

MINUTE OF BOARD OF DIRECTORS MEETING

Date: Wednesday 30 November 2022
Time: 10.30am
Venue: Brasswell Office Park, Dumfries

Chairperson: Maureen Dowden

Members present: Caryl Hamilton, Hugh Martin, John McCraw, Heather Macnaughton, John Henderson, Jo Boaden and (by video) Fiona Burden.

In attendance: Pauline Turnock, Group Director of Finance
Stephen Wright, Director of Governance
Alan Glasgow, Managing Director

and (in part) Frank McCafferty, Group Director, Repairs and Assets
Lindsay Lauder, Director of Development and Regeneration

1. Apologies for absence

Apologies for absence were received from Michael Greaves Mackintosh. The Chair confirmed that a quorum was present.

2. Declarations of interest

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

3. Minutes of meeting and action list

a) **Decided:** The Board approved the minute of the meeting held on 21 September 2022.

b) **Decided:** The Board approved the minute of the AGM and EGM meetings held on 21 September 2022.

c) **Decided:** The Board noted the updates provided on the action list.

4. Chair's and Managing Director's update

a) Chair's update

The Chair acknowledged the current challenging environment in which we are required to operate within and also provided an update on the following items:

- Scottish government rent freeze proposals covering both social and private rented sector until at least 31 March 2023.
- Group Board event at which a representative from Scottish government had attended and discussed a number of issues including investment to achieve net zero and the rent freeze.

b) Managing Director's update

The Managing Director also provided an update and overview on our business and strategy covering:

- the ongoing discussions with DGC about the proposed strategic agreement
- Lochside regeneration
- the recent press article regarding Summerhill which had been responded to by providing the full facts of the particular event highlighted.

5. Customer value and insights

The Board received an update on sector wide customer satisfaction intelligence, feedback on recent customer insight and research in relation to repairs and families and our planned response to the key findings, and an update on how we will ensure the customer voice and insight is being embedded in our future strategic planning and decision making. The Board noted that the report also set out an outline programme for how the customer voice will inform Board decision making over the next 12-18 months.

The Board considered the report in detail noting the key strategic priority for us is for the tenant voice to influence our priorities and focus services to be co-created with tenants. The Board noted that the forthcoming rollout of the Book It, Track It, Rate It system will provide further valuable data to allow us to respond quickly and effectively to customer feedback. The families research was noted as a further example of where we are increasingly targeting our approach to reflect the satisfaction drivers of particular customer segments.

Decided: The Board noted the report and provided feedback on the proposed customer insight programme.

6. 23/24 rent and service charges

The Board received a report outlining the current position as related to 2023/24 rent setting and implications for planned 2023 rent increase including the planned engagement and consultation with tenants. The Board was also advised that the discussions with the Scottish Government and the Scottish Federation of Housing Associations on the consultation approach continue. The Board carefully considered the report put forward.

The Board carefully considered the proposals and the impact that a rent freeze or cap may would have on our investment programme. The Board discussed the impact of inflation on our business and the balance between continuing to invest in stock, as we committed to do as part of the partnership with Wheatley, while maintaining as low as possible rent increases particularly giving cost of living pressures.

Decided: The Board

- 1) **In the context of the current Scottish Government emergency legislation, approved the proposed rent increase level for Wheatley Homes South as set out in the report.**
- 2) **Noted the current position in relation to ongoing discussion with Scottish Government on rent consultation.**
- 3) **Noted that an additional Board meeting will be convened once the Scottish government confirm the rent cap position for 2023/24.**

7. Property condition assurance approach

The Board received an update on our approach to property condition assurance. The Board was advised that the design of our operating model enables a proactive approach and local accountability, and our 'Think Yes' culture ensures that issues are resolved and/or escalated as required.

The Board also received an update on our mould and damp procedures which had been introduced in February 2022. The Board noted that these had been supplemented to ensure that we have housing officer visits arranged whenever we are notified that there is mould or damp within a property. In addition, we are providing further training to our front-line staff to help them respond to potential cases of mould and damp. Lastly, it was explained that we had introduced a policy position through which we would force access to a property in circumstances where the tenant has refused or failed to provide this following repeated visits.

The Board welcomed and suggested that consideration should be given to translating leaflets on damp and mould into other languages to ensure that language is not a barrier for our customers in this regard. The Board discussed whether there had been an impact on customer contact given the recent high profile of damp and mould. It was explained that there had been an increase, but that this was also expected because of the recent weather conditions. In addition, for the avoidance of doubt the Board confirmed that even if there was legal action ongoing in relation to damp and mould, or any other aspects of a tenancy, that this should not prevent damp and mould repairs being completed.

