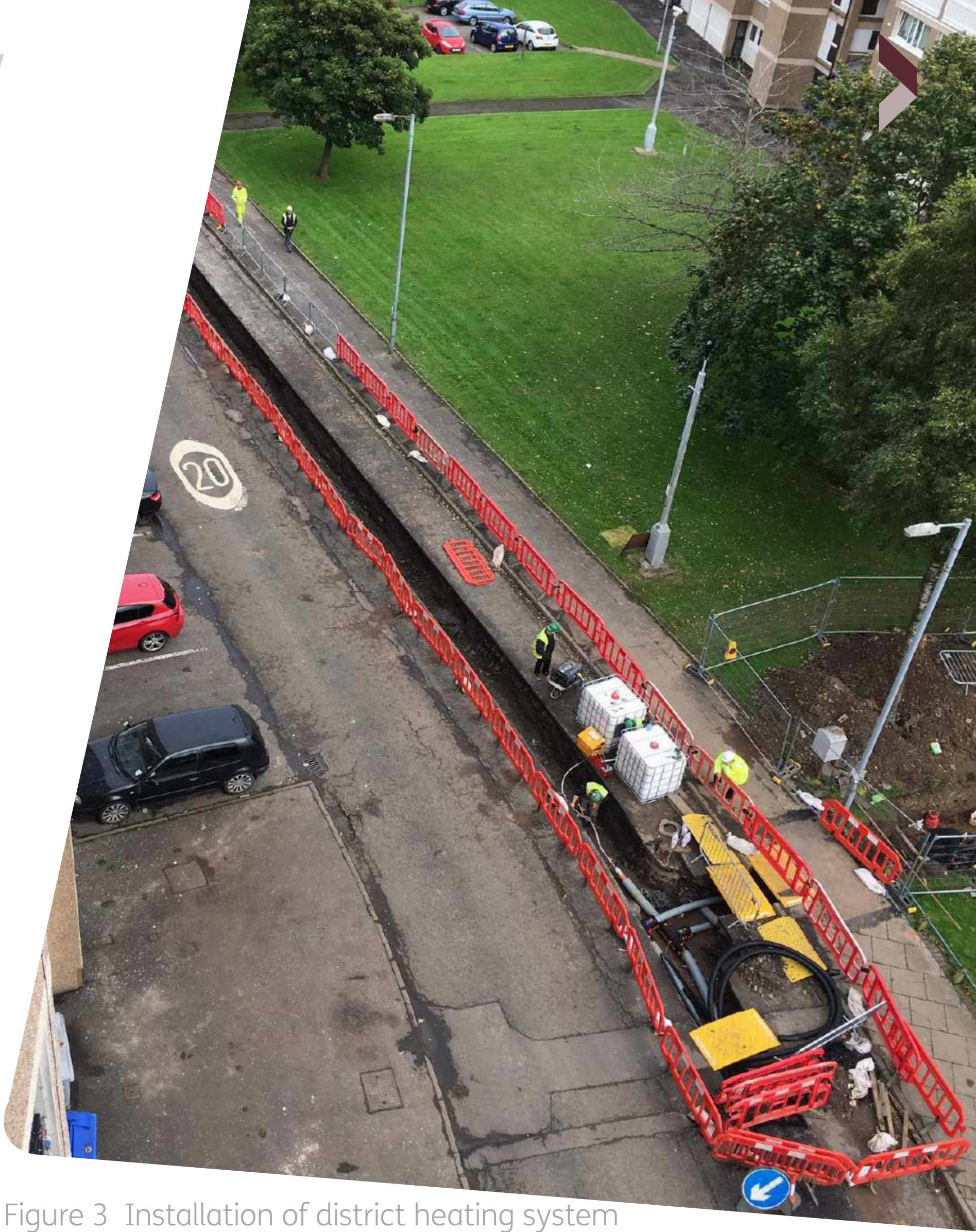


Figure 3 Installation of district heating system at Hillpark Drive, Pollokshaws in Glasgow



Figure 4 District Heating Network in Pollokshaws, Glasgow – providing 350 homes with heating and hot water

The built environment and our ecology

In anticipation of circular economy legislation, we are reducing the use of virgin material within our operations, placing obligations on our network of suppliers to provide sustainable alternatives at no extra cost. We currently recycle 98% of our demolition waste streams and are working in conjunction with Heriot-Watt University to achieve 100%, which would close the loop on building construction and demolition.

