



**WHEATLEY HOUSING GROUP LIMITED
BOARD MEETING**

**Wednesday 12 November 2025 at 10am
New Mart Road, Edinburgh**

AGENDA

1. Apologies for absence
2. Declarations of interest
3. Minutes of meeting held on 24 September 2025 and matters arising
4. Group CEO update

Main Business

■ [REDACTED]

6. 2026 rent setting
7. Housing Bill update

■ [REDACTED]

Other Business

9. Performance report
10. Finance report
11. Governance update
12. AOCB

Report

To: Wheatley Housing Group Board

By: Pauline Turnock, Group Director of Finance

Approved by: Steven Henderson, Group Chief Executive

Subject: 2026/27 rent setting

Date of Meeting: 12 November 2025

1. Purpose

1.1 This report:

- Seeks agreement for the range for the 2026 Registered Social Landlord (“RSL”) rent and general service charge increases for initial consultation with tenant focus groups;
- Sets out the proposed timetable for subsidiary RSL Board approvals and the full tenant consultation; and
- Provides the Board with a mid-year update on the financial projections and key financial indicators for our RSLs.

2. Authorising and strategic context

2.1 Under the Group Standing Orders, the Group Board is responsible for the Group rent setting framework. Subsidiary Boards approve their rent increases within this framework. It is proposed, as with last year, that RSL Boards are delegated authority for the final approval where the increase is within the range agreed by this Board.

3. Background

Economic context

3.1 The UK economy continues to face challenges with weak growth and persistent inflationary pressures. General CPI inflation is at 3.8% at September 2025, above the Bank of England’s 2.0% target. In addition, cost inflation is continuing to run higher than general CPI for key areas of housing expenditure such as repairs, driven by increased labour costs, material prices and service demand. The persistence of core inflation indicates that underlying inflationary pressures have not yet fully unwound with longer term forecasts suggesting it will be Summer 2027 at the earliest before rates return nearer to the 2% target.

3.2 This higher inflation has put pressure on the gilt market and, together with the level of Government borrowing, has meant the cost of debt continues to rise. Long-term gilt yields have increased significantly over the past year, rising from around 4.5% at September 2024 to over 5.7% at September 2025.

- 3.3 This means that the return investors demand for lending to the government for 30 years is substantially higher, with recent yields at their highest level since 1998. As a result, the Bank of England has taken a cautious approach to rate reductions with the base rate at 4.00% at September 2025. With inflation remaining higher, market expectations for further interest rate cuts remain but are spread over a longer period.
- 3.4 Our rent increases implemented over the past couple of years along with assumed future rent increases have focused on growing the financial capacity in our business plan to ensure sufficient funding is available to meet investment in lifecycle replacements and our legislative obligations in our homes.
- 3.5 In addition, our rent assumptions in our 2025/26 Business Plan, informed through our tenant engagement, Asset Strategy and the more detailed Strategic Asset Investment and Management Plans, looked at the level of funding required to increase investment in our homes and neighbourhoods. We have a requirement beyond compliance and lifecycle replacements to start to create more capacity to fund energy efficiency improvements in our homes which will be needed to meet the new Scottish Housing Net Zero Standard (“**SHNZS**”) and to deliver improvements required in our multi-storey blocks to extend the life of those buildings.

4. Discussion

- 4.1 The rent increase assumptions in our financial projections are subject to ongoing review. The annual review takes into account our key rent setting principles:
- Keeping rents affordable;
 - Comparability with other social landlords;
 - Financial viability; and
 - Consultation with tenants and service users.

Affordability

- 4.2 Our average rents for 2025/26 are shown in Table 1 below, alongside the Scottish average and Scottish RSL averages for the same year. As with previous years, to allow as “like for like” a comparison as possible, these rates are based on the latest available information via the 2024/25 Annual Return on the [Scottish Social Housing] Charter (“**the ARC**”) to the Scottish Housing Regulator (“**SHR**”) with the 2025/26 rent increase applied.

Table 1: Group RSL Average Weekly Rents – March 2025 ARC Return + 25/26 rent increase

| RSL | Average Weekly Rent | | | | | Total Lettable Units | Overall Average Weekly Rent |
|--------------|---------------------|----------------|----------------|----------------|----------------|----------------------|-----------------------------|
| | 1 Apt | 2 Apt | 3 Apt | 4 Apt | 5 Apt | | |
| WH East | £106.13 | £116.40 | £125.85 | £135.36 | £148.00 | 6765 | £124.99 |
| Loretto HA | £137.48 | £112.69 | £114.31 | £123.49 | £145.98 | 2676 | £116.41 |
| WH Glasgow | £88.44 | £101.22 | £108.73 | £126.40 | £138.70 | 42026 | £110.31 |
| WH South | £110.27 | £95.37 | £103.64 | £110.98 | £122.20 | 10179 | £103.82 |
| GROUP | £89.91 | £104.07 | £109.62 | £123.64 | £136.65 | 61646 | £111.11 |

- 4.3 We have again used the joint Scottish Federation of Housing Associations (“**SFHA**”) / Housemark Rent Affordability Tool as one measure to consider affordability. This tool allows us to calculate the rent as a percentage of income for different customer groups, most associated with different property sizes.
- 4.4 While the results are subject to the inherent limitations of the assumptions used in this Tool and are necessarily generalised based on an assumption that no individual earns more than the UK government minimum wage, it provides a useful and prudent assessment of our position in each RSL and each part of the country. To correspond with the Tool’s use of the minimum (living) wage from 1 April 2026 of £13.45, the analysis uses average rents from Table 1.
- 4.5 There is no universally agreed threshold for what proportion of income for housing costs is ‘affordable’, with different research proposing different levels from 25% to 40% or a range, such as 30-40%. A recent Scottish Government publication, “*Towards a shared understanding of housing affordability: short life working group, 2022-24*” made a number of recommendations, including that by 2040 a maximum of 30% of net income should be accounted for by rent and service charges.
- 4.6 Our affordability analysis has consistently assessed rents, as one element of understanding affordability, relative to a 30% threshold. At a Group level, **all relevant customer groups and property size combinations are below a 30% rent to income ratio** relative to the national minimum (living) wage as shown in Table 2 below.

Table 2: Group Average Rents as a percentage of income

| Customer Group | 1 Apt | 2 Apt | 3 Apt | 4 Apt |
|----------------------------|-------|-------|-------|-------|
| Single Person | 23.9% | 27.5% | | |
| Couple 1PT 1FT | | 18.3% | | |
| Couple 2FT | | 13.8% | | |
| Single parent (2 Children) | | | 18.2% | 20.6% |
| Small family (2 Children) | | | 13.9% | 15.7% |

NB: The tool does not provide an appropriate customer group against which to assess 5 Apt rents

- 4.7 A breakdown by each RSL is set out in more detail in Appendix 1. This shows that consistent with previous years, 1-apartment bedsits (including supported communal living) and one-bedroom properties occupied by single people in Loretto and WH-East appear to have higher rent to income ratios marginally above 30%.
- 4.8 For many supported tenancies, this is because service charges are in place to fund the housing support costs. These are paid for in almost all cases by housing benefit and for tenants not in receipt of benefits we will continue to have funding available in 2026/27 to support those experiencing financial difficulties and will make this clear throughout our consultation.

Comparability

- 4.9 A core element of our rent setting framework is consideration of the comparability of rents. We have compared our 2025/26 rents across our RSLs in the tables below uplifting the comparator RSLs by their published 2025/26 increase.

- 4.10 A number of Local Authorities have commenced their rent setting consultation with tenants, details of which are set out below:

| Local Authority | Rent proposal |
|-----------------------------|--|
| City of Edinburgh | 7% linked to 5 year plan 2024-2028 (at 7% each year) |
| Aberdeen | 12% (7.5% in 2025) |
| East Lothian Council | Three options - 7%,8%, or an unspecified additional increase over 7% capped at £8 per week |
| Dundee City Council | Three proposed rent increases between 8 and 8.5% |
| South Ayrshire Council | 4.5% |
| West Dunbartonshire Council | Four options – 6.7%, 6.95%,7.2%, or 7.45% |
| West Lothian Council | 3.5% (each year from 2025/26 to 2027/28) |
| Perth and Kinross | Three options - 6.5%, 7.5% and 8.5% |

- 4.11 The rent consultations, as expected, reference the same drivers and financial pressures being faced as we and the wider sector do and the level of proposed increases reflects this.

- 4.12 We will provide a further update on the latest information available on RSL and Local Authority rent proposals for 2026/27 at our December meeting.

Glasgow

- 4.13 Table 3 below shows the most recent available comparison of RSL rents in Glasgow City from the ARC published data with the 2025/26 increase applied.

- 4.14 As previously recognised by the Board, the comparators do not reflect our wider service offering and the prevalence of multi-story flats (“**MSFs**”) with the associated expense for 24/7 on-site presence (around ¼ of stock). Additionally, our business plan has built in capacity for future asset investment and provision for elements of the SHNZS that we do not expect will be common among the comparator group.

Table 3: Glasgow RSL average rents + service charges as at March 2025 with 25/26 increase applied (Source ARC)

| Glasgow >1000 | Average weekly rent by House Size | | | | |
|-------------------------|--|--------------|--------------|--------------|---------------|
| Social Landlord | 1 Apt | 2 Apt | 3 Apt | 4 Apt | 5+ Apt |
| Milnbank HA | £71.93 | £79.60 | £87.18 | £97.67 | £99.14 |
| Tollcross HA | £0.00 | £81.69 | £91.88 | £111.43 | £124.08 |
| Rosehill Housing Co-op | £71.48 | £84.90 | £96.28 | £95.52 | £101.57 |
| Linthouse HA | £80.62 | £87.60 | £98.62 | £111.89 | £142.71 |
| Parkhead HA | £65.89 | £80.97 | £99.31 | £108.38 | £134.97 |
| Elderpark HA | £83.06 | £89.35 | £101.07 | £117.63 | £139.89 |
| Shettleston HA | £56.62 | £92.13 | £101.41 | £112.82 | £141.62 |
| Queens Cross HA | £103.92 | £101.46 | £102.42 | £114.08 | £132.54 |
| Govan HA | £71.00 | £92.96 | £104.41 | £116.03 | £134.65 |
| Partick HA | £69.85 | £92.98 | £104.62 | £126.36 | £140.63 |
| Maryhill HA | £87.07 | £99.59 | £105.96 | £109.70 | £114.94 |
| Glen Oaks HA | £0.00 | £100.80 | £106.73 | £115.97 | £143.04 |
| West of Scotland HA | £113.89 | £103.46 | £107.00 | £110.86 | £114.79 |
| WH Glasgow | £88.44 | £101.22 | £108.73 | £126.40 | £138.70 |
| New Gorbals HA | £71.67 | £97.74 | £109.10 | £121.41 | £138.59 |
| Whiteinch and Scotstoun | £97.46 | £103.82 | £109.53 | £125.63 | £134.28 |
| Thenue HA | £85.42 | £101.86 | £109.82 | £124.98 | £134.08 |
| North Glasgow HA | £94.14 | £103.84 | £112.36 | £123.16 | £136.02 |
| Southside HA Ltd | £81.18 | £97.65 | £113.22 | £124.26 | £133.67 |
| Sanctuary Scotland HA | £78.86 | £98.90 | £113.65 | £124.85 | £134.41 |
| Govanhill HA | £94.62 | £110.49 | £119.12 | £135.37 | £155.34 |
| MMR rents | - | £142.15 | £168.00 | £191.54 | £228.23 |
| Private Rents - Glasgow | - | £203.08 | £276.46 | £417.00 | £636.00 |

* ordered by 3 Apt average as the highest WH-G stock number at c50%

- 4.15 It is important to also place these comparisons in the context of our tenants' views on rent value for money. In WHG's latest independent tenant satisfaction survey, undertaken in 2025/26, 90% of the 1,061 tenants surveyed said that they agreed that rent represented good value for money. While the Scottish average for 2025/26 will not be available until next year, this significantly exceeds the 2024/25 Scottish average of 81.7%.

- 4.16 Loretto's figures can be skewed by the levels of service charges for specialist supported accommodation (therefore been excluded from the table above). When compared with other specialist RSL providers that focus on older people/supported housing such as Viewpoint, Loretto compares favourably as shown in the table below.
- 4.17 In Loretto's latest independent tenant satisfaction survey, undertaken in 2023/24, 93% of the 331 tenants surveyed said that they agreed that rent represented good value for money. This compares to a Scottish average for 2023/24 and 2024/25 of 82%.

Table 4: Specialist provider average rents + service charges 2024/25 with 25/26 increase applied (Source ARC 2023/24)

| Loretto - Supported | Average weekly rent by House Size | | | | |
|------------------------|-----------------------------------|----------------|----------------|----------------|----------------|
| | Social Landlord | 1 Apt | 2 Apt | 3 Apt | 4 Apt |
| Ark HA | £108.38 | £120.70 | £129.69 | £128.26 | £132.52 |
| Bield Housing and Care | £185.00 | £196.00 | £184.98 | £176.49 | £149.17 |
| Hanover (Scotland) HA | £162.81 | £153.71 | £161.13 | £142.05 | £148.16 |
| Loretto HA | £137.48 | £112.69 | £114.31 | £123.49 | £145.98 |
| Viewpoint HA | £127.81 | £147.22 | £153.47 | £192.34 | |

Edinburgh, the Lothians and Fife

- 4.18 WH-East's rents reflect the higher rent profile of the Edinburgh market, where we are seeing landlords such as the City of Edinburgh Council, which has a 5-year plan with an annual increase of 7% per annum, implementing higher rent increases to reflect the need for rental levels to support stock investment.

Table 5a: WH-East RSL average rents + service charges at March 2025 with 25/26 increase applied (Source ARC 2025/26)

| Edinburgh, the Lothians and Fife | Average weekly rent by House Size | | | | |
|----------------------------------|-----------------------------------|----------------|----------------|----------------|----------------|
| | Social Landlord | 1 Apt | 2 Apt | 3 Apt | 4 Apt |
| Prospect Community Housing | | £95.77 | £104.19 | £119.11 | £136.64 |
| Link Group Ltd. | £87.41 | £101.68 | £114.88 | £120.54 | £135.88 |
| City of Edinburgh Council | £93.36 | £104.45 | £120.79 | £138.57 | £150.05 |
| Harbour Homes | £88.64 | £108.19 | £121.82 | £136.45 | £148.61 |
| Castle Rock Edinvar HA | £81.02 | £93.55 | £118.99 | £144.16 | £172.08 |
| WH East (all stock) | £106.13 | £116.40 | £125.85 | £135.36 | £148.00 |
| Manor Estates HA | £0.00 | £124.25 | £122.44 | £128.67 | £150.55 |
| Viewpoint HA | £127.81 | £147.22 | £153.47 | £192.34 | |
| MMR rents | - | £142.15 | £168.00 | £191.54 | £228.23 |
| Private rent - Edinburgh | - | £253.15 | £330.00 | £482.08 | £676.85 |

- 4.19 In West Lothian we recognised that our rents were comparatively higher and this was a major factor in the creation of WH-East and committing to a 2.5% increase for three years until 2024/25. This impact is evident as 3, 4 and 5 apartments compare favourably to comparators – 3 apartments represent the biggest proportion of our stock in West Lothian.
- 4.20 In WHE’s latest independent tenant satisfaction survey, undertaken in 2023/24, 96% of the 362 tenants surveyed said that they agreed that rent represented good value for money. This compares to a Scottish average for 2023/24 and 2024/25 of 82%.

Table 5b: WH-East RSL average rents + service charges at March 2025 with 25/26 increase applied (Source ARC 2023/24)

| West Lothian Social Landlord | Average weekly rent by House Size | | | | |
|------------------------------------|-----------------------------------|---------|---------|---------|---------|
| | 1 Apt | 2 Apt | 3 Apt | 4 Apt | 5+ Apt |
| Almond HA | £71.53 | £90.53 | £103.47 | £114.80 | £134.21 |
| Castle Rock Edinvar HA (all stock) | £81.02 | £93.55 | £118.99 | £144.16 | £172.08 |
| West Lothian Council | £84.99 | £85.43 | £90.38 | £95.34 | £102.62 |
| WH East (West Lothian only) | | £99.34 | £99.49 | £104.94 | £108.71 |
| MMR rents | - | £142.15 | £168.00 | £191.54 | £228.23 |
| Private rent – West Lothian | - | £160.38 | £207.92 | £264.00 | - |

Dumfries & Galloway

- 4.21 WH-South rents are comparatively low relative to other local operators as shown below. As in previous years, most continue to remain below the average rent for all stock sizes, bar 2 apartments. However, 3 apartment (2 bedroom) homes and larger represent over 70% of WH-South stock. The comparator figures are based on the whole stock base for those landlords, as RSL rents analysed by Local Authority area are not made public.
- 4.22 In WHS’s latest independent tenant satisfaction survey, undertaken in 2024/25, 97% of the 380 tenants surveyed said that they agreed that rent represented good value for money. This compares to a Scottish average 2024/25 of 82%.

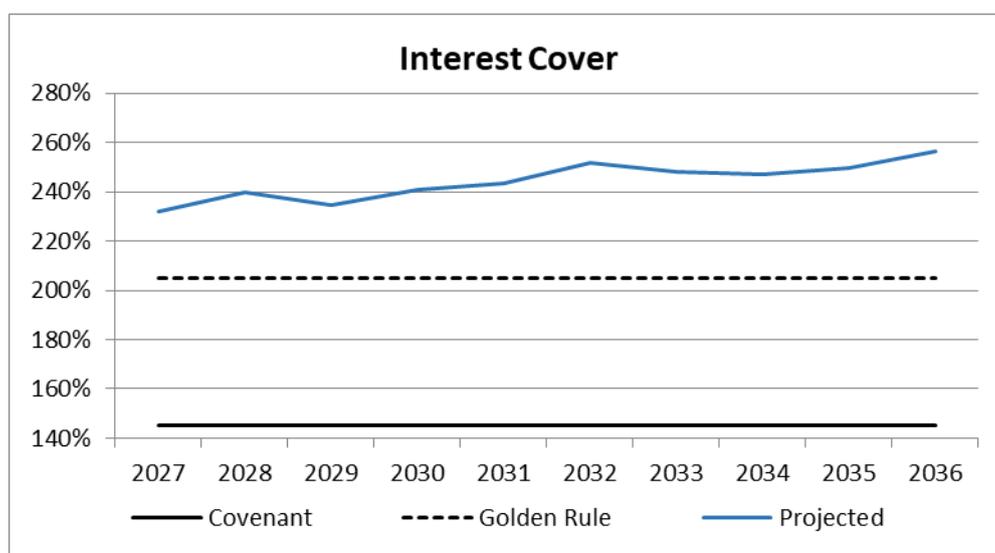
Table 6: Dumfries and Galloway RSL average rents + service charges at March 2025 with 25/26 increase applied (Source ARC 2024/25)

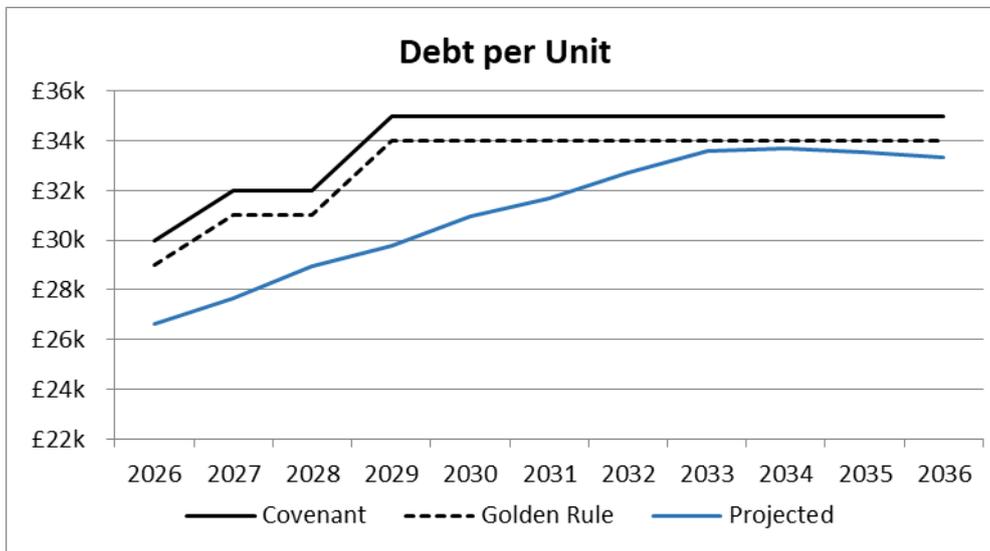
| Dumfries & Galloway Social Landlord | 2 Apt | 3 Apt | 4 Apt | 5+ Apt |
|--|----------|---------|---------|---------|
| | WH South | £95.37 | £103.64 | £110.98 |
| Cunninghame HA | £90.10 | £117.81 | £128.74 | £137.96 |
| Homes in Scotland | £103.91 | £123.68 | £130.24 | £141.16 |
| Loreburn HA | £108.80 | £114.90 | £122.34 | £138.30 |
| Irvine HA | £95.53 | £105.19 | £114.51 | £123.89 |

Financial Viability - RSLs

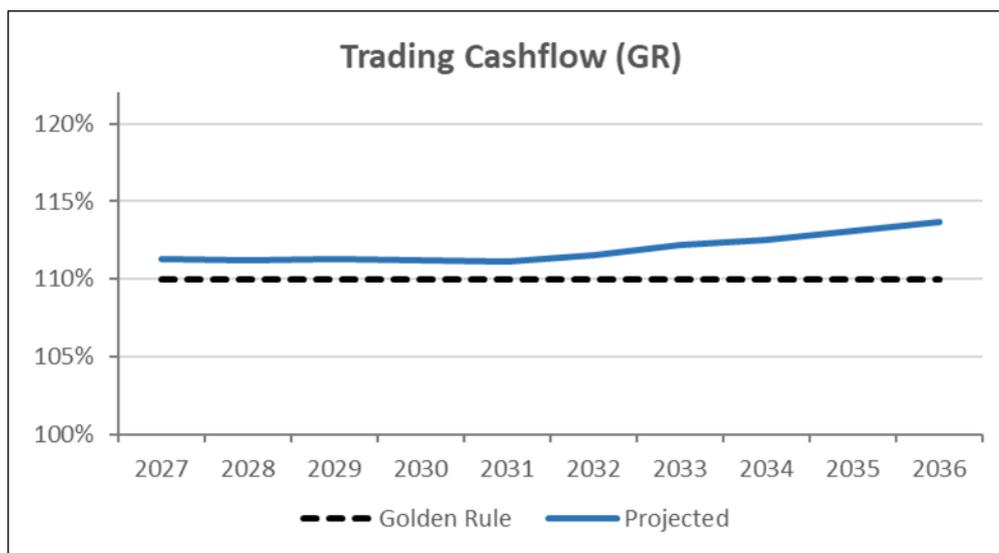
- 4.23 Our RSLs together form a borrowing group and we assess the key financial indicators of the RSLs aggregated together. Over recent years, the financial capacity within our RSL business plans has been subject to external pressures such as general cost inflation, specific rates of higher inflation for repairs, employers' national insurance increases and interest rate increases.
- 4.24 This has been coupled with a sustained increase in demand for repairs, additional legislative compliance obligations including fire remediation preventative works and our commitment to increase investment in our homes and neighbourhoods beyond core compliance and lifecycle replacements.
- 4.25 Scottish legislation for social housing includes the Housing (Scotland) Act 2014 and the recently passed Housing (Scotland) Bill which introduces new statutory duties for landlords across the social rented sector. For social landlords, these changes represent a move from discretionary good practice to mandatory compliance.
- 4.26 This includes new powers for Ministers to set enforceable expectations around damp and mould remediation (Awaab's Law provisions), a clearer responsibility for social landlords to help prevent homelessness and strengthens tenants' rights against eviction for rent arrears. For social landlords, these changes represent a move from discretionary good practice to mandatory compliance.
- 4.27 Our business plan requires us to strike the right balance between keeping our rents affordable, maintaining the standard of our homes, investing in our services, meeting all our legislative obligations and ensuring the organisation remains financially viable.
- 4.28 With our financial projections having been subject to notable prolonged external pressures outlined above, cost efficiencies and rent increases are key drivers in growing the financial capacity within the business. Driving overhead efficiencies from our Group structure we have provided real savings in staff and running costs of £13.0m after adjusting for the effects of inflation over the four completed years of our 2021-2026 strategy.
- 4.29 Our financial projections which were approved in February 2025 and included an assumed rent increase of 5.0% for 2026/27. Since then, several key financial pressures have emerged namely:
- Higher levels of repairs and maintenance inflation which is currently running above 7% and a higher pay award in CBG linked to the COSLA settlement;
 - Higher interest rates increase the longer term cost of borrowing; and
 - Persistent higher levels of general inflation across our cost base, most notably driving higher wage inflation with the previously assumed cost of living increase of 2.5% not likely to be achievable with inflation forecast to remain above 3.5% in Q1 2026.

- 4.30 Taking these factors into account, a rent increase of 6.9% is needed to preserve the investment programme which was agreed as part of our asset strategy and to allow us to:
- Continue to fulfil and grow the planned funding for our legislation and lifecycle replacement investment programme in 2026/27;
 - Start to create additional capacity for more investment to deliver planned improvements more quickly and to develop specific approaches to key stock types such as our multi-storey flats to extend their useful lives;
 - Maintain the delivery of our neighbourhood plans and a programme of environmental improvements; and
 - Continue to build capacity to fund a programme of energy efficiency improvements to meet the zero targets in the new SHNZS.
- 4.31 The additional funding from the rent increase is supplemented by cost efficiency targets for savings of £3.8m over the next 5 years. This proposal allows us to maintain a prudent financial approach to protect long-term viability and all loan covenant commitments are met.
- 4.32 We would continue with the Helping Hand Fund which assists tenants experiencing difficulties in keeping their rent accounts up to date and have assumed a provision of £1.0m for a 2026/27 Helping Hand Fund.
- 4.33 Our key indicators of interest cover, which measures the extent to which our operating surplus after deducting grant income on new build covers our interest costs, and debt per unit which relates to our borrowing capacity, are both covenant measures in our loan agreements.
- 4.34 Taking the rent increase of 6.9% and associated changes to running costs and investment spend, the charts below show that we continue to maintain our minimum headroom in line with our Golden Rules of 60% to the interest cover covenant and £1,000 of debt per unit and remain fully compliant with loan covenants.





4.35 Our projected position against our trading cashflow golden rule is shown below. While this is not a covenant in our loan agreements it is set so that trading cashflow including investment in existing homes is sufficient to cover 110% of interest costs. This ensures that we do not borrow for day-to-day expenditure, interest costs or investment in existing homes. The trading cashflow is our tightest measure with headroom of £1.0m to the golden rule target in 2026/27, and set deliberately to maximise capital investment in our homes over the next 5 years.



Consultation and approval – timing and approach

4.36 The consultation with tenants has in the previous two years provided proposals including two options for the increase, considering feedback from initial focus groups to simplify the consultation. This is followed by writing to all tenants to confirm the increase at least 28 days before this is applied.

4.37 It is proposed that the focus groups would again be independently facilitated discussions on:

- Two options of 6.9% and 7.4% and why the base level is necessary;
- The proposed approach to the options – with a higher level of community investment with the additional money from the higher rent option; and
- The draft rent brochure and how well it explains the above.

- 4.38 The key outcomes we will be seeking from the focus groups would be:
- qualitative feedback on the proposed rent increase range;
 - clear messaging in the final brochure on why the base level is what it is; and
 - clear, specific proposals in the final brochure on how additional options would be deployed in practice.
- 4.39 It is intended that we will seek to engage at least 100 tenants through at least 15 focus groups, drawn from across the RSLs on a broadly proportionate basis. The focus groups will be a mix of in person, online and daytime and evening to allow more opportunities to participate. The attendees will be drawn from our Customer Voices, with priority given to those who have not previously attended.
- 4.40 A draft rent consultation booklet is attached in Appendix 2. Based on feedback from last year, we have continued to reduce the amount of text whilst retaining the key messages and tailored, geographical information and imagery. This helps bring the proposals to life for customers and demonstrates clearly and transparently how we spend rent to improve our communities. We know from customer engagement that perception of value for money and evidencing investment and improvements is important to ensure a meaningful consultation.
- 4.41 Last year, we provided more information than ever about investment proposals and this was well received. We will continue to do this and provide examples of how we have delivered on investment promises in the last year, and again provide detail at the locality level for Wheatley Homes Glasgow.
- 4.42 In terms of the formal consultation and when and how we agree where within the 6.9%-7.4% range we consult the proposed approach is as follows:

| Key action | Timescale |
|---|--------------|
| Group Board approves rent increase range | 12/11 |
| RSL Boards approve the rent increase range and delegate authority to the Chair to agree final level (between 6.9% and 7.4%) | 21 – 27/11 |
| Independently facilitated rent Focus Groups | 24/11 – 5/12 |
| Group Board approve final consultation levels – taking into account focus group feedback and available comparability data | 17/12 |
| Chairs confirm to RSL Boards consultation increase options | 17/12 |
| Consultation with tenants (subject to mail drops but a minimum of 2 weeks) | 12-26/01/26 |

- 4.43 As with previous years have engaged with Civica electoral services to independently administer the consultation process and verify the results. Following the continued high uptake levels in previous years we will again offer the option to respond online or via text message as well as by post. As we always do, we will consider not only the quantitative results but also the qualitative feedback to inform our decisions around rent setting and help prioritise our investment plans. We will also publish these results to demonstrate transparency and build trust. This helps ensure a meaningful, non-tokenistic consultation.

- 4.44 Again, as with previous years, in order to allow us to ensure that the final notification to tenants on the rent increase arrives in time it is proposed that RSL Boards are delegated authority to approve the increase at their February meetings where it is within the agreed range i.e. the Group Board agreed range in December.
- 4.45 This will mitigate the risk that the letters are delayed awaiting Group Board approval and do not arrive in time to give sufficient, including a legal minimum of four weeks, notice to tenants. This will also allow us longer to engage with tenants once they receive the notification, particularly those who are required to update their Universal Credit portal with the 2026/27 rent levels.

5. Customer Engagement

- 5.1 The rent focus groups will seek customer feedback on the main mechanism for customer engagement, the rent consultation booklet. Thereafter, every tenant will be formally consulted as part of the rent setting process.
- 5.2 We consider customer insight throughout the year to inform decisions around spending and investment priorities. Our recent customer strategy survey, which received over 4,000 responses, re-emphasised keeping rents fair and transparent as a top priority for customers with 90% of responses agreeing that our proposals for our next strategy meet customer expectations around this theme. Within this, affordability, visible improvements and value for money and transparent communication are important to customers.

6. Environmental and sustainability implications

- 6.1 No implications noted.

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 We consider a rent increase range of between 6.9% and 7.4% provides an appropriate balance between affordability for our tenants and the preservation of appropriate levels of investment in our homes and neighbourhoods. The proposed increase supports our agreed objective of growing our financial capacity over the next 5 years to increase the amount we can invest in our tenants' homes. This will allow us to carry out the investment needed more quickly, invest in works that go beyond the basic standard to drive a sustained improvement in stock quality and to extend our asset strategy to address works needed in particular stock types such as our multi-story blocks.

9. Legal, regulatory and charitable implications

- 9.1 Consultation with tenants on any increases in rent or service charges is a requirement of the Housing (Scotland) Act 2001. The approach set out in this paper will meet our requirement to consult under the Act.

10. Risk Appetite and assessment

- 10.1 The Group's risk appetite in relation to business planning assumptions such as rent increases is open. This is defined as "*willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward*". In relation to the statutory requirement in consulting and engaging tenants on any rent increase, our risk appetite is averse, that is "avoidance of risk and uncertainty is a key organisational objective".
- 10.2 The proposed approach to consultation includes writing to all tenants and this mitigates the risk that we do not meet our statutory obligation in relation to consultation.

11. Equalities implications

- 11.1 As part of both the tenant focus groups and the consultation process we will take into account tenant communication preferences and needs as appropriate. This includes, for example, where we need to provide the consultation documentation in a different way for tenants who may be blind, deaf or not read English.

12. Key issues and conclusions

- 12.1 As we set out rents for 2026/27, we must strike the right balance to respond to the continued economic challenges and cost pressures faced by both the organisation and our tenants, our ongoing and future obligations in relation to building compliance and the funding needed to deliver the increased investment in their homes that tenants continue to tell us they want.
- 12.2 Taking this into account, it is proposed that we agree on a range of between 6.9% and 7.4% for the 2026/27 rent increase for discussion with rent focus groups with the ability to finalise where within this range we will consult more widely at our December meeting. This will allow us to consult based on the most up-to-date information on the economic climate, the initial feedback from the tenant focus groups and the conditions of our wider operating environment.
- 12.3 Our analysis shows that our average rents are currently sit well within the range of affordability and that they are not amongst the highest within the relevant comparator groups.

13. Recommendations

- 13.1 The Board is asked to:
- 1) Agree that we undertake an initial consultation with rent focus groups on a 6.9% increase with an additional option of 7.4% for the 2026/27 rent and service charge increase;
 - 2) Note that the proposal above will be presented to RSL subsidiary Boards at their next meeting for approval;
 - 3) Note that the final approval of the rent increase for consultation with all tenants will be presented for approval at the December 2025 meeting; and
 - 4) Agree that subsidiary RSL Boards be delegated authority to agree the 2026/27 rent and service charge increase where it is within the agreed range.

