



**MINUTE OF BOARD OF DIRECTORS MEETING
HELD ON WEDNESDAY 17 FEBRUARY 2021
AT 13.30 VIA VIDEOCONFERENCE**

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

In attendance: Matthew Foreman (Managing Director, DGHP), Tom Barclay (Group Director of Property and Development, Wheatley Group), Anthony Allison (Director of Governance, Wheatley Group), Pauline Turnock (Director of Financial Reporting, Wheatley Group), Alex Adrain (Managing Director, Wheatley 360, item 7 only), Martin Gill (Head of Housing, DGHP – item 8 only), Alison Lamont (Head of Housing, DGHP – item 9 only), Lindsay Lauder, Development Manager, DGHP – Item 10 only) and Euan Smith (Senior HR Advisor, Wheatley Group)

1. Apologies for absence

There were no apologies for absence. It was noted that non-attending members had met with the Chair and relevant officers to give feedback on all papers. The Chair explained that she would relay the key elements of the feedback during the meeting as appropriate.

2. Declarations of interest

The Board noted that a number of Non-Executive Directors had taken up intragroup posts as follows:

John Henderson	– Member, Group Development Committee
John McCraw	– Non-Executive Director, Wheatley Foundation
Heather MacNaughton	– Non-Executive Director, Wheatley Solutions
Fiona Burden	– Member, Group Audit Committee

It was confirmed these have been added to the standing declarations of interest for each individual.

3. Minutes of appointment meeting of 12 August 2020 and Board meeting on 18 November 2020.

Decided: The Board approved the minute of appointment meeting of 12 August 2020 and Board meeting on 18 November 2020.

It was agreed that in future: draft minutes be circulated to the Board when complete for comment; and that the action tracker be introduced as a standing agenda item as we reverted to core business.

4. Service mobilisation update

The Board received an update on the current service levels following the change to restrictions in place at the time of the previous meeting. It was confirmed we continued to flex our services within the agreed service remobilisation approach.

The Board discussed the implications of the restrictions on our plan for achieving Scottish Housing Quality Standard (“SHQS”) and Energy Efficiency Standard for Social Housing (“EESSH”). The Chair explained that engagement with the Regulator was raised by the first Board session. It was reiterated that we are keeping the Regulator up to date on our plans for SHQS and EESSH, including having formally confirmed the position as part of our Group Annual Assurance Statement.

The Board sought an update on the implications of the eviction restrictions in relation to instances of more serious or persistent Anti-Social Behaviour. It was explained that we are still progressing legal action to the extent possible as well as engaging the police element of the Community Improvement Partnership.

The Board recognised the significant success of the Welfare Benefit Team supporting customers securing their entitlements. An update was sought on whether the team is sufficiently resourced to meet demand. It was explained that this remained under review, but that by engaging digitally we are in a position to support more customers as it is more time efficient.

The Board were delighted to note the recent CIH Innovation award for the new DGHP Repairs Service.

Decided: The Board noted the contents of the report.

5. Transformation Programme update

The Board received a presentation updating them on: progress to date against the agreed rephrased plan; additionally delivered beyond the plan by drawing on group resources; priorities in the next phase; and two emerging strategic opportunities.

The Chair provided feedback from the previous session, where the enhanced stakeholder relations and the planned development of a strategic partnership with the strategic housing authority was strongly welcomed.

The Board discussed the local and national position in relation to the development of a Common Housing Register. It was explained a national approach was not anticipated in the short to medium term.

The Board discussed the new hub location and the intended use, in particular the non-customer facing element. It was explained that under our new operating model our focus is on taking the conversation to the customer. It was further explained this will be through a mix of telephone, in person or digitally depending on the customer's preference.

The Board reiterated that as we move into our new operating model, where home working is a formal element that we must remain cognisant of our Health and Safety obligations.

The Board were updated on the staff consultation process for the new operating model, the plans to develop associated formal policies and that areas such as home self-assessments will be part of this process. It was agreed the Board be updated on progress with the policy introduction and associated training.

6. Operating model update: approach to service delivery

The Board received a detailed update on the approach to service delivery we will develop during the 2021-26 strategy period.

The Board discussed the approach, agreeing it reflected the high level priorities agreed as part of our strategy development. The Board reiterated the need for dynamic equality impact assessments as we move through the implementation stages. It was agreed this be given further consideration and an update on our approach provided at the appropriate time.

Decided: The Board

- 1) agreed the approach to service delivery set out here for the 2021-2026 strategy period; and**
- 2) noted that this approach to service delivery will form part of our operating model along with more flexible working by staff and development of corporate hubs that the Board considered at its previous two meetings.**

7. DGHP NETS service

The Board received a presentation setting out: how the Neighbourhood Environmental Team ("NET") service has evolved within the Group; the ambition for and scope of the DGHP NETs service; the service costs, including relative to our existing approach; how the introduction will support delivering our partnership commitments regarding creating jobs and training opportunities for our tenants and communities; and the overall benefits, including the use of Keeping Scotland Beautiful assessments.