We have a strong focus on the land quality and habitat security of our shared environment across our neighbourhoods. For example, Wheatley supports Glasgow City Council's flood prevention strategy by sharing land as 'green infrastructure' surface drainage, thereby ameliorating impacts of climate change and protecting our assets from localised flooding. We are also changing our grounds maintenance strategy to share space with wildlife supporting biodiversity. We measure the effectiveness of our efforts to improve our environmental standard by working with the charity Keep Scotland Beautiful (KSB) who undertake annual inspections of all our communities and advise on metrics for improvement, with a project in Dunedin Canmore receiving 5 Stars, based on the criteria applicable to the KSB National Award for Environmental Excellence⁷. Other projects include:

- ›planting over 4000 trees with community groups since 2015;
- ›providing horticultural apprenticeships in partnership with the Botanic Gardens; and
- ›installing a network of free-mileage electric vehicle car clubs throughout our communities.



Figure 5. Dicks Hill development in Stranraer (DGHP)

We are also addressing inequalities arising from environmental contamination including air quality, noise pollution and the internal environmental health of our households. Our work on this area includes undertaking a long-term study of the internal microbial and pathogenic environmental quality of new-build developments with the Mackintosh School of Architecture in order to improve future design to benefits the health of our tenants in Wheatley homes.

Our corporate approach

Wheatley Group operates within the regulatory requirements of the Energy Savings Opportunity Scheme. Our periodic reporting to the Scottish Environmental Protection Agency, calculated and validated by a third-party consultant, shows our continued improvement in terms of energy and carbon emissions. We are also accredited by Planet Mark, which confers an internationally recognised marque confirming our efforts to promote sustainability, environmental, social and economic improvements throughout our activities and in support of our various stakeholders.

Wheatley is committed to making our progress throughout the journey to 'net zero' publicly available.



⁷<https://www.keepsotlandbeautiful.org/media/1563447/ksb-the-wheatley-group-case-study-2019-final.pdf>



Figure 6. Community event for GHA tenants

Social

Wheatley is not simply about bricks and mortar. Our mission is to “Make Homes and Lives Better”. Our impact upon our communities is vital to the success of the organisation and the improvement of life outcomes for our customers.

Upon completion of our 2015-20 strategy ‘Investing in Our Futures’, we asked the Housing Associations’ Charitable Trust (HACT) to value the social impact the Group has delivered within our neighbourhoods⁸. Their valuation⁹ methodology found:

- evidenced improved wellbeing was measured at £15.1m (2015-20);
- public sector efficiency savings of £0.46m (2015-20); and
- economic value of £181m from the

development programme in 2018-19 alone.

Affordability

To assess the affordability of Wheatley’s social housing rents, we employ the Scottish Federation of Housing Associations (SFHA) rent affordability tool. This uses the lowest 30% of earnings in the Office for National Statistics’ Annual Survey of Hours and Earnings (“ASHE”) for each Local Authority area, and applies a weighting for household composition to take account of household size in recognition that larger households often have more earnings/income and eligibility for Tax Credits and Child Benefit.

There is no nationally agreed maximum affordability ratio for rent. However, Shelter

⁸“Wheatley Housing Group: Investing in our futures 2015-20; Assessment of social and economic impact” published March 2020

⁹For valuation methodology, see information from HACT here: <https://hact.org.uk/hact-value>

suggests any household that spends more than 35% of its income on rent (and service charges) may experience a disproportionate impact from housing costs. The SFHA suggests using a low affordability ratio of 25% of income spent on rent for families, since families in particular may struggle to afford their non-housing costs after paying their rent.