LIST OF APPENDICES:

Appendix 1: Affordability analysis using SFHA rent affordability tool

Appendix 2: Draft rent consultation booklet

Appendix 1 - Affordability Analysis, October 2025

To correspond with the SFHA/Housemark rent setting affordability tool's use of the minimum (living) wage from 1 April 2025 of £13.45, the analysis uses ARC Average rent 2024/25 uplifted by our rent increases in 2025/26. These figures are shown below.

| RSL | Rent Increase 2025/26 | Notes |
|--|-----------------------|---------------------------------------|
| WH East | 6.9% | |
| Loretto | 6.9% | |
| WH Glasgow | 6.9% | Four blocks at Wyndford - no increase |
| WH South | 6.9% | |
| GROUP (weighted increase by RSL lettable units) | 6.9% | |

| RSL | 1 Apt | | 2 Apt | | 3 Apt | | 4 Apt | | 5 Apt | |
|----------------------------------|---|----------------|---|----------------|---|----------------|---|----------------|---|----------------|
| | Average rent 2024/25 uplifted by 2025/26 increase | Lettable Units | Average rent 2024/25 uplifted by 2025/26 increase | Lettable Units | Average rent 2024/25 uplifted by 2025/26 increase | Lettable Units | Average rent 2024/25 uplifted by 2025/26 increase | Lettable Units | Average rent 2024/25 uplifted by 2025/26 increase | Lettable Units |
| WH East | £106.13 | 30 | £116.40 | 3187 | £125.85 | 2486 | £135.36 | 920 | £148.00 | 142 |
| Loretto | £137.48 | 74 | £112.69 | 993 | £114.31 | 1119 | £123.49 | 444 | £145.98 | 46 |
| WH Glasgow | £88.44 | 2742 | £101.22 | 8133 | £108.73 | 21673 | £126.40 | 8199 | £138.70 | 1279 |
| WH South | £110.27 | 1 | £95.37 | 2835 | £103.64 | 4391 | £110.98 | 2629 | £122.20 | 323 |
| GROUP (Weighted average) | £89.91 | 2,847 | £104.07 | 15,148 | £109.62 | 29,669 | £123.64 | 12,192 | £136.65 | 1,790 |

The output, rent as a percentage of income, is shown in the following tables.

WH East:

| Customer Group | Size | | | | |
|-----------------------------------|-------|-------|-------|-------|--------|
| | 1 Apt | 2 Apt | 3 Apt | 4 Apt | 5+ Apt |
| Single Person | 28.2% | 31.0% | | | |
| Couple 1PT 1FT / Pensioner couple | | 20.6% | | | |
| Couple 2FT | | 15.5% | | | |
| Single parent (2 Children) | | | 20.9% | 22.5% | |
| Small family (2 Children) | | | 15.9% | 17.1% | |

Loretto:

| Customer Group | Size | | | | |
|----------------------------------|-------|-------|-------|-------|--------|
| | 1 Apt | 2 Apt | 3 Apt | 4 Apt | 5+ Apt |
| Single Person | | 31.0% | | | |
| Couple 1PT 1FT/ Pensioner couple | | 20.6% | | | |
| Couple 2FT | | 15.5% | | | |
| Single parent (2 Children) | | | 19.0% | 20.5% | |
| Small family (2 Children) | | | 14.5% | 15.6% | |

WH Glasgow:

| Customer Group | Size | | | | |
|----------------------------------|-------|-------|-------|-------|--------|
| | 1 Apt | 2 Apt | 3 Apt | 4 Apt | 5+ Apt |
| Single Person | 23.5% | 26.9% | | | |
| Couple 1PT 1FT/ Pensioner couple | | 17.9% | | | |
| Couple 2FT | | 13.5% | | | |
| Single parent (2 Children) | | | 18.1% | 21.0% | |
| Small family (2 Children) | | | 13.8% | 16.0% | |

WH South:

| Customer Group | Size | | | | |
|----------------------------------|--------|-------|-------|-------|--------|
| | 1 Apt* | 2 Apt | 3 Apt | 4 Apt | 5+ Apt |
| Single Person | | 25.4% | | | |
| Couple 1PT 1FT/ Pensioner couple | | 16.9% | | | |
| Couple 2FT | | 12.7% | | | |
| Single parent (2 Children) | | | 17.2% | 18.4% | |
| Small family (2 Children) | | | 13.1% | 14.1% | |

Group:

| Customer Group | Size | | | | |
|----------------------------------|-------|-------|-------|-------|--------|
| | 1 Apt | 2 Apt | 3 Apt | 4 Apt | 5+ Apt |
| Single Person | 23.9% | 27.5% | | | |
| Couple 1PT 1FT/ Pensioner couple | | 18.3% | | | |
| Couple 2FT | | 13.8% | | | |
| Single parent (2 Children) | | | 18.2% | 20.6% | |
| Small family (2 Children) | | | 13.9% | 15.7% | |

*1 Apt not shown due to low number of this property size.

Investing in your community

Consultation on rent and service charges for
City Centre, Royston and Parkhead 2026-27



DRAFT



Rent consultation

We reinvest rent money every year in delivering services, improving homes and communities, and supporting our tenants.

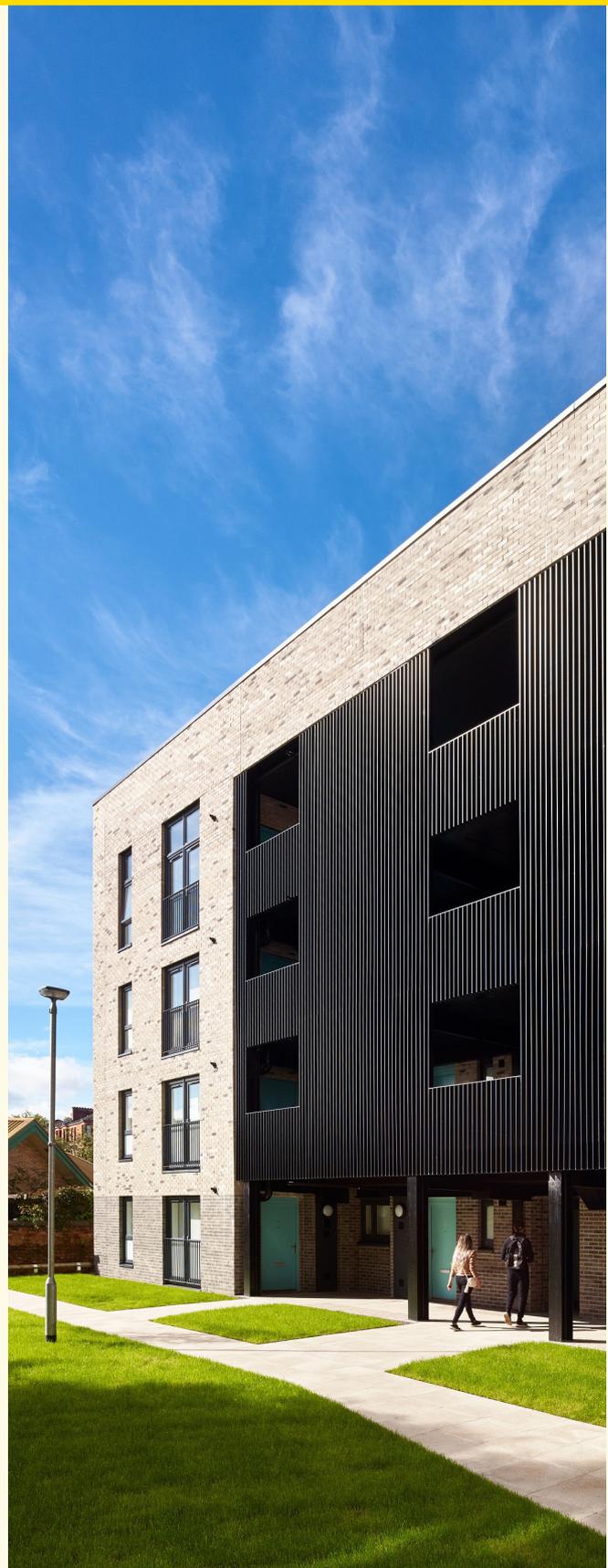
As a Registered Social Landlord, we have a legal duty to consult with tenants about rents and any service charges you pay. We want to hear your views on our proposals, and we will use your feedback to help decide rent and service charges for 2026-27.

This rent and service charge consultation booklet will:

- explain why we propose to increase rent and service charges;
- show you the proposed rent and service charges increase for 2026-27;
- outline what your rent and service charges pay for; and
- explain how you can have your say on the proposals.

We would ask you to take the time to read this booklet and let us know what you think about our proposals. Please note, when we refer to rents in this brochure, we mean rents and any service charges you pay.

You have until **26 January 2026** to give us your feedback



TO BE APPROVED

Message from the Chair



At Wheatley Homes Glasgow, we are here to deliver outstanding services for our tenants.

We know how important it is to invest in our homes to make them warm, safe, and energy efficient. We also know how important it is for us to continue investing in our neighbourhoods and to help create communities people are proud of.

As part of our ongoing investment programme, we want to continue to invest in areas which are priorities for tenants.

We are delighted that 89.6% of tenants who took part in our latest satisfaction survey said their rent represented good value for money, above the Scottish average of 81.7%. Delivering value for money is always important to us, and a key element of this is our annual rent setting and the proposals we present to tenants through our rent consultation.

In addition to feedback from our tenants, we asked independent customer insight organisation Research Resource to hold focus groups with our Customer Voices. Their views were central to the contents of this brochure and the rent setting proposals for 2026-27. We understand the difficult economic circumstances our tenants face, with energy costs and food prices continuing to rise. At the same time, the average cost of repairs and maintenance rose by **7.8%** in September 2025.

That's why we are doing as much as we can to keep our rents and service charges as low as possible. Our rent levels reflect the services tenants tell us you want and the improvements you want to see in homes and communities.

Please take the time to read our proposals for rent and service charges for 2026-27 and the money we plan to invest in your community on page 5 and page 7. The proposed rent increase will allow us to deliver these improvements.

It is really important you have your say. Remember, if you are worried about rent, please don't hesitate to get in touch. We are here to help.

Maureen Dowden
Chair, Wheatley Homes Glasgow

We're here for you

There are lots of ways we can support tenants who may be struggling.

We can help with benefits, managing your income, jobs and training, education bursaries, free furniture, support to get online and much more.

If you are worried about your rent, please get in touch. We are here to support you. Call us on **0800 479 7979**.



Financial challenges ahead

We are doing all we can to deliver the services you want, invest in your home and community, and provide value for money in everything we do.

But, like all social landlords in Scotland, we also face challenges in meeting our legal requirements, delivering our tenants' priorities and improving the quality of homes, all while keeping rent affordable.

Here are some of the challenges we face.

Investing to improve your home and community

Tenants have told us they want to see more investment in their homes. Without the proposed minimum increase for 2026-27, we will not be able to keep our communities clean and tidy, and it would be very difficult for us to improve the quality of our homes. You'll find more about our investment in your area over the next two years, based on the proposed increase, on page 7.

Legislation

We are legally obliged to comply with Scottish Government requirements for retrofitting as well as legislation on energy efficiency standards, such as insulation, for all homes. This means we must make significant extra investment in our homes, alongside delivering other priority investment such as kitchens and bathrooms. Also, the average cost of building a home for social rent increased by around 30% between 2019-2023.

Repairs and maintenance

We are doing everything we can to make our repairs and maintenance service more efficient but it makes up one of the biggest parts of our spending. Costs, such as materials, are increasing. In September 2025, the annual average rate of inflation for repairs was 7.8%.

Interest rates

Long term interest rates have risen by 1% in the last year. This has increased the cost of funding and made it more expensive for us to carry out investment work.

Rent options for 2026-27



Our proposed increases are similar to several social landlords and councils across the country.

Local councils are consulting tenants on proposed rent increases, with Aberdeen considering a 12% rise, Dundee between 8% and 8.5%, East Lothian between 7% and 8%, Renfrewshire at 7.5%, Falkirk at 9.5%, and West Dunbartonshire between 6.7% and 7.45%.

Here are the options for your proposed rent levels, as well as what these would mean for services and investment.

In the last five years, our aggregate rent increases have matched inflation, but our costs have increased faster in areas such as insurance and repairs.

Option 1 6.9%

This option would allow us to keep repairs and building safety spending at current levels and invest more money improving your home and community. You'll find details of our investment plans in your local area on page 7.

As an example, this option would mean an average increase of £6.98 per week on an average two-bedroom home.

Option 2 7.4%

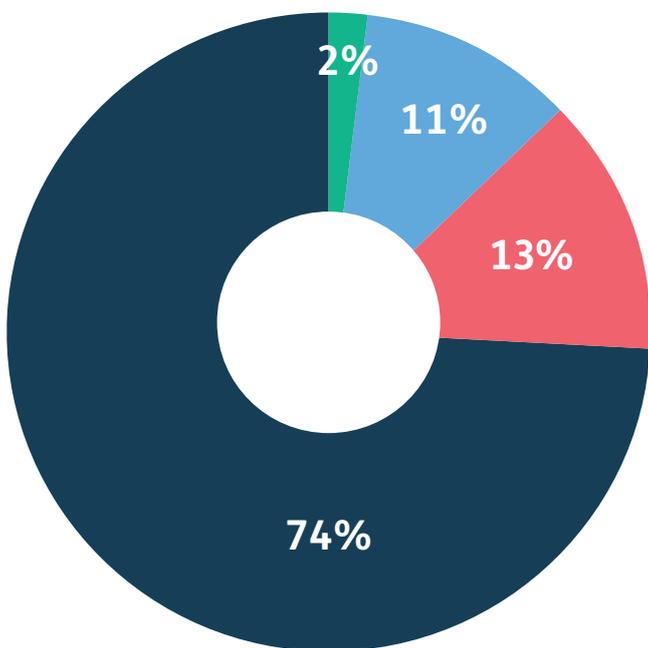
This option would deliver all of Option 1 as well as further investment of £1,200,000 each year in homes and communities in your local area.

As an example, this option would mean an average increase of £7.49 per week on an average two-bedroom home.

What your money pays for

We always work hard to keep our overheads low and offer you value for money.

The pie chart below shows how income was spent in the financial year 2024-25.



- Activities supporting communities
- Business loan repayments
- Staffing and administration costs
- Investment, repairs and maintenance

Investment and maintenance

Around half of our overall costs, such as repairs and meeting our legal requirements in areas such as fire safety and building safety, are unavoidable.

These costs include renewing fire doors, smoke and heat detectors, gas and electrical testing and everyday repairs.

The remaining money allows us to focus on tenants' priorities, including making homes warmer, continuing to improve our repairs service, and keeping neighbourhoods clean and tidy.

In 2024-25, across our communities, we:

carried out
203,670 repairs

spent
£53.1m improving existing homes

spent
£80.9m on repairs and maintenance

Staffing and admin costs

This money paid for our housing officers to be out in communities; our 24/7 Customer First Centre (CFC); and Neighbourhood Environmental Teams keeping communities clean and safe. This money also includes support staff, such as those providing engagement activities and financial

wellbeing advice, as well as the cost of running offices and depots. Last year we:

had **815** involved in Stronger Voices tenant engagement projects

handled **440,733** calls at the CFC

Investing in your community across City Centre, Royston and Parkhead

➤ Our three-year investment programme continues from 2025-2028 to transform homes for the better. You can see below some of the improvements we've made over the past year.



CITY CENTRE: xxxx



ROYSTON: xxxx



PARKHEAD: air source heat pump and solar panels installed at Bernard Terrace

➤ Your rent money allows us to invest further in your area and neighbourhoods. We use tenant feedback to help prioritise how this money is spent. For example, tenants have told us they want more money invested in making homes warmer, drier, and cheaper to run.

Over the three-year period, we will invest around **£16.7m** in your local area to deliver:

- new kitchens in **500** homes;
- around **220** new windows;
- new extractor fans in **30** homes;
- around **20** new front or back doors;
- extra energy efficiency improvements, including nearly **280** new electric heating systems and **140** new gas boilers;
- environmental improvement works to closes and other common areas such as external insulation, upgraded paths, external painting and gutter replacements in **400** homes; and
- loft or floor insulation improvements in almost **20** homes.



Have your say

We really want to hear your views on our proposals for rent and service changes for 2026-27. Please take the time to give us your feedback.

You can contact us by text, online, phone or post. The quickest and easiest way is online. We've included a consultation response sheet with a unique code for you to submit your response. This unique code can't be used to identify you.

The consultation closes on 26 January 2026.

You can also contact TPAS (Tenant Participation Advisory Service) for independent advice by emailing eveline.armour@tpasscotland.org.uk or calling 0800 915 9551.

What happens next?

All feedback received through the consultation will be independently checked by Civica, an independent organisation which specialises in verifying the results of consultations.

The **XXXX** Board will then consider all the feedback before making a final decision on rent and service charge levels for 2026-27.

We will let you know the results of the consultation and the final decisions on rent and service charge levels on our website.

We will also write to you to let you know your rent and service charges for 2026-27.

We can produce information on request in other languages, large print, Braille and audio formats.

Visit www.wheatleyhomes-glasgow.com or phone us on 0800 479 7979.

Report

To: Wheatley Housing Group Board

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

Approved by: Steven Henderson, Group Chief Executive

Subject: Housing (Scotland) Bill 2025

Date of meeting: 12 November 2025

1. Purpose

1.1 To provide the Board with an update on the implications of the Housing (Scotland) Bill 2025 (**“the Bill”**) and the steps we are taking, or already have in place, to comply with statutory duties and compliance requirements for Registered Social Landlords (**“RSLs”**).

2. Authorising and strategic context

2.1 The Group Board has overall responsibility for the Group’s compliance with legal and regulatory requirements and is required to confirm our compliance as part of the Annual Assurance Statement to the Scottish Housing Regulator (**“SHR”**).

2.2 The Board discharges this responsibility through a combination of direct oversight, compliance monitoring through its Committees and subsidiary Boards, independent assurance, formal compliance reporting and our policy framework. In addition to this, the Board are updated as required when new legislation or compliance requirements are introduced.

3. Background

3.1 On 30 September 2025, the Scottish Parliament voted to pass the Bill and it is awaiting Royal Assent before coming into effect. The Bill was the result of an extensive consultation process with key stakeholders, with tenants, landlords and investors having provided feedback.

3.2 The Bill seeks to support addressing the Housing Emergency declared by the Scottish Government in May 2024. It aims to strengthen housing standards, homelessness prevention, and tenant protections.

4. Discussion

4.1. The Bill introduces a range of requirements for RSLs, private sector landlords and Local Authorities, which will directly impact us. It should be noted that a number of the key measures will require further consultation, secondary legislation and as such, in practical terms do not require immediate full compliance upon Royal Assent being granted.

4.2. A summary of the requirements and implications for us is set out below:

Statutory Duties for Homelessness Prevention

4.3. The timescale associated with being threatened with homelessness has been extended from two to six months. Section 41 of the Bill confers on relevant bodies a responsibility to 'ask' a person about their housing situation when they are carrying out their normal business and to 'act' if the person is homeless or at risk of homelessness.

4.4. The 'Ask and Act' approach is aimed at shifting focus from crisis intervention to early prevention, preventing the trauma and disruption that homelessness can cause and ensuring that people receive help before they reach a crisis point.

4.5. Alongside RSLs and Local Authorities, the Bill will require bodies such as health boards, the police and the prison service to take reasonable steps to prevent homelessness. At this early stage, it is unclear what the implications of the requirements on these bodies might have for us, for example, in terms of collaboration and information sharing.

4.6. To support the implementation of these new duties, the Scottish Government has established a *Test and Learn Prevention Pilot Fund*, providing up to £4 million in funding. The Fund will be administered by Advice Direct Scotland ("ADS") and the pilots will 'develop, test, scale and cost the new prevention duties in real-world settings'. ADS have set out the types of approaches it is seeking to support via the fund as follows:

- Early intervention and targeted prevention activity;
- Multi-agency approaches to support people navigating housing, health and social care services;
- Partnership models and processes that can be replicated and scaled;
- Collaborations involving shared resources, data and transitional or referred services;
- Initiatives that centre people at risk of homelessness and/or people with direct experience of homelessness in the design and delivery of the service; and
- Initiatives that target groups at risk of homelessness at critical points in service pathways that have been identified as leading to homelessness.

4.7. In addition to closely monitoring the pilot, we are reviewing how the range of activity we currently undertake to support preventing homelessness, such as through housing options and more general tenancy management advice, wraparound services in areas such as financial management and welfare benefit advice are documented to allow us to evidence our compliance with the 'ask' and 'act' elements. We are also exploring how we could further refine our approach to tenancy sustainment support.

Domestic Abuse

- 4.8. The Bill has a specific focus on those tenants affected by domestic abuse. The measures within the Bill are designed to reduce homelessness amongst women and children who are disproportionately affected by domestic abuse.
- 4.9. The definition of domestic abuse in housing legislation has been updated to align with the definition set out in the Domestic Abuse (Scotland) Act 2018 and the Protection from Abuse (Scotland) Act 2021. The updated definition recognises other forms of harm such as domestic abuse, including financial abuse, psychological harm and coercive control.
- 4.10. Where previously considered best practice RSLs will now be required to develop and implement a domestic abuse policy and ensure that the policy explicitly sets out how tenants will be supported where they are at risk of homelessness because of domestic abuse. This includes the requirement of RSLs to consider domestic abuse before initiating eviction due to rent arrears.
- 4.11. Where domestic abuse is a contributing factor in tenant arrears, we will be required to demonstrate that we have taken reasonable steps to support the tenant, that we have provided information on how to access domestic abuse support and confirm to the courts that these steps were taken before eviction proceedings began.
- 4.12. The most significant change is the empowerment of RSLs to end joint tenancies with perpetrators if the survivor of domestic abuse wishes to remain in their home.
- 4.13. Our Group Domestic Abuse Policy was first implemented in 2019. It was reviewed in 2022, at which time we reflected the most up-to-date relevant legislation. The definition within our policy aligns with the definition set out in the Bill.
- 4.14. Our current approach to rent arrears and eviction ensures that we understand the individuals' circumstances and offer help and signposting where relevant. This includes taking into consideration an individual's personal circumstances, such as being a victim of domestic abuse. While we have a strong and supportive approach, we will review our processes and documents to ensure that we can sufficiently demonstrate our approaches and the requirements of the Bill.
- 4.15. We are assessing what changes we may need to make to policies and business processes in respect of the new right to end joint tenancies with a perpetrator. It will also take into account guidance currently being drafted by the Scottish Government. There are a number of areas for us to explore, such as the action we can take when the victim of domestic abuse is a household member rather than a joint tenant and our obligations to the perpetrator in terms of tenancy sustainment and preventing homelessness. We anticipate guidance will be issued in December which will support us in establishing our new approach by the end of March 2026.

Awaab's Law

- 4.16. The Bill includes provisions to implement Awaab's Law, aimed at protecting tenants from health hazards like damp and mould. The bill gives Scottish Ministers the authority to set legally binding timeframes for social landlords to:
- Investigate reports of disrepair (especially damp and mould); and
 - Begin and complete necessary repairs.
- 4.17. We expect Awaab's Law to be effective from March 2026, subject to parliamentary approval. The Scottish Government is expected to also seek to extend Awaab's law to the private rented sector, which we expect would cover all of Lowther Homes' rental properties.
- 4.18. As previously reported, we attended a Scottish Government stakeholder engagement roundtable discussion on 22 September on their proposed approach for implementing an equivalent of Awaab's law in Scotland. We subsequently also received a delegation from the Scottish Government, who spent time with our Healthy Homes team to understand what is involved in managing damp and mould cases.
- 4.19. We understand the Scottish Government is, at this stage, still minded to mirror the key requirements from England, which are as follows:
- Investigate any potential hazards within 10 working days of becoming aware of them;
 - Produce a written summary of investigation findings and provide this to tenants within 3 working days of the investigation;
 - Take action to make the home safe (using temporary measures if necessary) within 5 working days of the end of the investigation;
 - Begin, or take steps to begin, any further required works within 5 working days of the investigation concluding, if the investigation identifies a significant or emergency hazard. If steps cannot be taken to begin work within 5 working days, this must be done as soon as possible, and work must be physically started within 12 weeks;
 - Satisfactorily complete repairs within a reasonable time period, without unreasonable delays;
 - Investigate and act on all emergency hazards as soon as possible and within 24 hours; and
 - Provide suitable alternative accommodation if the landlord is unable to complete work to make the home safe within 5 working days, or 24 hours in emergency situations.
- 4.20. We are currently undertaking a detailed review of our damp and mould processes, supported by a recent review by Internal Audit alongside preparing for the expected requirements of Awaab's Law. As part of this, we are engaging with a number of large English Housing Associations to identify any lessons or good practice for their preparation for the English equivalent, the first phase of which is in effect.

- 4.21. We will update our policy in early 2026 to reflect the requirements of Awaab's Law and this will be presented to the Board for approval at its February meeting. It should however be noted that our existing approach significantly exceeds the requirements of the expected requirements of Awaab's Law, for example:
- Inspections undertaken within two working days or within three hours for emergencies;
 - A report left with tenants after the inspection;
 - Making the home safe or initiating a decant at the inspection stage; and
 - A target for repairs to be completed within 15 days.

Rent controls

- 4.22. The Bill does not contain any rent controls in relation to social housing but introduces a permanent rent control framework for the private rented sector, with caps at CPI + 1% (max 6%) in designated Rent Control Areas. Mid-Market Rent ("MMR") and Build-to-Rent homes are, however, expected to be exempt through future regulations.
- 4.23. Designated Rent Control Areas will be decided through a structured process involving Local Authority assessments and Scottish Ministers' approval. Local Authority assessments will be based on ministerial guidance and must consider affordability, market trends, and tenant impact. Before designation, there will be a consultation requirement with stakeholders, including landlords, tenants, and housing bodies.
- 4.24. Any rent cap would apply both during and between tenancies with the intention of limiting increases when tenants change. Designated RCAs are expected to be introduced by 2027, after consultation and guidance are finalised.

Evictions

- 4.25. The Bill introduces a new duty for the court to consider whether it is reasonable to delay eviction for certain Scottish secure tenancies and short Scottish secure tenancies. The same duty applies to the First-Tier Tribunal for private residential tenancies.
- 4.26. The Bill sets out the types of issues the court or First Tier Tribunal may consider, including:
- Cause the tenant or a member of the tenant's household to experience financial hardship;
 - Have a detrimental effect on the health of the tenant or a member of the tenant's household;
 - Have another detrimental effect on the tenant or a member of the tenant's household due to the tenant or the member of the tenant's household having a disability or terminal illness; and
 - Whether a seasonal factor would contribute to any financial hardship or detrimental effect.
- 4.27. The Bill does state that the Court must give the tenant and the landlord an opportunity to make representations about whether it would be reasonable to delay. The duty does not apply where the eviction is on the basis of factors such as anti-social behaviour or a relevant conviction.

Pets

- 4.28. The Bill strengthens tenants' rights in relation to keeping a pet. This is currently at the discretion of landlords; however, measures in the Bill will allow a tenant to make a request to keep a pet in their home and for that to not be unreasonably refused by their landlord.
- 4.29. Our current approach is distinct between our RSLs and there are areas where we have a strong position, such as not granting permission for tenants in Multi Storey Flats or without a shared garden to keep a dog in Wheatley Homes Glasgow.
- 4.30. We have commenced a review of our approach with a view to moving towards a single approach across the Group as well as reflecting the requirements of the legislation. This will include having clearly documented guidance for how we assess an application to keep a pet and demonstrating that any refusal is reasonable.

Private tenancy property changes

- 4.31. The Bill introduces new rights for private tenants to make changes to their rented property, aimed at improving autonomy and wellbeing. There will be two categories of change:
- Category 1: Certain prescribed changes that tenants can make without landlord consent (details to be set by regulations); and
 - Category 2: Other prescribed changes that tenants can request (in writing), and landlords cannot unreasonably refuse.
- 4.32. Requests can only be made after the tenant has lived in the property for more than 6 months and landlords may impose reasonable conditions for approval (e.g., professional workmanship, restoration at the end of tenancy). Full implementation is not expected until 2027–2028 or later.
- 4.33. This is not an area where we have experienced customer concerns or dissatisfaction in Lowther Homes or had to address issues where changes were made without our permission which gave rise to concerns over damage to or impact on the structural integrity of the property.

Other changes

- 4.34. Other relatively straightforward changes introduced in the Bill included:
- Reducing the qualifying period for succession from 12 months to 6 months;
 - The creation of an independent appeals process for decisions by the Scottish Housing Regulator to the First-tier Tribunal for Scotland; and
 - Extended Occupancy Period: Joint tenants who qualify to succeed a Scottish Secure Tenancy after the death of a tenant can now remain in the property for up to 6 months, up from the previous 3-month limit.

5. Customer Engagement

- 5.1 As this relates to legislative changes there are no direct customer engagement implications.

6. Environmental and sustainability implications

6.1 There are no direct environmental or sustainability implications associated with 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 or value for money implications associated with this report.

9. Legal, regulatory and charitable implications

9.1 The key legal and regulatory implications are set out in the body of the report.

10. Risk Appetite and assessment

10.1 Our risk appetite in relation to legislative compliance is adverse. We are mitigating this risk through an early, proactive assessment of the implications of the legal changes and putting into effect updates to our policies and procedures to comply with them.

11. Equalities implications

11.1 As part of the implementation of any changes associated with the Bill, we will undertake an Equality Impact Assessment where appropriate.

12. Key issues and conclusions

12.1 The Bill introduces new statutory duties for RSLs, particularly around homelessness prevention and housing standards. Key changes include the 'Ask and Act' duty to identify and support those at risk of homelessness earlier, and the introduction of Awaab's Law, which sets strict timelines for addressing hazards like damp and mould.

12.2 The Bill also introduces changes affecting the private rented sector, including rent control frameworks, enhanced eviction protections, and new tenant rights around pets and property modifications. Work is underway to review and standardise our approach to pet ownership.

12.3 While many provisions require further consultation, we are proactively reviewing current practices, engaging with stakeholders, and preparing to update processes and policies to ensure compliance. Our existing approach to damp and mould already exceeds expected standards.

13. Recommendations

13.1 The Board is asked to note the contents of the report.

LIST OF APPENDICES: None

Report

To: Wheatley Housing Group Board

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

Approved by: Steven Henderson, Group Chief Executive

Subject: Performance report

Date of Meeting: 12 November 2025

1. Purpose

- 1.1 The purpose of this report is to provide an update on:
- Sector comparisons for Annual Return on the Charter (“**ARC**”) indicators following the publication of 2024/25 sector-wide data by the Scottish Housing Regulator (“**SHR**”);
 - Performance against targets and strategic projects for 2025/26 to the end of quarter two; and
 - Milestones for one 2025/26 strategic project, with approval sought for this change.

2. Authorising and strategic context

- 2.1 The Group Board agreed an updated programme of strategic projects and performance measures and targets for 2025/26 at its meeting in April 2025. Under the Group Standing Orders, the Board also has an ongoing role in monitoring the performance of subsidiaries across the Group against the agreed measures. It is also responsible for overseeing the delivery of board-level strategic projects.

3. Background

- 3.1 This report outlines our performance against targets and strategic projects for 2025/26. Unless specified otherwise, results for all measures are based on year-to-date (“**YTD**”) figures. This includes progress with those measures that will be reportable to the Scottish Housing Regulator (“**SHR**”) as part of the Annual Return on the Charter (“**ARC**”) 2025/26.

4. Discussion

Charter 2024/25 Sector Comparison

4.1 The SHR published the national report including Scottish averages for 2024/25 in late August 2025. The comparison with our Group RSLs performance provides a very positive picture of 2024/25, with 82% (95) of the total number of tenant-related indicators (116) across our four RSLs better than the Scottish average.

4.2 The position by RSL across the Charter performance indicators considered is summarised as follows:

Table 1

| | Number of ARC indicators above Scottish average | % above Scottish average |
|--------------|---|--------------------------|
| WHG | 24 | 83% |
| WHS | 22 | 76% |
| WHE | 25 | 86% |
| Loretto | 24 | 83% |
| Group | 95 | 82% |

4.3 Highlights from these comparisons are:

- The Scottish average time to re-let properties increased from 56.7 days to 60.6 days, on average 47 days longer than our RSL results;
- Our RSLs responded to Stage Two complaints, on average, 6.63 days more quickly than the Scottish average, which has increased from 17.5 days to 21.3 days;
- Our RSL performance from the time taken to complete emergency repairs remains better than the Scottish average, which reduced from 4 hours to 3.9 hours; and
- While SHR acknowledged the financial challenge for tenants, the Scottish average Gross Rent arrears reduced from 6.7% to 6.2%, our RSLs are significantly lower than this.

4.4 There were areas we are already focussed on driving improvement that were below the Scottish average, in particular rent collection and owner satisfaction. There were areas where during the year we improved performance from below the Scottish average to exceed it including WH-G tenant satisfaction and WHS tenancy sustainment.

4.5 Several of these Scottish average 2024/25 comparisons are referenced through this paper for the relevant Charter indicators, alongside an update to quarter two.

4.6 The following sections present a summary of key measures and strategic projects. Strategic and Other key measures can be found in Appendices 1 and 2 respectively, strategic projects are found in Appendix 3 and SPSO and ARC results in Appendix 4.



Delivering Exceptional Customer Experience

Customer First Centre (“CFC”)

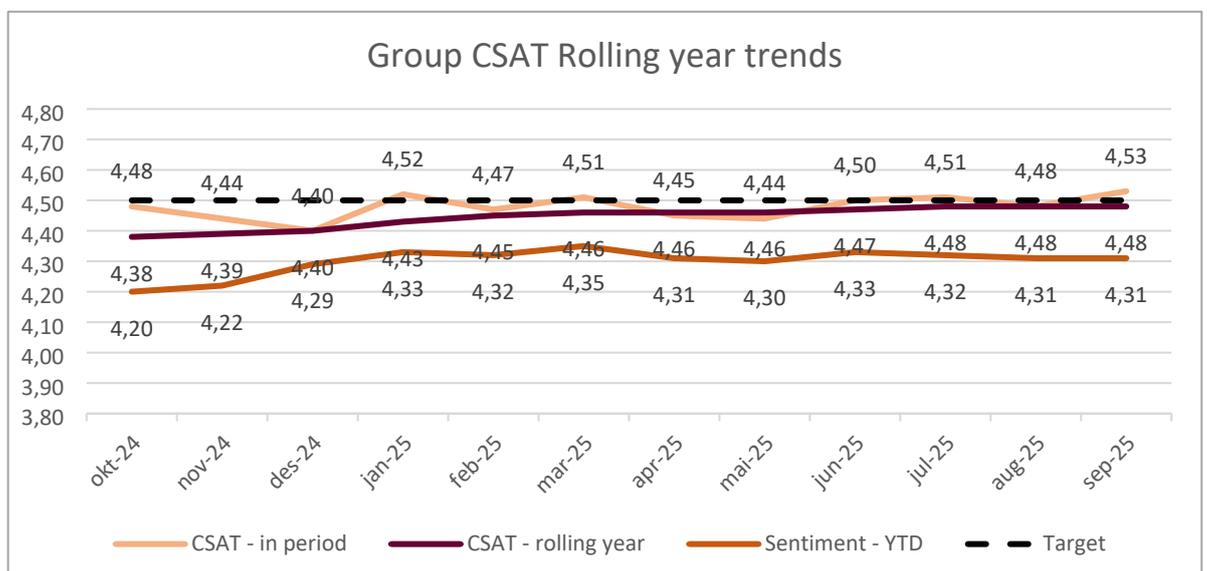
- 4.7 For the year-to-date results as of the end of quarter two, our core CFC measures are set out in the table below:

Table 2

| Measure | 2025/26 | | |
|--|-----------------------------------|--------|--------|
| | Value Rolling YTD (unless stated) | Target | Status |
| Group - CSAT score | 4.48 (Quarter 2) | 4.50 | ■ |
| Group - Call abandonment rate - those waited over 30secs and abandoned | 7.42% | 5.40% | ■ |
| Group - % of contacts to CFC resolved within CFC | 89.67% | 95% | ■ |

- 4.8 Customer satisfaction based on direct customer feedback with the CFC (known as “CFC CSAT”) remains the key measure. We exceeded our 4.5 target in-month for September 2025 with a score of 4.53/5. Our overall CFC CSAT score for the rolling 12-month period was 4.48 at the end of quarter two.
- 4.9 There were in-quarter improvements in quarter two, with performance at 4.50/5 in the quarter, in comparison to 4.45/5 at the same quarter last year and 4.46/5 from quarter one.
- 4.10 The chart below shows that both CFC CSAT and customer sentiment, that is, the analysis of the emotion and language of the feedback, have been on an upward trend over the last year. This improvement reflects the continued emphasis on resolution quality and responsiveness - both drivers of customer satisfaction.

