



**WHEATLEY HOUSING GROUP LIMITED**

**SC426094**

**MEETING OF BOARD OF DIRECTORS**

**Held at Wheatley House, 25 Cochrane Street, Glasgow**

**on Thursday 7 October 2021 at 14.00**

Directors Present: Jo Armstrong (Chair), Martin Armstrong, Jo Boaden, Lindsey Cartwright, Bryan Duncan, Caroline Gardner, Eric Gibson, Bernadette Hewitt, Martin Kelso and Mary Mulligan.

In Attendance: Anthony Allison (Director of Governance), Samantha Bett (Director of Treasury), Steven Henderson (Group Director of Finance), Tom Barclay (Group Director of Property and Development – items 4 and 5 only) and Professor Sean Smith, University of Edinburgh (item 5 only).

**1. Apologies for absence**

Apologies were received from Maureen Dowden, Professor Paddy Gray, Mairi Martin and Angela Mitchell. The Chair confirmed all had provided feedback on the treasury update and confirmed their support for the recommendations. The Chair declared that a quorum was present.

**2. Declarations of interest**

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

**3. Minutes of meeting held on 29 September 2021 and matters arising.**

**Decided: The Board approved the minute of the meeting on 29 September 2021**

**4. COP 26 preparations**

The Board received an update on: our preparations and readiness for COP 26; impacts of COP 26 on business operations; and implications for our planned Board and Committee meetings during the period.

It was confirmed we were continuing to liaise closely with Glasgow City Council, within the context of the UK Government having overall responsibility for the event.

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

## **5. Construction Material Shortages and Future Supply Issues**

The Board received a presentation on: current supply chain challenges within the global and EU context; expected future supply pressures, in particular in relation to retrofit; the findings of the ZEST report; the changing nature of land and buildings use 'post covid'; and net zero targets and the associated material needed to achieve delivery.

The Board discussed the scale of retrofit anticipated, the work already undertaken via the Scottish City Regions and Growth Deals programme, and the future challenges of having the appropriately skilled workforce to deliver a programme of such a scale.

The Board discussed our current retrofitting approach and any changes expected in the short term. It was confirmed that our current 'fabric first' approach would remain the strongest focus in the immediate future.

The Board considered the transition to the future UKCA product certification and the implications for our future supply chains. It was agreed this would remain under review ahead of the transition in 2023.

The Board considered the implications for our development programme in terms of future specifications, in particular where we are part of a mixed development.

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

## **6. Treasury update**

The Board received a detailed presentation: recapping on our existing funding structure, assets and debt facilities; setting out the current sustainable finance landscape and our proposed sustainability framework; the proposed amendments to the WFL1 covenants and borrower group membership; and the proposed refinancing of one of our lenders.

The Board discussed the potential change to our debt per unit increase, in particular how we would use the capacity, the likelihood we would use the full capacity it could enable and the implications for our future gearing levels. It was confirmed we would seek to utilise the full capacity created, with the option to further review the covenant in future. It was further explained that any review would be within the context of stock valuation movement over the period.

The Board discussed the impact the additional development would have on the overall mix of our stock archetypes and the associated reduction of risk.

The Board discussed the level of diversity we have in funding providers. It was explained that this was driven by a range of factors, including pricing and community benefits.

The proposed RCF refinancing was discussed in detail, in particular the pricing of the individual lender, the balance of loan terms and non-utilisation fees, and security arrangements. It was confirmed we would continue to further negotiate the pricing until the conclusion of the process.

The Board considered our longer-term funding requirements and the timing of any future fundraising. It was explained that we anticipated next considering additional fundraising in 2023/24.

The Board received a more detailed update on our engagement with the Scottish National Investment Bank and the current position with negotiations.

**Decided: The Board:**

- 1) noted the summary of the Group Borrowing arrangements;**
- 2) approved the sustainable finance framework and the S&P second party opinion;  
[recommendations 3 – 5 redacted] and**
- 6) agreed that all changes to loan documentation will be brought to the Board for final approval prior to execution.**

**7. AOCB**

There was no other competent business.

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

**Chair**