The Board discussed tenant feedback regarding grass cutting for elderly and/or disabled tenants. It was explained this was a discretionary service that has been provided by Local Authorities and as such is subject to change. It was however explained that a benefit of having the service in house was the ability to prioritise based on tenant feedback, including in areas such as this.

The Board sought an update on how the service can contribute to our wider sustainability and environmental priorities. It was confirmed that this is a focus within the service, ranging from electric fleets and tools to the way we use grass cuttings. It was agreed a more detailed update on the approach to sustainability within the NETs service be brought to a future meeting.

Decided: The Board noted the update on the transition to an in-house NETS service.

8. Stronger Voices, Stronger Communities – our new engagement framework

The Board received an update on the key elements of the engagement framework and how we plan to implement this within DGHP. It was reiterated that the framework sets the foundation for transforming our approach and increasing the level of control our customers have.

The Board recognised the need for the skills of our staff to evolve to reflect the framework, in particular the digital elements.

The Board discussed the engagement programme and requested that, whilst implicit, the Tenant Voice element be more prominently documented.

The Board further discussed the programme and recognised that our approach would continue to evolve as we progress with implementation and learn lessons and share good practice across the wider group.

Decided: The Board

- 1) noted the new Group engagement framework; and**
- 2) noted, subject to the comments noted above, the DGHP engagement programme.**

9. Group Homelessness Policy

The Board received a summary of the new Group Homelessness Policy and the implementation approach within DGHP.

The Board received a further update on the homelessness position within Dumfries and Galloway, our existing partnership working and plans to strengthen our links with the strategic housing authority and other key stakeholders.

The Board reiterated the importance of communicating our approach to key stakeholders. It was confirmed that engagement with our customers, prospective customers and communities would be undertaken in addition to the wider stakeholder engagement.

The Chair reflected to the Board the strong feedback from the first Board session on the importance of wraparound services.

The Board sought an update on the demographics of those we experience presenting as homeless and sustainability of tenancies. It was explained that the largest demographic is young males. It was confirmed that sustainability is a key focus of our approach and the wraparound services are a crucial element of this.

Decided: The Board noted the Group Homelessness Policy

10. Five Year Development Programme

The Board received a summary of the proposed 5-year development programme; a recap on the approach, including criteria for projects, agreed in principle in November; and an update on Scottish Government funding for affordable housing.

The Chair provided feedback from the first session, confirming the members were comfortable with the programme, criteria and approach to project approval and enhanced scrutiny and governance.

The Board discussed at length the approach to development governance, in particular: the respective roles of the Board and Group Development Committee in terms of approvals and scrutiny; the assurance and controls the approach provides the Board relative to its own duties; and the control triggers for any development reverting to the DGHP Board.

It was reiterated that the Group Development Committee membership was drawn for their skills and expertise in relation to development, including understanding demand and planning within an affordable housing context. It was explained that this depth of skills and experience enhanced the level of scrutiny on projects and that our legal advice at the time of its creation recognised this as an assurance for developing RSL Boards.

The Board discussed the criteria and the potential for sustainability and the link to our carbon reduction targets to be more clearly documented. It was explained that this was a core element of the qualitative assessment of projects, but that we would consider how this be referenced within the criteria.

The Board reiterated the need for a clear understanding of housing demand in our programme and sought an update on the balance of the programme being mostly West based. It was explained that the East has been subject to significant development to date and that this is likely to mean demand is reducing in the East. It was further explained the independent demand assessment considered at the strategy workshop was factored into our programme.

The Board considered the recommendations. One member indicated that they felt the Board's individual role required to be enhanced in terms of project approvals and scrutiny in order for them individually and the wider Board to support the approval of recommendation 2. The remaining Board members indicated they were satisfied with the approach as proposed and it was agreed to approve the recommendation whilst noting the member did individually not support this.

Decided: The Board

- 1) approved the DGHP project approval criteria set out in paragraph 5.4;**
- 2) noting to the individual member position set out above, approved the five-year development programme as summarised in this report; and**
- 3) noted that the five-year development programme will be reviewed annually and presented for approval to the Board, in conjunction with the presentation of the DGHP Business Plan.**

11. Rent and other charges 2021/22

The Board received feedback from the tenant consultation, which was based on the widely known partnership commitment.

The Board considered the feedback, noting that the rent strategy was already widely engaged and strongly supported as part of the partnership.