Decided: The Board

- 1) **Approved the approach and criteria for forcing access for mould and damp as set out in 4.10.**
- 2) **Noted the content of this report.**

8. Net Zero update

The Board received an update on a proposed programme of works to improve and reduce carbon emissions from 326 homes in Dumfries and Galloway and was asked to agree the award of a contract, with value up to £9M for these works to Warmworks.

The Board noted that the proposal to undertake deep retrofit works to improve the energy efficiency of 326 homes in Dumfries and Galloway is funded through the Scottish Government's Social Housing net zero fund along with other projects to improve energy efficiency across Wheatley Group.

Delivery of the retrofit work, with an estimated value of £11.2m, will be undertaken between now and March 2024 by Warmworks and City Building Glasgow. The proposed spend with Warmworks of £9M is such that approval is required from Wheatley Group Board. This approval will be sought provided Wheatley Homes South Board agrees.

The Board and welcomed the report. The Board discussed the approach to selecting the homes that would form part of the pilot. It was explained that homes were selected based on the archetype. The Board noted all of the work that has been carried out in relation to stock profiling and archetype segmentation and asked that we track this to ensure we maintain an understanding of the properties that still require improvements.

Decided: The Board considered the report and agreed that approval should be sought from the Wheatley Group Board for the proposed retrofit spend with Warmworks.

9. Annual Assurance statement and governance update

The Board received an update on the internal audit work performed during the first two periods of 2022/23 and the rolling Internal Audit Plan 2022/23.

The Board noted that following completion of the listed reviews, no significant matters were noted to bring to the attention of the Board. Management have agreed actions to address the improvement actions identified during each review. The Internal Audit team will monitor completion of these actions and report progress to future meetings of the Group Audit Committee and this Board.

Following our Annual General Meeting (AGM), we have reviewed our Register of Members. As stated at paragraph 3.2, our Articles state that tenant members will be considered by the Board for removal from the register if they cease to be a tenant or, if not a tenant, do not inform us of a change of address or fail to attend or submit apologies for five consecutive AGMs. The proposed list of deletions for our register of members is therefore attached at Appendix 3 for approval.

Decided: The Board

- 1) Noted the 2022 Annual Assurance Statement which has been submitted to the Scottish Housing Regulator.**
- 2) Approved the proposed deletions of our register of members attached with the report at Appendix 3.**

10. Quarter 2 performance update

The Board received an update on performance delivering against targets and strategic projects for 2022/23 as of the end of quarter 2 including the measures and strategic projects dashboards presented in Appendix 1 and 2 respectively.

The Board noted the continued strong performance across a number of key areas.

- Letting performance has remained consistently strong at 13.88 days to let YTD against a 16-day target.
- We are exceeding our target of percentage of relevant lets to homeless applicants.
- Arrears performance remains within target although increasing due to the current challenges within the cost-of-living crisis.
- Complaint response timescales are improving.
- Emergency repair timescales on average are being completed in less than three hours and right first-time repairs are better than target.
- Staff absence is 1.93%, below our target of 3%.

The Board discussed the status of current households awaiting complex adaptations, totalling 57, noting the longer timescales can be as a result of design challenges, planning permission or building warrant requirements. The Board acknowledged the support we are providing to tenants through early intervention, wrap around support, Here for You Fund and targeting support and initiatives to customers, which has seen us reduce almost 500 customers out of arrears since Q1.

The Board noted that the focus for the remainder of 2022/23 will be on arrears and helping support customers during current difficult times, our CFC average waiting time, driving performance in tenancy sustainment, managing non-emergency repairs timescales and customer satisfaction and medical adaptations.

Decided: The Board noted the content of the report.

11. [redacted]

12. Regeneration sites update

The Board received an update on progress with Regeneration Sites and considered, where applicable, on the following matters:

- that properties at Gladstone Road (Troqueer), Polbroc Place (Kelloholm), Bloomfield (Locharbriggs), Lochview Place (Burnhead) and Dalgonar Road (Dunscore) be formally classified for demolition;
- that a demolition contractor be procured for the above locations (excluding Polbroc Place) with the outcome of the tender process to be reported to Wheatley Developments Scotland Limited Board for approval;
- that demolition of Polbroc Place will be delayed until 2023/24 to allow for further bat surveys to take place in the spring;
- that customer engagement is due to commence at Summerhill (Dumfries), Newington (Annan) and Springbells (Annan);
- cease letting for all properties at Bluebell Court (Ecclefechan)
- that we begin engagement with all affected customers at Bluebell Court (Ecclefechan)
- apply priority regeneration award to all customers' housing applications in Bluebell Court (Ecclefechan)