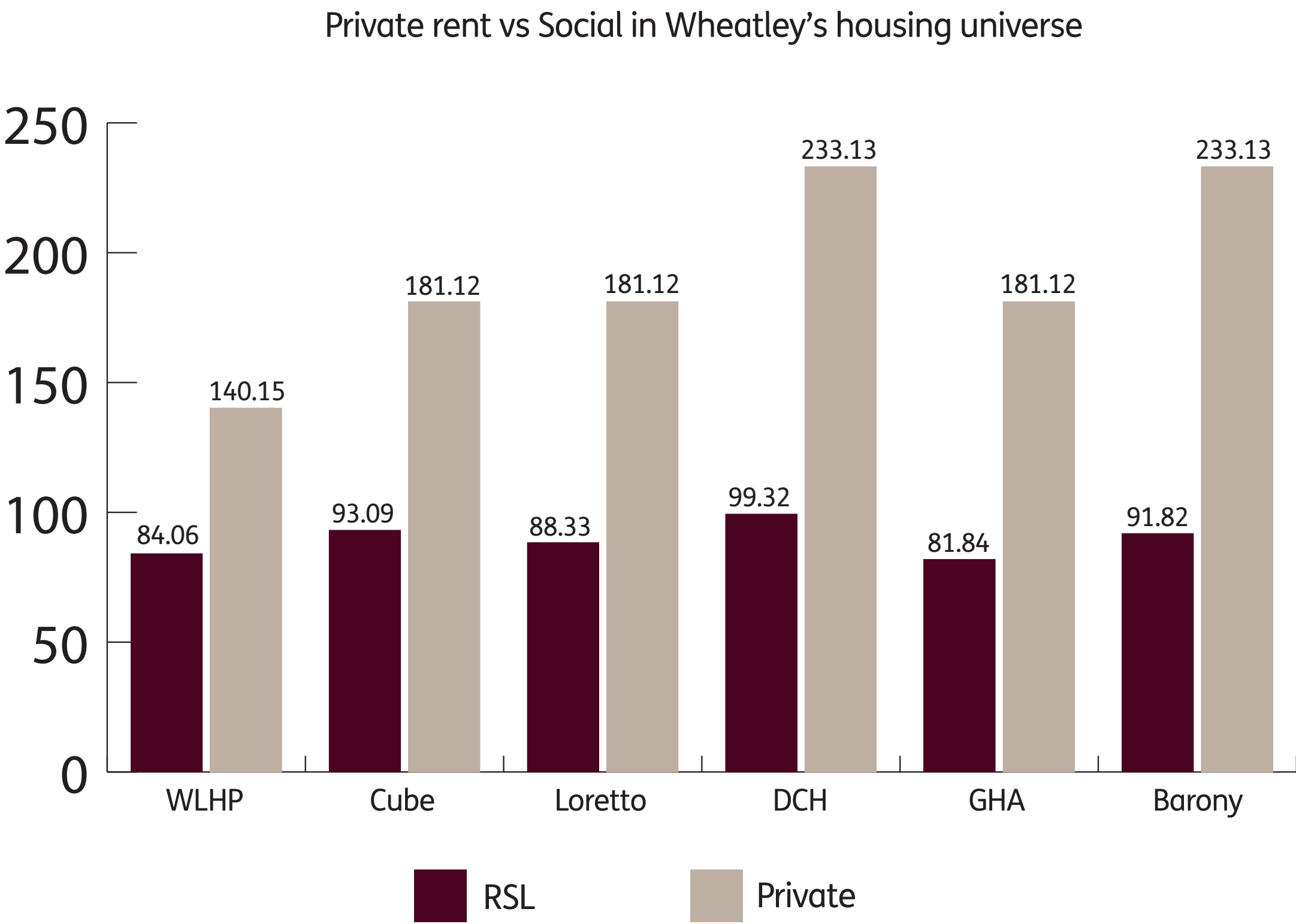
The table below show the results of applying the SFHA tool to GHA using latest available data, for 2019/20. The shading is green if the rent is less than 25% of moderate income for that household type in that Local Authority area, amber at 25-30% and red at 30%+. This last level is, however, still well below the Shelter guideline of 35% of income spent on rent.

There is necessarily a lag on this data, with 2018/19 information being used. The results show that based on this latest available information, our rents are generally well within the 35% guideline.