Chart 1



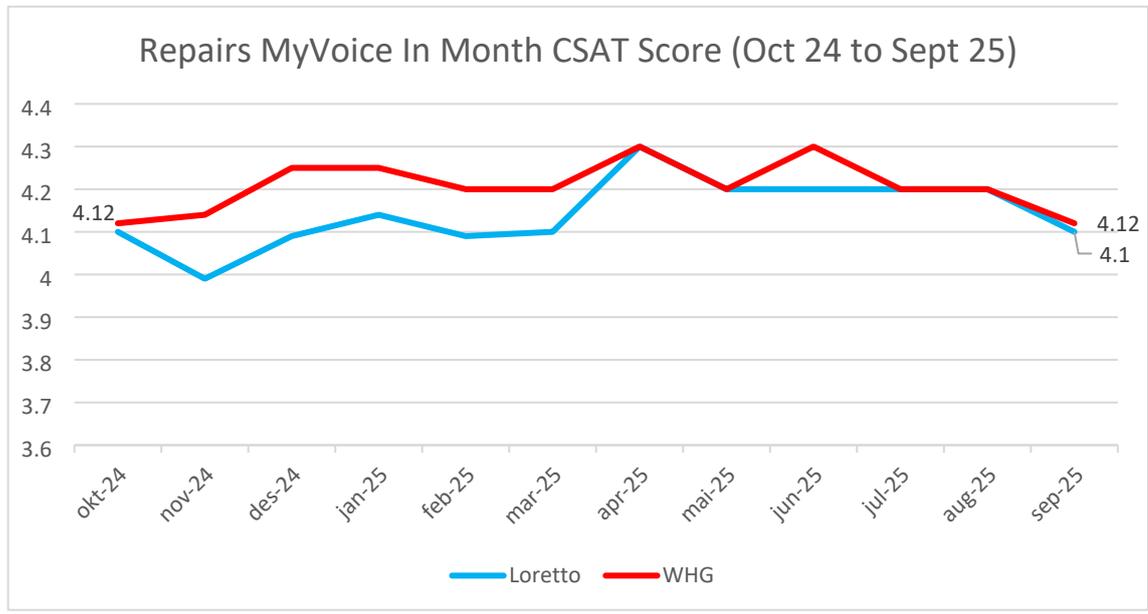
- 4.11 The call abandonment rate after 30 seconds, whereby our customers have waited over 30 seconds and then abandoned their call, has improved in quarter two to 7.42%, from 8.64% at the end of quarter one and against a 5.40% target. In the month of September, we exceeded the target at 3.58%, continuing the improving trend from the beginning of quarter one.
- 4.12 The introduction of a new Interactive Voice Response (“**IVR**”) callback option in late August has had an immediate and significant effect, reducing abandonment rates to well within target. Customers can now opt for a callback earlier in their journey, minimising dissatisfaction. Early indications suggest this improvement is sustainable, but we will continue to monitor its impact.
- 4.13 As Housing Officers (“**HO**”) continue to pursue contact with all customers through the Annual Tenant Visits (“**ATV**”) programme, where the visit results in no access, the customer is requested to contact us. This has led to an efficient increase in successful ATV appointments being rescheduled with tenants.
- 4.14 The proportion of contacts resolved within the CFC continues to rise, reflecting stronger ownership by colleagues and more effective warm transfers to the Housing Specialist Team (“**HST**”) when specialist input is required. The percentage of contacts to the CFC resolved within the CFC, without the need to be passed to either Housing Teams or MyRepairs, was 89.67% against a 95% target at the end of quarter two (89.47% in quarter one). This includes resolution on the phone, with specialist teams and via digital contact.

Repairs Satisfaction

- 4.15 Tenant satisfaction with our repairs service and individual repair experiences continues to be a key driver when it comes to overall customer satisfaction. In addition to our independent satisfaction surveys undertaken at least every three years, we also use in-house surveys on an ongoing basis throughout the year to assess and monitor how well we are doing.
- 4.16 ‘Book It, Track It, Rate It’ was introduced in June 2023 to improve visibility and communication through the Book It, Track It element, with the Rate It element an opportunity for customer feedback on their experience on the day of a repair. Our Rate It score continues to be strong to the end of quarter two as set out below:
- West is 4.6/5 from 12,968 ratings – 18.78% feedback rate;
 - East is 4.5/5 from 1,111 ratings – 15.39% feedback rate; and
 - South is 4.8/5 from 1,761 ratings – 18.23% feedback rate.
- 4.17 We also digitally survey customers, known as MyVoice surveys, to gauge their satisfaction 1-2 weeks after the repairs have been completed (known as “**Repairs CSAT**”). The benefit of MyVoice repairs surveys over Rate It is therefore that it provides a more rounded assessment of the customer experience through our repairs service journey.
- 4.18 Our analysis of the feedback from Rate It and our My Voice survey has indicated that there is no clear benefit to having both and that the My Voice survey gives us a greater level of actionable customer insight. Based on this, we will transition to only undertaking the My Voice survey this month.

- 4.19 Repairs CSAT has been in place for the West since last year and is now operational on a like-for-like basis for WHS and WHE. This will provide us with a harmonised method to measure, monitor and respond across all our three regions.
- 4.20 The rating generated from MyVoice repairs surveys for Repairs CSAT is set out in the chart below:

Chart 2, West Repairs MyVoice Trend (in-month)



- 4.21 Feedback is 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.
- 4.22 The roll-out of van stock improvements across City Building is progressing well, with 75% of plumbing vans now fully equipped. Electricians will be the next trade to benefit from this initiative. Early data from the 27 fully stocked plumbing vans shows an 8% improvement in right-first-time fix rates.
- 4.23 In December, six MyRepairs Advisors from the My Repair Team (“MRT”) will be integrated into three core trade teams in City Building —plumbing, electrical, and joinery. This integration aims to enhance property access and streamline the customer journey by fostering closer collaboration across operational teams.
- 4.24 We identified a recurring issue with follow-on work after out-of-hours emergency repairs. To address this, we have implemented a new process where trades can flag follow-on tasks to the trades debrief team. This team ensures that the necessary work orders are raised and that customers are contacted promptly to schedule a suitable appointment.

Volume of Emergency Repairs

- 4.25 The table below shows our position against the strategic result 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.
- 4.26 The target for 2025/26 is a reduction of 3.34%. At the end of quarter two, emergency repair numbers are higher than last year in absolute terms but lower than last year as a proportion of all repairs completed. This means that we do not anticipate meeting the in-year target for reduction due to overall repairs demand being higher.
- 4.27 It is intended that in future reports, we will also report emergency repairs as a proportion of overall repairs, as this provides a more accurate reflection of emergency repairs in the context of total repairs rising overall.

Table 3

| Completed emergency repairs | YTD 24/25 | YTD 25/26 | Variance |
|-----------------------------|---------------|---------------|---------------|
| WHE | 4,130 | 4,574 | 10.75% |
| WHS | 5,533 | 5,554 | 0.38% |
| WHG | 31,227 | 35,256 | 12.90% |
| Loretto | 1,970 | 2,297 | 16.60% |
| Group | 42,860 | 47,681 | 11.25% |

Repairs Timescales and Right First Time

- 4.28 Our Group RSL average time taken for emergency repairs was 2.69 hours at the end of quarter two, within the 3-hour target. This is an improvement on 2.79 hours last quarter. Our Group RSL average time to complete non-emergency repairs was 8.36 days, an improvement from 9.02 days at the end of quarter one. Although above the 7.5-day target, performance has continued to improve each month in quarter two, from 8.75 days in July to the quarter two performance of 8.36 days.
- 4.29 The 2024/25 Scottish average for emergency repair timescales is 3.9 hours and 9.1 working days for non-emergency timescales; our RSLs are ahead of both benchmarks. Our Group RSL and Lowther timescale performance to the end of quarter two is set out below:

Table 4

| Repairs completion timescales (Charter) | Emergency (hours) | | Non-emergency (days) | |
|---|-------------------|-------------|----------------------|-------------|
| | Target | Value | Target | Value |
| WHE | 3.00 | 2.87 | 7.5 | 8.83 |
| WHS | 3.00 | 2.60 | 7.5 | 8.80 |
| WHG | 3.00 | 2.68 | 7.5 | 8.19 |
| Loretto | 3.00 | 2.77 | 7.5 | 8.99 |
| Group RSLs | 3.00 | 2.69 | 7.5 | 8.36 |
| Lowther Factoring | 3.00 | 3.27 | No target | 20.76 |
| Lowther Residential | 3.00 | 3.42 | 7.5 | 9.31 |
| Group including Lowther | 3.00 | 2.73 | 7.5 | 9.17 |

- 4.30 As previously advised, the Right First Time indicator was subject to a change in recording guidance from the SHR. Previously, repairs which were overdue were not considered as Right First Time, however, this is no longer the case. Under the guidance, the only repairs which are now not Right First Time are those repairs completed during the reporting year where the repair is 'reported again' within the same reporting year.
- 4.31 This change in methodology has led to an improvement in the reported statistic, given that overdue repairs are now excluded. Our performance year to date is 98.72% completed right first time compared to 90.17% at the end of 2024/25. While we have to report according to the SHR's definition, we recognise this is not a realistic measure of the quality of our repairs service, since it does not capture those cases where a tenant is dissatisfied and does not consider the repair was right first time, but does not report this again. The MyVoice scores and independent doorstep satisfaction surveys, which are in the 80%-90% range depending on the subsidiary, provide a better indication of repairs satisfaction.
- 4.32 We have reaffirmed our process for identifying a repair that was 'reported again' with the CFC, MyRepairs and our Repairs Specialist Team to ensure this measure is accurately recorded. Our main focus remains on achieving high customer satisfaction, identifying any issues at an early stage through monitoring My Voice customer feedback, including any repair a customer reports as not right first time, and addressing those issues.

Damp and/or mould

- 4.33 It remains our priority to respond quickly to reports of damp or mould and ensure that issues are resolved by our staff teams, in close collaboration with the customer.
- 4.34 We have completed 65.54% of all inspections within two working days year-to-date. Those over two working days are due to the customer's choice to request an inspection outside this timescale, and some inspections which require further specialised equipment work. Both instances impact the average time, at 3.30 days Group wide.
- 4.35 20% of inspections record no mould. Where mould is found, 96.41% had the lowest severity rating of Category three, where the mould can ordinarily be treated in a single visit.

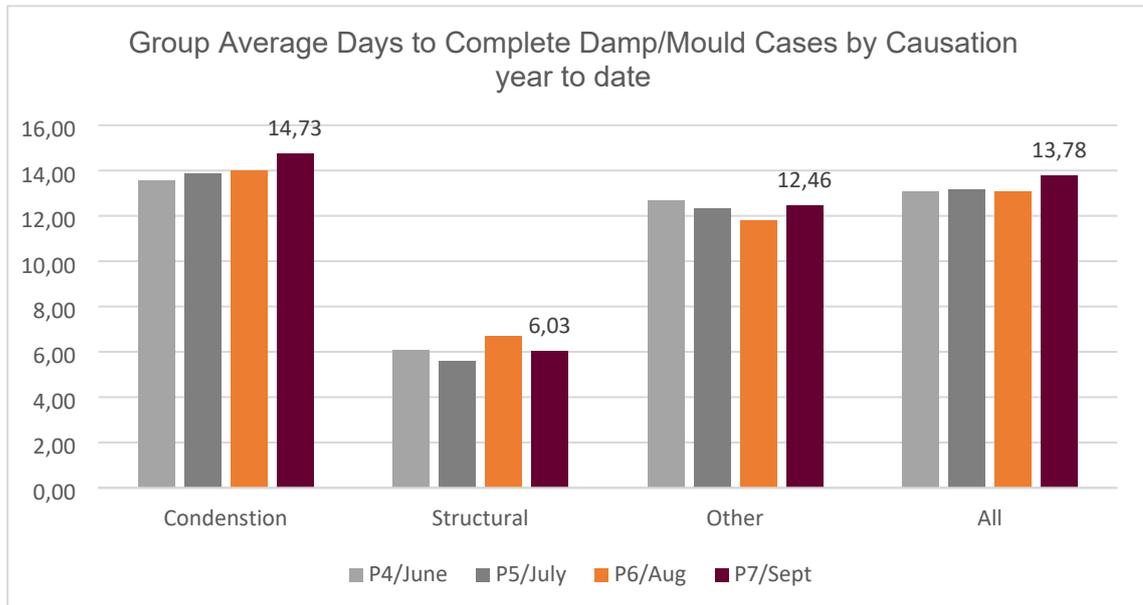
Table 6

| By Severity Category | | |
|-----------------------------|-------------------------|-----------------------|
| Cat 3 – Mild | Cat 2 – Moderate | Cat 1 – Severe |
| 96.41% | 3.46% | 0.12% |

- 4.36 Where required, we have completed 74% of all damp and mould remedial works within 15 days, at an average of 13.03 days Group wide. Remedial works which take longer than this average are impacted by customer choice on appointment dates and where we are unable to gain access.

- 4.37 In terms of end-to-end damp and/or mould cases required to be submitted to SHR for the first time in the ARC 2025/26, we have completed 4,520 damp and/or mould cases to the end of quarter two. These have an average end to end time, from the customer reporting it through the inspection and remedial repair(s) being completed, of 13.78 days, below our target of 17 days.
- 4.38 We report these damp and/or mould cases to SHR broken down by causation, shown below.

Chart 3



- 4.39 Condensation is our largest causation reason, with almost 66% of cases categorised as being caused by condensation. Of those categorised as ‘Other’, this has included issues caused by leaks, external flooding, or where additional technical support may be required to understand the issue. The full breakdown is shown in the table below.

Table 5

| By Causation Category | | |
|-----------------------|------------|--------|
| Causation | Structural | Other |
| 65.91% | 3.30% | 30.73% |

- 4.40 Structural cases in damp and mould are a small proportion of overall cases and have often had an easily identifiable cause that can be rectified quickly, such as a missing roof tile, and therefore have quicker resolution times. In contrast, cases caused by condensation require more extensive investigations to determine the underlying cause and may need the development of a comprehensive ventilation strategy, such as the installation of additional ventilation fans.
- 4.41 To the end of September, we have had a total of 20 re-opened cases across the Group which is a very small proportion at just 0.6% of all cases.

Introduction of Awaab's Law

- 4.42 Our Healthy Homes team is actively progressing work to ensure full alignment with Awaab's Law. This includes close engagement with the Scottish Government policy team as they develop equivalent legislation for Scotland, following the law's implementation in England on 27 October 2025.
- 4.43 To strengthen our approach, we have undertaken learning visits to other Housing Associations across the UK to understand their responses to Awaab's Law. We will continue these sector-wide conversations to stay ahead of emerging challenges and best practices.

Tenancy Sustainment

- 4.44 We continue to support our new customers to sustain their tenancies with our RSL group exceeding targets in both the Charter and revised measures (the revised measure excludes deaths and transfers to other homes within the Group). Current performance at the end of quarter two for our RSL group remains high at 92.93% for the Charter measure and 94.66% for the revised measure.
- 4.45 WHG, WHE, and Loretto are better than target for both measures. WHS is better than target for the revised measure and only five lets short of target for the Charter measure. WHS has shown improvement over the lifetime of the 5-year strategy, with Charter sustainment at 86.04% in 2021/22.
- 4.46 The Scottish average 2024/25 for Charter tenancy sustainment was 91.6%, an improvement from 91.2% in 2023/24. WHG, WHE and Loretto outperform these benchmarks.

Table 7

| Tenancy Sustainment | Charter – All lets | 2025/26 Target - Charter | Charter – Homeless Lets | Revised | 2025/26 Target - Revised |
|---------------------|--------------------|--------------------------|-------------------------|---------------|--------------------------|
| WHG | 93.90% | 90% | 94.27% | 95.17% | 91% |
| WHS | 89.45% | 90% | 87.53% | 92.00% | 91% |
| WHE | 94.24% | 90% | 92.96% | 96.83% | 91% |
| Loretto | 92.45% | 90% | 95.60% | 94.16% | 91% |
| Group | 92.93% | 90% | 92.93% | 94.66% | 91% |

Allocations CSAT

- 4.47 Our customer satisfaction with the process of getting their new home in the rolling year remains at 4.4/5 for the Group and is based on 1,228 surveys received.
- 4.48 All subsidiaries except WHG remain better than target for the rolling year. WHG has improved from 4.1/5 to 4.2/5 at the end of quarter two. WHG is also showing a positive trend for in-month satisfaction this year and their current year-to-date is 4.4/5.

- 4.49 Supportive and professional Housing Officers and Letting Agents and a quick and easy sign-up process remain the key positive themes from satisfied customers. The main area for improvement remains around the condition of the property at move in, although positively, the volume of dissatisfaction due to these issues has reduced during this reporting year.

Table 8

| Allocations CSAT | 2025/26 Rolling year | 2025/26 Target |
|------------------|----------------------|----------------|
| WHG | 4.2 | 4.5 |
| WHS | 4.6 | 4.5 |
| WHE | 4.6 | 4.5 |
| Loretto | 4.8 | 4.5 |
| Lowther Letting | 4.5 | 4.5 |
| Group | 4.4 | 4.5 |



Making the Most of Our Homes and Assets

Development Programme

- 4.50 Our target is to deliver a total of 621 new homes in 2025/26. At the end of quarter two, we have handed over 335 homes, above the target of 277 expected by the end of quarter two.

Table 9

| Sites | Handovers (YTD) | Target (YTD) | Difference/handovers to 30 th September |
|-------------------------------------|-----------------|--------------|--|
| WHG | 48 | 0 | 48 |
| Calton Village Ph 2 (Social) | 21 | 0 | 21 |
| Shawbridge Arcade (MMR) | 24 | 0 | 24 |
| Acquisitions/Buy Backs | 3 | 0 | 3 |
| Loretto | 44 | 24 | 20 |
| East Lane (Social) | 0 | 24 | (24) |
| South Crosshill Road (Social) | 44 | 0 | 44 |
| WHE | 231 | 237 | 6 |
| Dalhousie South Ph 1 (Social) | 18 | 0 | 18 |
| West Craigs (Ph1) (Plot 4) (Social) | 65 | 59 | 6 |
| West Craigs Ph2 Plot 5 (Social) | 41 | 22 | 19 |
| West Craigs Ph3 (Plot 13) (Social) | 26 | 34 | (8) |
| Sibbalds Brae (Social) | 4 | 10 | (6) |
| Winchburgh BB (Social) | 19 | 46 | (27) |
| Bullyeon Rd Ph 3a (Social) | 23 | 0 | 23 |
| Winchburgh BB (MMR) | 0 | 24 | (24) |
| West Craigs Ph3 (Plot 13) (MMR) | 35 | 42 | (7) |
| Lowther | 0 | 16 | (16) |
| Ashgill Road (MMR) | 0 | 16 | (16) |
| Victory Lane, Wallyford (MMR) | 12 | 0 | 12 |
| Totals | 335 | 277 | 58 |

Medical Adaptations

- 4.51 Time to complete medical adaptations remains well within the 25-day target, with the average days to complete at 16.12 compared to 20.35 days at the same point last year.

Table 10

| Medical Adaptations (Charter) | Current Households Waiting | Number Completed YTD | Average Days to Complete YTD | Target |
|-------------------------------|----------------------------|----------------------|------------------------------|--|
| WHE | 12 | 71 | 18.56 | 25  |
| WHS | 27 | 181 | 19.32 | 25  |
| WHG | 56 | 671 | 15.12 | 25  |
| Loretto | 5 | 16 | 11.00 | 25  |
| Group | 100 | 939 | 16.12 | 25  |

Gas Safety

- 4.52 We identified five gas properties in WHS where the gas safety certificate had gone beyond its date for renewal. These were rectified within days, and no issues were identified at any of the properties.
- 4.53 We commissioned an immediate internal review with Internal Audit engagement and have implemented further mitigations, exception reporting and monitoring arrangements.
- 4.54 While we now have valid gas certificates in place, we are required to report to our governing bodies and the SHR the number of times in the reporting year we did not meet our statutory obligations to complete a gas safety certificate within 12 months.

Compliance

- 4.55 All of our relevant properties are compliant with Legionella assessment requirements. We carried out safety inspections on all passenger lifts and all but one domestic lift in Glasgow, where access to the customer's house is required. Arrangements are being made by housing staff for access following previous customer refusal.
- 4.56 We are making strong progress with the inspection of electrical installation certificates due to expire before the end of 2025/26, with 5,055 (71.28%) already complete. At the end of quarter two, we have 66 properties without a valid Electrical Installation Condition Report ("EICR"). Our housing teams continue to liaise with colleagues to support access to all required customers' homes in a timely manner and to remind customers of their legal requirements set out in the tenancy agreement where required.

Workplace Fires

- 4.57 We have not had any workplace fires to the end of quarter two and have not recorded any since the measure started in 2021.

Flat Entrance Door

- 4.58 Our rolling programme for carrying out flat entrance door inspections in all properties six floors and higher has visited all 10,390 flats in each six-month period (April – September and October – March), with all having had a visual inspection since the initial programme commenced.
- 4.59 Where we gain access, photographic evidence is kept on file and the inspections verify that doors close properly, seals are intact, and hardware (hinges, locks, self-closers) function as intended. Between April and September, we completed 6,821 successful inspections.
- 4.60 This programme continues to present challenges in gaining access to the properties. The Board previously agreed that we would force access to complete the check where there is “clear evidence that the flat entrance door has no qualities of fire resistance, or there is clear evidence that the fire resistance of the door has been compromised due to a repair”. We have had none that fit these criteria in the April – September 6 month period.
- 4.61 As also agreed by the Board, this approach remains subject to a review of access rates every six months.
- 4.62 This programme is delivered by CBG who sub-contract this work. In early 2026, this will be brought in house which should help support the improvement of the no access rates as the in-house teams will work closely with the concierge teams.

Health and Safety

- 4.63 We have had four RIDDOR incidents this year. Across the Group, 99 days to the end of quarter two have been lost due to work-related accidents. Each RIDDOR incident is thoroughly investigated by both management and the Group Health & Safety team. Where appropriate, changes are made to working practice and instructions or support are provided to affected employees to avoid recurrence.
- 4.64 There have been no Health and Safety Executive or Local Authority environmental team interventions this year, the same position that we have maintained since the measure started in 2021.



Changing Lives and Communities

Care Service Quality

- 4.65 Currently 14 out of 17 services have inspection reports rating them Grade 5 or higher. This equates to 82.35% of our services against the 90% target.
- 4.66 The Care Inspectorate Datastore (as of the end of August 2025) indicates that 27.17% of Voluntary or not-for-profit services, considered comparable to Wheatley Care, have achieved an overall grade of 5 or higher. Wheatley Care services consistently exceed the sector average.

Peaceful Neighbourhoods

4.67 Our strategic measure is for over 80% of customers across our Group to live in neighbourhoods categorised as peaceful by the end of the strategy period. At the end of quarter two, the Group-wide percentage of tenancies categorised as Peaceful was 73.30%.

Anti-Social Behaviour (“ASB”) resolved

4.68 We aim to resolve 100% of our ASB cases each year to help maintain neighbourhoods where customers feel safe and secure. The Scottish average 2024/25 resolution rate for ASB cases resolved was 93.4%.

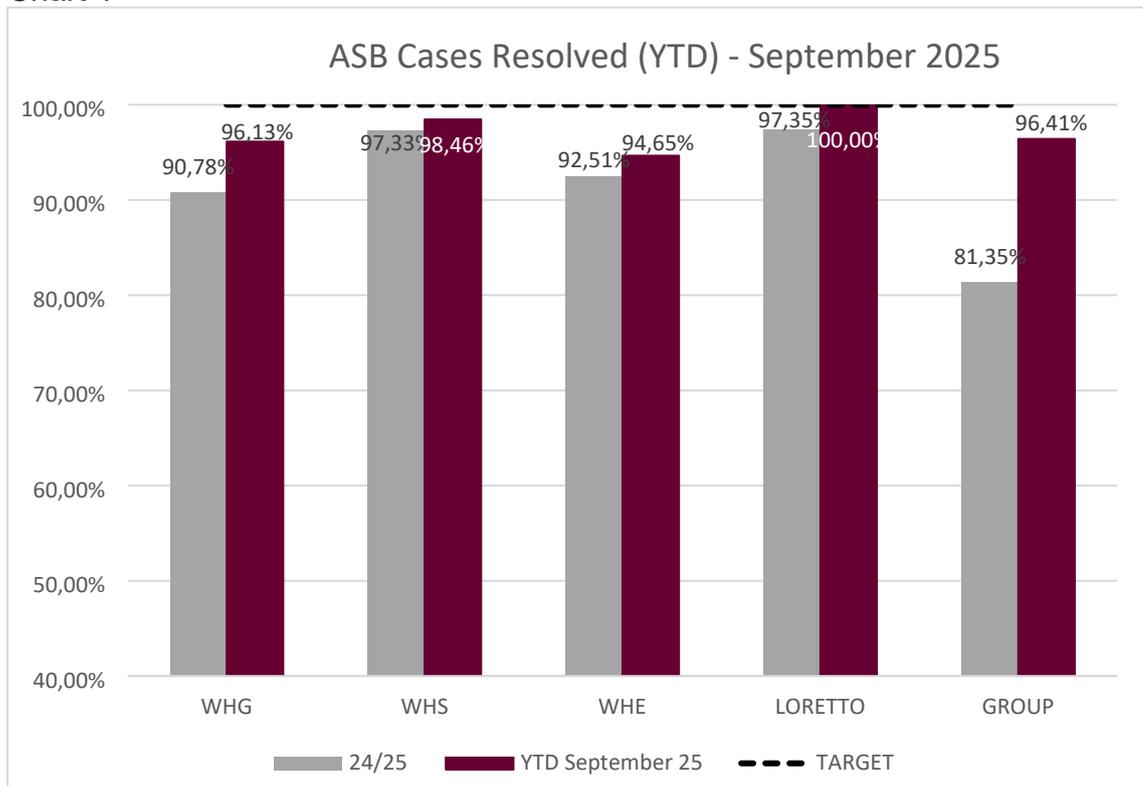
4.69 In quarter two, 96.41% of ASB reports across our Group were resolved as defined by our policy, an increase from 94.77% at the end of quarter one. All subsidiaries were within 10% of target and all RSLs are showing improvement from the end of quarter one.

Table 11

| RSL | In-month September result* | YTD result |
|----------------------|----------------------------|---------------|
| GROUP OVERALL | 92.51% | 96.41% |
| WHG | 97.97% | 96.13% |
| WHS | 100% | 98.46% |
| WHE | 97.14% | 94.65% |
| LORETTO | 100% | 100% |

* ASB information is provided 10 working days after period end to allow for as many cases reported to be resolved before the locally agreed timescale (10 working days). All RSLs now submit figures monthly.

Chart 4



Accidental Dwelling Fires

4.70 We have had 54 accidental dwelling fires to the end of quarter two as follows:

Table 12

| Number of recorded accidental dwelling fires | 2025/26 YTD | 2024/25 full year |
|--|-------------|-------------------|
| WHE | 10 | 22 |
| WHS | 4 | 11 |
| WHG | 37 | 57 |
| Loretto | 3 | 5 |
| Group | 54 | 95 |

4.71 We remain on track to achieve, and likely significantly exceed, our Strategic target to reduce RSL accidental dwelling fires by 10% by 2025/26.

4.72 Our strategy measure aims to ensure that 100% of applicable properties have a current fire risk assessment in place and this continues to be achieved.

Table 13

| Fire Risk Assessments | 2025/26 YTD | 2024/25 |
|--|-------------|---------|
| The percentage of relevant premises - HMOs that have a current fire risk assessment in place | 100% | 100% |

Reducing Homelessness

4.73 We have provided 1,374 homes to homeless households in the first 6 months of this year. The cumulative total of lets to homeless households since the first year of the strategy is 11,115, successfully achieving the increased 5-year strategic objective of 11,000 with 6 months remaining until the end of March 2026.

4.74 The recently published Charter results for 2024/25 reported 10,435 lets being made to homeless households by 136 Scottish RSLs, with our 4 RSLs alone contributing 25.6% (2,673) to this total.

4.75 Our percentage of relevant lets made to homeless applicants in this year-to-date is 59.57% (relevant lets exclude Livingwell and sheltered properties, nominations and social work referrals for which we are limited to let to homeless applicants).

Table 14

| Reducing Homelessness | 2025/26 (ARC) - YTD | 2024/25 (ARC) – full year |
|-----------------------|---------------------|---------------------------|
| WHG | 882 | 1,707 |
| WHS | 224 | 432 |
| WHE | 212 | 412 |
| Loretto | 56 | 122 |
| Group | 1,374 | 2,673 |

Jobs and Opportunities

- 4.76 To the end of quarter two, we have supported 747 jobs, training and apprenticeship opportunities within our households and communities. Opportunities have included:
- Opportunities delivered through community benefit requirements linked to the new build site at Ashwood Drive;
 - Moving Forward personal Development programme;
 - Impact Arts;
 - Gateway to Health and Social Care;
 - 72 young people from WHG homes completed a week-long trade placement at the City Building College, developing core skills in four trades and receiving support with literacy, numeracy, and practical assessments; and
 - Construction Placements with McTaggart’s Construction.
- 4.77 1,430 children within our households and communities have been supported through Foundation programmes. This has included:
- The Imagination Library;
 - In Niddrie through the Friday Nights Lights youth project;
 - Accessing digital learning through the John Wheatley Learning Network youth access programmes;
 - Photography workshops as part of the Scottish Civic Trust’s My Place Photography competition, later launching their own exhibition in October;
 - Techshare – receiving digital devices; and
 - Construction Aware (Phase 2) - this year’s programme allowed participants to explore the design and delivery process of a spectator stand, gaining real-world insight from industry partners.
- 4.78 We have also supported 5,783 people from our homes and communities to access support to alleviate the impacts of poverty to the end of quarter two. This includes support through Financial Wellbeing Service, Starter Packs and our My Great Start service, providing personalised tenancy sustainment support to new tenants.

Table 15

| Indicator | Target (YTD) | Current Performance (YTD) | 2024/25 |
|--|--------------|---|---------|
| Group - Total number of jobs, training places or apprenticeships created for customers and communities | 400 | 747  | 1,037 |
| Group - Number of children and young people benefiting from targeted Foundation programmes in Wheatley Communities | 700 | 1,430  | 3,090 |
| Group - Number of people accessing services which help alleviate poverty in Wheatley Communities | 4,100 | 5,783  | 11,439 |



Developing our Shared Capability

Sickness Absence

- 4.79 As agreed with the Board, we now report our strategic target to maintain absence below 3% based on Group sickness excluding Care, NETs and repairs staff (which have targets that better reflect the nature of those workforces).
- 4.80 To the end of quarter two, our Group sickness rate was 3.34%, a slight decrease from 3.39% at the end of quarter one. Our repairs absence is significantly below target however our NETS and Care absence are higher.

Table 16

| Sickness Rate | 2025/26 YTD | Target | |
|--|-------------|--------|--------------------------------------|
| Group - % Sickness rate excluding Care, Repairs and NETs | 3.34% | 3% | ■ |
| Repairs | 3.88% | 5% | ■ |
| NETs | 6.49% | 5% | ■ |
| Care | 6.34% | 5% | ■ |

- 4.81 The top two reasons for absence across Group are Minor Illness (50%) and Stress/Anxiety (16%). Managers are working with staff members to ensure they understand and have access to our suite of employee well-being support, including bespoke counselling, if they experience stress and anxiety. We are working with management teams to ensure adequate support in monitoring absence and moving through the Sickness Absence procedures as necessary and promoting the offer of Flu Jags later this month.



Enabling our Ambitions

Gross Rent Arrears RSLs (GRA)

- 4.82 Our GRA at the end of quarter two is 5.57%, better than 5.75% at this point last year. The recently published Scottish average for 2024/25 is 6.20%, the second consecutive improvement recorded for the sector from the high of 6.9% in 2022/23. We continue to perform favourably against this benchmark. We remain focused on achieving the target of 4.95% for 2025/26, requiring us to utilise strong conversations with customers, efficiently escalate cases and offer targeted support.

