

**WHEATLEY HOMES GLASGOW  
BOARD MEETING**

**Friday 15 August 2025 at 10.30am  
Wheatley House, 25 Cochrane Street, Glasgow**

**AGENDA**

1. Apologies for absence
2. Declarations of interest
3. a) Minutes of meeting held on 16 May 2025 and matters arising  
b) Action list

**Main Business**

4. [REDACTED]
5. [REDACTED]
6. Stock condition assurance
7. 2026-2031 strategy update
8. Radio Teleswitch switch off update
9. Performance report, Q1 2025/26
10. a) 2024/25 Financial Statements  
b) Finance report

**Other Business**

11. Assurance update
12. Governance update
13. AOCB

## Action List

Action	Timescale	Update
Update to be provided on work underway to improve factored homeowner satisfaction.	End of year	Scheduled for the September Board meeting.
Update to be provided on drug and alcohol testing at the next meeting.	August	Covered within the health ad safety section of the performance report.

## Report

**To:** Wheatley Homes Glasgow Board

**By:** Frank McCafferty, Group Director of Assets and Development

**Approved by:** Steven Henderson, Group Chief Executive

**Subject:** Stock Condition Assurance

**Date of Meeting:** 15 August 2025

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### 1. Purpose

- 1.1 This report provides an update to the Board on our approach to Stock Condition Surveys and proactively managing safety risks in complex buildings.

### 2. Authorising and strategic context

- 2.1 Through its Terms of Reference, the Board has responsibility for asset management, including the approval of our five-year investment plan, asset management plan and Neighbourhood Plans. It is also responsible for monitoring compliance, including an ongoing role in monitoring our approaches to risk and performance.
- 2.2 The Board has had a strong strategic focus on stock condition and how we create capacity for additional investment in tenants' homes. This has included strategy workshops to develop our approach to asset management and considering how investment in homes and neighbourhoods is reflected in our five-year strategy.
- 2.3 As a result of these discussions, we initiated a strategic project in 2024/25 to develop a data and technology enabled approach to managing and monitoring building compliance. For this year we also agreed a strategic project to create bespoke asset management plans for our Multi-Storey blocks.
- 2.4 This work will continue into our next five-year strategy, as we bring our different sources of data together to allow us to assess and report on all aspects of the condition of our properties. This means developing integrated data and reporting on all aspects that matter to tenants – condition inside the home, in communal areas and the external environment, including gardens.

### 3. Background

- 3.1 Following the approval of our Strategic Asset Investment Plan (“**SAIP**”) in 2024, this report provides the Board with an update on the work being carried out to deliver on the main priorities of the plan in relation to stock condition.

3.2 The five priority areas in our plan were:

- Compliance
- Neighbourhoods
- Component Replacement
- Energy Efficiency
- Particular Stock Types

3.3 The Board agreed to receive regular updates on the work being carried out to enhance the information we collect on the condition of our stock and how this will be used to inform our investment plans.

#### **4. Discussion**

##### Stock Condition Surveys

4.1 An integral part of our SAIP is to ensure the information that we have on the condition of our stock is accurate and kept up to date. This information is essential to allow us to make informed decisions on where investment is prioritised, together with the ability to undertake more focused and accurate long-term investment planning.

4.2 This approach has enabled us to achieve compliance with legal property condition standards, including the Scottish Housing Quality Standard (“**SHQS**”) and the Energy Efficiency Standard for Social Housing (“**EESH2**”). We currently hold comprehensive lifecycle and component detail at an individual property level in our PIMMS system.

4.3 This information has previously been informed and updated by validation surveys, instead of routine stock condition surveys, which cover approximately 5%–7% of our stock annually. This approach supported our risk-based methodology, using insights from external surveys to validate our stock data and inform future investment planning.

4.4 These surveys are conducted by Jones Lang Lasalle (“JLL”) as part of the annual valuation process. Where sample surveys identify issues requiring further investigation, we may increase the sample size to ensure a more comprehensive assessment. We have used our stock condition validation data to inform the financial provisions we make in our business plan.

4.5 As part of our new SAIP, we are strengthening our approach by creating an in-house team to assess the condition of our stock. We will undertake condition surveys of each property on a 5-year cycle. This increased survey programme will enable us to collect more information on our stock than the previous JLL surveys, more frequently. We have also been increasing the use of technology to inform our investment plans, such as drone surveys of the external condition of our Multi Storey Flats (“MSFs”).

4.6 Our surveys will include an assessment of the condition of each element of the building. This will cover external surveys of building fabric, such as walls, windows, external doors, rainwater goods, roofs and common closes; and grounds – including common garden areas, fencing, paving, steps, handrails. Internal surveys will include heating, electrics, kitchen, bathroom and internal doors.

- 4.7 The surveys will also assess the remaining anticipated life, which will be used to update our asset management database, PIMMS. Our survey programme will continue to be externally validated/audited to provide additional assurance.
- 4.8 This enhanced survey programme, together with consultation with stakeholders, including customers and frontline staff, will feed into the annual planning programmes as follows:
- 30-year Business Plan - our high-level planning tool.
  - 5-year Business Plan - standard finance planning tool for all investment. Information will be drawn from the annual and 3-year plan, as well as information from PIMMS.
  - 3-year Delivery Plan - The 3-year delivery plan will be utilised to ensure a 12-month rolling programme of investment works and will identify planning and design resources required to deliver each project. It will also identify projects which may cover multiple financial years.
  - Annual Investment Programme - our annual investment programme approved by the Board each year. This cyclical programme approach of survey, analyse, consult and report will help improve our ability to ensure our investment decisions have the correct balance of customer and business priorities.