GHA rents in Glasgow:

% of moderate income and spend on rent								
Size	Rent	Single person	Couple (1 x PT, 1 x FT)	Single		Single parent + 1 child	Single parent + 2 children	Single parent + 3 children
Bedsit	£69.95	24.5%	16.3%	22.3%	16.3%			
1 bedroom	£79.45	27.8%	18.6%	25.3%	18.6%			
2 bedroom	£84.54					22.8%	14.1%	
3 bedroom	£98.84						16.5%	14.4%
4 bedroom	£108.26						18.1%	15.8%

We have employed this tool across all our subsidiary companies, with broadly consistent results:



Our customers

All direct tenants in Wheatley socially rented properties have Scottish Secured Tenancies¹⁰. This provides them with secure occupancy rights¹¹ for life, with the ability to succeed that tenancy to their husband, wife or civil partner, an opposite-sex or same-sex partner, provided they have lived with the primary tenant for at least 12 months, or other joint tenant.

We run customer satisfaction surveys annually, and these are reported to the Scottish Housing Regulator¹². In our most recent return (summer 2019), the following above sector average ratings were recorded for our social housing subsidiary companies (including Dumfries and Galloway Housing Partnership (DGHP), albeit DGHP was not part of Wheatley Group when these surveys were reported):

Social housing Charter	GHA	Cube	Loretto	Dunedin Canmore	WLHP	Barony	DGHP
Overall service	88%	86%	84%	96%	95%	96%	95%
Kept informed	88%	86%	76%	95%	92%	99%	96%
Opportunities for participation	80%	80%	64%	94%	93%	99%	95%
Quality of home existing tenants	87%	89%	89%	95%	92%	91%	93%
Repairs and maintenance	94%	95%	93%	95%	94%	94%	92%
Neighbourhood maintenance	82%	80%	75%	89%	91%	97%	93%
Rent as value for money	79%	73%	77%	88%	89%	84%	90%
Factoring service	80%	41%	67%	87%	N/A	N/A	N/A

Customer Service Excellence (CSE) is the national standard for excellence in customer service in public sector organisations overseen by the UK Government’s Cabinet Office¹³. Wheatley achieved full compliance in all aspects of the standard with 23 elements rated as Compliance Plus. The assessors commented: *“All parts of the Group demonstrated a passionate commitment to the delivery of customer focused services. The Group is to be particularly congratulated this year for achieving full compliance in all aspects of the Standard, with 23 elements rated as Compliance Plus, which is outstanding.”*

¹⁰There are different arrangements in place for indirect tenants (i.e. customers who are staying in Wheatley accommodation, where the tenant is living in supported housing or where the tenancy is paid for by a local authority and/or HM Government as may be the case for the homeless, asylum seekers and refugees).

¹¹https://scotland.shelter.org.uk/get_advice/advice_topics/renting_rights/council_housing_association_and_housing_co-op_tenancies/your_rights_as_a_scottish_secure_tenant

¹²<https://www.housingregulator.gov.scot/landlord-performance/landlords/wheatley-housing-group-ltd>

¹³<https://www.customerserviceexcellence.uk.com/>

As well as being secure in their tenancies, we continue to prioritise the safety of our customers in their homes and communities. We deliver wraparound services, including seconded police officers, fire officers and our own staff to tackle anti-social behaviour, other crime and to improve fire safety in our neighbourhoods as part of our Wheatley 360 initiative. This includes the provision of a 24/7 concierge service for our multi-storey flats and the promotion of home safety and fire awareness.

In 2019/20 the Group's Fire Safety Operating Model, which is aimed at reducing accidental dwelling fires, increased Home Fire Safety Visits to over 3000 homes, which contributed towards a further 10% reduction in accidental dwelling fires since 2018/19. The Group Fire Safety Operating Model was recognised as a Fire Prevention Exemplar by the Scottish Government's 'Building Safer Communities

Group'¹⁴ customerserviceexcellence.uk.com In the last two years the Group has reduced accidental dwelling fires by 21%.

We have created an independent living block for older people by refurbishing flats at 415 Nitshill Road in the south of Glasgow. The block, which has 42 flats, is exclusively for older tenants aged 55+ and the first floor has been converted to provide a social space for the residents. The new facility has a garden room, a lounge and kitchen, a fitness and wellbeing suite, a visitor room and room for a hairdresser. This specialised provision, coupled with our Livingwell service provision, delivered by Wheatley Care to 29 locations across our communities, helps build confidence for older people to live independent and fulfilled lives.