Chart 5

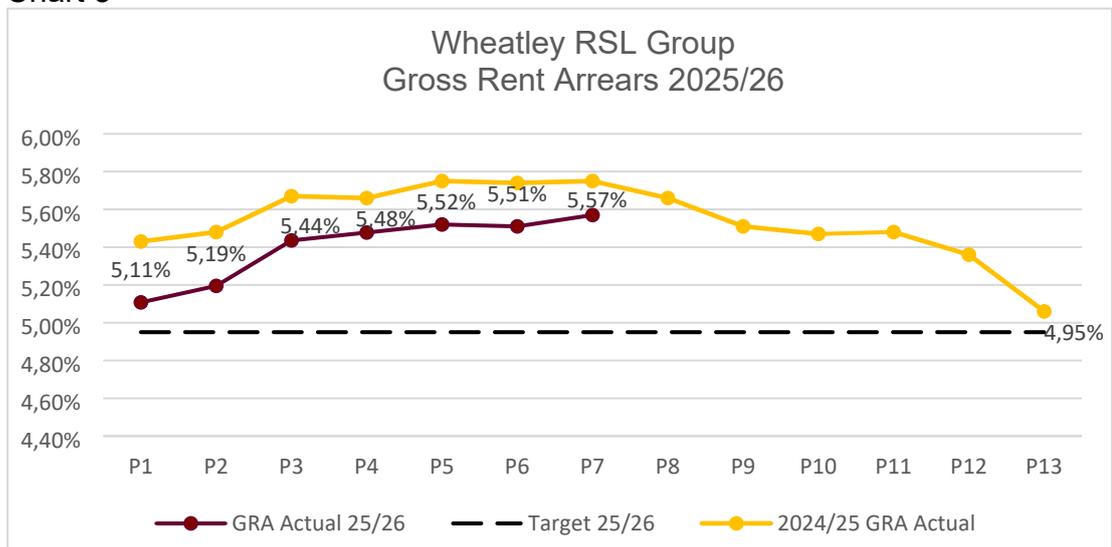


Table 17

| Gross Rent Arrears | Q2 2025/26 | 2025/26 target | 2024/25 Result |
|--------------------|--------------|----------------|----------------|
| WHG | 6.00% | 5.00% | 5.44% |
| WHS | 4.12% | 3.90% | 3.97% |
| WHE | 5.71% | 4.50% | 4.99% |
| Loretto | 3.73% | 3.60% | 3.38% |
| Group RSLs | 5.57% | 4.95% | 5.06% |

4.83 GRA has been impacted this year by the Department for Work and Pensions' accelerated Universal Credit ("UC") migration programme. At the end of 2024/25 the Group had 27,523 UC customers; this has now increased to 34,084, close to 55% of our customers. Our Business Plan had assumed just over 34,000 customers on UC by the end of 2025/26. We anticipate a further 2,500 UC customers by the end of 2025/26, therefore exceeding the business plan assumptions. Despite this, our gross rent arrears are lower than at the same time last year.

4.84 We continue to focus on the timely use of our rent data, escalation and case management options and staff advice and guidance on progressing individual cases, especially those which have proven to be more complex.

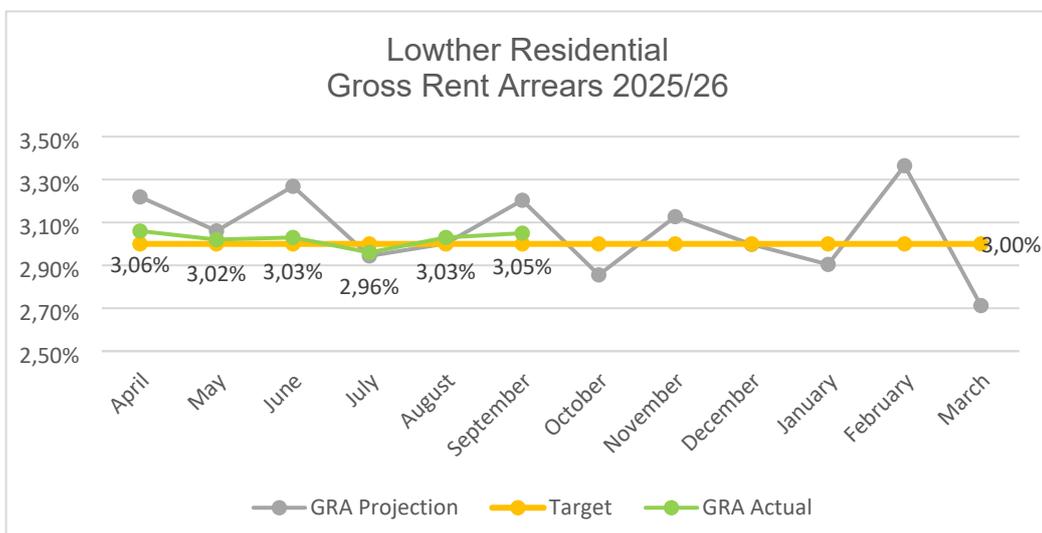
4.85 We continue to support customers to move out of debt using a variety of support, from our Housing Officers, Financial Wellbeing Officers and My Great Start, and externally via Discretionary Housing Payments, Managed Payments to Landlord ("MPTL") for UC customers and utilising A Local Information System for Scotland ("ALISS") to find alternative sources of support and funding to meet challenges with paying rent and getting accounts in advance.

Lowther

4.86 Lowther Letting gross rent arrears are 3.05% at the end of quarter two, well ahead of 3.33% at this point last year and the 3.2% projected for this point in 2025/26.

4.87 Lowther's recovery actions include Lowther agents working to increase early escalation. There is targeted engagement with a focus on the highest value and longest-standing cases, monitoring and follow-up of missed payments and court action taken where necessary.

Chart 6

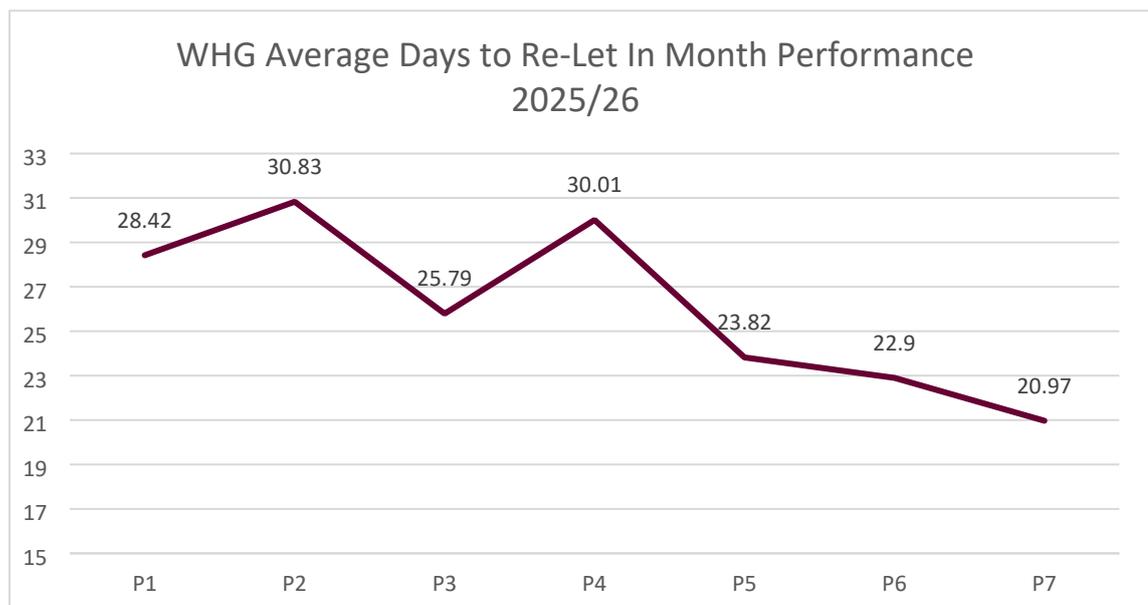


- 4.88 Lowther’s letting performance continues to be strong with Mid-Market Rent average days to re-let at 9.66 days in the year to September 2025 and Full Market Rent at 9.15 days, both remaining within the 10-day target.
- 4.89 Of the 268 new tenancies to the end of quarter two, all deposits have been processed within the targeted timescales. No late deposits have been reported since the new procedures have been in place since 2022.

Average Days to Re-Let RSLs (Charter and revised)

- 4.90 Our Charter measure for average time to re-let properties for our RSL Group has shown improvement in quarter two, with the year-to-date position improving from 23.92 days at the end of quarter one to 21.67 days.
- 4.91 From 2025/26, our Charter performance includes days lost to health and safety-related meter issues where we consider the property unsafe/unfit to occupy. Meter issues include, for example, where a tampered meter results in a property having no power or where the supply has been cut off and we are awaiting reconnection (energy companies are not prioritising this work due to the property being void); both issues mean we cannot undertake crucial safety checks prior to letting.
- 4.92 WHS and Loretto remain well within the 16-day target for both measures. When meter issues are excluded, WHE is well ahead of target at 11.94 days for the year-to-date.
- 4.93 WHG’s current year-to-date for the Charter measure has improved from 28.84 days at the end of quarter one to 26.36 days at the end of quarter two. WHG are also ahead of the 33.49 days average reported for 2024/25. This indicates that WHG’s focus on embedding improvements to their voids process and turnaround times is beginning to translate into improved letting times. This focus will continue to drive further improvements.

Chart 7



- 4.94 As reported by the Regulator at the end of August 2025, the 2024/25 Scottish average for the Charter measure has risen for the third year in a row to 60.6 days. Our RSLs continue to perform significantly better than this benchmark.

Table 18

| Average days to re-let | 25/26 ARC YTD - inc. meter issues | 25/26 Target | 25/26 Ex. meter issues YTD | 24/25 ARC – ex. meter issues | 24/25 inc. meter issues |
|------------------------|-----------------------------------|--------------|----------------------------|------------------------------|-------------------------|
| WHG | 26.36 | 16 | 21.60 | 21.38 | 33.49 |
| WHS | 8.93 | 16 | 8.24 | 8.31 | 9.48 |
| WHE | 18.86 | 16 | 11.94 | 14.20 | 17.56 |
| Loretto | 10.98 | 16 | 6.69 | 9.72 | 9.72 |
| RSL Group | 21.67 | 16 | 17.49 | 17.53 | 26.05 |

Care Services Breaking Even

- 4.95 There is currently one service in deficit and Care is in an overall surplus at the end of quarter two. Our strategic indicators report on all services in deficit, and to the end of quarter one 100% of services (27 of the 27) are breaking even before management fees and meeting the target of 100%. 96.3% are also currently breaking even after management fees, with no change since quarter one.



Summary of Strategic Project Delivery

- 4.96 A full update on progress with strategic projects is attached in Appendix 3. The following table summarises the current status of projects.

Table 19

| Complete | On track | Slippage | Overdue |
|----------|----------|----------|---------|
| 0 | 7 | 2 | 0 |

- 4.97 The Asset Compliance and Data Strategy Programme slippage relates to an external interdependency, with engagement with the external vendor taking longer than anticipated. It is still expected that this will delay the project completion into quarter four, however, it will be completed in 2025/26.
- 4.98 We continue to have strong engagement at Board level within TC:G and there has been good progress with the milestone, which is experiencing slight slippage.
- 4.99 The City Building (Glasgow) Board has six strategic projects for 2025/26 as follows:
- Retain Investors in Young People Platinum by May 2025;
 - Improve Customer Service Excellence Accreditation by May 2025;
 - Agree a workforce planning strategy by June 2025;
 - Develop and IT strategy and roadmap by August 2026;
 - A refreshed fleet management approach by December 2025; and
 - Benchmark service pricing by February 2026.

4.100 The first three projects were completed in full and on time, with the IT Strategy and Roadmap currently having some slippage but it will be considered by the City Building (Glasgow) Board at its November meeting.

5. Customer engagement

5.1 We have several strategic projects that facilitate opportunities for customer engagement, as do new customer feedback channels such as MyVoice and Book It, Track It, Rate It. This is directly impacting the way we deliver services, the way they can be drawn down by customers and how customers can share their views on these services.

6. Environmental and sustainability implications

6.1 Our Group sustainability framework includes a refined sustainability performance framework overseen by the Wheatley Solutions Board.

7. Digital transformation alignment

7.1 Our strategy is underpinned by digital transformation. The strategic projects for 2025/26 have been developed and prioritised with IT, digital and data interdependencies a key factor.

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. We are also required to involve tenants in the scrutiny of performance, which we do through the Group Scrutiny Panel, and to report to tenants on performance by the end of October each year, which we have done. The Group Scrutiny Panel considered the draft Report to Tenants at their August meeting.

10. Risk appetite and assessment

10.1 This report covers performance across each of our strategic themes and as such has no single agreed risk appetite. Having a strong performance management culture supports 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 Project monitoring and evaluations consider equality information and Equalities Impact Assessments are undertaken at the outset of new programmes to ensure compliance with equality legislation, where applicable.

12. Key issues and conclusions

- 12.1 We continue to show strong performance and positive trends across a range of customer satisfaction measures including within the CFC, repairs and allocations. Our core performance in areas which support alleviating the national housing emergency, such as tenancy sustainment, turnover and allocations to homeless households also continues to be strong. We are also ahead of our new build completions programme for 2025/26.
- 12.3 Key areas for performance focus during the remainder of this year are gross rent arrears, including signposting customers to support they would benefit from, average days to re-let in the West, including and excluding meter issues, and non-emergency repair timescales. There will also be continued preparation for the potential new damp and mould requirements under Awaab's Law.

13. Recommendations

- 13.1 The Board is asked to:
- 1) Note the contents of this report;
 - 2) Agree the timescale for the completion of the Asset Compliance and Data Strategy Programme be extended to 31 March 2026; and
 - 3) Agree that we continue our existing approach to forcing access for fire safety door checks as part of the regular six-monthly programme.

LIST OF APPENDICES:

Appendix 1: Strategic Results Dashboard
Appendix 2: Other Key Measures Dashboard
Appendix 3: Strategic Projects Dashboard
Appendix 4: SPSO and ARC Complaints

☑ Delivering Exceptional Customer Experience

| Measure | 2024/25 | 2025/26 | | |
|--|---------|---------|--------|---|
| | Value | Value | Target | Status |
| CFC CSAT (Group) | 4.46 | 4.48 | 4.5 |  |
| WHG | 4.55 | 4.58 | 4.5 |  |
| Loretto | 4.58 | 4.55 | 4.5 |  |
| WHE | 4.22 | 4.27 | 4.5 |  |
| WHS | 4.58 | 4.63 | 4.5 |  |
| Lowther Letting | 4.35 | 4.33 | 4.5 |  |
| Lowther Owner | 4.06 | 4.06 | 4.5 |  |
| % of contacts to CFC resolved within CFC | 89.79% | 89.67% | 95% |  |
| Call abandonment rate - those waited over 30secs and abandoned (Group) | 5.12% | 7.42% | 5.40% |  |
| WHG | 3.5% | 7.33% | 5% |  |
| Loretto | 5.34% | 9.41% | 5% |  |
| WHE | 6.09% | 8.67% | 5% |  |
| WHS | 3.29% | 4.48% | 5% |  |
| Lowther | 7.25% | 10.09% | 6.5% |  |
| Allocations CSAT (Group) | 4.4 | 4.4 | 4.5 |  |

| Measure | 2024/25 | 2025/26 | | |
|-----------------|---------|---------|--------|---|
| | Value | Value | Target | Status |
| WHG | 4.0 | 4.2 | 4.5 |  |
| Loretto | 4.8 | 4.8 | 4.5 |  |
| WHE | 4.6 | 4.6 | 4.5 |  |
| WHS | 4.6 | 4.6 | 4.5 |  |
| Lowther Letting | 4.6 | 4.5 | 4.5 |  |



Making the Most of Our Homes and Assets

| Measure | 2024/25 | 2025/26 | | |
|--|---------------------------|---------|--------|---|
| | Value | Value | Target | Status |
| New build completions (total for Group) | 844 | 335 | 277 |  |
| WHG - Social Housing | 83 | 21 | 0 |  |
| WHG - Social Housing (market acquisitions) | 4 | 3 | 0 |  |
| WHG - Mid-market | 91 | 24 | 0 |  |
| Loretto - Social Housing | 63 | 44 | 24 |  |
| WHE - Social Housing | 312 | 196 | 171 |  |
| WHE - Mid-market | 138 | 35 | 66 |  |
| WHS - Social Housing | 101 | 0 | 0 |  |
| Lowther - MMR | 52 | 12 | 16 |  |
| Reduce the volume of emergency repairs by 10% by 2025/26 (Group average) | Apr to Sep 24/25 – 42,860 | 47,681 | 11.25% |  |

| Measure | | 2024/25 | 2025/26 | | |
|---------|---------|---------------------------|---------|--------|--------|
| | | Value | Value | Target | Status |
| | WHG | Apr to Sep 24/25 – 31,227 | 35,256 | 12.90% | |
| | Loretto | Apr to Sep 24/25 – 1,970 | 2,297 | 16.60% | |
| | WHE | Apr to Sep 24/25 – 4,130 | 4,574 | 10.75% | |
| | WHS | Apr to Sep 24/25 – 5,533 | 5,554 | 0.38% | |



Changing Lives and Communities

| Measure | | 2024/25 | 2025/26 | | |
|---|---------|---------|---------|-----------------------------|--------|
| | | Value | Value | Target | Status |
| Percentage of Care services graded very good (5) or better by the Care Inspectorate | | 83.33% | 82.35% | 90% | |
| Over 70% of customers live in neighbourhoods categorised as peaceful by 2025/26 (Group average) | | 76.16% | 73.03% | 75% | |
| Number of accidental dwelling fires recorded by Scottish Fire and Rescue (Group RSLs) | | 95 | 54 | 193 (Annual upper limit) | |
| | WHG | 57 | 37 | Contextual | |
| | WHS | 11 | 4 | Contextual | |
| | WHE | 22 | 10 | Contextual | |
| | Loretto | 5 | 3 | Contextual | |
| 100% of relevant properties have a current fire risk assessment in place (HMOs) (Group) | | 100% | 100% | 100% | |

| Measure | 2024/25 | 2025/26 | | |
|--|---------|---------|------------|---|
| | Value | Value | Target | Status |
| Percentage of relevant lets to homeless applicants (Group RSL) | 60.49% | 59.57% | Contextual | |
| WHG | 64.62% | 61.47% | Contextual | |
| WHS | 45.91% | 53.59% | Contextual | |
| WHE | 65.55% | 58.46% | Contextual | |
| Loretto | 62.50% | 61.90% | Contextual | |
| Percentage of lets to homeless applicants (Group Charter) | 58.61% | 57.11% | Contextual | |
| WHG | 63.29% | 60.29% | Contextual | |
| WHS | 45.91% | 53.59% | Contextual | |
| WHE | 57.38% | 50.96% | Contextual | |
| Loretto | 59.51% | 51.38% | Contextual | |
| Number of lets to homeless applicants - 11,000 for Group by 2025/26 (Group RSL Charter) | 2,673 | 1,374 | 1,000 |  |
| WHG | 1,707 | 882 | Contextual | |
| WHS | 432 | 224 | Contextual | |
| WHE | 412 | 212 | Contextual | |
| Loretto | 122 | 56 | Contextual | |
| % planned jobs, training places or apprenticeships created which are secured by our customers (Group) | 73.19% | 73.90% | 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) | 69.77% | 57.14% | 30% | |
| 4,000 jobs, training places or apprenticeships created for customers and communities (Group) | 1,037 | 747 | 400 |  |
| WHG | 533 | 456 | 259 |  |
| Loretto | 27 | 24 | 2 |  |

| Measure | 2024/25 | 2025/26 | | |
|--|---------|---------|--------|---|
| | Value | Value | Target | Status |
| WHS | 119 | 78 | 51 |  |
| Lowther | 73 | 115 | 35 |  |
| WHE | 216 | 74 | 51 |  |
| Care | 69 | 0 | 2 |  |
| 10,000 of children and young people benefiting from targeted Foundation programmes in Wheatley Communities (Group) | 3,090 | 1,430 | 700 |  |
| 20,000 Wheatley customers accessing services which help alleviate poverty (Group) | 11,439 | 5,783 | 4,100 |  |



Developing our Shared Capability

| Measure | 2024/25 | 2025/26 | | |
|--|---------|---------|--------|---|
| | Value | Value | Target | Status |
| Group - % Sickness rate excluding Care, Repairs and NETs | 3.27% | 3.34% | 3% |  |
| Group Care - % Sickness rate | 6.45% | 6.34% | 5% |  |
| Group Repairs Staff - % Sickness rate | 4.11% | 3.88% | 5% |  |
| Group NETS - % Sickness rate | 5.87% | 6.49% | 5% |  |
| Group CFC - % Sickness rate | 5.59% | 5.84% | 5.5% |  |


Enabling our Ambitions

| Measure | 2024/25 | 2025/26 | | |
|--|---------------|---------|------------|---|
| | Value | Value | Target | Status |
| Reduce gross rent arrears to below 5% by 2026 (Group RSL Charter) | 5.06% | 5.57% | 4.95% |  |
| WHG Combined | 5.44% | 6.00% | 5.00% |  |
| WHG A | 5.47% | 6.06% | Contextual | |
| WHG B | 4.94% | 4.90% | Contextual | |
| WHS | 3.97% | 4.12% | 3.90% |  |
| WHE Combined | 4.98% | 5.71% | 4.50% |  |
| WHE A | 4.88% | 5.54% | Contextual | |
| WHE B | 5.78% | 7.00% | Contextual | |
| Loretto Combined | 3.38% | 3.73% | 3.60% |  |
| Loretto A | 3.60% | 4.06% | Contextual | |
| Loretto B | 3.08% | 3.26% | Contextual | |
| Lowther Letting | 3.07% | 3.05% | 3.00% |  |
| Average time to re-let properties Group RSL Charter – includes meter issues from 2025/26. (2024/25 results including meter issues) | 17.53 (26.05) | 21.67 | 16 |  |
| WHG | 21.38 (33.49) | 26.36 | 16 |  |
| WHS | 8.31 (9.48) | 8.93 | 16 |  |
| WHE | 14.20 (17.56) | 18.86 | 16 |  |
| Loretto | 9.72 (9.72) | 10.98 | 16 |  |
| Proportion of Care services breaking even (after management fee) | 70.37% | 96.3% | 100% |  |
| Percentage of Lowther rental customers actively using their online account to make transactions with us | 29.21% | 29.30% | Contextual | |

| Measure | 2024/25 | 2025/26 | | |
|--|------------|------------|------------------------|---|
| | Value | Value | Target | Status |
| Percentage of Lowther rental customers with an online account | 73.17% | 76.12% | 80% (annual target) |  |
| £15 million generated in Gift Aid to Wheatley Foundation and reinvested in communities | £3,400,000 | £1,401,000 | £1,400,000 |  |

**Appendix 2
Other Key Measures Dashboard 2025/26 (includes Compliance)**



| Measure | 2024/25 Value | Value | 2025/26 Target | Status |
|--|---------------|--------|----------------|--------|
| Percentage of new tenancies sustained for more than a year – all lets (Group RSL Charter) | 93.27% | 92.93% | 90% | ✔ |
| WHG | 93.61% | 93.90% | 90% | ✔ |
| WHS | 90.81% | 89.45% | 90% | ⚠ |
| WHE | 94.42% | 94.24% | 90% | ✔ |
| Loretto | 96.23% | 92.45% | 90% | ✔ |
| Percentage of new tenancies sustained for more than a year – statutory homeless lets (Group RSL Charter) | 93.60% | 92.93% | Contextual | |
| WHG | 94.57% | 94.27% | Contextual | |
| WHS | 89.06% | 87.53% | Contextual | |
| WHE | 93.07% | 92.96% | Contextual | |
| Loretto | 96.97% | 95.60% | Contextual | |
| Percentage of new tenancies sustained for more than a year – all lets revised (Group RSL non-Charter) | 94.83% | 94.66% | 91% | ✔ |
| WHG | 95.03% | 95.17% | 91% | ✔ |
| WHS | 93.01% | 92.00% | 91% | ✔ |
| WHE | 96.15% | 96.83% | 91% | ✔ |
| Loretto | 96.20% | 94.16% | 91% | ✔ |

| Measure | 2024/25 | Value | 2025/26 | Status |
|--|---------|-------|------------|---|
| | Value | | Target | |
| Average time taken to complete emergency repairs (hours) – make safe (Group RSL Charter) | 3.25 | 2.69 | 3 |  |
| WHG | 3.26 | 2.68 | 3 |  |
| WHS | 2.65 | 2.60 | 3 |  |
| WHE | 3.80 | 2.87 | 3 |  |
| Loretto | 3.50 | 2.77 | 3 |  |
| Average time taken to complete emergency repairs (hours) – make safe (Group including Lowther) | 3.31 | 2.73 | 3 |  |
| Lowther Residential | 3.81 | 3.42 | 3 |  |
| Lowther Factoring | 4.38 | 3.27 | 3 |  |
| Average time taken to complete non-emergency repairs (working days) (Group RSL Charter) | 8.25 | 8.36 | 7.5 |  |
| WHG | 7.90 | 8.19 | 7.5 |  |
| WHS | 8.87 | 8.80 | 7.5 |  |
| WHE | 9.97 | 8.83 | 7.5 |  |
| Loretto | 9.06 | 8.99 | 7.5 |  |
| Average time taken to complete non-emergency repairs (working days) (Group including Lowther) | 8.96 | 9.17 | Contextual | |
| Lowther Residential | 9.90 | 9.31 | 7.5 |  |
| Lowther Factoring | 19.67 | 20.76 | Contextual | |
| Average time to complete approved applications for medical adaptations (calendar days) (Group RSL Charter) | 24.53 | 16.12 | 25 |  |

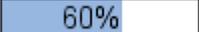
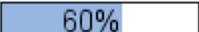
| Measure | 2024/25 | | 2025/26 | |
|---|---------|--------|------------|---|
| | Value | Value | Target | Status |
| WHG | 16.11 | 15.12 | 25 |  |
| WHS | 55.19 | 19.32 | 25 |  |
| WHE | 20.15 | 18.56 | 25 |  |
| Loretto | 17.13 | 11.00 | 25 |  |
| Percentage of reactive repairs completed right first time (Group RSL Charter) | 89.76% | 98.72% | Contextual | |
| WHG | 90.17% | 98.77% | Contextual | |
| WHS | 89.49% | 98.65% | Contextual | |
| WHE | 88.11% | 98.66% | Contextual | |
| Loretto | 86.83% | 98.16% | Contextual | |
| 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 |  |
| WHS | 0 | 5 | 0 |  |
| WHE | 0 | 0 | 0 |  |
| Loretto | 0 | 0 | 0 |  |
| Percentage of ASB incidents resolved (Group RSL Charter) | 100% | 96.41% | 100% |  |
| WHG | 100% | 96.13% | 100% |  |
| WHS | 100% | 98.46% | 100% |  |

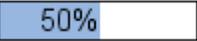
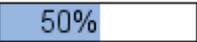
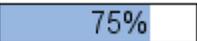
| Measure | 2024/25 | | 2025/26 | | Status |
|--|---------|-------|---------|------------|---|
| | | Value | Value | Target | |
| WHE | | 100% | 94.65% | 100% |  |
| Loretto | | 100% | 100% | 100% |  |
| Repeat antisocial behaviour cases in period – number of repeat addresses (Group) | | 935 | 505 | 447 |  |
| Percentage of lettable homes that became vacant (Group RSL Charter) | | 6.84% | 6.72% | 8% |  |
| WHG | | 6.62% | 6.54% | 8% |  |
| WHS | | 8.51% | 7.71% | 8% |  |
| WHE | | 6.31% | 6.98% | 8% |  |
| Loretto | | 5.39% | 5.28% | 8% |  |
| Number of accidental fires in workplace | | 0 | 0 | 0 |  |
| Number of RIDDOR incidents reported | | 11 | 4 | Contextual | |
| Number of Health and Safety Executive or local authority environmental team interventions | | 0 | 0 | 0 |  |
| Number of new employee liability claims received | | 3 | 2 | Contextual | |
| Number of open employee liability claims | | 10 | 10 | Contextual | |
| Number of days lost due to work related accidents | | 438 | 99 | Contextual | |
| Lowther - Number of new eligible tenancies where deposit was collected | | 525 | 268 | Contextual | |
| Lowther - % of new eligible tenancies where the deposit was lodged within 30 working days of date of entry | | 100% | 100% | 100% |  |
| Lowther - % of new tenancies with Regulation 42 notice issued within 30 working days of date of entry | | 100% | 100% | 100% |  |

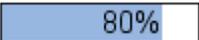
Compliance Programme Delivery

| 2025/26 Q2 | WHG | Status | Loretto | Status | WHE | Status | WHS | Status |
|--|--------|--|---------|---|--------|---|--------|---|
| Legionella - percentage of applicable properties with a valid risk assessment in place | 100% |  | 100% |  | 100% |  | 100% |  |
| Percentage of domestic stair and through floor lifts with valid safety inspection | 90% |  | 100% |  | 100% |  | 100% |  |
| Percentage of passenger lifts with a valid safety inspection | 99.26% |  | 100% |  | 100% |  | 100% |  |
| Percentage of EICR certificates due to expire by end of financial year now renewed | 81.37% |  | 77.43% |  | 97.57% |  | 49.77% |  |
| Percentage of properties with an EICR certificate up to 5 years old | 99.94% |  | 99.93% |  | 99.87% |  | 99.92% |  |

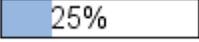
Appendix 3 - Wheatley Group Board - Delivery Plan 25/26 - Strategic Projects

| Delivery Plan Project | Delivery Date | Status | % Progress | Milestone | Due Date | Completed | Progress Note |
|--|---------------|---|--|---|-------------|-----------|---|
| Asset Compliance and Data Strategy Programme (b) | 30-Nov-2025 |  |  | 01. PIMSS Platform - Architecture and SAAS review | 31-May-2025 | Yes | A 3 to 5 year road map has been agreed within the project with the roadmap with the vendor for costs and contract negotiation. It is expected this will be finalised across quarter 4. |
| | | | | 02. 2 (FRA + Lifts) - process map and to-be design | 30-Jun-2025 | Yes | |
| | | | | 03. PIMMS/Group 3 year roadmap - review and define with vendor input | 31-Aug-2025 | Yes | |
| | | | | 04. Group business and Assurance approach review | 31-Oct-2025 | No | |
| | | | | 05. ET end of Q2 Programme Update | 30-Nov-2025 | No | |
| MSF strategic asset investment plans (b) | 28-Feb-2026 |  |  | 01. External consultants appointed to carry out building pathology pathway project | 30-Apr-2025 | Yes | Our in-house building pathology team has carried out the desktop analysis of all sites and surveying the MSFs is underway, this is being supported by additional surveys from external consultants, 21 of the 38 sites have been completed to date. |
| | | | | 02. Building pathology pathway project concludes and in-house team in place | 31-May-2025 | Yes | |
| | | | | 03. Desktop analysis and surveys undertaken of MSFs by in-house building pathology team | 30-Sep-2025 | Yes | |
| | | | | 04. MSF Strategic Investment and Management plan developed from analysing the findings from asset data, building surveys and qualitative feedback | 31-Dec-2025 | No | |
| | | | | 05. Group Board approval of MSF Strategic Investment and | 28-Feb-2026 | No | |

| Delivery Plan Project | Delivery Date | Status | % Progress | Milestone | Due Date | Completed | Progress Note |
|---|---------------|---|--|--|-------------|-----------|---|
| | | | | Management Plan and Five-year capital investment plan | | | |
| Providing safe, secure tenancies to support independent living (external interdependency) (b) | 28-Feb-2026 |  |  | 01. Complete the build and allocation of the 19 West Craigs properties | 31-Jul-2025 | Yes | The Deputy Head of Strategic Planning and Commissioning for the NHS visited West Craigs, Fullarton Care Home and Marfield in late October. Planning is underway with GHSPC to visit West Craigs to discuss the model with them. |
| | | | | 02. Engage with Glasgow and Dumfries and Galloway Health and Social Care Partnerships to showcase the potential for new build supporting hospital discharges into independent living | 31-Oct-2025 | Yes | |
| | | | | 03. Engage with Glasgow and Dumfries and Galloway Health and Social Care Partnerships and Councils to explore the potential for a similar approach | 31-Jan-2026 | No | |
| | | | | 04. Update to the Group Board on the engagement and any associated implications for our future development programme | 28-Feb-2026 | No | |
| Wyndford regeneration (external interdependency) (b) | 31-Mar-2026 |  |  | 01. PAN Community Engagement Event | 31-May-2025 | Yes | Still on target and lanning expected to be submitted by January 2026 |
| | | | | 02. Identify preferred contractor of 380 new homes | 30-Jun-2025 | Yes | |
| | | | | 03. Submission of detailed planning application | 31-Jan-2026 | No | |
| | | | | 04. Complete demolition contract | 31-Mar-2026 | No | |
| Lochside regeneration (external) | 31-Dec-2025 |  |  | 01. Community Engagement Event | 31-May-2025 | Yes | The second PAN events for the development sites |

| Delivery Plan Project | Delivery Date | Status | % Progress | Milestone | Due Date | Completed | Progress Note |
|--|---------------|---|--|--|-------------|-----------|--|
| interdependency) (b) | | | | 02. Submission of Masterplan | 30-Jun-2025 | Yes | will take place in November. The planning application for Findlater is anticipated to be submitted in December 2025. On target. |
| | | | | 03. PAN Community Engagement Event (Development Site) | 30-Sep-2025 | Yes | |
| | | | | 04. Submission of detailed planning application (Development Site) | 31-Dec-2025 | No | |
| Glasgow Regeneration incl. TC:G and TRAs (b) | 31-Dec-2025 |  |  | 01. Red Road Site Investigation findings & Land Use Proposals to TC:G Board | 30-Jun-2025 | Yes | Elected member briefings have now been completed and TCG newsletter is currently being composed. Once the newsletter is agreed by all partners a date to commence site marketing will be agreed. |
| | | | | 02. Govan/Ibrox TRA activated and Brighton Street site to market (as agreed by TC:G Board) | 30-Sep-2025 | No | |
| | | | | 03. Review empty or underused assets within our communities (Milton, Cranhill, Drumchapel) and agree a strategy to deliver new homes working with Glasgow City Council | 30-Sep-2025 | Yes | |
| | | | | 04. Sighthill (affordable homes) on site | 30-Nov-2025 | No | |
| | | | | 05. Red Road remediation and regeneration strategy to TC:G Board | 31-Dec-2025 | No | |
| Engagement 2.0: Maturing customer engagement and performance measures as part of our customer insight approach (b) | 31-Dec-2025 |  |  | 01. Trial a new method of managing engagement - MS Dynamics in WHG South area - and evaluate its impact | 30-Jun-2025 | Yes | Phase two customer engagement on our strategy development launched w/c 1 September for six weeks. A high response and strong support for how we |
| | | | | 02. Undertake a review of the existing Stronger Voices framework and operation of | 31-Jul-2025 | Yes | |

| Delivery Plan Project | Delivery Date | Status | % Progress | Milestone | Due Date | Completed | Progress Note |
|-------------------------------------|---------------|---|--|---|-------------|-----------|---|
| | | | | the existing structures | | | propose to respond to customer priorities has been recorded, as have preferred ways to engage in the future. Our Stronger Voices Community of Excellence considered this feedback and the emerging strategy on 29 October; alongside staff experience and insight, this has further informed our future approach. |
| | | | | 03. Gather customer perspective and ideas on how our approach to engagement could evolve through the 2026-31 strategy development phase 2 | 30-Sep-2025 | Yes | |
| | | | | 04. Review the existing framework based on the review of its effectiveness to date and feedback from customers | 31-Oct-2025 | Yes | |
| | | | | 05. Recommendations for Stronger Voices Framework 2.0 in support of our emerging Strategy 2026-31 agreed by RSL and Group Boards | 31-Dec-2025 | No | |
| Lowther letting growth strategy (b) | 31-Dec-2025 |  |  | 01. Board strategy workshop - Lowther Homes Board agree principles of an asset growth strategy | 31-May-2025 | Yes | Paper is complete on the corporate structure options and it's well progressed and going to relevant Boards for approval. |
| | | | | 02. Explore financial models to support agreed options | 31-May-2025 | Yes | |
| | | | | 03. Explore potential alternative corporate structure options to support growth e.g. equity models or Joint Ventures | 31-Oct-2025 | Yes | |
| | | | | 04. Agree preferred option(s) with the Lowther Homes Board, for onward recommendation to the Group Board where applicable | 31-Dec-2025 | No | |

| Delivery Plan Project | Delivery Date | Status | % Progress | Milestone | Due Date | Completed | Progress Note |
|-------------------------|---------------|---|--|---|-------------|-----------|---|
| Loan note programme (b) | 31-Mar-2026 |  |  | 01. Procure advisors for establishment of programme | 31-Jul-2025 | Yes | Lawyers being appointed for WHG (Pinsent Masons), the Arrangers (Addleshaws) and Trustees (Addleshaws). |
| | | | | 02. Draft documentation prepared | 30-Nov-2025 | No | |
| | | | | 03. Secure FCA approval | 31-Dec-2025 | No | |
| | | | | 04. Loan note programme established | 31-Mar-2026 | No | |