Decided: The Board

- 1) **Agreed that properties at Gladstone Road (Troqueer), Polbroc Place (Kelloholm), Bloomfield (Locharbriggs), Lochview Place (Burnhead) and Dalgonar Road (Dunscore) be formally classified for demolition.**
- 2) **Agreed that a demolition contractor be procured for the above locations (excluding Polbroc Place) with the outcome of the tender process to be reported to Wheatley Developments Scotland Limited Board for approval.**
- 3) **Noted that demolition of Polbroc Place will be delayed until 2023/24 to allow for further bat surveys to take place in the spring.**
- 4) **Noted that customer engagement is due to commence at Summerhill (Dumfries), Newington (Annan) and Springbells (Annan) week commencing 21st November 2022 and will end 19th December 2022 with 146 customers to be engaged with. The outcome of this engagement will be reported to Board in February 2023.**
- 5) **Agreed to cease letting for all properties at Bluebell Court (Ecclefechan)**
- 6) **Agreed that we begin engagement with all affected customers at Bluebell Court (Ecclefechan)**
- 7) **Agreed to apply priority regeneration award to all customers' housing applications in Bluebell Court (Ecclefechan)**
- 8) **Noted that a report covering Bluebell Court and the void site at Caven Place (Ecclefechan) will be brought to Board in February 2023 following conclusion of the engagement process.**
- 9) **Noted that a report will be brought to Board in February 2023 to advise on the feasibility study for sites identified for regeneration in the west of the region.**

13. Equality, Diversity, Inclusion and Human Rights policy (presentation)

The Board received the report which provided an update on Equality, Diversity and Inclusion (“EDI”) across the group and presented the updated Group EDI and Human Rights policy which has been approved and designated as group wide by the Group Board at its meeting on 28 September.

The Board were assured that, as a Group, we are strongly committed to EDI and Human Rights with a strong focus on continuous improvement and ensuring this is reflected in our organisational culture.

The Board noted the update and outcome of our first customer equalities data collection exercise and noted how this will be used to inform our decision-making and strategy workshop next year.

The report was supported by a presentation to the Board on the key aspects of the policy. It was agreed that a copy of the presentation will be circulated to all Board Members.

Decided: The Board

- 1) Noted the range of EDI related activity already underway and in progress.**
- 2) Noted the reviewed EDI and Human Rights policy and its designation as a group wide policy.**

14. Arrears and Debtors policy

The Board received an update on the review of the Group Arrears and Debtors Framework and considered our Arrears and Debtors Policy which had been reviewed and updated to better reflect our practices and our current operating model. In particular, further emphasis has been given to the effective management of income and prevention of customer debt.

The Board discussed the reviewed policy and our aim to prevent debt accruing where possible and to reduce it quickly and effectively where it does occur. It was noted that this will be done by providing personalised support for customers to help them move back to a positive payment status as quickly as possible.

Decided: The Board considered approval of the Wheatley Homes South Arrears and Debtors Policy that has been developed based on this Group Framework.

15. Finance report

The Board received an overview of the management accounts for the period to 30 September 2022 including Q2 forecast, included as Appendix 1. Additionally, the Board received an update on the review of new build appraisal target return rate with agreement sought from the Board that this be updated on the new build approval criteria for Wheatley Homes South project approvals by Wheatley Developments Scotland.

Decided: The Board

- 1) Noted the management accounts for the period to 30 September 2022 and the Q2 forecast at Appendix 1.**
- 2) Noted the revision to the target return rate for new build social and mid-market rent developments.**

16. Corporate Risk register

The Board considered the proposed changes to the Risk Register as summarised in the report.

The Board reviewed the detailed reports identifying the four risks that are out with the risk appetite and the supporting mitigation, incorporating one new risk: RISK 019 (Cyber Security), RISK 022 (**new risk**) (Financial impact of rent and control legislation), RISK010 (group credit rating), and RISK 003 (Fire Safety).

The Board also noted the update on RISK018 (Supply Chain disruption). The Board noted that the implementation of any identified actions will be monitored by management and residual risk scores will be reviewed as part of the scheduled quarterly review of all risks.

Decided: The Board

- 1) The Board approved the updates as presented in the report.**
- 2) The Board confirmed that there were no further changes to the report.**

17. Group Assurance update

The Board received an update on the internal audit work performed during the first two periods of 2022/23 and the rolling Internal Audit Plan 2022/23.

The Board noted that following completion of the listed reviews, no significant matters were noted to bring to the attention of the Board. Management have agreed actions to address the improvement actions identified during each review. The Internal Audit team will monitor completion of these actions and report progress to future meetings of the Group Audit Committee and this Board.

Decided: The Board noted the contents of this report.

18. AOCB

There was no other competent business.

Signed:
Chair