



**WHEATLEY HOUSING GROUP LIMITED**

**SC426094**

**MEETING OF BOARD OF DIRECTORS**

**BY VIDEOCONFERENCE**

**on Friday 19 March 2021 at 11.00**

Directors Present: Alastair MacNish (Chair), Jo Armstrong, Martin Armstrong, Jo Boaden, Bernadette Hewitt and Martin Kelso.

In Attendance: Anthony Allison (Director of Governance) and Steven Henderson (Group Director of Finance).

**1. Directors not in attendance**

The Chair declared that a quorum was present. It was noted that due to the ongoing Coronavirus pandemic, we are operating with a dual-approach to Board meetings with the non-attending members having participated in a discussion of the papers earlier in the day.

Apologies were received from Sheila Gunn. It was noted that Sheila had reviewed the paper and confirmed her satisfaction with the recommendations.

**2. Declarations of Interest**

The Board noted the standing declarations of interest. No new declarations were made.

**3. Funding and business plan updates**

The Board received a report on proposed updates to our funding structure and the associated financial modelling should we proceed in relation to: the potential to reduce our future rent uplift assumptions; additional investment, and; future covenant compliance.

The Board discussed and strongly supported the tangible benefits the proposal could unlock for our tenants. It was reiterated that this was the main driver for the proposals.

The Board discussed the implications of the proposals on our future covenant compliance projections and our future assumptions in relation to interest rates.

The potential risks of the proposals, particularly in relation to future variable interest rate increases were considered. It was confirmed the reprofiled projections continued to be based on prudent assumptions for interest rate levels and that on all current market projections it was highly unlikely variable rates would be higher than our assumptions. It was also explained that we would also retain the option to refinance. The Board agreed the prudent interest level assumptions provided sufficient comfort.

**Decided: The Board:**

- 1) approved termination of fixed rate loan arrangements with our Banking Syndicate prior to 31 March 2021 up to a breakage cost of £30m;**
- 2) approved a delegation of authority to the Group Director of Finance and/or the Director of Treasury to terminate said hedging arrangements;**
- 3) agreed that the RSL Borrowing Group may deliver an interest cover covenant position outwith Golden Rule policy parameters, but note that we forecast to remain within interest cover covenant limits;**
- 4) agreed the changes to business plan rent assumptions for 2022/23 and 2023/24 set out in paragraph 5.1, enabled as a result of the fixed rate loan terminations; and**
- 5) [redacted]**