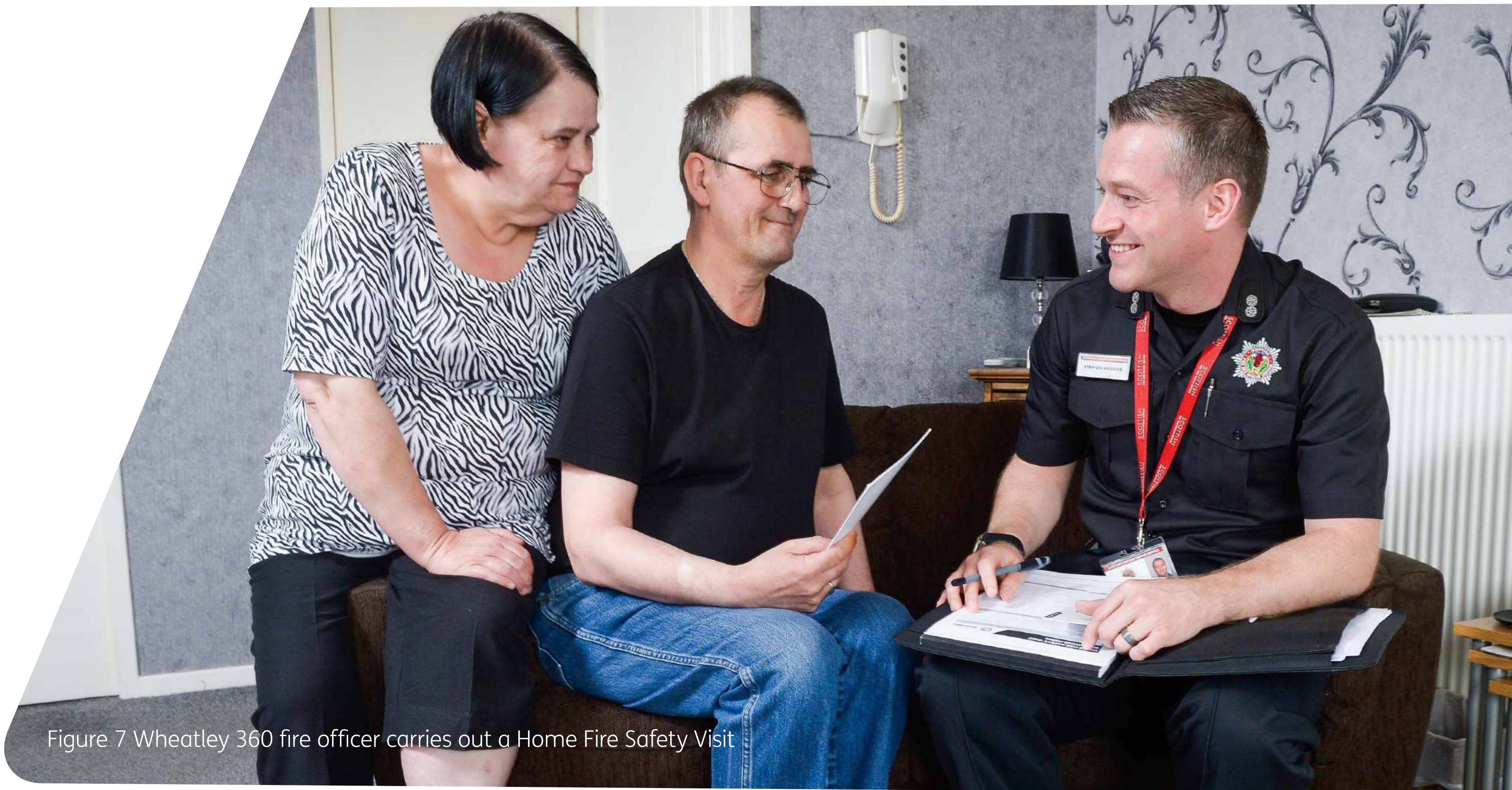


Figure 7 Wheatley 360 fire officer carries out a Home Fire Safety Visit

¹⁴<https://harmandinjuryhub.scot/practice-exemplars/wheatley-fire-prevention-and-mitigation-framework>

Homelessness

The most recent Scottish Government bi-annual bulletin on homelessness applications covered the period 1 April to 30 September 2019 and was published on 28 January 2020¹⁵. This is before the worst impacts of the Covid-19 pandemic were felt.