#### Stock Categorisation

- 4.9 We have a huge variety of property construction types within our housing stock, ranging from homes constructed over 150 years ago to new homes being delivered in 2025. To allow for more efficient analysis of information we have grouped these typologies into the following proposed clusters
- Multi Storey Flats (over 18m)
  - Houses
  - 4 in a block flats
  - Inter war tenements
  - Post war tenements
  - Pre 1919 tenements
  - Sheltered housing (Living Well)
- 4.10 Each of these clusters of stock will present different challenges and require different approaches to meet the investment requirements, however our enhanced programmed approach in assessing condition will assist in our prioritisation and investment planning. MSFs as one of the identified clusters, are complex building types that commonly face specific challenges, particularly around cladding, ventilation, and issues related to damp and mould.
- 4.11 As part of our SAIP we have prioritised a review the MSF cluster and to support this we have appointed third-party building surveyors, Graham & Sibbald, to carry out a building pathology assessment of targeted MSFs to identify any common themes which require to be included within future investment programmes.
- 4.12 Graham & Sibbald will also provide recommendations on a standardised approach to the remediation works required in our MSFs, aimed at effectively addressing issues related to ventilation, damp, and mould.

- 4.13 Our 132 MSFs were built using various construction methods, including Large Panel Systems (“LPS”). Significant investment has been made to our MSFs over the last 20 years including, external wall insulation, new heating systems and lift replacements.
- 4.14 We have twelve blocks that were built using LPS, six of which are 8-storeys. Documents issued in 1968 by the UK Government, subsequently codified in Building Research Establishment (“BRE”) publications over several decades, contain guidance for structural risk assessment of LPS blocks. Risks are deemed to be higher in the case of LPS blocks with a gas supply or basement.
- 4.15 It was established through surveys prior to the creation of GHA and Wheatley that our LPS blocks met the required structural standards. None of our blocks have a gas supply or basement level. Since stock transfer in 2003, as part of our regular survey programmes, we have continued to assess the condition of these blocks, in particular the concrete, through surveys carried out by independent structural engineers. The most recent, in 2024, stated that the blocks were in good condition.
- 4.16 BRE guidance recommends – subject to risk assessment – that every 30 years intrusive surveys of LPS blocks should be carried out. As part of our regular structural inspection regime, we are developing such a programme in conjunction with independent structural engineers, which will take account of this guidance.
- 4.17 As part of our proactive approach to managing all aspects of building safety risk, we maintain Building Safety Assessment (“SBA”) documents for the 12 LPS blocks. These assessments contain information on the buildings and the work that we do to ensure they are safe and meet the necessary standards. They also contain details on building safety systems and the checks we undertake, together with the timescales for these checks. The SBAs will be updated on an annual basis, with an example of an SBA provided at Appendix 1.

## **5. Customer Engagement**

- 5.1 It is important that we communicate proactively with tenants about how we keep them safe in their homes, how we monitor stock condition and our plans to invest in improving homes and neighbourhoods. We do this through a range of methods, such as dedicated sections of our website, our annual report to tenants, the rent consultation, housing officer visits, and social media updates.
- 5.2 As we review our approach to tenant communication and engagement this year, and moving into our new strategy period, we plan to increase the range and frequency of this communication, in response to tenant feedback that we should provide more detail, more regularly, on future investment plans and how rent is spent.

## **6. Environmental and sustainability implications**

- 6.1 Our properties perform well against energy efficiency standards. At present, 92.3% of our homes meet the current required Energy Performance Certificate (“EPC”) of Band C or above. Maintaining the fabric and components of our stock, such as kitchens and boilers, has a positive impact on the environment through delaying the production of CO<sub>2</sub> associated with manufacturing process.

- 6.2 In addition, the interrogation and validation of our asset management data will provide the assurance that the environmental impact of our homes (as measured by EPC/SAP score) continues to be up-to-date and accurate. This robust data will also support and inform decisions for the investment programme towards achieving regulatory requirements for future energy efficiency standards.

## **7. Digital transformation alignment**

- 7.1 Our Asset Strategy includes the proposal to explore, through developing appropriate pilot projects, how digital techniques including AI can support asset management. This will build on our already extensive use of data to support our asset investment and management through our PIMSS asset management system.

## **8. Financial and value for money implications**

- 8.1 The stock validation process augments the condition reporting undertaken by our in-house teams through repairs, investment and compliance programmes. It provides the assurance that the £270m we plan to invest in our customers' homes in the next five years is targeted and effectively delivering the right measures, in the right properties at the right time.

## **9. Legal, regulatory and charitable implications**

- 9.1 The Scottish Housing Regulator (“**SHR**”) provides guidance on Business Planning which advises:

*“An RSL’s ability to deliver good services for customers and provide a solid platform for improvement depends on its ability to make the most of its housing assets. The business plan should be underpinned by a robust approach to strategic asset management. RSLs should therefore develop strategic asset management alongside, and to complement, the business planning process”.*

- 9.2 Our business plan 30-year investment assumptions are cross-checked to the independent assumptions made by JLL in their stock valuations, which are discounted cash flow calculations, including the investment they consider would be necessary to manage and maintain the stock appropriately over the period.

## **10. Risk Appetite and assessment**

- 10.1 Our agreed risk appetite in investing in existing homes and environments is cautious. Ongoing financial strength is crucial to enable us to continue to improve, modernise and maintain our homes. We will revise our well-established investment processes to include more focus on what creates most value for our customers. Value for money will still be the key factor in our decision making, but wider benefits, such as reducing levels of emergency and reactive repairs and customer satisfaction, will also be considered.
- 10.2 Our agreed risk appetite in ensuring compliance with legal and regulatory requirements is minimal. Keeping customers and staff safe is a key priority and we must be able to demonstrate that we comply with health and safety legislation in relation to our investment activity.

## **11. Equalities implications**

11.1 There are no equalities implications arising from this report

## **12. Key issues and conclusions**

12.1 We have a strong and robust approach to asset management. Our Asset Management Strategy sets out how we will continue to build on this, by increasing our in-house surveying capacity, covering every property over a five-year cycle, and retaining that knowledge in-house rather than solely using external consultants. We are also using technology effectively to support this approach, such as drone surveys of cladding on high-rise flats and sensors in properties where mould and damp may have previously presented.

12.2 As part of our cluster approach within our Asset Management Strategy, we have begun developing bespoke strategies for each of our MSFs, taking into account ongoing survey work.

12.3 Our data strategy – overseen by the Wheatley Solutions Board - is critical in supporting our Asset Management approach; as we aim to draw together asset information from different sources to allow us to assess and report on all aspects of the condition of our homes and neighbourhoods.

## **13. Recommendations**

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

### **LIST OF APPENDICES:**

Appendix 1: Example Building Safety Assessment document



## Report

**To:** Wheatley Homes Glasgow Board

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

**Approved by:** Steven Henderson, Group Chief Executive

**Subject:** 2026-2031 Strategy update

**Date of meeting:** 15 August 2025

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### 1. Purpose

- 1.1 To update the Board on the progress and next steps in developing our 2026-2031 strategy.

### 2. Authorising and strategic context

- 2.1 Under our Terms of Reference, we are responsible for approving our five-year strategy, within the strategic context of the overarching Group strategy. We agreed our Wheatley Homes Glasgow ("**WHG**") five-year strategy in February 2021.

### 3. Background

- 3.1 At our May strategy workshop the key area of focus was the development of our 2026-2031 strategy. As part of this, the Board considered our external operating context, the challenges ahead and feedback from staff and customers to understand their priorities as we develop our strategy.
- 3.2 From the customer strategy sessions, the independent researcher identified six strategic priorities driven by customer insight as follows:
- **Safety and Security First** – the physical home and buildings, as well as the wider neighbourhood in particular tackling anti-social behaviour;
  - **Invest in Existing Homes** - Quality, comfort, and energy efficiency;
  - **Transform Communication and Customer Contact** – More proactivity, clarity and accountability in all communications;
  - **Continue to improve the Repairs Experience** – Focus on completion and quality, with the continuing benefits of real-time communication;
  - **Create Pride in Place and Enhance Local Environments** – Clean and safe communal areas matter to wellbeing; and
  - **Keep Rent Fair and Transparent** - Affordability remains a concern and customers want transparency in how we set and spend rents.

- 3.3 In discussing how we translate the above six customer priorities into our strategy, the Board considered four proposed overarching strategic themes:
- **Homes and neighbourhoods to be proud of;**
  - **Personalised services;**
  - **Better Lives; and**
  - **Delivering sustainable value.**
- 3.4 Overall, the Board supported the proposed key themes and agreed that the following should be strongly reflected in the strategy:
- Increasing investment in existing homes, with a focus internal, external and environmental conditions with a view to a single view of a property;
  - Our commitment to delivering new supply and regeneration in the city;
  - Improving customer communication;
  - Continuing to refine the repairs service, working closely with City Building;
  - Our commitment to playing a major role in tackling homelessness in the City; and
  - Leveraging our procurement scale to deliver greater value for our customers and communities.
- 3.5 The Board's feedback and key priorities were also incorporated into the wider Group strategy workshop.

#### **4. Discussion**

- 4.1 We have, following the Board's feedback at the workshop and engagement with Boards across the wider Group, developed an updated proposed core structure for our strategy for Board feedback as follows:

##### Our Purpose, Vision and Values

###### *Purpose and strategy title*

- 4.2 The restatement of our core purpose was consistent for the Board, our staff and our customers and, as such, it is proposed that it is retained as: *Making homes and Lives Better*.
- 4.3 Based on feedback from our discussions with customers, staff and Boards, the prospect of our strategy name replicating the purpose '*Making homes and lives better*' has emerged as one that would provide absolute clarity.

###### *Vision*

- 4.4 The feedback from the Board, as well as our staff and other Boards across the Group, has been to keep the overarching Group vision clear, concise and relatable. Based on this, we have refined the draft Group vision and the revised proposal is as follows:

*"Our homes and neighbourhoods are places that we, and our customers, are proud of.*

*The services we deliver are shaped by what matters most to our customers, always feel personal and consistently exceed expectations."*

- 4.5 The key theme in the vision, and the central theme proposed for our strategy overall, is one of pride. We want our staff to be proud of the work we do and answering this in the affirmative as a guide of what the right thing to do is. We also want our customers to be able to be proud of the home and neighbourhood they live in.
- 4.6 We also need to ensure that the Group vision is relatable at individual partner level, recognising that this may mean there is a degree of variation to reflect their individual contexts. Any variation would, however, be expected to retain the key overarching theme of pride. Board feedback is sought on the proposed Group vision and its reflection of our context.

### Values

- 4.7 We want our values to clearly set the tone for the behaviours we expect of all our people to exhibit, which is also linked to the central theme of pride. We have always been clear that a strength of the overall Group is that every part of it shares a common set of values. On this basis, it is intended that we will continue to have a single set of values that apply Group-wide, taking into account feedback from each Board across the Group.
- 4.8 Based on the discussion and feedback, the proposed values, with some indicative descriptors, are:

***Excellence*** - We relentlessly, proactively pursue the highest standards.

***Inclusion*** - Every voice matters and is treated with respect.

***Trust*** - We take pride in always doing the right thing.

***Ambition*** - We are bold, innovative and challenge ourselves to go further.

### Strategy structure as follows:

- 4.9 Based on the feedback from the Board, we have refined the descriptors in the themes and sub-themes to be more active language as follows:



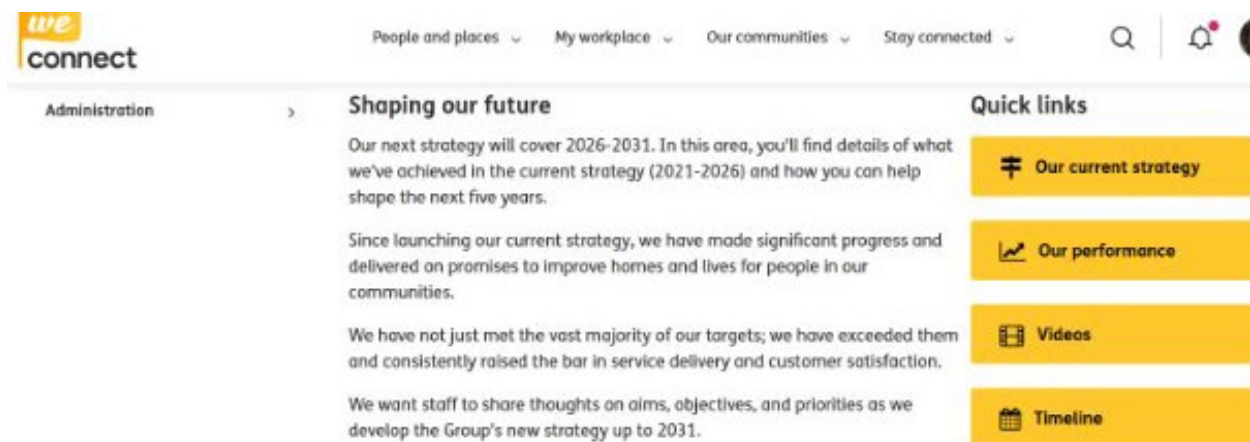
- 4.10 The proposed headline areas of key focus in each theme are set out in more detail in Appendix 1.

## Next Steps - customer engagement

- 4.11 To inform this strategy, we set an ambitious target that we want to engage with or receive feedback from at least 2,500 customers from across the Group, including around 1,900 Wheatley Homes Glasgow customers.
- 4.12 We have already engaged nearly 100 of our customers through the focus groups in March and a further 26 through our Group Scrutiny Panel held in May and Customer Voice panels held in June.
- 4.13 For phase two engagement we therefore aim to involve a further 1,775 customers. This engagement must be meaningful to customers and focused on understanding our proposed practical response to the six customer priorities identified during phase one. The proposed responses are set out in more detail in Appendix 2. Phase two engagement will launch at the end of August for a period of six weeks, primarily promoted through digital channels with a link to a digital survey.
- 4.14 We will also send out a survey to those on our waiting lists via our MyHousing platform to ensure our future customers' views and needs are also shaping our plans. This will also be an opportunity to gain prospective customer insight to inform our homelessness policy, due for review next year to align with our future strategic ambitions.

## Staff engagement

- 4.15 We have and continue to undertake vast engagement with our people to understand staff priorities and perspectives to inform our strategy. As well as the staff sessions that took place earlier this year, we have kept staff engaged throughout the strategy development journey with regular updates through our intranet 'Shaping Our Future' microsite – including video updates, blogs and an AI podcast providing a summary of phase one feedback.
- 4.16 We will continue to drop content on the microsite throughout the development period to keep staff engaged and informed, in addition to engagement which will be ongoing at local level.



- 4.17 We have also sought further feedback through team meetings and Communities of Excellence and have launched a staff survey soliciting thoughts on the proposed strategic themes and key areas of focus under each of these, as well as how we should measure success.

## Stakeholder engagement

- 4.18 We regularly engage with wider stakeholders, for example, through our strategic partnerships, including with our Glasgow City Council partners, with national government and local government, such as through elected member briefings, and conversations with partners and suppliers, supported by our contract management system.
- 4.19 We will explore the potential for us to utilise these well-established mechanisms to gauge and evidence the needs and expectations of key stakeholders in terms of our future plans, ensuring our proposed vision and plan for 2031 resonates.

## Draft strategy

- 4.20 We will develop the themes and sub-themes in more detail and into a draft 5-year strategy for the Board's consideration and review at its November meeting. As part of this, we will also develop proposals for how we intend to engage with staff in launching our strategy with a focus on making it real, relatable and tangible for them.

## **5. Customer engagement**

- 5.1 As detailed in this report, customer engagement is a core element of the development of our 2026-2031 Group family of strategies. The proposed approach is noted above.

## **6. Environmental and sustainability implications**

- 6.1 There are no direct environmental or sustainability implications associated with this report. We understand that investment, particularly to ensure energy efficient homes, is a top priority for customers, and our 2026-31 strategy therefore must detail how we will achieve this.

## **7. Digital transformation alignment**

- 7.1 There are no direct digital transformation implications associated with this report. We understand that there are opportunities to re-shape an organisation for the future with better use of data and digital technology. Increased digital and data maturity will therefore support us in making decisions and improving services through to 2031.

## **8. Financial and value for money implications**

- 8.1 There are no direct financial or value for money implications associated with this report. We understand that keeping rents fair and transparent is a priority for customers, so our 2026-31 strategy will detail how we will maintain financial security and deliver value for money for customers.

## **9. Legal, regulatory, and charitable implications**

- 9.1 The Scottish Housing Regulator ("SHR") Regulatory Standards of Governance sets out a number of requirements which are relevant for the development of our strategy, including that:
- *"[the] governing body sets the RSL's strategic direction";*
  - *"The RSL gives tenants, service users and other stakeholders information that meets their needs about the RSL, its services, its performance and its future plans"; and*
  - *"The RSL actively seeks out the needs, priorities, views, concerns and aspirations of tenants"*

- 9.2 Although we are not bound by SHR requirements, as good practice, our proposed approach would support us in being able to clearly demonstrate the above in line with our RSL partners.

## **10. Risk appetite and assessment**

- 10.1 As part of the strategy development process we will consider how the strategy both reflects our existing risks and our future risk appetite in relation to how it is delivered.

## **11. Equalities implications**

- 11.1 As part of our engagement, including with staff, customers and wider stakeholders, and the development of our strategy we will take into account the key principles in our Equity, Diversity and Inclusion (EDI) and Human Rights policy and associated action plan. In particular, are seeking to ensure our engagement represents a diverse range of customer voices and perspectives.
- 11.2 Our strategy is also being informed by key partners and stakeholders. In terms of EDI, this includes best practice guidance from Business in the Community to ensure our strategic plans align with EDI sector expectations.
- 11.3 Our strategy will be equality impact assessed to inform its implementation, and EDI will thread through our plans as an enabler of success, especially supporting our aims around personalised service and responsible business.

## **12. Key issues and conclusions**

- 12.1 We have and continue to undertake extensive engagement with our people, customers and the Board to ensure our next strategy reflects the priorities and aspirations of these groups. Our proposals for next steps will help us solidify our position and ensure our 2026-2031 strategy has been developed and aligned to international frameworks of excellence.

## **13. Recommendations**

- 13.1 The Board is asked to provide feedback on the proposed purpose, vision and values for our 5-year strategy.

### **LIST OF APPENDICES:**

Appendix 1: Strategic theme key priorities  
Appendix 2: Customer priority feedback

## Appendix 1

Strategic theme	Key areas of focus
Home and neighbourhoods to be proud of	<ul style="list-style-type: none"> <li>▪ <b>We will define a ‘Wheatley standard’</b> for properties and every property will be assessed against the standard over the life of the strategy</li> <li>▪ <b>We will develop bespoke strategies for property types or issues</b> e.g. mixed tenure common closes, secure entry systems, doors, and lift will supplement Strategic Investment Plans</li> <li>▪ In collaboration with local partners, <b>we will tackle key community issues</b> such as antisocial behaviour, waste management and underused greenspaces</li> <li>▪ Play a strong role in ensuring that our neighbourhoods are peaceful and places where our customers feel safe</li> <li>▪ We recognise that tackling the housing crisis needs new homes of all tenure and <b>we will deliver new social, mid-market and private rented sector homes</b></li> <li>▪ Prioritise regeneration in areas identified for significant investment with partners such as Wyndford, Milton, Red Road and Drumchapel</li> </ul>
Personalised Services	<ul style="list-style-type: none"> <li>▪ <b>We will refresh our approach to customer communication</b> which will feel personal, local and relevant, with information such as local investment plans and events</li> <li>▪ <b>Our staff will be empowered to and accountable for taking ownership</b> of ensuring service delivery is seamless for and meets the needs and expectations of customers</li> <li>▪ We will <b>refresh our operating model and core processes to minimise hand-offs</b> and ensure services which span different areas are seamless for customers</li> <li>▪ Staff will have more data at their fingertips that allows them to <b>understand each customer’s needs and deliver a personalised service</b></li> </ul>
Better lives	<ul style="list-style-type: none"> <li>▪ creating opportunities for our tenants and families by supporting new jobs and skills through the Foundation</li> <li>▪ <b>We will work with partners to identify ways to increase supply</b> by bringing empty homes back to a lettable standard whilst delivering value for money</li> <li>▪ <b>We will provide tailored support</b> to help customers at risk of homelessness to sustain their tenancies</li> </ul>
Responsible business	<ul style="list-style-type: none"> <li>▪ <b>Purpose through procurement</b> - We will leverage our size and scale to deliver a positive impact for our communities and customers</li> <li>▪ We will <b>embed leadership principles consistently at every level of leadership</b> as part of a renewed, values and culture-driven Leadership Development Framework</li> <li>▪ <b>We will sustain our financial security</b>, innovatively funding our future aspirations whilst retaining our A+ credit rating and our Golden Rules</li> <li>▪ In the early years, the key priority will be <b>establishing the strong foundations of good quality data, technology platforms, automation and people skills</b> to support further digital adoption</li> </ul>

## Appendix 2

Customer Priority	What we propose to do in response
<b>Safety and security first</b>	<ul style="list-style-type: none"> <li>▪ Increase investment and deliver physical improvements in areas such as common closes, entry systems, doors and lifts</li> <li>▪ Tackle anti-social behaviour, including working more closely with Police Scotland and the Council and escalating cases of anti-social behaviour quicker promoting and support good neighbourliness</li> <li>▪ Take wider action, such as reducing access to vacant land, to reduce issues such as fly tipping</li> </ul>
<b>Invest in Existing Homes</b>	<ul style="list-style-type: none"> <li>▪ Ensure homes are well maintained, suitable for your needs, and free of damp and mould</li> <li>▪ Invest more in tenants' homes, prioritising kitchens, bathrooms, windows and energy efficiency</li> <li>▪ Communicate more clearly about when and where we will be delivering investment work and upgrades</li> </ul>
<b>Transform Communication and Customer Contact</b>	<ul style="list-style-type: none"> <li>▪ Be more proactive in keeping you up to date on progress with things that can't be resolved straight away such as follow-up repairs and anti-social behaviour</li> <li>▪ Improve coordination between our Customer First Centre and our repairs and housing neighbourhood teams</li> <li>▪ Actively listen and in responding, be open and transparent on what we can deliver</li> <li>▪ Provide consistent, quality service regardless of whether you contact us by phone, email or in person with staff being accountable for making sure you get an answer</li> </ul>
<b>Continue to improve the Repairs Experience</b>	<ul style="list-style-type: none"> <li>▪ Improve repairs diagnosis and parts availability so that we complete more repairs in a single visit</li> <li>▪ Always keep you up to date with what will happen next before we leave your home</li> <li>▪ Introduce new ways to monitor that repairs are completed properly and to a high standard</li> </ul>
<b>Create Pride in Place and Enhance Local Environments</b>	<ul style="list-style-type: none"> <li>▪ Publish and deliver neighbourhood investment plans in localities following engagement with customers, working in partnership with the Council and others where needed</li> <li>▪ Introduce a minimum standard for neighbourhoods through Keep Scotland Beautiful and involve tenants in assessing the standard of neighbourhoods</li> <li>▪ Actively manage our neighbourhoods to ensure that everyone is fulfilling their responsibilities to look after their home and environment</li> <li>▪ Review our communal area service standard with customers, and promote this so that you can better hold us to account</li> <li>▪ Explore options to expand our environmental service capacity to support customers to keep communities safe and clean, including grass cutting expansion and tool exchanges</li> </ul>
<b>Keep Rent Fair and Transparent</b>	<ul style="list-style-type: none"> <li>▪ Continue to consult all tenants before any rent increase is applied</li> <li>▪ Publish more information on how your rent money is spent and how we do this wisely</li> <li>▪ Continue to expand and tailor the financial support we offer to tenants</li> </ul>



## Report

**To:** Wheatley Homes Glasgow Board

**By:** Frank McCafferty, Group Director of Assets and Development

**Approved by:** Steven Henderson, Group Chief Executive

**Subject:** Radio Teleswitch update

**Date of Meeting:** 16 August 2025

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### 1. Purpose

- 1.1. To update the Board on the planned switch-off of the Radio Teleswitch (“RTS”) system, and in particular some changes in approach communicated recently by the UK Government.

### 2. Authorising and strategic context

- 2.1 Under our Terms of Reference, the Board is responsible for considering matters of strategic importance.
- 2.2 The planned switch-off of RTS has potential implications for the heating and hot water supply to a significant number of our customers and is therefore considered strategically important. Updates on this have been provided to the Board at its recent meetings and will continue until there is confidence the RTS issue is being adequately addressed.