Appendix 4 – Q2 2025/26 - ARC and SPSO measures

- 1.1 This appendix provides ARC and SPSO measures up to Q2 2025/26.
- 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 Charter RSLs - number of complaints received:

| Charter RSLs – complaints received | | | | | | |
|-------------------------------------|----------|---------|-------|-------------|---------|-------|
| * excluding complaints carried over | | | | | | |
| | *2024/25 | | | 2025/26 YTD | | |
| | Stage 1 | Stage 2 | All | Stage 1 | Stage 2 | All |
| WHG | 4,848 | 659 | 5,507 | 2,495 | 403 | 2,898 |
| WHS | 478 | 75 | 553 | 224 | 33 | 257 |
| WHE | 929 | 142 | 1,071 | 478 | 68 | 545 |
| Loretto | 297 | 36 | 333 | 165 | 15 | 179 |
| Group | 6,552 | 912 | 7,464 | 3,362 | 519 | 3,881 |

- 1.6 The table below outlines the average time for a full response (working days) for Stage 1 and Stage 2 complaints. All targets are being met for this measure. Performance for all subsidiaries is better than the 2024/25 SHR Scottish average of 5.4 days for S1 complaints and the SHR average of 21.3 days for S2 complaints. Performance is for all RSLs, (including Lowther Factored homeowners) who receive a factoring service from Lowther on behalf of that RSL.
- 1.7 The Lowther measure shows the results for their tenants (who are not included above) 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 | 2024/25 Stage 1 - 5-day target, Stage 2 – 20-day target | | 2025/26 – YTD Stage 1 - 5-day target, Stage 2 – 20-day target | |
| | Stage 1 | Stage 2 | Stage 1 | Stage 2 |
| WHG | 3.71 ■ | 14.85 ■ | 3.82 ■ | 15.05 ■ |
| WHS | 3.47 ■ | 12.81 ■ | 3.04 ■ | 14.56 ■ |

| Charter - average time for a full response to complaints (working days) | | | | |
|---|---|---------|---|---------|
| Subsidiary | 2024/25 Stage 1 - 5-day target, Stage 2 – 20-day target | | 2025/26 – YTD Stage 1 - 5-day target, Stage 2 – 20-day target | |
| | Stage 1 | Stage 2 | Stage 1 | Stage 2 |
| WHE | 3.89 | 15.35 | 3.81 | 15.49 |
| Loretto | 3.59 | 15.66 | 3.58 | 16.56 |
| Lowther (ARC equivalent measure) | 4.10 | 13.60 | 3.77 | 14.00 |

1.8 The table below outlines the average time for a full response to complaints (working days) overall, for Stage 1 and Stage 2 combined. All subsidiaries are exceeding target.

| Charter - average time for a full response to complaints (working days) | | | |
|---|-------------------------------|----------------------|--|
| Subsidiary | 2024/25 Target – not targeted | YTD 2025/26 – 6 days | |
| WHG | 5.06 | 5.34 | |
| WHS | 4.64 | 5.50 | |
| WHE | 5.42 | 5.41 | |
| Loretto | 4.89 | 4.75 | |
| Lowther (ARC equivalent measure) | 5.63 | 5.23 | |

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* – are first time reports of dissatisfaction with services.
- *Stage 2 complaints* – directly received as Stage 2, i.e. not escalated from Stage 1. This can be cases which are considered a risk to reputation or requires 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 Both Stage 1 and Stage 2 numbers have increased compared to the same period in 2024/25. Year to date to the end of Q2 2024/25 the Group had received 3,601 Stage 1 and 31 Stage 2 complaints. In Q2 2025/26 the Group has received 3,642 Stage 1 complaints (1.14% increase) and 43 Stage 2 complaints (38.71% increase).

1.13 Escalated complaints are not counted in the number received but do impact the service, in that they still must be dealt with as a Stage 2 complaint.

| SPSO Indicator 1 - total number of complaints received - YTD | | | | | | |
|--|--------------------------|------------------|----------------------|-------------|------------------|----------------------|
| | 2024/25 YTD to September | | | 2025/26 YTD | | |
| | Stage 1 | Stage 2 (Direct) | Escalated Complaints | Stage 1 | Stage 2 (Direct) | Escalated Complaints |
| WHG | 4,848 | 37 | 622 | 2,495 | 33 | 370 |
| WHS | 478 | 5 | 70 | 224 | 3 | 30 |
| WHE | 929 | 12 | 130 | 478 | 2 | 66 |
| Loretto | 297 | 2 | 34 | 165 | 3 | 12 |
| Lowther | 567 | 5 | 98 | 280 | 2 | 70 |
| Group by Stage YTD | 7119 | 61 | 954 | 3,642 | 43 | 548 |
| Group - All Complaints YTD | 7,180 | | | 3,685 | | |

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".

1.14 All subsidiaries are achieving target of 95% for stage 1 and 100% for stage 2 for quarter 2.

| 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 | |
| | 2024/25 | YTD 2025/26 | 2024/25 | YTD 2025/26 | 2024/25 | YTD 2025/26 |
| WHG | 96.48% | 96.14% | 100.00% | 100.00% | 100.00% | 100.00% |
| WHS | 95.92% | 99.10% | 100.00% | 100.00% | 100.00% | 100.00% |
| WHE | 97.35% | 96.26% | 100.00% | 100.00% | 100.00% | 100.00% |
| Loretto | 99.66% | 99.38% | 100.00% | 100.00% | 100.00% | 100.00% |
| Lowther | 96.38% | 96.86% | 100.00% | 100.00% | 100.00% | 100.00% |

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

1.15 All subsidiaries are achieving target of 5 days for stage 1 and 20 days for stage 2 for quarter 2.

| SPSO Indicator 3 - the average time in working days for a full response to the complaints at each stage – YTD 2025/26 | | | |
|---|--|--|---|
| 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 |
| WHG | 3.82 | 15.39 | 15.02 |
| WHS | 3.42 | 15.33 | 14.48 |
| WHE | 3.81 | 14.75 | 15.53 |
| Loretto | 3.58 | 16.33 | 16.22 |

| SPSO Indicator 3 - the average time in working days for a full response to the complaints at each stage – YTD 2025/26 | | | |
|---|--|--|---|
| 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 |
| Lowther | 3.76 | 18.00 | 12.74 |

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

| SPSO Indicator 4 - the outcome of complaints as a % of overall complaints YTD 2025/26 | | | | |
|---|-------------------------------|---|-----------------------------------|---------------------------------|
| Subsidiary | Stage 1 - upheld | Stage 1 - partially upheld | Stage 1 - not upheld | Stage 1 - resolved |
| WHG | 37.93% | 14.62% | 30.20% | 17.24% |
| WHS | 27.60% | 11.76% | 41.18% | 19.46% |
| WHE | 45.81% | 14.98% | 26.87% | 12.33% |
| Loretto | 43.21% | 9.26% | 32.10% | 15.43% |
| Lowther | 51.22% | 12.54% | 26.13% | 10.10% |
| | Stage 2 - upheld | Stage 2 - partially upheld | Stage 2 - not upheld | Stage 2 - resolved |
| WHG | 42.86% | 21.43% | 25.00% | 10.71% |
| WHS | 0.00% | 33.30% | 66.70% | 0.00% |
| WHE | 25.00% | 50.00% | 25.00% | 0.00% |
| Loretto | 0.00% | 0.00% | 100.00% | 0.00% |
| Lowther | 50.00% | 50.00% | 0.00% | 0.00% |
| | Escalated complaints - upheld | Escalated complaints - partially upheld | Escalated complaints - not upheld | Escalated complaints - resolved |
| WHG | 48.42% | 21.78% | 27.79% | 2.01% |
| WHS | 21.20% | 21.21% | 51.50% | 6.10% |
| WHE | 60.29% | 30.88% | 8.82% | 0.00% |
| Loretto | 15.38% | 46.15% | 38.46% | 0.00% |
| Lowther | 58.46% | 21.54% | 20.00% | 0.00% |

Report

To: Wheatley Housing Group Board

By: Pauline Turnock, Group Director of Finance

Approved by: Steven Henderson, Group Chief Executive

Subject: Finance report

Date of Meeting: 12 November 2025

1. Purpose

- 1.1 The purpose of this paper is to:
- Provide the Board with the financial results for the period to 30 September 2025;
 - Provide the Board with the forecast full-year out-turn following the completion of the 6 months to 30 September; and
 - Seek approval for submission of the RSL Borrower Groups management accounts to 30 September 2025 to our bank lenders as part of our quarterly covenant returns.

2. Authorising and strategic context

- 2.1 Under our Terms of Reference, the Group Board is responsible for the ongoing monitoring of performance against agreed targets. This includes the ongoing 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 2025/26 budget.

3. Background - Financial performance to 30 September 2025

- 3.1 The results for the period to 30 September, as presented in Appendix 1, are:

| £m | Year to Date (Period 6) | | |
|--------------------------------|-------------------------|-------------|--------------|
| | Actual | Budget | Variance |
| Turnover | 256.6 | 246.9 | 9.7 |
| Operating expenditure | (191.1) | (191.8) | 0.7 |
| Operating surplus | 65.5 | 55.1 | 10.4 |
| <i>Operating margin</i> | 25.5% | 22.3% | |
| Net interest payable | (37.0) | (37.4) | 0.4 |
| Surplus | 28.5 | 17.7 | 10.8 |
| Net Capital Expenditure | 77.6 | 71.8 | (5.8) |

4. Discussion

- 4.1 The Group is reporting a strong position with financial performance £10.8m favourable to budget. A better than budgeted operating performance has been delivered with the letting performance continuing to improve the income position and an overall reduction on operating expenditure. The variance to budget does include £7.6m of new build grant recognised on the earlier than budgeted completion of units, with 332 completing compared to the budgeted 277 units.
- 4.2 In capital expenditure, overall spend is £5.8m higher than budget with accelerated progress on the new build programme with a number of projects progressing more quickly which will result in earlier completions against our planned programme. Within investment in tenants' homes, the core programme is also progressing well and we have an opportunity to increase investment spend in the second half of the year from some additional capacity created from the strong operational performance as discussed in section 4.6.
- 4.3 Key variances against budget include:
- Net rental income is £0.9m favourable to budget with lower void levels driving the variance at a rate of 1.08% compared to a budget of 1.39% with all RSLs and Lowther performing favourably to budget. Rental income is also benefitting from the earlier than budgeted completion of new build homes;
 - New build grant income is £7.6m favourable with 332 units completing compared to the budgeted 277 units. At September 2025 261 social rent and 71 mid-market rent units have been handed over;
 - Employee costs (direct and group services) are £0.2m favourable linked to lower staff costs within Wheatley Care through the more effective management of the cost of agency staff and the timing of changes compared to the budgeted structures in Wheatley Solutions contributing to the surplus;
 - Running costs are £0.3m lower than budget linked to the cost efficiencies and the timing of expenditure in direct running costs and across Wheatley Solutions;
 - Revenue repairs and maintenance spend is £0.7m unfavourable to budget. This additional spend is partly due to a targeted reduction in the number of live responsive repair jobs since the start of the financial year resulting in an increase in the jobs completed in the period to September compared to last year, with an additional 2,415 jobs completed. Trends on reactive repairs continue to be closely monitored with MyRepairs team continuing to monitor higher value jobs and the 'repair not replace methodology'. Cyclical maintenance and compliance spend is £269k favourable due to timing of the work programme;
 - Within capital, new build grant income is £3.6m lower than budget, resulting from the early receipt of grant in March 2025. New build spend is £3.8m higher than budget and includes the accelerated spend in the WH East at Deans South Ph 2, Charlesfield and Longniddry and in WH Glasgow at North Toryglen and the early completion of the land acquisition for Albion Street; and
 - Net investment spend is £0.3m higher than budget. Within the core investment programme spend is £1.1m favourable to budget. The favourable position is driven by the timing of compliance works and the component replacement programme across all RSLs. The additional void spend is mainly attributable to Glasgow where YTD spend is £1.1m higher than budget. Higher spend is linked to several voids requiring more extensive work.

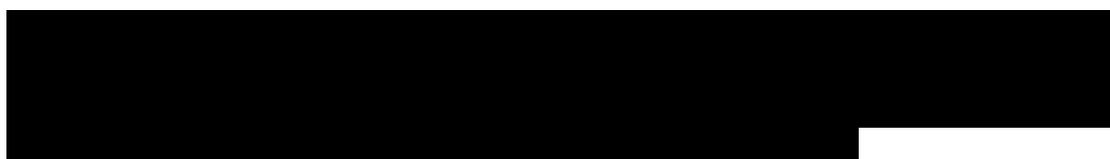
Q2 Forecast

- 4.4 A forecast of the full year financial out-turn has been completed after the end of the second quarter's trading and is summarised in the table below:

| £m | Q2 Forecast | | |
|--------------------------------|--------------|--------------|---------------|
| | Budget | Forecast | Variance |
| Turnover | 512.2 | 527.1 | 14.9 |
| Operating expenditure | (383.2) | (383.2) | - |
| Operating surplus | 129.0 | 143.9 | 14.9 |
| <i>Operating margin</i> | 25.2% | 27.3% | |
| Net interest payable | (80.3) | (79.1) | 1.2 |
| Statutory surplus | 48.7 | 64.8 | 16.1 |
| Net Capital Expenditure | 154.7 | 184.1 | (29.4) |

- 4.5 The Group forecast full year out-turn shows a net operating surplus of £143.9m, which is £14.9m favourable to budget and a statutory surplus of £64.8m, which is £16.1m favourable to budget. Grant income of an additional £11.2m recognised on the early handover of completed units (659 units compared to budgeted 601 units) and 60 unbudgeted acquisitions in Glasgow is contributing to the favourable position. Excluding new build grant income, operating performance continues to be strong with additional net rental income reported from the early handovers, reduced void losses and favourable bad debt position reflecting the strong letting performance.
- 4.6 Net Capital expenditure is forecast to be £29.4m higher than budget with the good progress being made on the new build programme the key driver for this variance. The programme is projected to be £22.9m higher than budget with accelerated progress at Winchburgh Ph1, Maybury West, Forfar Avenue and Dargavel Ph3 and an agreement to allocate grant funding to support property acquisitions in Glasgow which accounts for £9.0m of the additional spend. Core investment spend is projected to be £5.2m higher than budget with additional grant funded works such as adaptations and an increase in the amount invested in tenants' homes utilising the extra financial capacity created in the year from the stronger operational performance.
- 4.7 The Group's forecast underlying surplus after excluding grant income on new build completions and taking account of the forecast capital investment spend is forecast to be £4.9m which is in line with budget. The strong letting performance, favourable expenditure position from our operating activities and reduced loan interest due to the decreased variable lending rate accommodates repairs and capital investment spend in line with our tenant commitments to provide high quality housing and to invest to improve the energy efficiency of our homes. Details are shown in Appendix 1.

- 4.8



5. Customer Engagement

5.1 This report relates to our financial reporting and there are 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 September 2025.

13. Recommendations

13.1 The Board is requested to:

- 1) Note the Group management accounts for the period ended 30 September 2025;
- 2) Note the forecast full-year out-turn for 2025/26 at Appendix 1; and
- 3) Approve the RSL Borrower Group accounts at Appendix 2 for submission to the Group's lenders.

LIST OF APPENDICES:

Appendix 1: Group Finance Report to 30 September 2025

Appendix 2: RSL Borrower Group Finance Report to 30 September 2025

Appendix 1: Wheatley Group Financial Report To September 2025 (Period 6)

| | | |
|----|--|-------|
| 1. | Income & Expenditure | |
| | a) Year-to-Date results | 2-3 |
| 2. | RSL Borrower Group | |
| | a-g) Year-to-Date results | |
| | 4-12 | |
| 3. | Summary of RSL operating costs and margin v budget | 13 |
| 4. | ████████████████████ | |
| | ████████████████████ | 15-16 |
| 5. | Wheatley Solutions | 17 |
| 6. | Wheatley Foundation | 18 |
| 7. | ████████████████████ | 19 |
| 8. | Wheatley Group consolidated Balance Sheet | 20 |
| 9. | Wheatley Group Q2 forecast 2025/26 | 21-22 |

1a) Wheatley Group – Period to 30 September 2025

| | Period to 30 September 2025 | | | Full Year Budget £'000 |
|------------------------------|-----------------------------|-----------------|-------------------|---------------------------|
| | Actual £'000 | Budget £'000 | Variance £'000 | |
| INCOME | | | | |
| Net Rental Income | 191,446 | 190,585 | 861 | 382,279 |
| Grant income New Build | 38,206 | 30,573 | 7,633 | 80,845 |
| Grant income Other | 3,834 | 3,404 | 430 | 5,114 |
| Other Income | 23,080 | 22,377 | 703 | 43,965 |
| Total Income | 256,566 | 246,939 | 9,627 | 512,203 |
| EXPENDITURE | | | | |
| Employee Costs | 49,439 | 49,646 | 207 | 99,863 |
| ER/VR | 67 | 67 | - | 1,025 |
| Running Costs | 25,776 | 26,114 | 338 | 53,446 |
| Repairs & Maintenance | 51,709 | 50,976 | (733) | 98,778 |
| Bad debts | 1,747 | 2,671 | 924 | 5,336 |
| Depreciation | 62,357 | 62,357 | - | 124,714 |
| Demolition Programme | 2 | - | (2) | - |
| Total Expenditure | 191,097 | 191,831 | 734 | 383,162 |
| NET OPERATING SURPLUS | 65,469 | 55,108 | 10,361 | 129,041 |
| | 25.5% | 22.3% | | 25.2% |
| Net interest payable | (36,998) | (37,413) | 415 | (80,301) |
| STATUTORY SURPLUS | 28,471 | 17,695 | 10,776 | 48,740 |

Key highlights:

Statutory surplus of £28,471k is reported, £10,776k favourable compared to budget with additional grant income of £7,633k recognised on the early handover of completed units contributing to the favourable position. Excluding new build grant income, operating performance continues to be strong with additional net rental income reported from the early handovers and reduced void losses reflecting the strong letting performance. Overall, there is a favourable expenditure position compared to budget.

- Net rental income is £861k favourable to budget. Gross rental income is £272k favourable mainly due to the earlier than budgeted handovers in WH East where 196 SR units have completed compared to the budgeted 171 units, in Loretto where at East Lane 24SR units due to complete in June 2025, completed earlier than budgeted in March 2025 and at South Crosshill 44SR units have completed earlier than the budgeted November 2025. In Glasgow 21SR units completed at Calton Ph2 in September 2025 ahead of schedule. In Lowther, rental income is ahead of budget due to increasing rents at re-let (not budgeted), 16 units completing early at Ashgill (budgeted May 25 but completed March 25), the early completion of 35 units at West Craigs in WH East in May and June 2025 (budgeted Sept 25) and 24 properties at Shawbridge that completed in September earlier than budgeted. In addition, rent loss on voids is £589k favourable with voids at 1.08% compared to the budgeted 1.39%.
- Grant income recognised is £7,633k favourable to budget due to the earlier than budgeted completion of units in the YTD. Overall, 332 units have completed compared to the budgeted 277 units.
- Other grant income includes £347k of unbudgeted adaptations grant in WH South and WH East (with corresponding higher costs in Investment spend), two unbudgeted grants from GCC for contribution to the Housing Access team's work on Homelessness and to cover the costs of customers downsizing. Additional renewable heat incentive grant funding has also been received in WH South.
- Other income is £703k favourable to budget, with the West Craigs service in Wheatley Care, which commenced in July and was not included in the 2025/26 budget, contributing £195k of unbudgeted income in the YTD. In addition, external funding received in Foundation and higher income from solar panels in WH Glasgow, due to good weather in the YTD is contributing to the variance.
- Employee costs (direct and group services) are £207k favourable mainly arising from lower staff costs in Wheatley Care and the favourable £101k position from staff recharges from Wheatley Solutions due to the timing of changes compared to the budgeted structures. This is partly offset by additional direct employee costs, mainly in WH East for additional agency and relief costs to support staff absences.
- Running costs (direct and group services) are £338k favourable. Within direct running costs, subsidiaries are reporting a favourable position to budget offset by the additional costs in Wheatley Foundation matched with additional external funding. Group recharges are £229k favourable with several departments reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance includes higher spend reported in responsive repairs of £1,002k driven by the reduction in outstanding jobs and a higher number of jobs in year to date. Within WH Glasgow an additional 2,415 jobs have completed compared to YTD to September 2024. Cyclical and compliance spend is £269k favourable to budget of which due to the timing of spend compared to the budgeted programme.

Net Interest payable is £415k favourable to budget linked to the timing of loan drawdowns, lower variable rate payable and additional interest received in WFL1 and WH South and the Foundation than budgeted.

1a) Wheatley Group – Period to 30 September 2025

| Capital Investment | Period to 30 September 2025 | | | Full Year Budget £'000 |
|---|-----------------------------|-----------------|-------------------|---------------------------|
| | Actual £'000 | Budget £'000 | Variance £'000 | |
| CORE PROGRAMME | | | | |
| SHNZ | 0 | 0 | 0 | 0 |
| Empty Homes | 270 | 270 | 0 | 270 |
| Adaptations | 1,907 | 1,560 | 347 | 2,454 |
| Other Capital grants | 0 | 0 | 0 | 0 |
| Grant Income | 2,177 | 1,830 | 347 | 2,724 |
| Core Investment Programme | 25,547 | 26,655 | 1,108 | 61,132 |
| SHNZ | 0 | 0 | 0 | 0 |
| Empty Homes | 359 | 359 | 0 | 468 |
| Adaptations | 1,907 | 1,899 | (8) | 3,768 |
| Voids | 9,642 | 8,482 | (1,160) | 15,388 |
| Capitalised Repairs | 6,336 | 5,759 | (577) | 11,517 |
| Total Core Investment | 43,791 | 43,154 | (637) | 92,273 |
| NET CORE INVESTMENT SPEND | 41,614 | 41,324 | (290) | 89,549 |
| NEW BUILD | | | | |
| New Build Grant Income Received | 35,344 | 38,939 | (3,595) | 83,697 |
| New Build investment | 66,943 | 63,103 | (3,840) | 136,829 |
| NET NEW BUILD INVESTMENT SPEND | 31,599 | 24,164 | (7,435) | 53,132 |
| OTHER FIXED ASSET INVESTMENT SPEND | 4,356 | 6,307 | 1,951 | 12,033 |
| TOTAL NET CAPITAL INVESTMENT SPEND | 77,569 | 71,795 | (5,774) | 154,714 |

Key highlights:

The net core investment spend is £290k higher than budget:

- Within the core investment programme spend is £1,108k favourable to budget. The favourable position reflects the timing of compliance and component replacements in all RSLs; namely kitchen, window and door and lowrise spend in WH South, Internal common works, lift replacement and M & E spend in WH Glasgow and windows and doors and central heating in Loretto. This is offset by the acceleration of spend in WH Glasgow due to a higher than inflationary cost per unit on the kitchen programme and in WH East increased spend on the district heating programme.
- The additional void spend is attributable to Glasgow where YTD spend is £1,149k higher than budget. Higher spend is linked to the review of the void standard and several voids requiring more extensive work including properties which required major refurbishment works.
- Capitalised repairs includes additional spend of £281k in the WH East which includes remedial works following 2 fires (Gorgie Park Road and Earl Gray Street) totalling £130k and £55k in relation to specialist damp & mould work at a property in Granton. It also includes £225k additional spend in WH Glasgow of which £182k relates to damp & mould repairs works.
- All adaptation spend in the YTD has been grant funded. The additional funded spend in WH South and WH East has been offset by lower than budgeted spend in WH Glasgow and Loretto, due to timing of job requests in the YTD.

Net new build spend is £7,435k higher than budget.

- New build grant income is £3,595k less than budget. Within WH Glasgow, grant income is £9,932k lower than budget mainly due to grant being received in March 2025 for North Toryglen and Shawbridge Arcade, both front funded projects with grant budgeted to be received in 2025/26. Within WHEast, new build grants received are £5,701k more than budget due to grant claims made at Deans South Ph2, Charlesfield and Longniddry being ahead of budget.
- New build spend is £3,840k ahead of budget and includes the accelerated spend in the East at Deans South Ph 2, Charlesfield and Longniddry and in WH Glasgow at North Toryglen and the early completion of the land acquisition for Albion Street offset by the timing of payments for onsite developments in Glasgow including Abbotshall and Shawbridge Arcade. In Lowther, the new build variance mainly relates to the timing of spend at Bellgrove.
- Other fixed assets investment expenditure reflects the timing of spend on corporate estate and IT capital projects.

Wheatley Group Financial Report To September 2025 (Period 6)

RSL Borrower Group

2a) RSL Borrower Group – Period to 30 September 2025

Key highlights:

Statutory surplus of £27,485k is reported, £11,025k favourable compared to budget with additional grant income of £8,693k recognised on the early handover of completed units contributing to the favourable position. Excluding new build grant income, operating performance remains strong with additional net rental income reported from the early handovers and reduced void losses reflecting the strong letting performance. Overall, there is a favourable expenditure position compared to budget.

- Net rental income is £643k favourable to budget. Gross rental income is £183k favourable, mainly due to the earlier than budgeted handovers in WH East where 196 SR units have completed compared to the budgeted 171 units, in Loretto where at East Lane 24SR units due to complete in June 2025, completed earlier than budgeted in March 2025 and at South Crosshill 44SR units have completed earlier than the budgeted November 2025. In Glasgow 21SR units completed at Calton Ph2 in September 2025 ahead of schedule. In addition, rent loss on voids is £460k favourable with voids at 1.07% compared to the budgeted 1.33%.
- Grant income recognised is £8,693k favourable to budget due to the earlier than budgeted completion of units in the YTD. Overall, 320 units have completed compared to the budgeted 261 units, with a further 24 units at East Lane completing early in 2024/25.
- Other grant income includes £347k of additional adaptations grant in WH South and WH East (with corresponding higher costs in Investment spend), two unbudgeted grants from GCC for contribution to the Housing Access team's work on Homlessness and to cover the costs of customers downsizing. Additional renewable heat incentive grant funding has also been received in WH South.
- Other income is £332k higher than budget at P6, with higher than budgeted MMR rental income in line with the timing of new build completions and rent uplifts on MMR re-lets and higher income from solar panels in WH Glasgow.
- Employee costs (direct and group services) are £64k favourable driven by the favourable £93k position from staff recharges from Wheatley Solutions due to the timing of changes compared to the budgeted structures in Wheatley Solutions. This is partly offset by additional direct employee costs, mainly in WH East for additional agency and relief costs to support staff absences.
- Running costs (direct and group services) are £405k favourable. All RSLs are reporting a favourable position to budget in direct running costs. Group services running costs are £204k favourable to budget due to cost efficiencies and the timing of spend across several departments in Wheatley Solutions.
- Revenue repairs and maintenance includes higher spend reported in responsive repairs of £945k driven by the reduction in outstanding jobs and a higher number of jobs year to date. Within WH Glasgow an additional 2,415 jobs have been completed compared to YTD to September 2024. Cyclical and compliance spend is £269k favourable to budget due to the timing of spend compared to the budgeted programme.

Net Interest payable is £274k favourable to budget linked to the timing of loan drawdowns, lower variable rate payable and additional interest received in WFL1 and WH South than budgeted.

| | Period to 30 September 2025 | | | Full Year Budget £'000 |
|------------------------------|-----------------------------|-----------------|-------------------|---------------------------|
| | Actual £'000 | Budget £'000 | Variance £'000 | |
| INCOME | | | | |
| Net Rental Income | 179,254 | 178,611 | 643 | 357,255 |
| Grant income New Build | 37,282 | 28,589 | 8,693 | 78,861 |
| Grant income Other | 3,834 | 3,404 | 430 | 5,114 |
| Other Income | 8,545 | 8,212 | 332 | 16,806 |
| Total Income | 228,915 | 218,816 | 10,098 | 458,036 |
| EXPENDITURE | | | | |
| Employee Costs | 36,054 | 36,118 | 64 | 71,747 |
| ER/VR | 67 | 67 | - | 1,025 |
| Running Costs | 18,178 | 18,583 | 405 | 39,811 |
| Repairs & Maintenance | 47,549 | 46,873 | (676) | 91,069 |
| Bad debts | 1,530 | 2,391 | 861 | 4,781 |
| Depreciation | 62,357 | 62,357 | - | 124,714 |
| Demolition Programme | 2 | - | (2) | - |
| Total Expenditure | 165,737 | 166,389 | 653 | 333,148 |
| NET OPERATING SURPLUS | 63,178 | 52,427 | 10,751 | 124,888 |
| | 27.6% | 24.0% | | 27.3% |
| Net interest payable | (35,693) | (35,967) | 274 | (77,400) |
| STATUTORY SURPLUS | 27,485 | 16,460 | 11,025 | 47,488 |

2a) RSL Borrower Group – Period to 30 September 2025

Key highlights:

- The net core investment spend is £266k higher than budget.
 - Within the core investment programme spend is £1,132k favourable to budget. The favourable position reflects the timing of compliance and component replacements in all RSLs; namely kitchen, window and door and lowrise spend in WH South, Internal common works, lift replacement and M & E spend in WH Glasgow and windows and doors and central heating in Loretto. This is offset by the acceleration of spend in WH Glasgow in line with our tenant commitments.
 - The additional void spend is attributable to Glasgow where YTD spend is £1,149k higher than budget. Higher spend is linked to the review of the void standard and several voids requiring more extensive work including properties which required major refurbishment works.
 - Capitalised repairs includes additional spend of £281k in the WH East which includes remedial works following 2 fires (Gorgie Park Road and Earl Gray Street) totalling £130k and £55k in relation to specialist damp & mould work at a property in Granton. It also includes £225k of additional spend in WH Glasgow of which £182k relates to damp & mould repairs works.
 - All adaptation spend in the YTD has been grant funded. The additional funded spend in WH South and WH East has been offset by lower than budgeted spend in WH Glasgow and Loretto, due to timing of job requests in the YTD.
- Net new build spend is £7,323k higher than budget.
 - New build grant income is £3,510k less than budget. Within WH Glasgow, grant income is £9,932k lower than budget mainly due to grant being received in March 2025 for North Toryglen and Shawbridge Arcade, both front funded projects with grant budgeted to be received in 2025/26. Within WHEast, new build grants received are £5,701k more than budget due to grant claims made at Deans South Ph2, Charlesfield and Longniddry being ahead of budget.
 - New build spend is £3,813k ahead of budget and includes the accelerated spend in the East at Deans South Ph 2, Charlesfield and Longniddry and in WH Glasgow at North Toryglen and the early completion of the land acquisition for Albion Street offset by the timing of payments for onsite developments in Glasgow including Abbotshall and Shawbridge Arcade.
- Other fixed assets investment expenditure reflects the timing of spend on corporate estate and IT capital projects.

| Capital Investment | Period to 30 September 2025 | | | Full Year |
|-------------------------------------|-----------------------------|-----------------|-------------------|-----------------|
| | Actual £'000 | Budget £'000 | Variance £'000 | Budget £'000 |
| CORE PROGRAMME | | | | |
| SHNZ | 0 | 0 | 0 | 0 |
| Empty Homes | 270 | 270 | 0 | 270 |
| Adaptations | 1,907 | 1,560 | 347 | 2,454 |
| Other Capital grants | 0 | 0 | 0 | 0 |
| Grant Income | 2,177 | 1,830 | 347 | 2,724 |
| Core Investment Programme | 25,014 | 26,146 | 1,132 | 59,357 |
| SHNZ | 0 | 0 | 0 | 0 |
| Empty Homes | 359 | 359 | 0 | 468 |
| Adaptations | 1,907 | 1,899 | (8) | 3,768 |
| Voids | 9,642 | 8,482 | (1,160) | 15,388 |
| Capitalised Repairs | 6,336 | 5,759 | (577) | 11,517 |
| Total Core Investment | 43,258 | 42,645 | (613) | 90,498 |
| NET CORE INVESTMENT | 41,081 | 40,815 | (266) | 87,774 |
| NEW BUILD | | | | |
| New Build Grant Income Received | 29,777 | 33,287 | (3,510) | 75,681 |
| New Build investment | 61,060 | 57,247 | (3,813) | 129,128 |
| NET NEW BUILD INVESTMENT | 31,283 | 23,960 | (7,323) | 53,447 |
| OTHER FIXED ASSET INVESTMENT | 4,292 | 6,217 | 1,925 | 11,855 |
| TOTAL NET CAPITAL INVESTMENT | 76,656 | 70,992 | (5,664) | 153,076 |

2b) RSL Borrower Group underlying surplus – Period to 30 September 2025

The Wheatley Group and RSL Borrower Group operating Statement (Income and Expenditure Account) are prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2018).

