



WHEATLEY HOUSING GROUP LIMITED

SC426094

MEETING OF BOARD OF DIRECTORS

Held at Wheatley House, Glasgow

on Wednesday 14 December 2022 at 10:30am

Directors Present: Jo Armstrong (Chair), Jo Boaden, Lindsey Cartwright, Maureen Dowden, Bryan Duncan, Caroline Gardner, Eric Gibson, Bernadette Hewitt, Manish Joshi, Alison McLaughlin and Alastair Murray.

In Attendance: Steven Henderson (Group Chief Executive), Anthony Allison (Group Director of Governance and Business Solutions), Pauline Turnock (Group Director of Finance), Frank McCafferty (Group Director of Repairs and Assets – items 7 and 8 only), Danny Lowe (Director of Repairs, Investment and Compliance – item 7 only) and Laura Pluck (Group Director of Communities – item 9 only).

1. Apologies for absence

There were no apologies for absence.

2. Declarations of interest

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

3. a) Minutes of meeting held on 26 October 2022 and matters arising.

Decided: The Board approved the minute of the meeting on 26 October 2022.

b) Action List

Decided: The Board noted the action list.

4. Group CEO update

The Board were updated by the Group Chief Executive on a range of matters including: Wyndford, in particular the ongoing community engagement; the position with the Sighthill remediation works; the creation of a Wheatley/Glasgow City Council partnership steering group; progress with the care strategic review; and two notifiable events

Decided: The Board noted the update.

5. Chair updates (Audit, RAAG and WDS)

The Board received feedback from each Chair on the work of the Committees/Board since the last meeting. It was confirmed no issues were identified for escalation

6. 2023 Rent setting – tenant feedback and next steps

The Board were provided with an update on the feedback from tenants to date as part of the pre-consultation exercise, the latest position in relation to the Scottish Government confirming the extension of a rent cap for 2023/24 and the proposed approach to formally consulting all tenants.

The Board welcomed the high level of pre consultation engagement and discussed the feedback received during this process, in particular the key priorities for tenants in terms of services and investment.

The Board considered how our proposals were likely to compare in our areas of operation and with the sector more widely. It was explained that we anticipate being at the lower end at a local, regional and national level.

The Board discussed the necessary reprofiling of investment activity that will be required and how this would link to the sustainability strategy. It was confirmed that the grant we have received will support sustainability activity remaining in the early years.

The Board discussed the risks of any longer term rent caps and how this is reflected in areas such as future development appraisals. It was confirmed this would remain under review.

It was reaffirmed that we will continue to support tenants and that the future business plans will reflect the prioritisation we have to make on future services and investment.

The Board to:

- 1) approved the options for consultation by each RSL as set out in paragraph 4.28, subject to formal agreement by each RSL Board and each option being below any Scottish Government rent cap for social landlords;**
- 2) noted that additional RSL Board meetings would be convened in early January to formally agree the rent consultation options for WH Glasgow, WH South, WH East and Lorreto Housing;**
- 3) approved the key steps and timeline for consultation with RSL tenants as set out in paragraph 4.30;**
- 4) noted that confirmation date for the extension of a rent cap for MMR and PRS remains uncertain and that Lowther Homes Board have approved a blended average increase of 3.9%;**
- 5) noted that the Lowther Homes Board will assess the position at its February meeting along with contingency options should the cap either be below 3.9% or not be agreed and therefore potentially be lower 3.9%; and**
- 6) noted that Lowther contingency arrangements will be presented to this Board in February for agreement.**

7. Damp and mould update

The Board were provided with an update on how we are building on our already strong processes for dealing with reports of mould and damp in our customers' homes. The enhanced assurance and zero tolerance approach being introduced were also set out in further detail.

The Board discussed the revised assurance approach, in particular how we ensure follow on work is undertaken, we monitor cases post completion and identify areas requiring a more structural, long term solution. It was confirmed that follow up activity is a key priority to ensure that issues do not recur.

The Board were updated on our engagement with health Boards to ensure that they are clear on steps to refer any issues to us as well as how we will use customer conversations to check for issues, including any communication issues tenants may have such as a language barrier.

It was reiterated that our approach is on supporting tenants and ensuring they have access to relevant information and that our staff training reflects this.

The Board noted the contents of this report.

8. a) Group sustainability framework

The Board were provided with a summary of the draft Group Sustainability Framework and Action Plan and how it had evolved to reflect feedback from Boards across the Group.

The Board reviewed the Framework and recognised that it would require to evolve as areas such as technology and funding become more certain. In particular the Board noted that the delivery of EESSH 2 or any successor will require further consideration in terms of how it can be funded.

The Board were asked to:

- 1) approved the draft Sustainability Framework at Appendix 1 and the Action Plan at Appendix 2; and**
- 2) noted that the Wheatley Solutions Board will monitor of the implementation of the Framework and Action Plan.**

b) Warmworks contract award

The Board were updated on the proposed programme of works to improve and reduce carbon emissions from 326 homes in Dumfries and Galloway that the contract would support delivery of. The Board discussed the cost of the retrofit and the amount that would be funded through our grant award.