Decided: The Board

- 1) considered the feedback received through the consultation process with tenants on our 2021/22 RSL rent and service charge increase;**
- 2) approved a 2% rent and service charge increase for 2021/22; and**
- 3) agreed that we formally write to tenants to confirm this subject to Group Board approval.**

12. Five Year Financial Projections

The Board received a presentation setting out projections in relation to: our underlying surplus; investment and development spend; our funding profile; and covenant compliance.

The Board discussed the sensitivity of the plan to grant income levels. It was confirmed this was the case in relation to development but that grant levels were under review nationally. It was further confirmed we would not progress development activity where available grant levels meant we did not achieve our target rate of return. It was explained that grant availability is contained within our corporate risk register and as such would remain under review.

Decided: The Board

- 1) Approved the updated financial projections for investment in assets and services over the five-year period to 2026; and**
- 2) Agreed that the projected 2021/22 figures form the basis of next year's annual budget which will be presented to the Board for final approval in March.**

13. Wheatley Solutions Services Agreement

The proposed arrangements for the transition to formalising Wheatley Solutions as the corporate services provider were set out.

It was confirmed the proposals were developed with direct input and feedback from the DGHP Managing Director as well as previous feedback and input from a number of Board members.

The Board noted the legal advice in relation to compliance with the relevant Regulatory Standards and the mechanism to keep the agreement under review.

The Board considered the intragroup charging and associated value for money. It was confirmed that the focus was on an enhanced service rather than reducing costs. The Managing Director indicated that we continue to receive a significantly enhanced service relative to what we would have under the current arrangements for the same cost.

Decided: The Board

- 1) agreed to enter into the Service Agreement with Wheatley Solutions under the terms set out; and**
- 2) designated the Managing Director as an Authorised Signatory to execute the Services Agreement on behalf of the company.**

14. Finance Report

The Board received a summary of financial performance for the year to date.

The Board considered financial performance, the key variances and recognised the pandemic was a key driver of the variations.

Decided: The Board

- 1) noted the Finance Report for the period to 31 December 2020; and**
- 2) noted the covenant measures for the third quarter of 2020/21.**

15. Scottish Child Payment

The Board were updated on the Scottish Child Payment and work underway to maximise awareness and uptake amongst our eligible customers.

The Board welcomed the focus on raising awareness and uptake.

Decided: The Board noted note our take up campaign for the new Scottish Child Payment, launching on 15 February 2021 and administered on behalf of the Scottish Government by Social Security Scotland.

16. Delivery Plan 2020/21: Quarter 3

The Board welcomed the continued strong performance within the context of the prevailing restrictions and challenging operating context. It was confirmed the phased targets would remain at the levels which reflect the restrictions in place.

Decided: The Board noted the progress made against the Delivery Plan targets for the end of quarter three 2020/21.

17. Transforming our payment methods

The Board received an update on our approach to modernising payment methods. The Board were reassured that we will be engaging with our customers as part of the transition and not stopping certain payment methods.

Decided: The Board

- 1) approved modernising our approach to rent payment methods as we fully harness the opportunities presented by technology for the benefit of both customers and our business;**
- 2) noted a wider review of the Group's approach to rent and income collection, with a progress report to be provided in 2021; and**
- 3) noted that our current self-service offering will adapt as we move onto group IT systems as part of the DGHP transformation programme.**

18. Governance update

The Board received an update on proposals to advance the governance-leadership element of our Transformation Programme. It was reiterated that in principle agreement was being sought at this stage, with more detailed updates to be provided and formal approvals sought over the next two Board meetings.

An update on the proposed approach to formalising a 3 year succession plan and the implications for the current recruitment were set out. It was agreed the Chair would arrange individual discussions with members with a view to the 3 year succession plan being presented for approval at the next meeting.

The Board feedback on the reporting template having a more specific focus on environmental and sustainability was confirmed as being planned for recommendation to the Group Board.

Decided: The Board

- 1) agreed that we progress the alignment of our governance arrangements as set out in paragraph 5.6 and that Group Board agreement be sought;**
- 2) agreed that we delay the recruitment of one vacancy until the Board is fully remobilised and has agreed a 3-year succession plan; and**
- 3) noted the new Board reporting template which will take effect from the May Board cycle and that the feedback regarding a specific element on environmental and sustainability will be presented to the Group Board.**

19. Gender Pay Gap

The Board were advised that we now formally required to submit gender pay report as a result of our staff numbers exceeding the 250 threshold. The Board received a presentation setting out our results for the year.

The Board sought clarification on how we account for seconded employees. It was confirmed the calculation was based on the substantive employer.

The Board sought clarification on our position regarding Living Wage. It was agreed this be confirmed at the next meeting.

20. AOCB

There was no other competent business.

SIGNED:

DATE: