



**MINUTE OF BOARD OF DIRECTORS MEETING
HELD ON WEDNESDAY 12 AUGUST 2020
AT 10.30AM VIA VIDEOCONFERENCE**

Members present: Maureen Dowden (Chair), John Henderson, Heather MacNaughton, John McCraw and George Thorley

In attendance: Matthew Foreman (Managing Director) Steven Henderson (Group Director of Finance, Wheatley Group), Anthony Allison (Director of Governance, Wheatley Group), Alex Adrain (Managing Director, Wheatley 360 – item 6 only), Debbie Pairman (Interim Head of Finance) and Natalie Dyce (KMPG – item 9 only)

1. Apologies for absence

There were no apologies for absence. It was noted that non-attending members had all received the papers and given the opportunity to provide feedback.

2. Declarations of interest

The Board noted the declaration of interest previously lodged by John Henderson regarding a development contained within item 9. It was noted the declaration related to the approval and the current report was only a general progress update across the whole programme.

3. Minutes of Board of Management meeting of 8 July 2020

Decided: The Board approved the minute of the Board meeting of 8 July 2020.

4. DGHP transformation programme

The Board received a detailed update on progress to date with the Transformation Programme, the impact of the pandemic on its delivery and the proposed 3 phase approach to refining the programme.

The Board discussed the partnership commitments in relation to jobs, apprenticeships and training, in particular how this is calculated and what we anticipate will be the sources of the jobs element. It was explained that securing jobs which would otherwise not have been retained was an element, in addition to creation through our supply chain in areas such as development and investment works. It was agreed a further update be provided at the strategy workshop.

The Board discussed the three phases and how it monitored progress on an ongoing basis. It was agreed that specific updates be brought back at the end of each of the phases.

Decided: The Board approved the revised transformation programme and agreed to receive updates against the programme at the end of each phase.

5. Business & mobilisation update

The Board received an update on remobilisation of our core business areas and the next planned phases of remobilisation, subject to prevailing Government restrictions. A further update was provided on the position with gas safety visits, with further progress made over the preceding week to reduce the number outstanding by over three quarters.

The Board discussed the current furlough position and plans for returning staff. It was explained the number of staff on furlough has been reducing as we have remobilised services and that we are planning how we reintroduce the remaining staff in a structured way.

The Board discussed complaints and sought confirmation of any particular change in volume or type. It was confirmed the level of complaints has been falling, but we are also seeing an increase in those progressing to Stage 2.

The Board discussed engagement with tenants regarding arrears and sought feedback on whether we are experiencing any 'won't pay' issues. It was confirmed that there have been some elements of tenants refusing to engage and that this has been a focus of the visiting team. It was reiterated a priority is to engage those tenants and offer support where possible.

Decided: The Board noted the contents of the report.

6. Anti-social behaviour update

The Board received detailed update on: our approach and model for Anti-Social Behaviour ("ASB"); our wider Community Improvement Partnership and Group Protection activity; delivery of our ASB service and incident data during the period of lockdown; and learning from the recent lockdown period.

The Board sought an update on how we engage with local stakeholders, including in areas such as mental health and addiction services. It was confirmed that this is a very important element of our approach and an area we are actively seeking to further develop in our operational footprint.

The Board discussed our engagement with the relevant statutory authorities, the specific statutory matters relative to our own duty to enforce the terms of the tenancy agreement and the importance of close working relationship to apply these cohesively.

Decided: The Board noted the contents of the presentation.

7. Homelessness update

The Board received a detailed update on: our response to homelessness across Group; the Scottish context; Homelessness and Rough Sleeping Action Group (HARSAG); homeless direction and policy; our own contribution; and the impact of Covid-19 for letting and services.

The Board discussed the potential implications of significantly increasing the proportion of lets on existing waiting list applicants and demand levels more widely.

The Board considered the national policy context, the current levels of homelessness in our operating area and the contribution we can make to the national policy priority.