Wheatley plays an active role in tackling homelessness in conjunction with local authority partners and other support agencies to make a sustainable difference and we are proud to be a partner in the Housing First initiative. Housing First is a partnership set up to tackle rough sleeping by giving secure mainstream tenancies to people who are currently sleeping rough or living in hostels and other temporary accommodation.

Wheatley announced the commitment of 200 homes to Housing First following Social Bite's 'Sleep in the Park' fundraising event in December 2018, of which 120 homes have already been provided in our neighbourhoods. In response to the pandemic, we took concrete measures to support the most vulnerable in our communities by providing 300 empty homes to local authority partners for use as temporary accommodation for homeless people - and pledged an additional 100 homes to Housing First.

Sustaining a tenancy can be challenging for the long-term homeless, and we work closely with our Housing First tenants, providing a starter pack that can include food, recycled furniture and fire-retardant bedding to welcome them to their new home. Ongoing support, provided by our housing officers, care staff and the Wheatley Foundation team, provide advice and assistance on everything from saving money on energy bills and help to set up gas, electricity and bank accounts, to arranging a Home Fire Safety Visit. Figures show 92% of tenancies have been



Figure 8 William Smith, Housing First tenant, and Olga Clayton, Group Director of Housing and Care

sustained so far, making a material difference to the lives of these tenants.

"Since moving in here I have come on leaps and bounds. Having my own home and my own front door is a good feeling. I feel safe. I feel a lot of hope for the future. It is slow but I am on the right track."

William Smith, Housing First tenant

Our people

Our most important assets are our dedicated staff across Wheatley Group, from frontline housing officers, care staff, environmental teams, corporate support functions and our investment and new-build teams. We were delighted to welcome around 300 new staff when DGHP joined the Group during the course of the year and we also launched the Ignite graduate

¹⁵<https://www.gov.scot/publications/homelessness-scotland-update-30-september-2019/>



Figure 9 Cabinet Secretary for Communities and Local Government, Aileen Campbell, meets Wheatley Ignite graduates

programme, welcoming over 20 future leaders into the organisation.

Our joint venture repairs business, with City Building (CBG), is a key provider of apprenticeships in Glasgow and also supports those with disabilities through their manufacturing division, Royal Strathclyde Blindcraft Industries (RSBi). RSBi is committed to providing opportunities for people with disabilities and currently has 240 employees.

Our commitment to supporting employment opportunities to people with disabilities is significant given the disadvantage faced in the labour market - with disabled people 28.6% less likely to be in employment than non-disabled people¹⁶.

Wheatley is a Living Wage Employer and has a clear commitment to developing staff and supporting their wellbeing. We conduct an annual staff survey and seek external accreditation to cement our place as a market-leading employer to ensure we continue to attract, develop and retain the best employees. We were particularly pleased to add Wheatley Group to the list of companies holding the Investors in People Platinum award (GHA, Wheatley Care and Loretto Housing) in 2019.

INVESTORS IN PEOPLE™
We invest in people Platinum

¹⁶<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/disability/bulletins/disabilityandemploymentuk/2019>

Figure 10 Alistair MacNish,
Chair of Wheatley Group,
receives our seven-star
accreditation from
EFQM



A major highlight this year was our assessment by the European Foundation of Quality Management (EFQM) which awarded Wheatley the highest seven-star grading. There are only six businesses in the world which have received seven-star accreditation, with Wheatley being the first UK organisation to gain such an honour. The Group was also awarded ‘Best in Class for Outstanding Contribution to Society’¹⁷.

Wheatley Foundation

The key objectives for the Wheatley Foundation are to tackle poverty and improve employability, primarily to our customer base, but also into our wider communities across central Scotland and Dumfries and Galloway. The Foundation has supported c.10,000 people in 2019/20.

The charitable trust was set up in 2016 and is funded by our Group and subsidiary companies with £13.7m of external funding since inception, of which £2.3m was secured in 2019/20. The Foundation is chaired by Sir Harry Burns, University of Strathclyde’s Professor of Global Health. From 2005 until 2014, Dr Burns served as Chief Medical Officer for Scotland, where his responsibilities included public health policy.

Major themes delivered by the Foundation during 2019/20 included:

- › **My Great Start** – over 2000 new and vulnerable customers provided with tenancy and money advice. This helps to ensure rent arrears are kept within target and therefore tenancies sustained (target 93% of tenancies sustained);
- › **My Money** advice programme – delivered to 800+ people in workless, lone parent and in-work poverty households to assist with money management and debt reduction;
- › **digital inclusion** – we enabled 5000 people to get online for social, learning and community opportunities;
- › **education** – 100 bursaries for tenants to pursue higher or further education, 3000 qualifications achieved and 2800 books provided to over 500 children in our communities;
- › **EatWell** – providing fresh food to our most vulnerable customers, delivered to their homes; and
- › **employment and training opportunities** – with statistics set out below:

	Totals	Customer update	% customers
Training opportunities	441	304	69%
Apprenticeships	144	65	45%
Jobs	316	204	65%
Total employment opportunities	901	573	64%

¹⁷<https://www.efqm.org/index.php/efqm-recognition/efqm-global-excellence-award/efqm-award-2019/>



The evaluation undertaken by the HACT measured the social and economic impact of activities delivered by the Wheatley Foundation. Since inception, and to March 2020, HACT estimated the Foundation created £10,211,254 in terms of wellbeing value.

Figure 11 Modern Apprentices from across Wheatley Group companies

While the impacts of the pandemic were not felt until the very end of the financial year, the Foundation has been vital in delivering support; primarily through our EatWell services where over 25,000 food parcels have been delivered to self-isolating and otherwise vulnerable customers. Our existing infrastructure was expanded to address this critical need.

“Our EatWell service has been a lifeline to so many individuals and families facing continuing hardship. It’s been one of the most important ways we’ve been able to help our most vulnerable customers in these difficult times.”

Sir Harry Burns, July 2020

¹⁸Figures correct as at 8 July 2020

Governance

All members of the Group work collaboratively to ensure that each member can achieve more for their customers and communities through being part of the Group than they could on their own. We were delighted to welcome DGHP into the Wheatley Group in December 2019, with their new Chair, Maureen Dowden, joining the main Group Board in May 2020.

The Group and each of our Registered Social Landlord subsidiary companies is regulated by the Scottish Housing Regulator (SHR) and complies with the SHR's Regulatory Framework ("the Framework") and Regulatory Standards of Governance. A revision to the Framework was introduced in April 2019, creating a number of new obligations on the Group and changes in approach including:

- › a requirement for RSLs (including Groups) to provide a 'Self-Assurance Statement' on their compliance with the Framework;
- › the introduction of public 'Regulatory Judgements' by the SHR setting out their view of an RSL;
- › additional Regulatory Standards in relation to organisational changes and disposals; and
- › a more prescriptive requirement for RSLs to embed equality and human rights in their decision making.

Board and trustees

The Wheatley Board comprises up to eight Non-Executive Directors, up to six subsidiary Chairs

¹⁹<https://www.iod.com/services/information-and-advice/resources-and-factsheets/details/Board-Effectiveness>



and the Group Chief Executive. The Board meets every two months and holds an annual two-day strategy workshop. Non-Executive Directors are recruited based on a rolling three-year succession plan which is reviewed and approved annually and aligns the skills and experience of the Board with both our strategic priorities and the legal and regulatory duties of the Board.

The Group Board has a gender split of 53% male and 47% female; with the Non-Executive Directors split 50/50. The average age of Board Members is 58. There are currently no Group Board members from BAME communities, although we do have BAME representation on subsidiary Boards. Since Wheatley's inception in 2014, there has been a 20% turnover of Board Members. We operate a tenure limit of nine years. The Group Chief Executive is the only Executive Team member of the Board with the remaining Board (currently 93%) being Non-Executives.