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 table 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 £11,449k has been reported for the period to 30 September 2025. The favourable variance of £2,466k to budget reflects the solid operating performance with additional net rental income reported from the early handovers and reduced void losses and an overall favourable expenditure position compared to budget with core investment spend reporting a small overall favourable position due to timing of spend.

| Borrower Group Underlying Surplus | | | | |
|--|-------------------|-------------------|---------------------|------------------|
| | YTD Actual £ks | YTD Budget £ks | YTD Variance £ks | FY Budget £ks |
| Net Operating Surplus | 63,178 | 52,427 | 10,751 | 124,888 |
| add back: | | | | |
| Depreciation | 62,357 | 62,357 | 0 | 124,714 |
| less: | | | | |
| Grant Income | (37,282) | (28,589) | (8,693) | (80,653) |
| Net interest payable | (35,693) | (35,967) | 274 | (77,400) |
| Total Core investment | (41,111) | (41,245) | 134 | (85,990) |
| Underlying surplus | 11,449 | 8,983 | 2,466 | 5,559 |

2c) Wheatley Homes Glasgow – Period to 30 September 2025

| | Year To September 2025 | | | Full Year Budget £ks |
|--|------------------------|-----------------|-----------------|----------------------------|
| | Actual £ks | Budget £ks | Variance £ks | |
| INCOME | | | | |
| Rental Income | 120,930 | 120,864 | 66 | 241,420 |
| Void Losses | (1,285) | (1,552) | 267 | (3,034) |
| Net Rental Income | 119,645 | 119,312 | 333 | 238,386 |
| Grant Income New Build | 7,313 | 120 | 7,193 | 25,685 |
| Grant Income Other | 2,356 | 2,312 | 44 | 2,863 |
| Other Income | 6,333 | 6,134 | 199 | 14,913 |
| Total Income | 135,647 | 127,878 | 7,769 | 281,847 |
| EXPENDITURE | | | | |
| Employee Costs - Direct | 19,098 | 19,093 | (5) | 37,846 |
| Employee Costs - Group Services | 7,670 | 7,734 | 64 | 15,388 |
| ER / VR | 31 | 31 | 0 | 1,025 |
| Direct Running Costs | 7,353 | 7,421 | 68 | 16,402 |
| Running Costs - Group Services | 4,182 | 4,326 | 144 | 8,942 |
| Revenue Repairs and Maintenance | 34,797 | 34,066 | (731) | 64,808 |
| Bad debts | 1,076 | 1,454 | 378 | 2,907 |
| Depreciation | 41,788 | 41,788 | 0 | 83,576 |
| Demolition | 0 | 0 | 0 | 0 |
| TOTAL EXPENDITURE | 115,995 | 115,913 | (82) | 230,894 |
| NET OPERATING SURPLUS / (DEFICIT) | 19,652 | 11,965 | 7,687 | 50,953 |
| <i>Net operating margin</i> | 14.5% | 9.4% | 5.1% | 18% |
| Net Interest Payable | (24,546) | (24,669) | 123 | (54,695) |
| STATUTORY SURPLUS / (DEFICIT) | (4,894) | (12,704) | 7,810 | (3,742) |
| INVESTMENT | | | | |
| | | | | |
| Total Capital Investment Income | 13,760 | 23,677 | (9,917) | 46,313 |
| Investment Programme Expenditure | 30,283 | 29,610 | (673) | 62,937 |
| New Build Programme | 25,498 | 27,529 | 2,031 | 62,305 |
| Other Capital Expenditure | 2,805 | 4,820 | 2,015 | 8,625 |
| TOTAL CAPITAL EXPENDITURE | 58,586 | 61,959 | 3,373 | 133,867 |
| NET CAPITAL EXPENDITURE | 44,826 | 38,282 | (6,544) | 87,554 |

Key highlights:

A net operating surplus of £19,652k, £7,687k favourable to budget and a statutory deficit of £4,894k, £7,810k favourable to budget, is reported. The financial performance reflects early completion of new build units and related grant recognition, the strong letting performance, offset in part by higher repair costs resulting from the reduction in outstanding jobs.

*Net rental income is £333k favourable to budget with the variance mainly related to lower than budgeted voids at 1.06% for the YTD compared to the budgeted YTD rate of 1.28%.

*Grant income recognised to date relates to units completed early in September at two new build sites; completions at Calton Ph2 and completions at Shawbridge Arcade. In addition, grant income includes grant for two property acquisitions, completed in May and August.

*Other income is £199k higher than budget, with higher than budgeted MMR rental income, in part due to the early new build completions and higher income from solar panels, due to good weather in Q1.

*Total employee costs (direct and group services) are £59k favourable to budget. Direct employee costs are £5k unfavourable to budget. The impact of Nets savings earlier in the year that related to the timing of recruitment for gardening services have been reduced by the acceleration of the Nets painting team. Group services are £64k favourable to budget due to the timing of changes compared to the budgeted structures in Wheatley Solutions.

*Total running costs (direct and group services) are £212k favourable to budget. Within direct running costs, several lines report variances due to timing, totalling £68k. Group services running costs are £144k favourable to budget due to several departments reporting lower costs across Wheatley Solutions.

*Revenue repairs and maintenance spend is £731k unfavourable to budget. In the YTD, responsive repairs are £1,001k higher than budget. 86,641 responsive repair jobs have been completed, compared to 84,226 in the same period last year, with a reduction in outstanding jobs contributing to the higher spend YTD. Cyclical and compliance spend is £270k favourable, mainly due to lower utility costs, noting that overall full year spend is forecast to be in line with budget.

Net interest payable is £123k favourable to budget due to the lower variable interest rate payable than assumed in the budget.

Net capital expenditure of £44,826k is £6,544k higher than budget, mainly due to timing of new build grant income.

*Capital investment income is £9,917k lower than budget driven by grant being received in March 2025 for North Toryglen and Shawbridge Arcade, both front funded projects with grant budgeted to be received in 2025/26.

*Investment spend is £673k higher than budget, with lower spend of £398k on core programme due to the timing of works offset by void spend being £1,149k over budget YTD due to an increase in the number of higher specification voids.

*New build spend is £2,031k lower than budget, mainly due to timing of payments for onsite developments including Abbotshall and Shawbridge Arcade, partly offset by higher spend at North Toryglen and early completion of the land acquisition for Albion Street.

*Other capital expenditure is £2,015k lower than budget due to the timing of IT project and office premises spend.

2d) Loretto Housing – Period to 30 September 2025

| | Period To 30 September 2025 | | | Full Year Budget £k |
|--------------------------------------|-----------------------------|---------------|----------------|---------------------------|
| | Actual £k | Budget £k | Variance £k | |
| INCOME | | | | |
| Rental Income | 9,319 | 9,246 | 73 | 18,652 |
| Void Losses | (184) | (211) | 27 | (422) |
| Net Rental Income | 9,135 | 9,035 | 100 | 18,230 |
| Grant Income New Build | 4,466 | 2,883 | 1,583 | 9,922 |
| Grant Income Other | 12 | 12 | 0 | 120 |
| Other Income | 61 | 58 | 3 | 351 |
| Total Income | 13,674 | 11,988 | 1,686 | 28,623 |
| EXPENDITURE | | | | |
| Employee Costs - Direct | 781 | 779 | (2) | 1,548 |
| Employee Costs - Group Services | 506 | 511 | 5 | 1,015 |
| ER / VR | 0 | 0 | 0 | 0 |
| Direct Running Costs | 896 | 922 | 26 | 2,079 |
| Running Costs - Group Services | 284 | 294 | 10 | 606 |
| Revenue Repairs and Maintenance | 2,346 | 2,292 | (54) | 4,969 |
| Bad debts | 79 | 133 | 54 | 266 |
| Depreciation | 3,903 | 3,903 | 0 | 7,807 |
| TOTAL EXPENDITURE | 8,795 | 8,834 | 39 | 18,290 |
| OPERATING SURPLUS / (DEFICIT) | 4,879 | 3,154 | 1,725 | 10,333 |
| <i>Net operating margin</i> | 35.7% | 26.3% | 9.4% | |
| Net Interest Payable | (1,953) | (1,990) | 37 | (4,185) |
| STATUTORY SURPLUS / (DEFICIT) | 2,926 | 1,164 | 1,762 | 6,148 |

| | Period To 30 September 2025 | | | Full Year Budget £k |
|--|-----------------------------|--------------|----------------|---------------------------|
| | Actual £k | Budget £k | Variance £k | |
| INVESTMENT | | | | |
| Total Capital Investment Income | 1,517 | 623 | 894 | 1,885 |
| Investment Programme | 1,529 | 1,888 | 359 | 4,497 |
| New Build Programme | 3,517 | 3,608 | 91 | 6,537 |
| Other Capital Expenditure | 132 | 151 | 19 | 282 |
| TOTAL CAPITAL EXPENDITURE | 5,178 | 5,647 | 469 | 11,316 |
| NET CAPITAL EXPENDITURE | 3,661 | 5,024 | 1,363 | 9,431 |

Key highlights:

A net operating surplus of £4,879k, £1,725k favourable to budget and a statutory surplus of £2,926k, £1,762k favourable to budget is reported. The favourable variance reflects the good letting performance and the earlier than budgeted recognition of grant income following the early completion of units at South Crosshill.

- Net rental income is £100k favourable to budget due to 24 East Lane units, budgeted to complete in July 2025, completing ahead of schedule, 44 units at South Crosshill completing early in addition to void losses of 1.97% in the year to date compared to the budgeted 2.28%.
- Grant income relating to new build is £1,583k favourable to budget due early completion of 44 units at South Crosshill in July and September 2025, budgeted for November 2025. This is partially offset with the early completion of 24 East Lane units in March 2025, which were in the current year budget.
- Total employee costs (direct and group services) are £3k favourable to budget due to the timing of changes compared to the budgeted structures in Wheatley Solutions.
- Total running costs are £36k favourable to budget due to the timing of spend and cost savings across several departments within Wheatley Solutions and due to the timing of direct running costs.
- Revenue repairs and maintenance are £54k unfavourable to budget. Revenue responsive repairs are £50k unfavourable and in the YTD, 5,838 responsive repair jobs have been completed, compared to 5,461 in the same period last year. This is linked to both an increase in the demand and a reduction in outstanding jobs, (615 at March to 375 at the end of September). Compliance spend, including communal utilities, is £4k higher than budget due to the timing of spend against budget.
- Net Interest payable is £37k lower than budget, due to the timing of loan drawdowns compared to the budgeted profile.

Net capital expenditure of £3,661k is £1,363k lower than budget.

- Capital investment income (grant) is £894k higher than budget due to the timing of the new build grant income for Bank Street and accelerated claims at Forfar Avenue due to the earlier than budgeted start on site.
- Investment programme expenditure of £1,529k relates to core programme works, capitalised repairs and voids. A favourable variance is reported due to the timing of core programme works, partly offset by higher spend on capitalised repairs in the YTD, linked to increase in completed jobs.
- New build spend is £91k lower than budget driven by the timing of spend across projects including South Crosshill where more spend was incurred in 2024/25. This underspend is partly offset by additional spend at Forfar Avenue, which started on site ahead of the budgeted date.

2e) Wheatley Homes East – Period to 30 September 2025

| | Period to 30 September 2025 | | | Full Year Budget £k |
|--|-----------------------------|---------------|----------------|---------------------------|
| | Actual £k | Budget £k | Variance £k | |
| INCOME | | | | |
| Rental Income | 23,338 | 23,310 | 28 | 47,147 |
| Void Losses | (329) | (343) | 14 | (685) |
| Net Rental Income | 23,009 | 22,967 | 42 | 46,462 |
| Grant Income | 25,503 | 25,586 | (83) | 37,011 |
| Other Grant Income | 352 | 294 | 58 | 588 |
| Other Income | 2,428 | 2,308 | 120 | 5,982 |
| TOTAL INCOME | 51,292 | 51,155 | 137 | 90,043 |
| EXPENDITURE | | | | |
| Employee Costs - Direct | 2,658 | 2,634 | (24) | 5,258 |
| Employee Costs - Group Services | 1,469 | 1,481 | 12 | 2,944 |
| ER/VR | 36 | 0 | (36) | 0 |
| Direct Running Costs | 2,533 | 2,538 | 5 | 5,172 |
| Running Costs - Group Services | 824 | 852 | 28 | 1,759 |
| Revenue Repairs and Maintenance | 4,519 | 4,518 | (1) | 8,794 |
| Bad Debts | 246 | 244 | (2) | 489 |
| Depreciation | 8,819 | 8,819 | 0 | 17,636 |
| TOTAL EXPENDITURE | 21,104 | 21,086 | (18) | 42,052 |
| NET OPERATING SURPLUS | 30,188 | 30,069 | 119 | 47,991 |
| <i>Net Operating Margin</i> | 59% | 59% | 0% | 53% |
| Net Interest payable & similar charges | (5,647) | (5,650) | 3 | (11,299) |
| STATUTORY SURPLUS | 24,541 | 24,419 | 122 | 36,692 |

Key highlights:

Net operating surplus of £30,188k is £119k favourable to budget. Statutory surplus for the period is £24,541k, £122k favourable to budget. Earlier than budgeted handover new build completions generating additional rental and lease income and additional adaptations grant funding are contributing to the favourable variance.

- Gross rental income is £28k favourable to budget due to additional rental income from the new build completions. Void losses are £14k favourable to budget with voids losses of 1.41% compared to the budget of 1.47%.
- Grant income recognised of £25,503k is broadly in line with budget at P6. 231 properties have completed to date which is just below the budget of 237 units.
- Other grant income of £352k includes £148k adaptation grant income which is £58k ahead of budget due to increased grant approved for the year and is in line with additional corresponding adaptation spend.
- Other income of £2,428k is £120k favourable to budget reflecting the additional lease income from Lowther and includes the 35 MMR properties at West Craigs Ph3 that completed ahead of budget.
- Total employee costs are £12k unfavourable to budget with group employee costs favourable to budget by £12k due to the timing of changes compared to the budgeted structures in Wheatley Solutions. Direct employee costs are unfavourable driven by additional agency costs to cover staff absences at the supported Livingwell sites and the Harbour.
- ERVR costs of £36k is unfavourable YTD, however, the spend is managed within the budget across the Group.
- Total running costs are £33k favourable to budget due to group running costs being £28k favourable to budget due to several departments reporting lower costs across Wheatley Solutions. Direct running costs are favourable to budget by £5k, with several departments reporting variances due to timing.
- Revenue repairs and maintenance spend is overall in line with budget. Responsive repairs are £54k favourable to budget with outstanding/ overdue job numbers remaining stable from March 25 to P6. Cyclical maintenance is £55k ahead of budget driven by the timing of EICR works with spend expected to align with budget over the year.

Net interest payable of £5,647k includes interest due on the loans due to Wheatley Funding No.1 Ltd and external funders. Loan interest is in line with budget.

Net capital expenditure of £20,532k is £820k higher than budget.

- Capital investment income is £5,754k higher than budget due to grant claims made at Deans South Ph2, Charlesfield and Longniddry being ahead of budget in line with the accelerated progress and spend on site.
- Investment programme spend is £457k higher than budget. Higher capitalised repairs of £281k are reported including £130k of remedial works following two fires, £55k of specialist works in relation to damp & mould works at one property in Granton and £76k for four high value rot and roof repairs. Core programme is £144k higher than budget driven by increased spend on district heating and on boilers.
- New build spend of £22,160k is £6,288k higher than budget due to accelerated spend at Deans South Ph2, Charlesfield Road, Wallyford 5 A/B and Longniddry.

| | Period to 30 September 2025 | | | Full Year Budget £k |
|--|-----------------------------|---------------|----------------|---------------------------|
| | Actual £k | Budget £k | Variance £k | |
| INVESTMENT | | | | |
| Total Capital Investment Income | 7,687 | 1,933 | 5,754 | 2,126 |
| Investment Programme Expenditure | 5,740 | 5,283 | (457) | 9,156 |
| New Build & Other Investment | 22,160 | 15,872 | (6,288) | 34,945 |
| Other Capital Expenditure | 319 | 490 | 171 | 945 |
| TOTAL CAPITAL EXPENDITURE | 28,219 | 21,645 | (6,574) | 45,046 |
| NET CAPITAL EXPENDITURE | 20,532 | 19,712 | (820) | 42,920 |

2f) Wheatley Homes South – Period to 30 September 2025

| OPERATING STATEMENT | Period to September 2025 | | | Full Year Budget £k |
|--|--------------------------|----------------------|------------------------|---------------------------|
| | Actual £k | Budget £k | Variance £k | |
| INCOME | | | | |
| Rental Income | 27,614 | 27,598 | 16 | 54,778 |
| Void Losses | (149) | (301) | 152 | (600) |
| Net Rental Income | 27,465 | 27,297 | 168 | 54,178 |
| Grant Income | 0 | 0 | 0 | 6,244 |
| Other Grant Income | 1,114 | 786 | 329 | 1,542 |
| Other Income | 570 | 568 | 2 | 2,364 |
| TOTAL INCOME | 29,149 | 28,650 | 499 | 64,328 |
| EXPENDITURE | | | | |
| Employee Costs - Direct | 2,674 | 2,676 | 3 | 5,344 |
| Employee Costs - Group Services | 1,742 | 1,757 | 14 | 3,492 |
| Direct Running Costs | 1,426 | 1,478 | 51 | 3,348 |
| Running Costs - Group Services | 977 | 1,011 | 33 | 2,086 |
| Revenue Repairs and Maintenance | 5,887 | 5,997 | 110 | 12,496 |
| Bad debts | 129 | 560 | 431 | 1,119 |
| Depreciation | 7,847 | 7,847 | 0 | 15,695 |
| Demolition and compensation | 2 | 0 | (2) | 0 |
| TOTAL EXPENDITURE | 20,684 | 21,325 | 641 | 43,580 |
| NET OPERATING SURPLUS | 8,465 | 7,325 | 1,140 | 20,748 |
| <i>Net operating margin</i> | 29% | 26% | 3% | 32% |
| Interest receivable | 57 | 45 | 12 | 90 |
| Interest payable & similar charges | (3,610) | (3,703) | 93 | (7,311) |
| STATUTORY SURPLUS | 4,912 | 3,667 | 1,245 | 13,527 |
| INVESTMENT | Actual £k | Budget £k | Variance £k | Budget £k |
| TOTAL CAPITAL INVESTMENT INCOME | 8,991 | 8,885 | 106 | 19,930 |
| Capital Investment spend | 5,705 | 5,864 | 159 | 13,908 |
| New Build Programme | 12,499 | 12,857 | 358 | 27,229 |
| Other Fixed Assets | 1,036 | 756 | (280) | 1,983 |
| TOTAL INVESTMENT EXPENDITURE | 19,240 | 19,477 | 237 | 43,120 |
| NET CAPITAL EXPENDITURE | 10,249 | 10,592 | 343 | 23,190 |

Key highlights :

Net operating surplus of £8,465k, £1,140k favourable to budget and a statutory surplus of £4,912k, £1,245k favourable is reported. The favourable position in the period to September reflects the letting performance and the overall favourable expenditure position to budget.

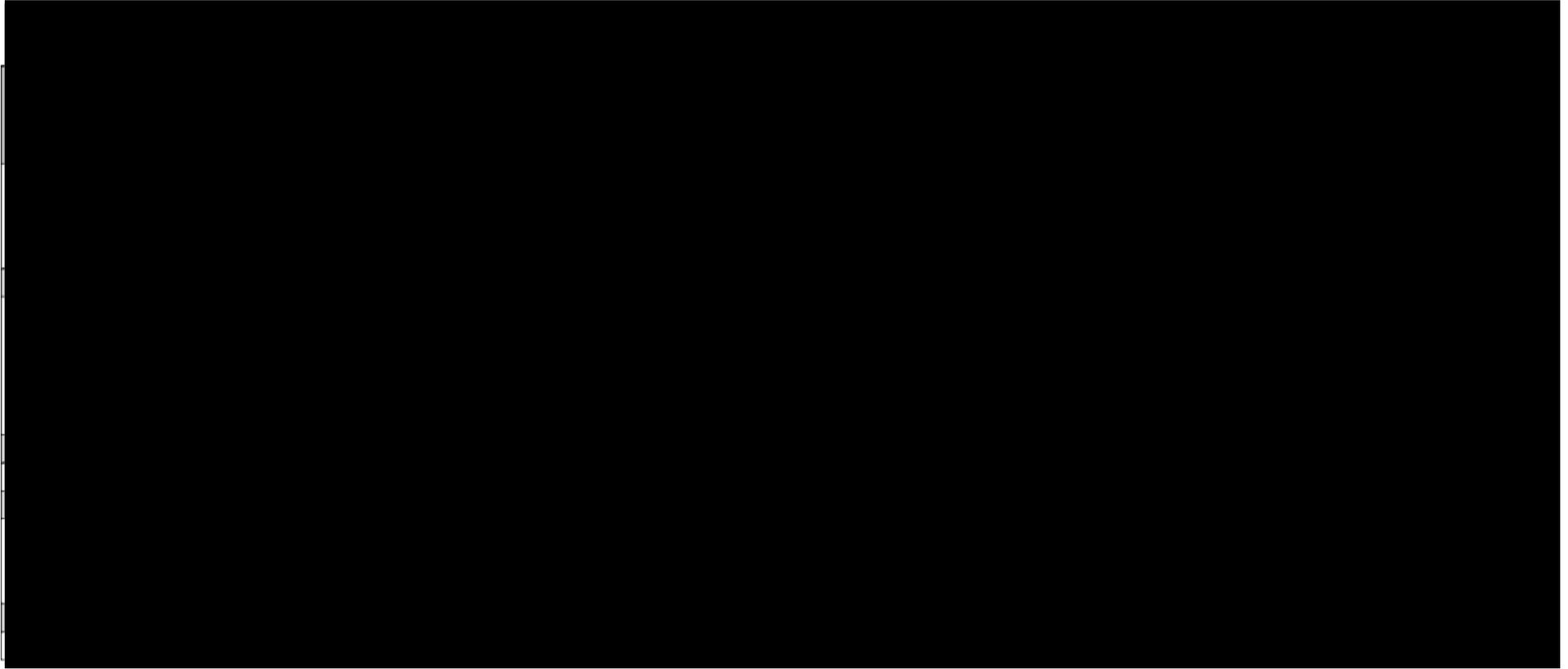
- Net rental income is £168k higher than budget. Void losses are £152k favourable to budget, with a void loss rate of 0.6% vs 1.1% in budget. Rental income is favourable to budget after successful negotiations with DGC to increase the service charge income at Young Persons Project (YPP).
- Other grant income is £329k favourable to budget driven by additional aids & adaptations grant (with corresponding higher costs) and higher renewable heat incentive (RHI) grant funding.
- Total employee costs (direct and group services) are £17k favourable to budget due to the timing of changes compared to the budgeted structures in Wheatley Solutions.
- Total running costs (direct & group services) are £84k favourable to budget due to the timing of spend and cost savings across several departments within Wheatley Solutions and within direct running costs.
- Repairs costs are £110k favourable to budget. Responsive repairs are £52k favourable due to a reduction in demand compared to this time last year (1,500 fewer jobs), partly offset by higher average cost per job. Gas planned maintenance is favourable to budget due with the works to date costing less than the allocated budget and other compliance spend is higher than budget due to additional asbestos removal jobs. All compliance work is delivered within the required legislative timeframe.

Interest payable of £3,610k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders. The favourable position is due to lower drawdowns than budgeted to date.

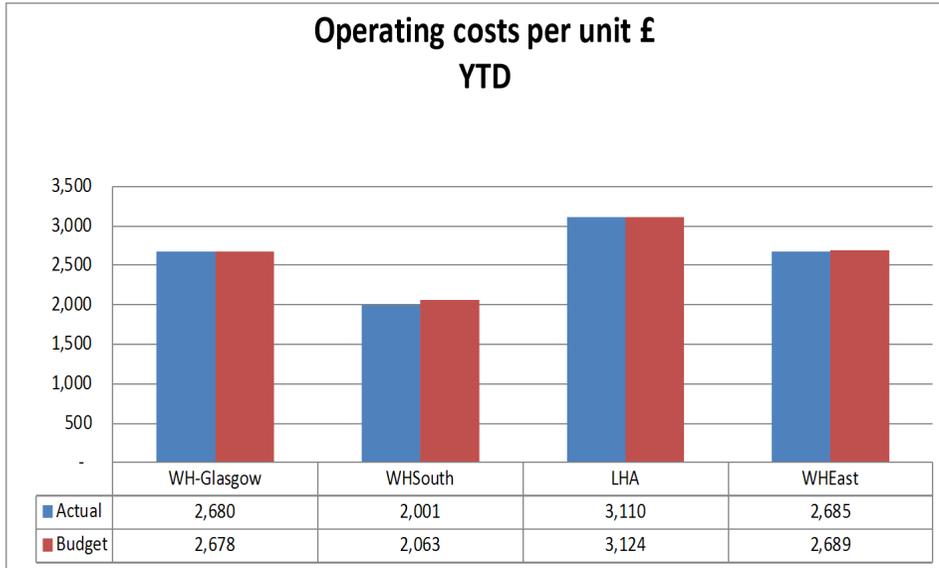
Net capital expenditure of £10,249k is £343k lower than budget.

- Capital investment income is £106k higher than budget. New build grant income is less than budgeted driven by a delayed start at Leswalt, two months later than planned, partly offset by additional grant income due to accelerated spend at Ashwood Drive. Adaptations spend is £294k higher, in line with higher income reported in Other grant income.
- Total capital investment spend of £5,705k is £159k lower than budget due to timing of spend on core programme (windows & doors and lowrise) partly offset by higher capitalised voids due to more high value voids (>£10k) and additional funded aids & adaptations spend.
- New Build expenditure, reflecting the movement in grant income, is £358k lower than budget due to a delayed start at Leswalt, offset by accelerated spend at Ashwood Drive and Johnstonebridge.
- Other capital expenditure of £1,036k is £280k higher than budget due to accelerated spend on the office at Ashwood Drive, partly offset by reduced costs due to the timing of IT project spend.

2g) Wheatley Developments Scotland – Period to 30 September 2025

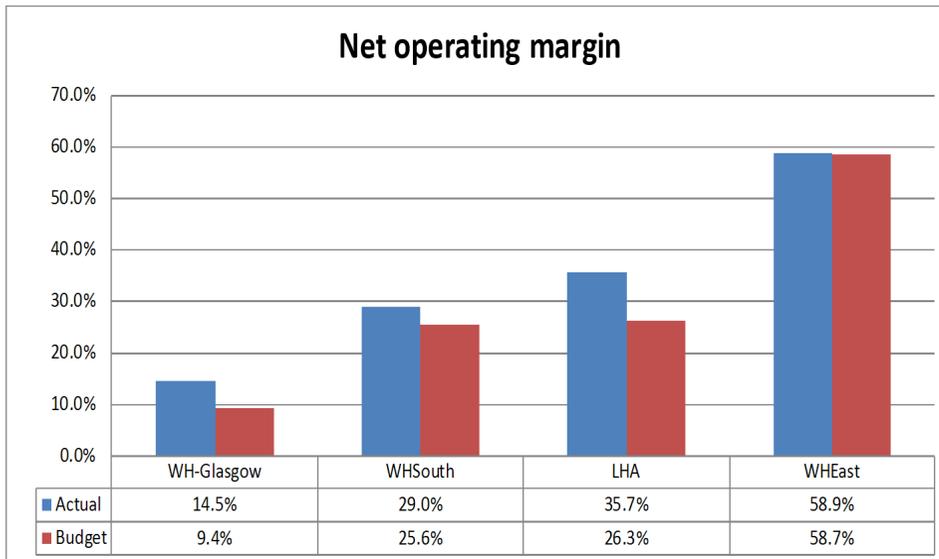


3) Summary of RSL operating costs and margin v budget



Operating costs per unit:

- At Sept 2025 operating costs per unit are lower than budget for WH South, Loretto and WH East and marginally higher for WH Glasgow. Within WH Glasgow the higher than budgeted repair costs to clear the backlog of jobs is driving the higher unit cost variance.
- Operating costs per unit vary across the RSLs depending on the stock profiles and types of accommodation offered.



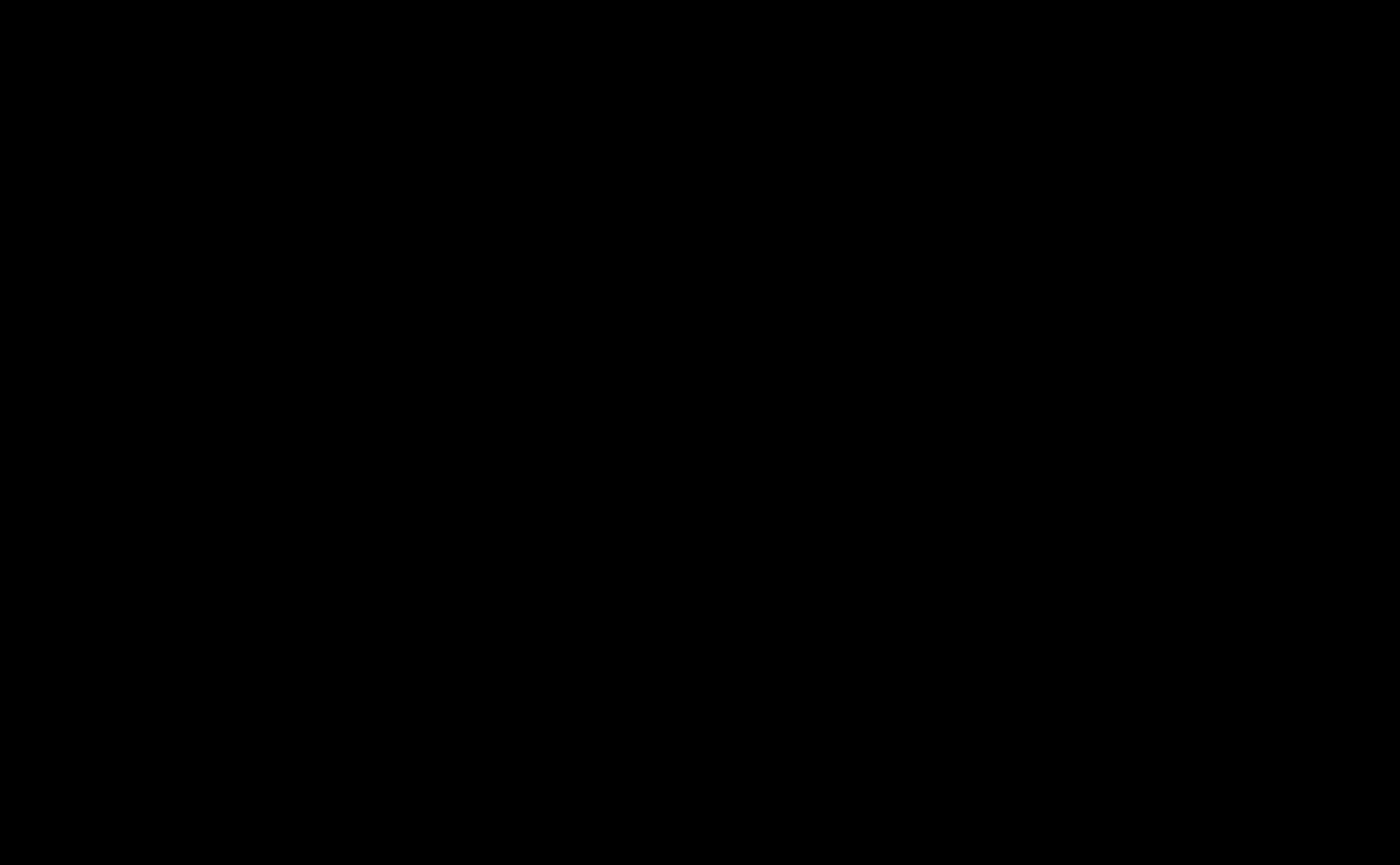
Net operating margin

- Net operating margin is favourable to budget in all RSL's is due to the early recognition of the new build grants in 2024/25.
- Similar to operating costs, the favourable variances across expenditure lines is impacting margins in the RSLs.