### 3. Background

- 3.1 Around 314,000 RTS meters remain in operation in the UK with an estimated one-third in Scotland. Until late June 2025, the scheduled national ‘switch-off’ of these meters was due to start at the end of June with meters in Scotland being switched-off from end-August 2025. However, as discussed below, this position has now changed.
- 3.2 We have been working closely with Scottish Power, as they are by far the largest RTS meter operator in our stock and are now receiving fortnightly updates on progress in switching meters in our stock. The latest indication from Scottish Power is that **we have 2,473 RTS meters in our homes.**
- 3.3 Based on the latest data (end-July) we have, Scottish Power has 1,102 appointments booked for customers – group wide, over the next six weeks, with a further 633 scheduled after that.

## 4. Discussion

- 4.1 Since the last update the position on the RTS switch-off has changed following extensive discussion at UK Government level including with Ofgem and Energy UK. UK Government Ministers have now indicated that:

*“Customers will not unexpectedly lose access to their heating and hot water after 30th June, and we [UK Government] will not allow widespread disconnection.*

*Suppliers must fulfil all of their legal obligations to their customers, and that any future, localised phase-out of RTS meters after 30th June must be controlled, planned, and communicated properly to all customers in order to proceed.*

*The government will do everything it can to ensure that all customers are protected, and will work with Ofgem to hold suppliers to account if required. We expect energy suppliers to be taking measures, such as deploying roaming teams of installers including in rural areas, to ensure consumers receive replacement meters in a timely manner.”*

- 4.2 We have been working with Ofgem and Scottish Power to understand what this will mean in practice, and while details are still being finalised, it is now clear that the switch-off will be phased slowly and carefully by RTS meter group code. There are 336 such codes, mainly aligned geographically, covering the UK. Ofgem has set some principles to inform the detail of the code based switch-off being developed by energy companies. These principles include that:

- a code will only be switched-off once the customer numbers in the area are in the tens;
- planning for switch-off will focus on the code areas containing the smallest number of meters first;
- a ‘criteria checklist’ will be developed that suppliers must meet before shut down happens;
- at switch-off SLAs will be in place requiring suppliers to reach customers within a maximum timescale - akin to power outage response; and
- monitoring will take place on initial switch-offs on supplier response and how meters behave, to inform future shut-downs.

- 4.3 We understand that the plan for code-based switch-off is expected to take many months and that switch-offs will not be planned during the winter months. We also understand that the approximately 30 meter codes in our properties will not be in the early stages of the switch-off, although details of the plan are still being developed.

- 4.4 This more cautious approach is illustrated by the first switch-off, which is termed a ‘test and try’ event and happening in North Wales, focused on 32 addresses and expected to take 3 weeks. After this there will be a review period to inform the development of the wider plan and approach.

- 4.5 While the delay and far more cautious, phased and planned approach to switch-off is welcome, we intend continuing to focus on encouraging our customers with RTS meters to have them replaced. Progress with this has been steady as shown below.

<b>Week commencing</b>	<b>May-25</b>	<b>23.06</b>	<b>30.06</b>	<b>07.07</b>	<b>14.07</b>	<b>21.07</b>	<b>28.07</b>
RTS remaining	3,143	2,833	2,772	2,697	2,631	2,562	2,473

4.6 Our discussions with Scottish Power have indicated that our efforts to engage customers on the need to switch is having a positive impact. The number of appointments being completed, at around 80%, and the level of forward bookings for our customers are both now ahead of the population in general. Scottish Power has also indicated that they understand the recent announcement of the more cautious approach to switch-off has seen appointment levels for some suppliers dropping significantly but that this has not happened among our customers. Our engagement activities have included:

- Direct mail
- Housing officers having discussions with customers
- Social media activities
- Targeted outbound calling

4.7 As part of our outbound calling, we are, where possible, undertaking a 'warm handover' between our customer first centre and Scottish Power so the customer can book their appointment. Data from our discussions with customers is also confirming the picture provided by Scottish Power on the number of affected customers with planned appointments (c48%).

4.8 Our discussions with customers have also allowed us to understand the challenges they are facing with switching from RTS meters. These include missed and incomplete appointments by engineers, and language barriers. We have fed information on where engineers have missed appointments to Scottish Power so they can assess weaknesses in their process and shared information on language requirements, so call back arrangements can be made.

4.9 Ofgem, Energy UK and Scottish Power have indicated that a further campaign to encourage switching is being developed. We expect this to initially include more targeted communications with customers and, as switch-off approaches, assumed appointments where teams of engineers 'flood' an area in advance of switch-off. We will look to dovetail our communications, engagement with customers and approach to these plans, as they develop.

## **5. Customer engagement**

5.1 We are working with our customers, as set out elsewhere in this report, to encourage switching from a RTS meter.

## **6. Environmental and sustainability implications**

6.1 There are no environmental and sustainability implication for us as the change from RTS meters to smart meters is for the energy companies to make.

## **7. Digital transformation alignment**

7.1 The move to smart meters is part of a wider agenda towards the use of digital technologies nationally, although there are no direct implications for our digital strategy.

## **8. Financial and value for money implications**

- 8.1 The cost of replacing RTS meters is for the energy companies.

## **9. Legal, regulatory and charitable implications**

- 9.1 There are no legal, regulatory or charitable implications associated with this paper.
- 9.2 Legal advice has been taken to ensure that we are meeting our obligations as a landlord, particularly in ensuring our homes are habitable, given the risk that the RTS switch-off presents to tenants' ability to heat their homes. This advice has confirmed that our obligations would be met, provided the issue that is preventing a tenant from having heating and hot water is the inoperability of a RTS meter. The advice also confirms that the action we are taking to encourage our customers to contact their energy providers to replace their RTS meters are reasonable.

## **10. Risk appetite and assessment**

- 10.1 We are committed to delivering an exceptional customer experience. The RTS switch-off presents a risk to this because of the adverse implications for customers, and in particular, their supply of heating. The risk is reflected in our Group risk register which has been adjusted to reflect the reduced likelihood and impact of the RTS switch-off now that a controlled and planned approach is being developed by the energy companies.

## **11. Equalities implications**

- 11.1 We are working with the energy companies to encourage affected customers to switch from a RTS meter to a smart meter. Doing this will help ensure that all customers, including those with particular vulnerabilities are protected from the potential harm that could arise from the RTS switch-off.