Decided: The Board noted the contents of the presentation.

8. Approach to tenant survey

The Board received the report which provided them with the proposed approach to assessing customer satisfaction for the 2020/21 period, considering the impact of the pandemic. The Board agreed the approach was appropriate given the circumstances and also requested that we explore the impact of people not being able to move.

Decided: The Board

- 1) agreed the proposed approach to gathering customer feedback for 2020/21; and**
- 2) agreed that the 2019/20 formal ARC survey results will be reported in the 2020/21 returns to the Scottish Housing regulator, as is permitted within regulatory guidance.**

9. Development update

The Board received an update on the impact of the pandemic on our development activity and the current position with programme.

The Board welcomed the recommencement of our programme and discussed the potential project at Johnstonbridge in particular, seeking an update on the proposals. It was explained that we were seeking to further explore the viability of the site, which has limited potential for disposal.

The Board further discussed the project at Currie's Yard and Catherinefield Farm and the potential options for commercial use and development, including the associated timescales. It was explained that we are continuing to explore likely demand and value for commercial use as well as the development of a wider masterplan. It was confirmed the masterplan development was requirement of the planning authority.

Decided: The Board noted the content of the report.

10. A) 2019/20 financial statements

The Board received a summary of financial statements for the year and adjustments made between the 31 March management accounts and the final audited accounts. The Board received a further update on the integration with Group Accounting Policies and the associated restatements.

The Board received a summary from KPMG of the Group Audit Highlights Memorandum and the DGHP specific elements.

The Board reviewed the financial statements for the year and the letter of representation.

Decided: The Board

- 1) approved the 2019/20 financial statements
- 2) confirmed the preparation of the financial statements using the going concern basis;
- 3) delegated authority to the Chair and Group Director of Finance to approve any non-material changes to the accounts; and
- 4) approved the letter of representation from the auditors, and noted the related letter of comfort from the Chief Executive.

10. B) Annual internal audit report and assurance statement 2019/20

The Board received the annual internal audit report and assurance statement, following assurance work completed and reported during financial year 2019/20.

Decided: The Board noted the contents of the report along with the overall Annual Internal Audit opinion.

11. Finance report

The Board received a summary of financial performance for the year to date and the full year forecast. The Board reviewed performance for the year to date and discussed the key variances, which were broadly in line with expectations.

Decided: The Board

- 1) noted the Finance report for the period to 30 June 2020; and
- 2) noted the covenant measures for the first quarter of 2020/21.

12. 2020 Five Year Financial Projections report

The Board received a summary of our Five Year Financial Projection return. A detailed update was provided on the proposed covenant update along with our projected compliance.

The Board discussed the financial projections, links to our five-year strategy and the ability to refine our projections in year to reflect our strategy.

Decided: The Board

- 1) noted the update on the financial projections, including the impact of the actual results for 2019/20 as reported in the Statutory Accounts;
- 2) approved the summary sheet and accompanying financial data and projections at Appendix 1 and authorised these to be submitted to the Scottish Housing Regulator;
- 3) agreed to the amendment to RBS interest cover covenant; and
- 4) approved the amendment letter and Board Minute relating to the covenant change.

13. Governance update

The Board were updated on a range of governance e related matters, including preparations for the upcoming AGM and the SHR Regulatory Framework consultation.

Decided: The Board

- 1) Agreed to call the Annual General Meeting for 23 September 2020 at 10.30am to be held virtually via Zoom;**
- 2) Approved the appointment of Maureen Dowden, John Henderson, George Thorley, Heather McNaughton and John McCraw as the Recruitment Panel;**
- 3) Agreed a Board be convened as required to consider the recommendation of the Recruitment Panel and note that Parent approval is required for any appointment or reappointment under our Articles of Association;**
- 4) Provided feedback on the strategy workshop agenda; and**
- 5) Noted that DGHP will be included in the Group Modern Slavery Statement**

14. AOCB

There was no other competent business.