Decided: The Board approved Wheatley Homes South entering into a contract with Warmworks to undertake deep retrofit works to improve the energy efficiency of up to 326 homes in Dumfries and Galloway for up to £9m in total.

9. Care Evaluation – Reprovisioning of East Services (HMOs)

The Board were updated on the completion of the reprovisioning programme and the positive outcomes this has delivered for the tenants.

The Board discussed our approach to Housing in Multiple Occupation more widely and our plans to undertake similar reprovisioning activity. It was confirmed the number is now very small and that those had particular circumstances such as temporary homelessness accommodation.

10. Funding update

The Board were updated on a proposed new loan facility with Allia, including the key terms and anticipated rate. A further update was provided on the execution of the Fixed rate loan restructure previously agreed.

Decided: The Board

- 1) approved the proposed Allia £35m facility;**
- 2) delegated authority to the Group Director of Finance and the Director of Treasury to execute the proposed Allia facility on behalf of WFL1 subject to a rate including lending margin of no higher than 4.50%;**
- 3) approved the Authorised Signatory list for Group loan agreements; and**
- 4) noted the terms of the fixed rate loan restructuring.**

11. Strategic risk register

The Board were updated on the proposed updates to the strategic risk register following a review by the Group Audit Committee. The Board were also updated on each of the risks outwith the agreed risk appetite level, which were driven primarily by external factors out with our control or ability to fully mitigate.

The Board reviewed the proposed update and agreed they reflected our current risk profile.

Decided: The Board

- 1) note the contents of this report; and**
- 2) approved the proposed changes to the Strategic Risk Register.**

12. Finance report

The Board received a summary of financial performance for the year to date. It was explained that we are undertaking an analysis of the repairs costs which are being driven by demand remaining high.

The Board discussed the variance in employee spend and sought confirmation on whether this was expected to impact operational performance, it was confirmed this was not expected to have a material impact with care remaining the area with the most acute recruitment challenges.

The Board discussed the repairs spend variance in detail, including the drivers for the high demand level and the work underway to enhance the efficiency of our delivery.

Decided: The Board noted the management accounts for the period ended 31 October 2022.

13. Wheatley Group Technical Consultancy Services Framework

The Board were updated on the outcome of the exercise to procure a new multi-lot framework for the provision of construction technical consultancy services. The Board reiterated the importance of ongoing quality checks of contractors.

Decided: The Board

- 1) approve the award of a Group-wide framework agreement for the provision of construction technical consultancy services for a framework period of up to four years to the value of £55 million to the following providers:**

Lot 1: Masterplanner

- Anderson Bell Christie Limited
- Threesixty Architecture Ltd
- Smith Scott Mullan and Associates Ltd

Lot 2: Architects

- Anderson Bell Christie Limited
- Hypostyle Designs Limited
- jmarchitects Limited
- MAST Architects Limited
- Robert Potter and Partners LLP
- Smith Scott Mullan and Associates Ltd

Lot 3: Landscape Architect

- Erz Ltd
- OOBELtd
- Rankinfraser Landscape Architecture LLP

Lot 4: Structural and Civil Engineer

- Bayne Stevenson Associates Ltd
- Clyde Design Partnership Ltd
- Cowal Design Consultants Ltd
- G3 Consulting Engineers Ltd

Lot 5: Mechanical and Electrical Engineer

- Davie & McCulloch Ltd
- EDP Consulting Engineers Ltd
- Hawthorne Boyle Limited

Lot 6: Quantity Surveyor and Employers Agent

- Armour Construction Consultants Limited
- Brown & Wallace LLP
- MB Langmuir & Hay (UK) Ltd
- NBM Construction Cost consultants Ltd
- Reid Associates LLP
- Summers Inman Construction and Property consultants LLP

Lot 7: Multi-disciplinary Design Team

- Anderson Bell Christie Limited
- Grant/Murray Architects Ltd
- Hypostyle Designs Limited
- MAST Architects Limited
- Page\ Park Limited
- Robert Potter and Partners LLP

Lot 8: CDM Advisor

- Armour Construction Consultants Limited
- Brown & Wallace LLP
- G3 Consulting Engineers Ltd
- Summers Inman Construction and Property consultants LLP

Lot 9: Clerk of Works

- Helica (Scotland) Limited
- Ross Quality Control Limited

Lot 10: Energy Advisor

- Assist Design Ltd
- Carbon Futures (Consultancy) Ltd

Lot 11: Planning Consultant

- Montagu Evans LLP

- 2) delegated authority to the Director of Procurement to enter into contract agreements with the providers proposed for appointment to the framework; and
- 3) noted the framework agreement will commence on the 1st of February 2023 for a period of three years, with an optional 12-month extension period available to be taken at the sole discretion of the Group.

14. AOCB

The Board approved the appointment of Jenny Curtis to the Pathway to Net Zero Group at the same remuneration rate as existing members.

Signed _____

Chair