## **12. Key issues and conclusions**

- 12.1 The planned RTS switch-off has been delayed and a more cautious approach is now being developed, that is expected to see RTS signals continue in an area until only a few customers would be affected by the switch-off. Details of this approach are still being developed, as is the timing but we now expect switch-off in our areas to take many months. For now, we are continuing to engage customers to encourage them to switch to help ensure they are not adversely impacted by the eventual switch-off.

## **13. Recommendations**

- 13.1 The Board is asked to note this update.

### **LIST OF APPENDICES:**

None

## Report

**To:** Wheatley Homes Glasgow Board

**By:** Aisling Mylrea, Managing Director, Wheatley Homes Glasgow

**Approved by:** Steven Henderson, Group Chief Executive

**Subject:** Performance Report

**Date of Meeting:** 15 August 2025

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### 1. Purpose

- 1.1 This report presents an update on performance against targets and strategic projects for 2025/26 to the end of quarter one.

### 2. Authorising and strategic context

- 2.1 Under our Terms of Reference, the Board is responsible for monitoring performance against agreed targets. We measure progress with the implementation of our five-year strategy via the Group Performance Management Framework.
- 2.2 The Group Board agreed on an updated programme of strategic projects and performance measures and targets for 2025/26 at its meeting in April 2025. Our Board subsequently agreed its specific performance measures and targets at its meeting on 16 May 2025.

### 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 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

- 4.1 The following sections present a summary of key measures and strategic projects. Strategic measures can be found in Appendix 1 and Strategic projects are found in Appendix 2.






## Delivering Exceptional Customer Experience

### Customer First Centre

- 4.2 Year-to-date results as of the end of quarter one for our core CFC measures are presented in Table 1:

**Table 1**

Measure	2025/26		
	Value YTD	Target	Status
WHG - CSAT score (customer satisfaction)	4.56	4.50	
WHG - Call abandonment rate - those who waited over 30secs and abandoned	8.43%	5%	
Group - % of contacts to CFC resolved within CFC	89.47%	95%	

- 4.3 Customer satisfaction with the CFC (known as “**CFC CSAT**”) remains the CFC’s key measure, ensuring we place our customers’ voices at the heart of performance management. Our overall CFC CSAT score was 4.56 at the end of quarter one, an improvement on the score of 4.55 at the end of 2024/25.
- 4.4 The call abandonment rate after 30 seconds, whereby our customers waited over 30 seconds and then abandoned their call, was 8.43% against a 5% target at the end of quarter one.
- 4.5 New CFC staff started in May 2025 and began taking live calls in June. Their contribution to the team has helped to distribute the workload more evenly and reduce queue pressure during peak periods. This will also support reducing the abandonment rate.
- 4.6 The percentage of contacts to the CFC resolved within the CFC, without the need to be passed to either Housing Teams or My Repairs Team, was 89.47% against a 95% target at the end of quarter one. This includes resolution on the phone, by the CFC specialist teams and via digital contact.
- 4.7 A key driver of improving this under target performance is the First Contact Resolution (“FCR”) pilot programme, which tasks participating staff with resolving customer queries fully during their first contact. Prior to the pilot’s launch, the selected team of four advisors had an FCR of 88.93%. During the pilot, this increased significantly to 92.81%, indicating the potential of this focused approach.
- 4.8 Building on this success, the CFC have now launched a second pilot group consisting of eight advisors and two Housing Specialist Officers and is monitoring their performance closely, extracting insights and best practices that can be scaled across the wider team. Our objective remains to embed a culture of first-contact resolution throughout the CFC, thereby enhancing customer satisfaction and operational efficiency.

- 4.9 Our geographical team approach, established to better respond to demand and ensure that customers speak to a CFC advisor who is upskilled to support them and, wherever possible, to resolve the enquiry, continues to drive improvements for our customers.

#### Repairs Satisfaction and Rate It

- 4.10 Tenant satisfaction with our repairs service and individual repair experiences continues to be a key measure 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.
- 4.11 Through MyVoice, repairs satisfaction at the end of quarter one is 4.3/5, from an average response rate of almost 17%. Customers provide a score from 1 to 5, and any customer who provides a score of one or two is contacted by our My Repairs Team to see how we can quickly resolve any issues they may have experienced.
- 4.12 'Book It, Track It, Rate It' aims to improve visibility and communication during the repair journey and is a key indicator for us for tracking improvements in our repairs service. For quarter one the Rate It score – which provides tenants an opportunity to rate their experience of the repair appointment – is 4.6 out of 5 (from 6,280 responses, representing 18.66% of the feedback links generated to all customers with contact information).
- 4.13 Local teams have full access to overall scores for both methods, as well as the breakdown by trade/operative/work type for Rate It, to ensure feedback is used to continually review and improve performance.

#### Volume of Emergency Repairs

- 4.14 The table below shows our position against the strategic result to reduce the volume of emergency repairs by 10% by 2026 compared to the updated baseline year of 2022/23. The target for 2025/26 is a reduction of 3.34%.
- 4.15 Emergency repair numbers are 2,224 more than the same point in 2024/25, a positive variance of 12.44% and therefore below target. To put this into context, 20,095 emergency repairs in 2025/26 are 30.48% of all responsive repairs completed and compare to 29.81% at the same point last year.
- 4.16 Emergency repairs volumes are a consequence of customer reports and are affected by external factors such as weather conditions. We will continue to review the raising of emergencies locally with the CFC teams to ensure that repairs being raised are appropriately diagnosed as emergencies.

**Table 2**

Completed emergency repairs	YTD 24/25	YTD 25/26	Variance
WHG	17,871	20,095	12.44%

## Repairs Timescales and Right First Time

- 4.17 Our average time taken for emergency repairs is 2.77 hours at the end of quarter one, within the 3-hour target. This is an improvement on 3.26 hours last year and is better than the Scottish average of 4 hours, as reported by the Scottish Housing Regulator (“SHR”) in 2023/24. 2024/25 averages will be available from late August 2025.
- 4.18 The average time taken for non-emergency repairs was 9 days at the end of quarter one, an increase on 7.9 days last year and in line with the 2023/24 Scottish average of 9 days as reported by SHR. This increase reflects a catch-up in completing external and environmental repairs (roofing and fencing) that had been delayed or caused by the adverse weather conditions in January 2025. Many of these repairs were previously overdue and were completed during this quarter.