While all subsidiary RSLs are registered charities, the Group Parent (Wheatley Housing Group Limited) is not, and is a private company limited by guarantee without share capital. The shareholders are the members of the Board, who each hold a single share with equal voting rights. The percentage of voting rights will change from time to time depending on the number of Board members but will generally be 7.15% (with 14 Board members).

The Board was most recently independently reviewed by the Institute of Directors¹⁹ in August 2017 and will be reviewed during the course of 2020/21 in accordance with our three-year review cycle. Our Auditors, KPMG, were appointed in September 2016.

Our Non-Executives are subject to an individual annual appraisal process to monitor their performance and identify any areas for continuous improvement. We support our Non-

Executive Directors by having a Continuous Professional Development programme in place which draws on a range of external experts, including the Institute of Directors, Quality Scotland and our external legal advisors. This allows our Non-Executives to refresh and maintain the key skills and experience they require to carry out their duties.

Systems and risk management

The Board of Wheatley Housing Group is responsible for ensuring that an effective system of internal financial control is maintained within all members of the Group. The Board has established a framework for providing effective internal financial control including:

- › documented, up-to-date corporate Governance arrangements including regular meetings of the Board, and subsidiary Boards, which have a schedule of matters that are specifically reserved for approval and are the subject of regular standard reports as required;
- › written policies and procedures including Standing Orders setting out delegated authorities across Group subsidiaries and organisational structure to support business processes and with clear lines of responsibility;
- › employment of suitably qualified and experienced staff to take responsibility for key areas of the business. This is supported by a formal personal development programme;
- › adoption of a risk-based approach to internal control and maintenance of risk registers which evaluate the likelihood and impact of identified corporate risks, designate responsibility for monitoring and reporting progress against the Group's key risks; and
- › financial plans and budgets supporting strategic and operational financial targets, monitoring and forecasting performance against targets and key performance indicators, all of which are reviewed by the Board.

The Group Board is supported in carrying out its



duties by three sub-committees: Remuneration, Appointments, Appraisal and Governance; Group Audit; and Group Strategic Development. The sub-committees are made up from members of the Group Board. Key responsibilities of the sub-Committees include:

- › Remuneration, Appointments, Appraisal and Governance Committee is responsible for approving the process for recruitment, selection, succession planning and appraisal of Board members and for ensuring Board members within the Group have the necessary balance of skills and experience to fulfil their roles. The committee evaluates and reviews the Group's governance framework on an ongoing basis. The committee makes recommendations to the Group Board regarding the terms and conditions of the Group Chief Executive;
- › Group Audit Committee is responsible for oversight of the Group's system of internal control, compliance assurance and risk management. It is responsible for approving the Internal Audit plan and ongoing monitoring of its implementation. It also oversees the external audit process, including agreeing the annual external audit plan and undertaking a detailed review of financial statements. The committee is responsible for reviewing the effectiveness of the overall risk strategy and reviews the strategic risk register. Our Group Audit Committee is chaired by a Chartered Accountant, who is a retired Finance Director in the banking sector. Additionally, the Committee has a business economist and banking solicitor who specialises in leveraged finance transactions. In total this represents 60% of the Committee;
- › Group Strategic Development Committee is responsible for reviewing any new major strategic projects and initiatives on behalf of the Group Board, in particular fundraising and strategic partnerships.

Individual subsidiaries each have their own Board which is responsible for setting their strategy which aligns with the overall Group strategic direction and reflects their unique circumstances and customer priorities. Each subsidiary Board is composed of Non-Executive Directors based on its own individual skills matrix and across the Group. Of our governing body members, 25% are tenants who live in our communities.

In addition to tenants on subsidiary Boards, an independent group of tenants make up a Scrutiny Panel which considers performance in a number of key service areas. We also run Local Housing Committees and Community Forums to ensure the views of our tenants and priorities influence and inform decision-making across the Group.

Risk Management is the responsibility of everyone in the organisation, whether or not they have a formally defined role in the process. Risk Management forms an integral part of the culture and the way the Group is run. Risk Management plans are incorporated and embedded into business plans of all departments of the organisation.

The Wheatley Housing Group Board approved this statement at its meeting on 26 August 2020