Wheatley Group Financial Report To September 2025 (Period 6)

Non RSL entities

4a) Wheatley Care – Period to 30 September 2025

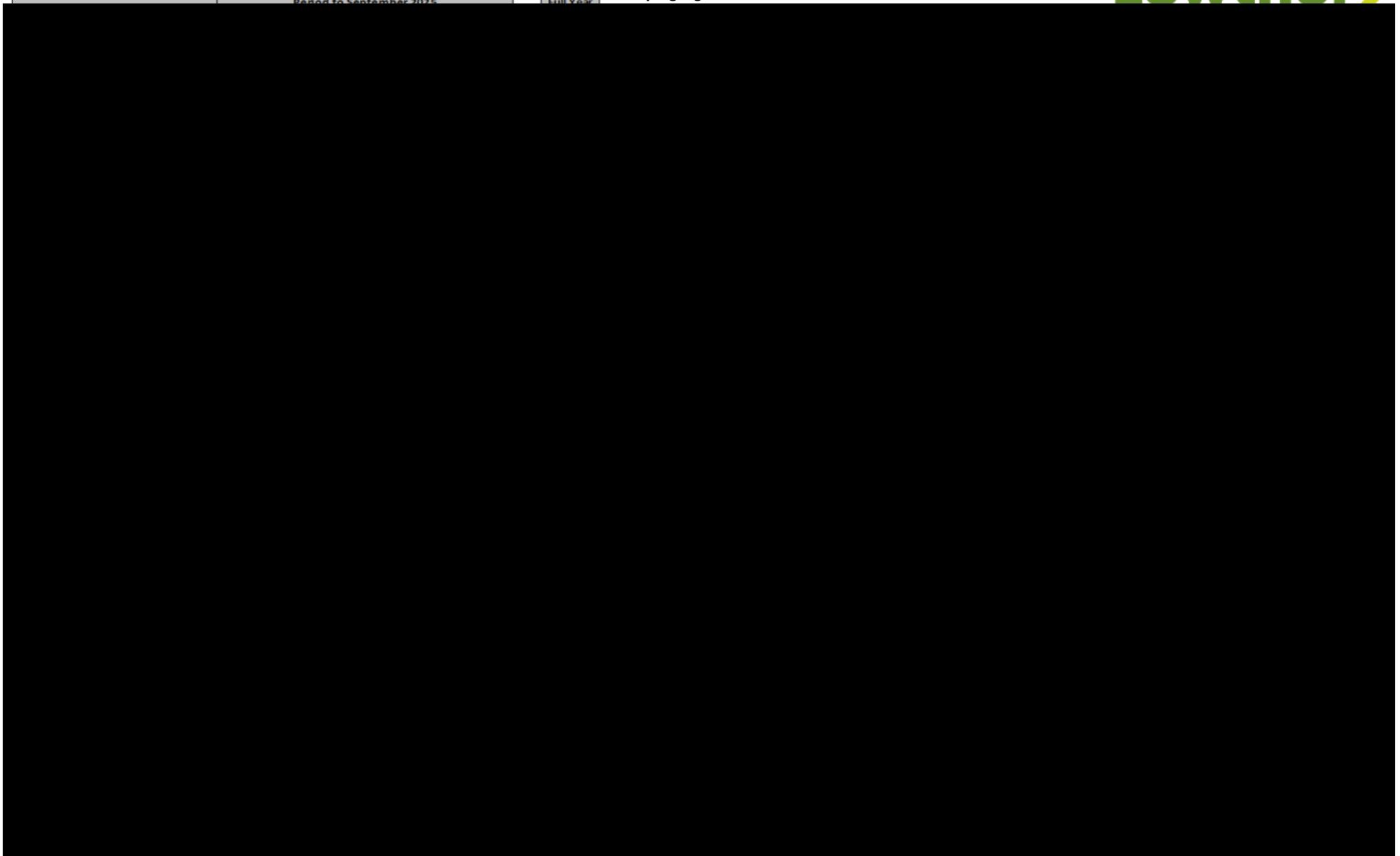


4b) Lowther – Period to 30 September 2025

Period to September 2025

Full Year

Key highlights:



5) Wheatley Solutions – Period to 30 September 2025

| | Sept 2025 | | | Full Year |
|------------------------------|---------------|---------------|--------------|---------------|
| | Actual £ks | Budget £ks | Variance £ks | Budget £ks |
| EXPENDITURE | | | | |
| <u>Employee costs</u> | | | | |
| Executive Team | 512 | 541 | 29 | 1,053 |
| Employee Relations and WFP | 1,243 | 1,214 | (30) | 2,351 |
| Marketing and Communications | 434 | 447 | 12 | 891 |
| Assurance | 357 | 357 | 0 | 712 |
| Academy | 351 | 338 | (13) | 675 |
| Finance | 1,461 | 1,461 | 0 | 2,903 |
| Governance | 979 | 995 | 16 | 1,984 |
| Information Technology | 1,236 | 1,292 | 56 | 2,571 |
| Litigation | 458 | 429 | (29) | 856 |
| Customer First Centre | 4,401 | 4,442 | 42 | 8,906 |
| Property | 662 | 688 | 25 | 1,372 |
| GDRT | 214 | 214 | 0 | 427 |
| Total employee costs | 12,123 | 12,232 | 109 | 24,332 |
| <u>Running costs</u> | | | | |
| Executive Team | 30 | 81 | 52 | 174 |
| Employee Relations and WFP | 485 | 485 | 0 | 970 |
| Marketing and Communications | 104 | 99 | (5) | 272 |
| Assurance | 24 | 9 | (14) | 76 |
| Academy | 134 | 217 | 82 | 535 |
| Finance | 537 | 598 | 61 | 1,166 |
| Governance | 341 | 342 | 1 | 976 |
| Information Technology | 4,082 | 4,118 | 35 | 8,133 |
| Litigation | 178 | 186 | 8 | 372 |
| Customer First Centre | 76 | 95 | 19 | 220 |
| Property | 785 | 798 | 12 | 1,595 |
| GDRT | 17 | 14 | (3) | 28 |
| Total running costs | 6,792 | 7,041 | 249 | 14,517 |
| Head office costs | 970 | 970 | 0 | 1,939 |
| TOTAL EXPENDITURE | 19,885 | 20,243 | 358 | 40,788 |
| Profit before tax | 1 | 1 | 0 | 3 |

Key highlights:

The table presents the financial performance for the period to September 2025. Both employee costs and running costs are recovered in full by way of a recharge to each of the group subsidiaries. This recharge is reflected as Income from Subsidiaries.

Overall, Wheatley Solutions reports total expenditure of £19,886k. This is £358k favourable to budget with lower than budgeted spend on running costs and employee costs.

- Employee costs of £12,123k are £109k favourable to budget:
 - Unfavourable variance to budget for Employee Relations and Academy relates to changes to the budgeted structure with the creation of unbudgeted roles including an OD Business Partner and OD Lead in the Academy and an HR advisor and additional payroll resource in Employee Relations. Litigation also reports an unfavourable variance due to an unbudgeted temporary role to support processing of public liability claims and the creation of a new paralegal role.
 - Across other departments the favourable variances relate to vacancies compared to the budgeted structure in place on 1 April 2025.
- Running costs of £6,792k are £249k favourable to budget. The key variances are:
 - Assurance reports expenditure £14k higher than budget due to costs to back fill staff on secondment to CBG.
 - Lower YTD activity in the Academy related to a tendering exercise for external training delivery and timing of expenditure on Diversity & Inclusion programme. This variance is anticipated to be a timing variance only.
 - IT reports expenditure of £4,082k for the period, which is £35k lower than budget. The main driver for this are savings to date on the Azure tenancy.
 - Finance expenditure is £61k lower than budget with lower spend to date on tax advice. Tax advice is both recurring compliance and ad-hoc in nature dependant on business activities being carried out.
- Due to lower than budgeted costs, the income received from subsidiaries is less than budgeted.

6) Wheatley Foundation – Period to 30 September 2025

Key highlights:

The Wheatley Foundation reports a deficit of £1,608k for the period. This is favourable to budget by £188k and results in a closing reserve of £4,672k.

Income of £2,580k is £206k higher than budget:

- Donations from Wheatley Group subsidiaries of £1,624k are in line with budget for the year to date.
- External income of £600k is favourable to budget by £126k. The recognition of external funding can fluctuate during the year depending on the timing of grant awards. Income recognised to date includes:
 - £375k for the Way Ahead programme. The costs linked to this project are reported under the Employability theme;
 - No One Left Behind employability income of £129k in line with agreed contract awards for the year;
 - £21k from Advice UK to support Money and Welfare Advice teams;
 - £13k to support cycling activities; and
 - £23k from Glasgow LEZ funding activities, carried forward from 24/25.
- Community benefit income included in the Group new build contracts is higher than budget by £81k in relation to the earlier completion of new build units.

Expenditure of £4,301k is £131k higher than budget:

- Tackling Poverty & Social Inclusion reports expenditure that is £56k higher than budget. Spend includes £104k on Home Comforts, £74k on My Great Start, £73k on No One Left Behind employability projects and £44k on Starter Packs to support tenancy sustainment. There is also £13k of unbudgeted Glasgow Afghan United sponsorship to support the Refugee World Cup, unbudgeted £15k payments to Business in the Community and Improving Lives as well as £8k to support Cranhill community activities.
- Employability expenditure of £484k includes £335k spend on the Way Ahead programme, £5k for Modern Apprentices programme and £144k on Wheatley Works programme. The variance to budget is linked to the higher activity through the Way Ahead project, which has a matching increase in income vs budget.
- Money and welfare advice spend of £967k is £9k lower than budget. Higher employee costs due to finalisation of staffing structure changes in 2025/26 are being offset by lower team running costs to date.
- Community Policing & Group Protection spend of £1,373k includes staff and running costs for the delivery of programmes to RSLs in key areas such as suicide prevention as well as providing resources to support victims of domestic abuse and targeting anti-social behaviour and crime in our communities. Spend is higher than budget due to cover for long-term sick leave in the team and the creation of 2 new unbudgeted roles.
- The Helping Hand fund spend of £522k relates to rent assistance to customers facing financial hardship. The variance is due to timing only with full year spend anticipated to be on track.
- Interest Received of £113k relates to unbudgeted interest earned from a high interest, short-term deposit account.

| | Sept 2025 | | | Full Year |
|--|----------------|----------------|-----------------|----------------|
| | Actual £ks | Budget £ks | Variance £ks | Budget £ks |
| INCOME | | | | |
| Donations from Wheatley subsidiaries | 1,624 | 1,624 | - | 3,248 |
| External income | 600 | 474 | 126 | 948 |
| New build community benefit income | 356 | 276 | 81 | 375 |
| TOTAL INCOME | 2,580 | 2,374 | 206 | 4,571 |
| EXPENDITURE | | | | |
| Overheads | 487 | 493 | 5 | 983 |
| Tackling Poverty & Social Inclusion | 378 | 321 | (56) | 643 |
| Education | 36 | 38 | 2 | 165 |
| Digital Inclusion | 54 | 60 | 6 | 70 |
| Employability | 484 | 440 | (44) | 1,389 |
| Money/Welfare Benefits advice | 967 | 976 | 9 | 1,947 |
| Community Policing & Group Protection | 1,373 | 1,343 | (31) | 2,692 |
| Helping Hand Fund | 522 | 500 | (22) | 1,000 |
| TOTAL EXPENDITURE | 4,301 | 4,170 | (131) | 8,889 |
| INTEREST RECEIVED | 113 | - | 113 | 0 |
| NET OPERATING SURPLUS / (DEFICIT) | (1,608) | (1,796) | 188 | (4,318) |

| | |
|------------------------------|---------|
| Opening reserve 1 April 2025 | 6,280 |
| Surplus / (Deficit) for year | (1,608) |
| Closing reserve 30 Sept 2025 | 4,672 |

7) City Building (Glasgow) LLP – Period to 5 September 2025



| | |
|----|--|
| IN | |
| Ca | |
| TO | |
| EX | |
| Er | |
| O | |
| Tr | |
| St | |
| TO | |
| G | |
| G | |
| O | |
| Er | |
| O | |
| Tr | |
| St | |
| Re | |
| TO | |
| N | |

8) Wheatley Group – Consolidated Balance Sheet



| | As at 30 September 2025 £ks | As at 31 March 2025 £ks |
|--|-----------------------------------|-------------------------------|
| Fixed Assets | | |
| Social Housing Properties | 3,116,511 | 3,062,066 |
| Investment properties | 386,871 | 386,255 |
| Other tangible fixed assets | 85,655 | 87,933 |
| Investments -other | 416 | 416 |
| Fixed Assets | 3,589,453 | 3,536,670 |
| Debtors Due More Than One Year | | |
| Inter Company Loan | 0 | 0 |
| Current Assets | | |
| Stock | 2,312 | 2,278 |
| Rent & Service charge arrears | 21,014 | 25,560 |
| less: Provision for rent arrears | (14,064) | (13,967) |
| Prepayments and accrued income | 13,611 | 16,234 |
| Intercompany debtors | 0 | 0 |
| Other debtors | 24,196 | 18,132 |
| | 47,069 | 48,237 |
| Bank & Cash | 34,735 | 36,299 |
| Current Assets | 81,804 | 84,536 |
| Current Liabilities | | |
| Trade Liabilities | (10,600) | (15,713) |
| Accruals | (47,026) | (50,305) |
| Deferred income | (47,016) | (74,457) |
| Rents & service charges in advance | (18,339) | (23,329) |
| Bank Loans | (30,502) | (29,790) |
| Intercompany creditors | 0 | 0 |
| Other creditors | (18,851) | (19,235) |
| | (172,334) | (212,829) |
| Net Current Assets | (90,530) | (128,293) |
| Long Term Liabilities | | |
| Contingent efficiencies grant | (46,943) | (46,943) |
| Bank finance | (1,437,338) | (1,399,199) |
| Bond finance | (300,000) | (300,000) |
| Provisions | (10,283) | (10,506) |
| Deferred income | (51,762) | (27,603) |
| Pension liability | (7,114) | (7,114) |
| Long Term Liabilities | (1,853,440) | (1,791,365) |
| Net Assets | 1,645,483 | 1,617,012 |
| Funding Employed Capital & Reserves | | |
| Share Capital | 0 | 0 |
| Retained Income b/twd | 816,271 | 720,296 |
| Income & Expenditure | 28,471 | 95,975 |
| Revaluation Reserves | 800,741 | 800,741 |
| Funding Employed | 1,645,483 | 1,617,012 |

Key highlights:

The balance sheet as at 31 March 2025 reflects the audited position and year end statutory adjustments, including the revaluation of both housing and investment properties and actuarial valuations of the defined benefit pension schemes.

At 30 September 2025:

- The movement in fixed assets reflects investment in the core programme, the new build programme, and other fixed asset additions, less depreciation to date.
- Current assets (excluding cash) have decreased by £1.2m since March 2025. A decrease of £4.5m in rent and service charge arrears is mainly due to the timing of receipt of Housing Benefit was partly offset by an increase in prepayments and accrued income and other debtors.
- Bank and Cash of £34.7m includes deposits in transit and outstanding payments showing in the bank after the month end.
- Current liabilities of £172.3m have decreased £40.5m from the position at March 2025 with the main movement of £27.5m being in deferred income reflecting the timing of the recognition of new build grant on the completion of development properties.
- Long term liabilities at 30 Sept 2025 are £62m higher than 31 March 2025 due to £38.1m additional loans received to finance the developments across the RSL's and an increase of £24.2m in deferred income reflecting the timing of the recognition of new build grant on the completion of development properties.
- Income and expenditure of £28.5m relates to the group surplus for the period.

9a) Wheatley Group – Q2 Forecast 2025/26

| | FULL YEAR | | |
|--------------------------------|----------------|------------------|------------------|
| | Budget £000 | Forecast £000 | Variance £000 |
| INCOME | | | |
| Net Rental Income | 382,279 | 383,839 | 1,560 |
| Grant Income New Build | 80,845 | 92,049 | 11,204 |
| Grant Income Other | 5,114 | 6,200 | 1,086 |
| Other Income | 43,964 | 45,047 | 1,083 |
| Total Group Income | 512,202 | 527,135 | 14,933 |
| EXPENDITURE | | | |
| Employee Costs | 99,863 | 99,902 | (39) |
| ER/VR | 1,025 | 1,025 | - |
| Running Costs | 53,446 | 53,517 | (71) |
| Repairs & Maintenance | 98,779 | 100,329 | (1,550) |
| Bad debts | 5,336 | 3,611 | 1,725 |
| Depreciation | 124,714 | 124,714 | - |
| Demolition | - | 50 | (50) |
| Total Group Expenditure | 383,163 | 383,147 | 16 |
| NET OPERATING SURPLUS | 129,039 | 143,988 | 14,949 |
| Net operating margin | 25.2% | 27.3% | 2.1% |
| Net Interest Payable | (80,301) | (79,147) | 1,154 |
| STATUTORY SURPLUS | 48,738 | 64,841 | 16,103 |

| | FULL YEAR | | |
|-------------------------------------|----------------|------------------|------------------|
| | Budget £000 | Forecast £000 | Variance £000 |
| INVESTMENT | | | |
| Total Capital Investment Income | (86,421) | (83,384) | (3,037) |
| Core Investment Programme | 92,273 | 97,434 | (5,161) |
| New Build Programme | 136,829 | 159,683 | (22,854) |
| Other fixed assets | 12,033 | 10,336 | 1,697 |
| NET CAPITAL INVESTMENT SPEND | 154,714 | 184,069 | (29,355) |

Key highlights:

The Group forecast full year out-turn at Q2 shows a net operating surplus of £144.0m, which is £14.9m favourable to budget and a statutory surplus of £64.8m, which is £16.1m favourable to budget. Grant income of £11.2m recognised on the early handover of completed units and 60 acquisitions is contributing to the favourable position. Excluding new build grant income, operating performance is strong with additional net rental income reported from the early handovers and reduced void losses reflecting the strong letting performance.

- Net rental income is forecast to be £1.6m favourable to budget due to earlier than budgeted new build completions and the favourable void performance.
- New build grant is forecast to be £11.2m favourable to budget with the latest forecast having 659 units to complete in 2025/26, 58 higher than the target for the year plus 60 acquisitions funded with additional grant in Glasgow.
- Other grant income is forecast to be £1.1m favourable to budget with the movement reflecting the confirmed adaptation grant income in WH South of £943K and WH East of £50k (corresponding additional costs recognised in Core Investment programme line below).
- Other income is forecast to be £1.1m favourable to budget with the movement attributed to additional project income of £0.5m in Care and additional community benefit and external income than budgeted of £0.4m (with compensating additional direct costs) in Foundation.
- Direct running costs are forecast to be £0.1m higher than budget due to £0.4m additional spend in Wheatley Foundation (with compensating additional income) partly offset by cost efficiencies of £0.3m from Wheatley Solutions.
- Repairs are forecast to be £1.5m higher than budget. The uplift in forecast in Glasgow and Loretto is linked to the increase in completed repairs following a reduction in overdue jobs and a higher-than-average cost per jobs as noted to September 2025.
- Bad debts are £1,725k favourable to budget with a prudent provision continuing to be set aside for increases in arrears with the forecast taking into account actual bad debt costs for the first six months.
- Net interest payable is £1,154k favourable to budget due to the reduction in the variable lending rate compared to budget, the savings achieved on the new RCF and term debt funding arrangements with shorter maturities and additional bank interest received in both Lowther and Foundation.
- Within capital investment income, new build grant income has reduced by £3.0m. Grant was received early in 2024/25 for front funded projects in WH Glasgow budgeted to be received in 2025/26 and a reduction in grant claimable in 2025/26 due to a later start at two sites (Abbottshall and Cook Street), this is partly offset by additional grants claimable in WH East and Loretto to support development spend being brought forward. £973k of extra adaptation grant and £5.0m of unbudgeted grant for acquisitions in Glasgow.
- The core investment programme is £5.2m higher than budget. It includes an additional £973k spend on adaptations with capacity created through approved grants awarded. Additional spend of £1.6m of void spend has been recognised in Glasgow and South in recognition of the work required to bring certain void properties into the letting pool. The favourable trading position has provided capacity for an additional £2.4m of core investment spend to go towards improving tenants' homes.
- The new build development spend is forecast to be £22.9m higher than budget with accelerated spend in WH East at Charlesfield Road, Winchburgh Ph1 and Maybury West, in South at Ashwood Drive and College Mains and in Loretto due to the re-profiling of the Forfar Avenue, Dargavel Ph3 and Dargavel North developments and the acquisition costs for 60 units in Glasgow supported by additional grant.
- Other capital expenditure is £1.7m lower than budget driven by the reprofiling of the upgrade to the heating system in WH Glasgow office, partly offset by the accelerated spend on the Ashwood Drive office with spend brought forward from 2026/27. The total spend over the two years is in line with Board approval.

9b) Wheatley Group underlying surplus – Q2 Forecast 2025/26

The Wheatley Group and RSL Borrower Group operating Statement (Income and Expenditure Account) are prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2018).

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.

An underlying surplus of £4,882k is forecast for the full year as shown in the table below after adjusting to exclude the accounting adjustments for the recognition of grant income, gift aid and depreciation, but including capital expenditure on our existing properties to reflect the underlying cash surplus/deficit on our letting activity.

The strong letting performance at P6 is forecast to continue, generating additional net rental income. The favourable expenditure position from our operating activities and reduced loan interest due to the decreased variable lending rate have also contributed to accommodate in part the additional repairs, capital voids and investment spend in line with our tenant commitments to provide high quality housing and invest to improve the energy efficiency of our homes. Financial performance continues to be managed within the covenants and golden rules for the Group.

| Full Group Underlying Surplus | | | |
|-------------------------------|---------------|-----------------|---------------------|
| | Budget £ks | Forecast £ks | YTD Variance £ks |
| Net Operating Surplus | 129,039 | 143,988 | 14,949 |
| add back: | | | |
| Depreciation | 124,714 | 124,714 | 0 |
| less: | | | |
| Grant Income | (80,845) | (92,049) | (11,204) |
| Net interest payable | (80,301) | (79,147) | 1,154 |
| Total Core investment | (87,765) | (92,624) | (4,859) |
| Underlying surplus | 4,842 | 4,882 | 40 |

Appendix 2: Wheatley Group Financial Report RSL Borrower Group & Quarterly Covenants To September 2025 (Period 6)

| | | |
|----|---|-------|
| 1. | a) RSL Borrower Group | 2-4 |
| | b-g) Year to date results | 5-10 |
| 2. | RSL Borrower Group – balance sheet & cashflow | 11-12 |

1a) RSL Borrower Group – Period to 30 September 2025

Key highlights:

Statutory surplus of £27,485k is reported, £11,025k favourable compared to budget with additional grant income of £8,693k recognised on the early handover of completed units contributing to the favourable position. Excluding new build grant income, operating performance remains strong with additional net rental income reported from the early handovers and reduced void losses reflecting the strong letting performance. Overall, there is a favourable expenditure position compared to budget.

- Net rental income is £643k favourable to budget. Gross rental income is £183k favourable, mainly due to the earlier than budgeted handovers in WH East where 196 SR units have completed compared to the budgeted 171 units, in Loretto where at East Lane 24SR units due to complete in June 2025, completed earlier than budgeted in March 2025 and at South Crosshill 44SR units have completed earlier than the budgeted November 2025. In Glasgow 21SR units completed at Calton Ph2 in September 2025 ahead of schedule. In addition, rent loss on voids is £460k favourable with voids at 1.07% compared to the budgeted 1.33%.
- Grant income recognised is £8,693k favourable to budget due to the earlier than budgeted completion of units in the YTD. Overall, 320 units have completed compared to the budgeted 261 units, with a further 24 units at East Lane completing early in 2024/25. Units completed YTD are 4SR Sibbalds Brae, 106SR West Craigs Ph1 & 2, 26SR & 35MMR West Craigs Ph 3, 19SR Winchburgh BB Ph3, 18SR Dalhousie South, 23SR Builyeon, 21SR Calton Ph2, 24MMR at Shawbridge Arcade, and 44SR South Crosshill.
- Other grant income includes £347k of additional adaptations grant in WH South and WH East (with corresponding higher costs in Investment spend), two unbudgeted grants from GCC for contribution to the Housing Access team's work on Homlessness and to cover the costs of customers downsizing. Additional renewable heat incentive grant funding has also been received in WH South.
- Other income is £332k higher than budget at P6, with higher than budgeted MMR rental income in line with the timing of new build completions and rent uplifts on MMR relets and higher income from solar panels in WH Glasgow, due to good weather in the YTD.
- Employee costs (direct and group services) are £64k favourable driven by the favourable £93k position from staff recharges from Wheatley Solutions due to the timing of changes compared to the budgeted structures in Wheatley Solutions. This is partly offset by additional direct employee costs, mainly in WH East for additional agency and relief costs to support staff absences.
- Running costs (direct and group services) are £405k favourable. All RSLs are reporting a favourable position to budget in direct running costs. Group services running costs are £204k favourable to budget due to cost efficiencies and the timing of spend across several departments in Wheatley Solutions.
- Revenue repairs and maintenance includes higher spend reported in responsive repairs of £945k driven by the reduction in outstanding jobs, reduced cancellation rates and a higher-than-average cost per jobs across certain job types. Within WH Glasgow an additional 2,415 jobs have been completed compared to YTD to September 2024. Cyclical and compliance spend is £269k favourable to budget due to the timing of spend compared to the budgeted programme.
- Bad debts are £861k favourable to budget with a prudent provision set aside for increases in arrears.

Net Interest payable is £274k favourable to budget linked to the timing of loan drawdowns, lower variable rate payable and additional interest received in WFL1 and WH South than budgeted.

| | Period to 30 September 2025 | | | Full Year Budget £'000 |
|------------------------------|-----------------------------|-----------------|-------------------|---------------------------|
| | Actual £'000 | Budget £'000 | Variance £'000 | |
| INCOME | | | | |
| Net Rental Income | 179,254 | 178,611 | 643 | 357,255 |
| Grant income New Build | 37,282 | 28,589 | 8,693 | 78,861 |
| Grant income Other | 3,834 | 3,404 | 430 | 5,114 |
| Other Income | 8,545 | 8,212 | 332 | 16,806 |
| Total Income | 228,915 | 218,816 | 10,098 | 458,036 |
| EXPENDITURE | | | | |
| Employee Costs | 36,054 | 36,118 | 64 | 71,747 |
| ER/VR | 67 | 67 | - | 1,025 |
| Running Costs | 18,178 | 18,583 | 405 | 39,811 |
| Repairs & Maintenance | 47,549 | 46,873 | (676) | 91,069 |
| Bad debts | 1,530 | 2,391 | 861 | 4,781 |
| Depreciation | 62,357 | 62,357 | - | 124,714 |
| Demolition Programme | 2 | - | (2) | - |
| Total Expenditure | 165,737 | 166,389 | 653 | 333,148 |
| NET OPERATING SURPLUS | 63,178 | 52,427 | 10,751 | 124,888 |
| | 27.6% | 24.0% | | 27.3% |
| Net interest payable | (35,693) | (35,967) | 274 | (77,400) |
| STATUTORY SURPLUS | 27,485 | 16,460 | 11,025 | 47,488 |

1a) RSL Borrower Group – Period to 30 September 2025

| Capital Investment | Period to 30 September 2025 | | | Full Year |
|-------------------------------------|-----------------------------|-----------------|-------------------|-----------------|
| | Actual £'000 | Budget £'000 | Variance £'000 | Budget £'000 |
| CORE PROGRAMME | | | | |
| SHNZ | 0 | 0 | 0 | 0 |
| Empty Homes | 270 | 270 | 0 | 270 |
| Adaptations | 1,907 | 1,560 | 347 | 2,454 |
| Other Capital grants | 0 | 0 | 0 | 0 |
| Grant Income | 2,177 | 1,830 | 347 | 2,724 |
| Core Investment Programme | 25,014 | 26,146 | 1,132 | 59,357 |
| SHNZ | 0 | 0 | 0 | 0 |
| Empty Homes | 359 | 359 | 0 | 468 |
| Adaptations | 1,907 | 1,899 | (8) | 3,768 |
| Voids | 9,642 | 8,482 | (1,160) | 15,388 |
| Capitalised Repairs | 6,336 | 5,759 | (577) | 11,517 |
| Total Core Investment | 43,258 | 42,645 | (613) | 90,498 |
| NET CORE INVESTMENT | 41,081 | 40,815 | (266) | 87,774 |
| NEW BUILD | | | | |
| New Build Grant Income Received | 29,777 | 33,287 | (3,510) | 75,681 |
| New Build investment | 61,060 | 57,247 | (3,813) | 129,128 |
| NET NEW BUILD INVESTMENT | 31,283 | 23,960 | (7,323) | 53,447 |
| OTHER FIXED ASSET INVESTMENT | 4,292 | 6,217 | 1,925 | 11,855 |
| TOTAL NET CAPITAL INVESTMENT | 76,656 | 70,992 | (5,664) | 153,076 |

Key highlights:

Net core investment spend is £266k higher than budget:

- Within the core investment programme spend is £1,132k favourable to budget. The favourable position reflects the timing of compliance and component replacements in all RSL's; namely kitchen, window and door and lowrise spend in WH South, Internal common works, lift replacement and M & E spend in WH Glasgow and windows and doors and central heating in Loretto. This is offset by the acceleration of spend in WH Glasgow in line with our tenant commitments.
- The additional void spend is attributable to Glasgow where YTD spend is £1,149k higher than budget. Higher spend is linked to the review of the void standard and several voids requiring more extensive work including properties which required major refurbishment works.
- Capitalised repairs includes additional spend of £281k in the WH East which includes remedial works following 2 fires (Gorgie Park Road and Earl Gray Street) totalling £130k and £55k in relation to specialist damp & mould work at a property in Granton. It also includes £225k of additional spend in WH Glasgow of which £182k relates to damp & mould repairs works.
- All adaptation spend in the YTD has been grant funded. The additional funded spend in WH South and WH East has been offset by lower than budgeted spend in WH Glasgow and Loretto, due to timing of job requests in the YTD.

Net new build spend is £7,323k higher than budget.

- New build grant income is £3,510k less than budget. Within WH Glasgow, grant income is £9,932k lower than budget mainly due to grant being received in March 2025 for North Toryglen and Shawbridge Arcade, both front funded projects with grant budgeted to be received in 2025/26. Within WHEast, new build grants received are £5,701k more than budget due to grant claims made at Deans South Ph2, Charlesfield and Longniddry being ahead of budget.
- New build spend is £3,813k ahead of budget and includes the accelerated spend at in the East at Deans South Ph 2, Wallyford 5 A/B, West Craigs Ph1 and Longniddry and in WH Glasgow at North Toryglen and the early completion of the land acquisition for Albion Street offset by the timing of payments for onsite developments in Glasgow including Abbotshall and Shawbridge Arcade.
- Other fixed assets investment expenditure reflects the timing of spend on corporate estate and IT capital projects.

1a) RSL Borrower Group underlying surplus – Period to 30 September 2025

The Wheatley Group and RSL Borrower Group operating Statement (Income and Expenditure Account) on page 2 is prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2018).

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 £11,449k has been reported for the period to 30 September 2025. The favourable variance of £2,466k to budget reflects the solid operating performance with additional net rental income reported from the early handovers and reduced void losses and an overall favourable expenditure position compared to budget with core investment spend reporting a small overall favourable position due to timing of spend.

| Borrower Group Underlying Surplus | | | | |
|--|-------------------|-------------------|---------------------|------------------|
| | YTD Actual £ks | YTD Budget £ks | YTD Variance £ks | FY Budget £ks |
| Net Operating Surplus | 63,178 | 52,427 | 10,751 | 124,888 |
| add back: | | | | |
| Depreciation | 62,357 | 62,357 | 0 | 124,714 |
| less: | | | | |
| Grant Income | (37,282) | (28,589) | (8,693) | (80,653) |
| Net interest payable | (35,693) | (35,967) | 274 | (77,400) |
| Total Core investment | (41,111) | (41,245) | 134 | (85,990) |
| Underlying surplus | 11,449 | 8,983 | 2,466 | 5,559 |

1b) Wheatley Homes Glasgow – Period to 30 September 2025

| | Year To September 2025 | | | Full Year Budget £ks |
|--|------------------------|-----------------|-----------------|-------------------------|
| | Actual £ks | Budget £ks | Variance £ks | |
| INCOME | | | | |
| Rental Income | 120,930 | 120,864 | 66 | 241,420 |
| Void Losses | (1,285) | (1,552) | 267 | (3,034) |
| Net Rental Income | 119,645 | 119,312 | 333 | 238,386 |
| Grant Income New Build | 7,313 | 120 | 7,193 | 25,685 |
| Grant Income Other | 2,356 | 2,312 | 44 | 2,863 |
| Other Income | 6,333 | 6,134 | 199 | 14,913 |
| Total Income | 135,647 | 127,878 | 7,769 | 281,847 |
| EXPENDITURE | | | | |
| Employee Costs - Direct | 19,098 | 19,093 | (5) | 37,846 |
| Employee Costs - Group Services | 7,670 | 7,734 | 64 | 15,388 |
| ER / VR | 31 | 31 | 0 | 1,025 |
| Direct Running Costs | 7,353 | 7,421 | 68 | 16,402 |
| Running Costs - Group Services | 4,182 | 4,326 | 144 | 8,942 |
| Revenue Repairs and Maintenance | 34,797 | 34,066 | (731) | 64,808 |
| Bad debts | 1,076 | 1,454 | 378 | 2,907 |
| Depreciation | 41,788 | 41,788 | 0 | 83,576 |
| Demolition | 0 | 0 | 0 | 0 |
| TOTAL EXPENDITURE | 115,995 | 115,913 | (82) | 230,894 |
| NET OPERATING SURPLUS / (DEFICIT) | 19,652 | 11,965 | 7,687 | 50,953 |
| <i>Net operating margin</i> | <i>14.5%</i> | <i>9.4%</i> | <i>5.1%</i> | <i>18%</i> |
| Net Interest Payable | (24,546) | (24,669) | 123 | (54,695) |
| STATUTORY SURPLUS / (DEFICIT) | (4,894) | (12,704) | 7,810 | (3,742) |
| INVESTMENT | | | | |
| Total Capital Investment Income | 13,760 | 23,677 | (9,917) | 46,313 |
| Investment Programme Expenditure | 30,283 | 29,610 | (673) | 62,937 |
| New Build Programme | 25,498 | 27,529 | 2,031 | 62,305 |
| Other Capital Expenditure | 2,805 | 4,820 | 2,015 | 8,625 |
| TOTAL CAPITAL EXPENDITURE | 58,586 | 61,959 | 3,373 | 133,867 |
| NET CAPITAL EXPENDITURE | 44,826 | 38,282 | (6,544) | 87,554 |

Key highlights:

A net operating surplus of £19,652k, £7,687k favourable to budget and a statutory deficit of £4,894k, £7,810k favourable to budget, is reported. The financial performance reflects early completion of new build units and related grant recognition, the strong letting performance, offset in part by higher repair costs resulting from the reduction in outstanding jobs.

- Net rental income is £333k favourable to budget with the variance mainly related to lower than budgeted voids at 1.06% for the YTD compared to the budgeted YTD rate of 1.28%.

- Grant income recognised to date relates to units completed early in September at two new build sites; 21SR completions at Calton Ph2 (budgeted for January 2026) and 24MMR completions at Shawbridge Arcade (budgeted for March 2026). In addition, grant income includes grant for two property acquisitions, completed in May and August.

- Other grant income is £44k higher than budget following receipt of two unbudgeted grants 1) a contribution to the Housing Access team's work on Homlessness and 2) grant from GCC to cover the costs of customers downsizing.

- Other income is £199k higher than budget, with higher than budgeted MMR rental income, in part due to the early new build completions and higher income from solar panels, due to good weather in Q1.

- Total employee costs (direct and group services) are £59k favourable to budget. Direct employee costs are £5k unfavourable to budget. The impact of Nets savings earlier in the year that related to the timing of recruitment for gardening services have been reduced by the acceleration of the Nets painting team. Group services are £64k favourable to budget due to the timing of changes compared to the budgeted structures in Wheatley Solutions.

- Total running costs (direct and group services) are £212k favourable to budget. Within direct running costs, several lines report variances due to timing, totalling £68k. Group services running costs are £144k favourable to budget due to several departments reporting lower costs across Wheatley Solutions.

- Revenue repairs and maintenance spend is £731k unfavourable to budget. In the YTD, responsive repairs are £1,001k higher than budget. 86,641 responsive repair jobs have been completed, compared to 84,226 in the same period last year, with a reduction in outstanding jobs and cancellations all contributing to the higher spend YTD. Cyclical and compliance spend is £270k favourable, mainly due to lower utility costs, noting that overall full year spend is forecast to be in line with budget.

- Bad debts are £378k favourable to budget. A prudent approach is taken when setting the budget.

Net interest payable is £123k favourable to budget due to the lower variable interest rate payable than assumed in the budget.

Net capital expenditure of £44,826k is £6,544k higher than budget, mainly due to timing of new build grant income.

- Capital investment income is £9,917k lower than budget driven by grant being received in March 2025 for North Toryglen and Shawbridge Arcade, both front funded projects with grant budgeted to be received in 2025/26.

- Investment spend is £673k higher than budget, with lower spend of £398k on core programme due to the timing of works offset by void spend being £1,149k over budget YTD due to an increase in the number of higher specification voids.

- New build spend is £2,031k lower than budget, mainly due to timing of payments for onsite developments including Abbotshall and Shawbridge Arcade, partly offset by higher spend at North Toryglen and early completion of the land acquisition for Albion Street.

- Other capital expenditure is £2,015k lower than budget due to the timing of IT project and office premises spend.

1c) Loretto Housing – Period to 30 September 2025

| | Period To 30 September 2025 | | | Full Year Budget £k |
|--------------------------------------|-----------------------------|---------------|----------------|---------------------------|
| | Actual £k | Budget £k | Variance £k | |
| INCOME | | | | |
| Rental Income | 9,319 | 9,246 | 73 | 18,652 |
| Void Losses | (184) | (211) | 27 | (422) |
| Net Rental Income | 9,135 | 9,035 | 100 | 18,230 |
| Grant Income New Build | 4,466 | 2,883 | 1,583 | 9,922 |
| Grant Income Other | 12 | 12 | 0 | 120 |
| Other Income | 61 | 58 | 3 | 351 |
| Total Income | 13,674 | 11,988 | 1,686 | 28,623 |
| EXPENDITURE | | | | |
| Employee Costs - Direct | 781 | 779 | (2) | 1,548 |
| Employee Costs - Group Services | 506 | 511 | 5 | 1,015 |
| ER / VR | 0 | 0 | 0 | 0 |
| Direct Running Costs | 896 | 922 | 26 | 2,079 |
| Running Costs - Group Services | 284 | 294 | 10 | 606 |
| Revenue Repairs and Maintenance | 2,346 | 2,292 | (54) | 4,969 |
| Bad debts | 79 | 133 | 54 | 266 |
| Depreciation | 3,903 | 3,903 | 0 | 7,807 |
| TOTAL EXPENDITURE | 8,795 | 8,834 | 39 | 18,290 |
| OPERATING SURPLUS / (DEFICIT) | 4,879 | 3,154 | 1,725 | 10,333 |
| <i>Net operating margin</i> | 35.7% | 26.3% | 9.4% | |
| Net Interest Payable | (1,953) | (1,990) | 37 | (4,185) |
| STATUTORY SURPLUS / (DEFICIT) | 2,926 | 1,164 | 1,762 | 6,148 |

Key highlights:

A net operating surplus of £4,879k, £1,725k favourable to budget and a statutory surplus of £2,926k, £1,762k favourable to budget is reported. The favourable variance reflects the good letting performance and the earlier than budgeted recognition of grant income following the early completion of units at South Crosshill.

- Net rental income is £100k favourable to budget due to 24 East Lane units, budgeted to complete in July 2025, completing ahead of schedule in March 2025, 44 units at South Crosshill completing early (16 in June and 28 in September), in addition to void losses of 1.97% in the year to date compared to the budgeted 2.28%.
- Grant income relating to new build is £1,583k favourable to budget due early completion of 44 units at South Crosshill in July and September 2025, budgeted for November 2025. This is partially offset with the early completion of 24 East Lane units in March 2025, which were in the current year budget.
- Total employee costs (direct and group services) are £3k favourable to budget due to the timing of changes compared to the budgeted structures in Wheatley Solutions.
- Total running costs are £36k favourable to budget due to the timing of spend and cost savings across several departments within Wheatley Solutions and due to the timing of direct running costs.
- Revenue repairs and maintenance are £54k unfavourable to budget. Revenue responsive repairs are £50k unfavourable and in the YTD, 5,838 responsive repair jobs have been completed, compared to 5,461 in the same period last year. This is linked to both an increase in the demand and a reduction in outstanding jobs, (615 at March to 375 at the end of September). Compliance spend, including communal utilities, is £4k higher than budget due the timing of spend against budget.
- Bad debts are £54k favourable to budget. A prudent approach was taken when setting the budget.
- Net Interest payable is £37k lower than budget, due to the timing of loan drawdowns compared to the budgeted profile.

Net capital expenditure of £3,661k is £1,363k lower than budget.

- Capital investment income (grant) is £894k higher than budget due to the timing of the new build grant income for Bank Street and accelerated claims at Forfar Avenue due to the earlier than budgeted start on site.
- Investment programme expenditure of £1,529k relates to core programme works, capitalised repairs and voids. A favourable variance is reported due to the timing of core programme works, noting spend will increase over the coming months in line with our forecast, partly offset by higher spend on capitalised repairs in the YTD, linked to increase in completed jobs.
- New build spend is £91k lower than budget driven by the timing of spend across projects including South Crosshill where more spend was incurred in 2024/25. This underspend is partly offset by additional spend at Forfar Avenue, which started on site ahead of the budgeted date.
- Other capital expenditure of £132k mainly relates to Loretto's contribution to Wheatley Group IT costs.

| | Period To 30 September 2025 | | | Full Year Budget £k |
|--|-----------------------------|--------------|----------------|---------------------------|
| | Actual £k | Budget £k | Variance £k | |
| INVESTMENT | | | | |
| Total Capital Investment Income | 1,517 | 623 | 894 | 1,885 |
| Investment Programme | 1,529 | 1,888 | 359 | 4,497 |
| New Build Programme | 3,517 | 3,608 | 91 | 6,537 |
| Other Capital Expenditure | 132 | 151 | 19 | 282 |
| TOTAL CAPITAL EXPENDITURE | 5,178 | 5,647 | 469 | 11,316 |
| NET CAPITAL EXPENDITURE | 3,661 | 5,024 | 1,363 | 9,431 |

1d) Wheatley Homes East – Period to 30 September 2025

| | Period to 30 September 2025 | | | Full Year |
|--|-----------------------------|---------------|----------------|---------------|
| | Actual £k | Budget £k | Variance £k | Budget £k |
| INCOME | | | | |
| Rental Income | 23,338 | 23,310 | 28 | 47,147 |
| Void Losses | (329) | (343) | 14 | (685) |
| Net Rental Income | 23,009 | 22,967 | 42 | 46,462 |
| Grant Income | 25,503 | 25,586 | (83) | 37,011 |
| Other Grant Income | 352 | 294 | 58 | 588 |
| Other Income | 2,428 | 2,308 | 120 | 5,982 |
| TOTAL INCOME | 51,292 | 51,155 | 137 | 90,043 |
| EXPENDITURE | | | | |
| Employee Costs - Direct | 2,658 | 2,634 | (24) | 5,258 |
| Employee Costs - Group Services | 1,469 | 1,481 | 12 | 2,944 |
| ER/VR | 36 | 0 | (36) | 0 |
| Direct Running Costs | 2,533 | 2,538 | 5 | 5,172 |
| Running Costs - Group Services | 824 | 852 | 28 | 1,759 |
| Revenue Repairs and Maintenance | 4,519 | 4,518 | (1) | 8,794 |
| Bad Debts | 246 | 244 | (2) | 489 |
| Depreciation | 8,819 | 8,819 | 0 | 17,636 |
| TOTAL EXPENDITURE | 21,104 | 21,086 | (18) | 42,052 |
| NET OPERATING SURPLUS | 30,188 | 30,069 | 119 | 47,991 |
| <i>Net Operating Margin</i> | 59% | 59% | 0% | 53% |
| Net Interest payable & similar charges | (5,647) | (5,650) | 3 | (11,299) |
| STATUTORY SURPLUS | 24,541 | 24,419 | 122 | 36,692 |

| | Period to 30 September 2025 | | | Full Year |
|--|-----------------------------|---------------|----------------|---------------|
| | Actual £k | Budget £k | Variance £k | Budget £k |
| INVESTMENT | | | | |
| Total Capital Investment Income | 7,687 | 1,933 | 5,754 | 2,126 |
| Investment Programme Expenditure | 5,740 | 5,283 | (457) | 9,156 |
| New Build & Other Investment | 22,160 | 15,872 | (6,288) | 34,945 |
| Other Capital Expenditure | 319 | 490 | 171 | 945 |
| TOTAL CAPITAL EXPENDITURE | 28,219 | 21,645 | (6,574) | 45,046 |
| NET CAPITAL EXPENDITURE | 20,532 | 19,712 | (820) | 42,920 |

Key highlights:

Net operating surplus of £30,188k is £119k favourable to budget. Statutory surplus for the period is £24,541k, £122k favourable to budget. Earlier than budgeted handover new build completions generating additional rental and lease income and additional adaptations grant funding are contributing to the favourable variance.

- Gross rental income is £28k favourable to budget due to additional rental income from the new build completions. Void losses are £14k favourable to budget with voids losses of 1.41% compared to the budget of 1.47%.
- Grant income recognised of £25,503k is broadly in line with budget at P6. 231 properties have completed to date which is just below the budget of 237 units, YTD P6, completed at West Craigs Ph1 & 2 (106SR), West Craigs Ph3 (26SR & 35MMR), Builyeon (23SR), Winchburgh BB (19SR), Dalhousie South Ph 1 (18SR) and Sibbalds Brae (4SR).
- Other grant income of £352k includes £148k adaptation grant income which is £58k ahead of budget due to increased grant approved for the year and is in line with additional corresponding adaptation spend.
- Other income of £2,428k is £120k favourable to budget reflecting the additional lease income from Lowther and includes the 35 MMR properties at West Craigs Ph3 that completed ahead of budget.
- Total employee costs are £12k unfavourable to budget with group employee costs favourable to budget by £12k due to the timing of changes compared to the budgeted structures in Wheatley Solutions. Direct employee costs are unfavourable driven by additional agency costs to cover staff absences at the supported Livingwell sites and the Harbour.
- ERVR costs of £36k is unfavourable YTD, however, the spend is managed within the budget across the Group.
- Total running costs are £33k favourable to budget due to group running costs being £28k favourable to budget due to several departments reporting lower costs across Wheatley Solutions. Direct running costs are favourable to budget by £5k, with several departments reporting variances due to timing.
- Revenue repairs and maintenance spend is overall in line with budget. Responsive repairs are £54k favourable to budget with outstanding/ overdue job numbers remaining stable from March 25 to P6. Cyclical maintenance is £55k ahead of budget driven by the timing of EICR works with spend expected to align with budget over the year.

Net interest payable of £5,647k includes interest due on the loans due to Wheatley Funding No.1 Ltd and external funders. Loan interest is in line with budget.

Net capital expenditure of £20,532k is £820k higher than budget.

- Capital investment income is £5,754k higher than budget due to grant claims made at Deans South Ph2, Charlesfield and Longniddry being ahead of budget in line with the accelerated progress and spend on site.
- Investment programme spend is £457k higher than budget. Higher capitalised repairs of £281k are reported including £130k of remedial works following two fires, £55k of specialist works in relation to damp & mould works at one property in Granton and £76k for four high value rot and roof repairs. Core programme is £144k higher than budget driven by increased spend on district heating and on boilers.
- New build spend of £22,160k is £6,288k higher than budget due to accelerated spend at Deans South Ph2, Charlesfield Road, Wallyford 5 A/B and Longniddry.

1e) Wheatley Homes South – Period to 30 September 2025

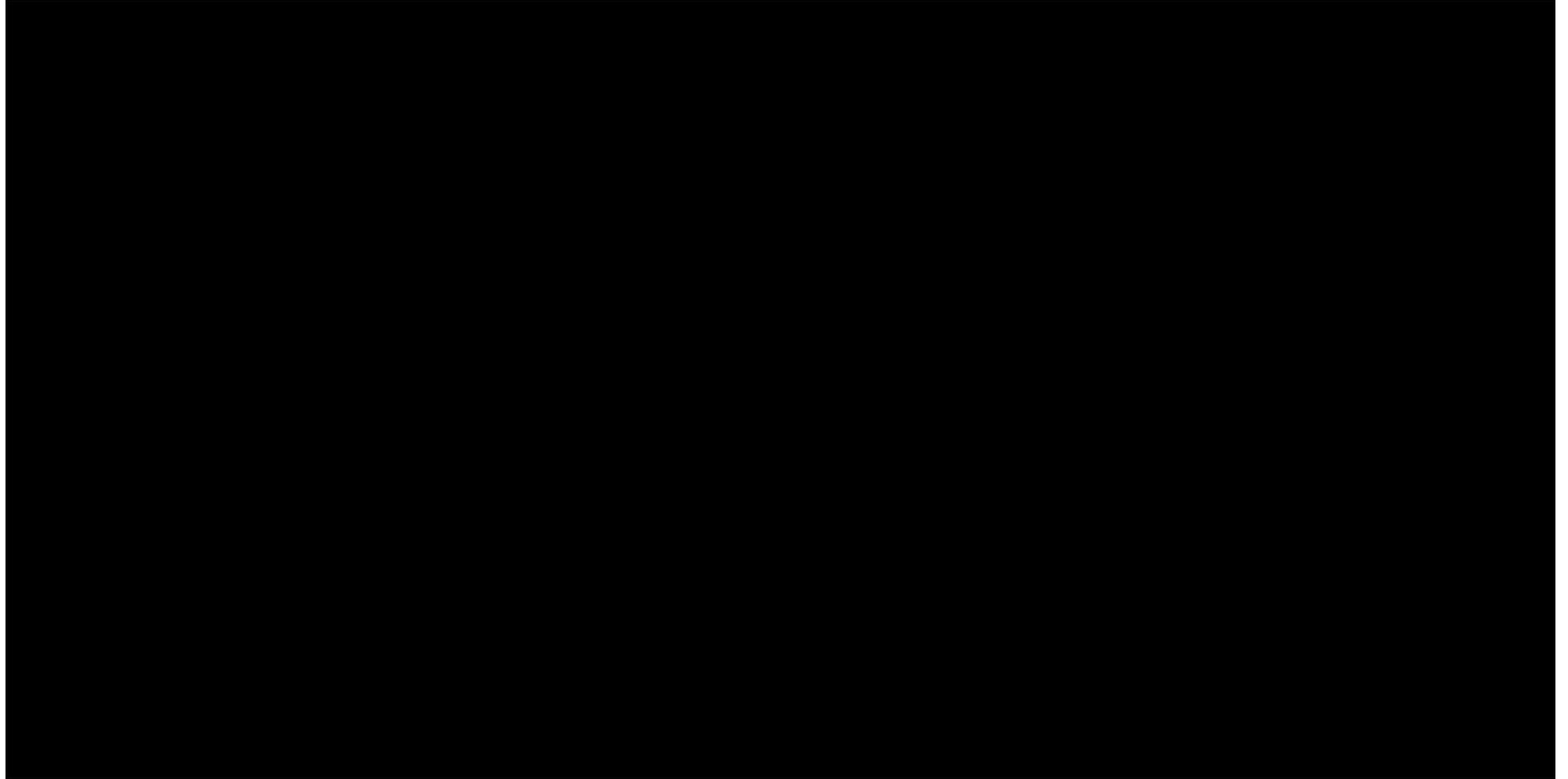
| OPERATING STATEMENT | Period to September 2025 | | | Full Year |
|--|--------------------------|-----------------------|-------------------------|-----------------------|
| | Actual £ks | Budget £ks | Variance £ks | Budget £ks |
| INCOME | | | | |
| Rental Income | 27,614 | 27,598 | 16 | 54,778 |
| Void Losses | (149) | (301) | 152 | (600) |
| Net Rental Income | 27,465 | 27,297 | 168 | 54,178 |
| Grant Income | 0 | 0 | 0 | 6,244 |
| Other Grant Income | 1,114 | 786 | 329 | 1,542 |
| Other Income | 570 | 568 | 2 | 2,364 |
| TOTAL INCOME | 29,149 | 28,650 | 499 | 64,328 |
| EXPENDITURE | | | | |
| Employee Costs - Direct | 2,674 | 2,676 | 3 | 5,344 |
| Employee Costs - Group Services | 1,742 | 1,757 | 14 | 3,492 |
| Direct Running Costs | 1,426 | 1,478 | 51 | 3,348 |
| Running Costs - Group Services | 977 | 1,011 | 33 | 2,086 |
| Revenue Repairs and Maintenance | 5,887 | 5,997 | 110 | 12,496 |
| Bad debts | 129 | 560 | 431 | 1,119 |
| Depreciation | 7,847 | 7,847 | 0 | 15,695 |
| Demolition and compensation | 2 | 0 | (2) | 0 |
| TOTAL EXPENDITURE | 20,684 | 21,325 | 641 | 43,580 |
| NET OPERATING SURPLUS | 8,465 | 7,325 | 1,140 | 20,748 |
| <i>Net operating margin</i> | 29% | 26% | 3% | 32% |
| Interest receivable | 57 | 45 | 12 | 90 |
| Interest payable & similar charges | (3,610) | (3,703) | 93 | (7,311) |
| STATUTORY SURPLUS | 4,912 | 3,667 | 1,245 | 13,527 |
| INVESTMENT | Actual £ks | Budget £ks | Variance £ks | Budget £ks |
| TOTAL CAPITAL INVESTMENT INCOME | 8,991 | 8,885 | 106 | 19,930 |
| Capital Investment spend | 5,705 | 5,864 | 159 | 13,908 |
| New Build Programme | 12,499 | 12,857 | 358 | 27,229 |
| Other Fixed Assets | 1,036 | 756 | (280) | 1,983 |
| TOTAL INVESTMENT EXPENDITURE | 19,240 | 19,477 | 237 | 43,120 |
| NET CAPITAL EXPENDITURE | 10,249 | 10,592 | 343 | 23,190 |

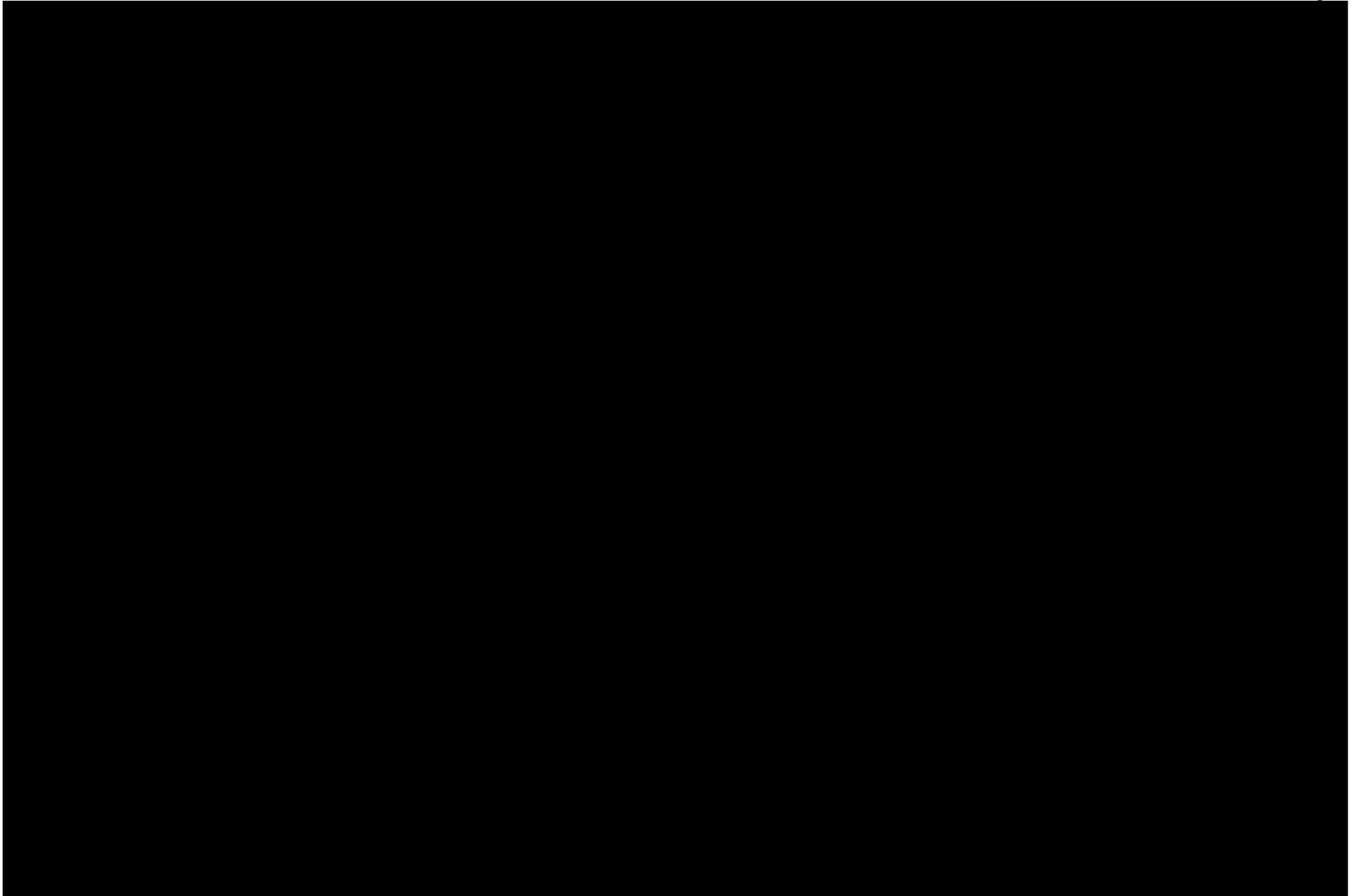
Key highlights :

Net operating surplus of £8,465k, £1,140k favourable to budget and a statutory surplus of £4,912k, £1,245k favourable is reported. The favourable position in the period to September reflects the letting performance and the overall favourable expenditure position to budget.

- Net rental income is £168k higher than budget. Void losses are £152k favourable to budget, with a void loss rate of 0.6% vs 1.1% in budget. Rental income is favourable to budget after successful negotiations with DGC to increase the service charge income at Young Persons Project (YPP).
 - Other grant income is £329k favourable to budget driven by additional aids & adaptations grant (with corresponding higher costs) and higher renewable heat incentive (RHI) grant funding.
 - Total employee costs (direct and group services) are £17k favourable to budget due to the timing of changes compared to the budgeted structures in Wheatley Solutions.
 - Total running costs (direct & group services) are £84k favourable to budget due to the timing of spend and cost savings across several departments within Wheatley Solutions and within direct running costs.
 - Repairs costs are £110k favourable to budget. Responsive repairs are £52k favourable due to a reduction in demand compared to this time last year (1,500 less jobs with outstanding and cancelled jobs in line with prior year), partly offset by higher average cost per job. Gas planned maintenance is favourable to budget due with the works to date costing less than the allocated budget and other compliance spend is higher than budget due to additional asbestos removal jobs. All compliance work is delivered within the required legislative timeframe.
 - Bad debts are £431k favourable to budget. A prudent approach is taken when setting the budget.
- Interest payable of £3,610k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders. The favourable position is due to lower drawdowns than budgeted to date.
- Net capital expenditure of £10,249k is £343k lower than budget.
- Capital investment income is £106k higher than budget. New build grant income is less than budgeted driven by a delayed start at Leswalt, two months later than planned, partly offset by additional grant income due to accelerated spend at Ashwood Drive. Adaptations spend is £294k higher, in line with higher income reported in Other grant income.
 - Total capital investment spend of £5,705k is £159k lower than budget due to timing of spend on core programme (windows & doors and lowrise) partly offset by higher capitalised voids due to more high value voids (>£10k) and additional funded aids & adaptations spend.
 - New Build expenditure, reflecting the movement in grant income, is £358k lower than budget due to a delayed start at Leswalt, offset by accelerated spend at Ashwood Drive and Johnstonebridge.
 - Other capital expenditure of £1,036k is £280k higher than budget due to accelerated spend on the office at Ashwood Drive, partly offset by reduced costs due to the timing of IT project spend.

1f) Wheatley Developments Scotland – Period to 30 September 2025





2a) RSL Borrower Group – Consolidated Balance Sheet



| | As at 30 September 2025 £ks | As at 31 March 2025 £ks |
|--|-----------------------------------|-------------------------------|
| Fixed Assets | | |
| Social Housing Properties | 3,100,538 | 3,051,976 |
| Investment properties | 213,057 | 212,975 |
| Other tangible fixed assets | 85,184 | 87,526 |
| Investments -other | 14,334 | 14,334 |
| Fixed Assets | 3,413,113 | 3,366,811 |
| Debtors Due More Than One Year | | |
| Inter Company Loan | 22,460 | 22,460 |
| Current Assets | | |
| Stock | 2,312 | 2,278 |
| Rent & Service charge arrears | 15,514 | 19,772 |
| less: Provision for rent arrears | (10,078) | (10,037) |
| Prepayments and accrued income | 10,569 | 13,200 |
| Intercompany debtors | 9,618 | 2,757 |
| Other debtors | 16,800 | 11,563 |
| | 44,735 | 39,533 |
| Bank & Cash | 23,157 | 25,532 |
| Current Assets | 67,892 | 65,065 |
| Current Liabilities | | |
| Trade Liabilities | (9,423) | (13,243) |
| Accruals | (40,341) | (41,492) |
| Deferred income | (46,057) | (72,608) |
| Rents & service charges in advance | (18,339) | (23,329) |
| Bank Loans | (30,502) | (29,790) |
| Intercompany creditors | (2,758) | (2,262) |
| Other creditors | (15,113) | (14,675) |
| | (162,533) | (197,399) |
| Net Current Liabilities | (94,641) | (132,334) |
| Long Term Liabilities | | |
| Contingent efficiencies grant | (46,943) | (46,943) |
| Loan - private finance | (1,361,461) | (1,323,322) |
| Bond finance | (300,000) | (300,000) |
| Provisions | (2,196) | (2,418) |
| Deferred income | (40,754) | (22,161) |
| Pension liability | (6,748) | (6,748) |
| Long Term Liabilities | (1,758,102) | (1,701,592) |
| Net Assets | 1,582,830 | 1,555,345 |
| Funding Employed Capital & Reserves | | |
| Share Capital | 0 | 0 |
| Retained Income b/fwd | 764,389 | 671,906 |
| Income & Expenditure | 27,485 | 92,483 |
| Revaluation Reserves | 790,956 | 790,956 |
| Funding Employed | 1,582,830 | 1,555,345 |

Key highlights:

The balance sheet as at 31 March 2025 reflects the audited position and year end statutory adjustments, including the revaluation of both housing and investment properties and actuarial valuations of the defined benefit pension schemes.

At 30 September 2025:

- The movement in fixed assets reflects investment in the core programme, the new build programme, and other fixed asset additions, less depreciation to date.
- Current assets (excluding cash) have increased £5.2m since March 2025. An increase in intercompany debtors of £6.9m, mainly with Solutions and due to timing. Intercompany settlements are managed by Treasury to ensure the efficient use of funds across the Group. An increase was also noted in prepayments and other debtors of £2.6m, due to timing, partly which was partly offset by a decrease of £4.3m in rent & service charge arrears due to timing of receipt of Housing Benefit.
- Bank and Cash of £23.2m includes deposits in transit and outstanding payments showing in the bank after the month end.
- Current liabilities of £162.5m have decreased by £34.9m from March 2025 with the main movements being in deferred income, reflecting the timing of the recognition of new build grant on the completion of development properties, and in rents & service charges in advance reflecting the timing of the receipt of Housing Benefit payments.
- Long term liabilities at 30 September 2025 are £56.5m higher than 31 March 2025 due to £38.1m increase in loans to finance the developments across the RSL's and an increase of £18.6m in deferred income reflecting the timing of the recognition of new build grant on the completion of development properties.
- Income and expenditure of £27.5m relates to the RSL Borrower Group surplus for the period.

2b) RSL Borrower Group – Cash Flow Statement

| For the period ended 30 September 2025 | 2025/2026 £'000 |
|--|--------------------|
| Net cash generated from operating activities (see Note1) | 72,337 |
| <u>Cashflow from investing activities</u> | |
| Purchase of tangible fixed assets | (108,609) |
| Grants received | 29,902 |
| | (78,707) |
| <u>Cashflow from financing activities</u> | |
| Interest paid | (31,955) |
| Interest received | 77 |
| Additional funding received in year to date | 40,000 |
| Repayment of bank loan | (4,127) |
| | 3,995 |
| Net change in cash and cash equivalents | (2,375) |
| Cash and cash equivalents at the beginning of the year | 25,532 |
| Cash and cash equivalents at the end of the period | 23,157 |

| Note 1 | 2025/2026 £'000 |
|---|--------------------|
| <u>Cashflow from operating activities</u> | |
| Statutory surplus for the period | 27,485 |
| <u>Adjustments for non cash items:</u> | |
| Depreciation of tangible fixed assets | 62,357 |
| Movements in working capital | (14,936) |
| Movements in provisions | (222) |
| <u>Adjustments for investing or financing activities:</u> | |
| Government grants utilised in the year | (38,040) |
| Interest paid | 35,770 |
| Interest received | (77) |
| Cashflow from operating activities | 72,337 |

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: 12 November 2025

1. Purpose

- 1.1 To update the Board, seeking approval where appropriate, on the following governance-related matters:
- Strategic governance review progress; and
 - Group Board Committee memberships for the year.

2. Authorising and strategic context

- 2.1 The Board is responsible for the overall governance of the Group. This is codified through our wider governance framework, including the Group Standing Orders, subsidiary constitutions and Intra-Group Agreements. Any review of these arrangements is subject to approval by the Board.
- 2.2 The Board approved the Terms of Reference for a strategic governance review at its meeting on 27 August 2025. It was agreed that the RAAG Committee would oversee the review and consider the findings in advance of them being presented to the Board.
- 2.2 Under the Group Standing Orders, the Group Board is responsible for the appointment of Group Committee members and Committee Chairs based on reports and advice from this Remuneration, Appointments, Appraisals and Governance Committee (“**RAAG**”).

3. Background

- 3.1 We currently have three Group Committees: the RAAG Committee; the Group Audit Committee (“**GAC**”) and the Group Strategic Development Committee (“**SDC**”). The membership and Chairs of the Committees are subject to annual review and agreement by the Group Board.

4. Discussion

Strategic Governance Review

- 4.1 The strategic governance review is reaching its conclusion following extensive engagement with governing body members and Boards across the Group. Our indicative timeline was that the findings would be reported to the Board at this meeting, following an update to the Group RAAG Committee.
- 4.2 This timescale was subject to being able to sequence the completion of the Board member survey (all Board members across the Group), Board workshops, individual Group Board interviews, RAAG Committee meetings by the end of October and the availability of our independent external advisor.
- 4.3 The timescale has been slightly adjusted to reflect the availability of all parties and the emergence of the strategic matter the Board considered at its briefing session on the 27th of October. The Group RAAG Committee is now scheduled to receive feedback from Campbell Tickell at its meeting on 12 November, immediately prior to the Board meeting, and the full report will now be presented to the Board at its meeting next month.
- 4.4 An update on the key findings shared with the RAAG Committee will be provided at the meeting.

Committee membership

- 4.5 The annual review of Committee membership and Committee Chair appointments allows us to reflect on any changes in the role or focus of the Committees as well as wider changes in Board membership.
- 4.6 The RAAG Committee considered Committee memberships and Committee Chair appointments at its meeting on 24 September 2025. Based on this, the RAAG Committee has recommended the proposed Committee membership for the year ahead:

Group Audit Committee

- 4.7 The Committee agreed that it would benefit from an additional member to strengthen the Committee, which currently only has five members. It agreed to recommend Ken Barclay, the recently appointed Chair of Wheatley Homes East and Group Board member, join the Committee.
- 4.8 The membership of the Committee is therefore proposed as:
- Caroline Gardner (Chair);
 - Alison McLaughlin;
 - Maureen Dowden;
 - David Rockliff;
 - Iain Macaulay; and
 - Ken Barclay

Group Remuneration, Appointments, Appraisal and Governance Committee

- 4.9 The Group RAAG Committee membership is, as documented in its Terms of Reference, ex-officio, comprising:
- Group Chair (Jo Armstrong);
 - Chair of Group Audit Committee (Caroline Gardner);
 - Chair of Wheatley Homes Glasgow (Maureen Dowden); and
 - Chair of Wheatley Developments Scotland (Bryan Duncan).
- 4.10 No changes are proposed to the Committee membership or its Chair.

Group Strategic Development Committee

- 4.11 The Group SDC remains in place to consider as necessary either a) any particular strategic issues which require more detailed consideration prior to being considered by the Group Board or b) any matters the Board wishes to delegate not within the purview of an existing partner Board or Group Committee.
- 4.12 The Committee has been overseeing the recent funding activity and its current membership is as follows:
- Jo Armstrong (Chair);
 - Caroline Gardner;
 - Maureen Dowden;
 - Bryan Duncan;
 - Iain Macaulay; and
 - Ken Barclay
- 4.13 Given that the Committee is now exclusively drawn from the Group Board it is intended that funding activity will now revert to being agreed through the Group Board rather than the Committee. As such, it will revert to dormant status until such time as the Board wishes to delegate any activity to it. On that basis, no change is proposed to the membership on the basis that it will be reviewed at the point it is tasked with any activity on behalf of the Board.

Subsidiary Board Chairs

- 4.14 No changes are proposed to subsidiary Chairs appointed by the Board, or the RAAG Committee on its behalf, which are as follows:
- Alison Mclaughlin – Wheatley Solutions;
 - Manish Joshi – Lowther Homes;
 - Bryan Duncan – Wheatley Developments (Scotland);
 - Paddy Gray – Wheatley Foundation;
 - Caroline Gardner – WFLs/WGC PLC; and
 - Maureen Dowden – City Building (Glasgow)

5. Customer Engagement

- 5.1 There has been no customer engagement in relation to this report.

6. Environmental and sustainability implications

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

9. Legal, regulatory and charitable implications

9.1 Under the SHR's Standards of Governance Financial Management there is a requirement for "*The governing body... to have the skills and knowledge they need to be effective*".

9.2 The proposals in the report support us in achieving this by ensuring that our Committees have members with the required skills and experience to fulfil the role of each Committee.

10. Risk Appetite and assessment

10.1 Our risk appetite in relation to governance 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 The strategic governance reviews and ongoing updates to the Board are consistent with our risk appetite level and ensure that the Board is consistently monitoring any governance-related risk.

11. Equalities implications

11.1 There are no equalities implications associated with this report.

12. Key issues and conclusions

12.1 A key feature of our governance, either in its entirety or specific elements such as Committee membership, is that it is subject to regular review and refinement to ensure it remains fit for purpose. The proposed Committee membership is based on ensuring each Committee has the relevant skills and experience to discharge its Terms of Reference.

13. Recommendations

13.1 The Board is asked to:

- 1) Note the updated timing for the presentation of the findings of the strategic governance review; and
- 2) Approve the Committee memberships and Committee Chair appointments.

LIST OF APPENDICES: None