**Table 3**

Repairs completion timescales (Charter)	Emergency (hours)			Non-emergency (days)		
	Target	Value		Target	Value	
WHG	3.00	2.77		7.5	9.00	

- 4.19 Our performance year to date is 99.21% completed right first time with 299 repairs out of 37,768 reported again by customers. This is in comparison to performance of 90.17% at the end of 2024/25.
- 4.20 The improvement in this indicator is driven by the 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. We consider these our ‘warranty repairs’, that is, where the tenant has reported the repair was not completed correctly and we raise a new line (a warranty repair) to address the defect.
- 4.21 Our evidence from complaints, ‘Rate it’ feedback and repairs satisfaction surveys all suggest that whilst the vast majority of repairs are completed Right First Time, tenants do identify jobs which they believe to have not been completed *right first time*. It is not necessarily the case however that the tenant giving such feedback has raised a subsequent repair or if they have, it has been reported as such.
- 4.22 In addition, there are occasions where a tenant may be using the phrase *right first time* when they are not happy with the number of visits a repair has taken rather than there being a defect to a completed repair.
- 4.23 It is intended that we will put a process in place where if an issue reported in a complaint, Rate it or satisfaction survey relates to a completed repair we will, where appropriate, raise a new warranty repair or link an existing follow on repair to the previous job (i.e. it was a ‘fix’) to improve the overall robustness of our performance.



## Damp and mould

- 4.24 SHR have introduced three new Charter measures covering damp and/or mould 'cases' to be reported in ARC from 2025/26. These consider the "earliest date a request is received by the landlord...until the work is satisfactorily completed in the opinion of the landlord".
- 4.25 We are working to ensure that two of these measures become a core aspect of our regular performance monitoring:
- The first new ARC measure is the *average time in working days to resolve cases of damp and/or mould* assessed under our own policies by main cause, broken down as Condensation, Structural or Other. This also provides a total number of cases and by cause. We consider Other to include issues caused by landscaping or external flooding, or where additional technical support may be required to understand the issue.
  - The second new measure is the *percentage of cases which are re-opened*, defined as a case initially resolved but then requiring unplanned work within the reporting year, and again broken down by cause. This also provides a total number of re-opened cases and by cause.
- 4.26 The third measure is a snapshot of open/live cases which have been assessed as damp and/or mould at the reporting year-end. As such, this will be reported at year-end only.
- 4.27 To support ARC reporting, several changes were made to our damp and mould process and systems during March to July 2025. This initial period of change therefore required, for the short term, a more manual approach to data capture and reporting than will be expected in the future. There has been and remains a focus on data quality and process refinement.
- 4.28 The table below shows our initial oversight of the average days to complete known mould and/or damp cases for quarter one.

**Table 4**

Damp and/or Mould Cases Q1		By Causation*		
		Condensation	Structural	Other
Number complete	2,169	770	52	353
Average days to complete	17.42 days	11.65 days	7.17 days	9.10 days

\*The balance comprises cases pending causation diagnosis and categorisation.

- 4.29 In terms of mould cases 98% were the lowest severity rating of Category three, where the mould is treated in a single visit.
- 4.30 There have been no re-opened cases during quarter one. We consider a case to be re-opened when there is more than one case in the same property **and** location **and** with the same causation, in the same performance year.

## Tenancy Sustainment

- 4.31 Tenancy sustainment is a measure of new tenancies commenced in the previous reporting year where the customer remains in their home for more than a year. As well as new customers benefiting from remaining in their new tenancy for longer, an improvement in this measure reduces lost rent and resources required for re-letting.
- 4.32 We continue to support our new customers to sustain their tenancies and to exceed targets in both the Charter and revised measures (the revised measure excludes deaths and transfers to other homes within the Group). Our Charter tenancy sustainment at 93.35% remains high and surpasses the Scottish average of 91.2% for 2023/24.

**Table 5**

Tenancy Sustainment	Charter – All lets	2024/25 Target Charter	Charter – Homeless Lets	Revised	2024/25 Target Revised
WHG	93.35%	90%	94.12%	94.79%	91%

## Allocations CSAT

- 4.33 Our Allocations MyVoice survey measures customer satisfaction with the process of getting their new home.
- 4.34 Our score for the rolling year has improved from 4.0 at the end of 2024/25 to 4.1 at the end of June.
- 4.35 Customer satisfaction for the first quarter of this year is 4.4, an improvement from 4.1 in the first quarter of last year. During June we achieved a score of 4.5, our best in-month score to date. This improving trend indicates our customers are increasingly satisfied with the process of getting their new home.
- 4.36 Positive feedback from our customers recognises housing officers as supportive and professional, appreciating how clearly the process was explained and sign up managed quickly and smoothly. Satisfied customers found staff approachable and reassuring. The main area for improvement is the condition of the property at move in with issues around outstanding repairs and cleanliness.

**Table 6**

Allocations CSAT	2025/26 – Rolling year	2025/26 Target
WHG	4.1	4.5



## **Making the Most of Our Homes and Assets**


### Development Programme

- 4.37 Our target is to deliver a total of 128 new homes in 2025/26, comprising of 70 social rent homes and 58 mid-market rent. All handovers are due in quarter four.

## Medical Adaptations

- 4.38 Time to complete medical adaptations remains well within the 25-day target year-to-date, with the average days to complete at 14.96. This is an improvement compared to 16.11 days last year. We have completed 405 adaptations and there are 74 households currently waiting, only one more than at the end of last year.

**Table 7**

Medical Adaptations (Charter)	Current Households Waiting	Number Completed YTD	Average Days to Complete YTD	Target
WHG	74	405	14.96	25 

## Gas Safety

- 4.39 We continue to be 100% compliant for gas safety, with no expired gas certificates.

## Compliance

- 4.40 We have made good progress with our compliance programmes in quarter one. All of our 214 relevant properties are compliant with Legionella assessment requirements. We carried out safety inspections on all passenger lifts.
- 4.41 At the end of quarter one, there remained 24 properties without a valid Electrical Condition Inspection Report (“**EICR**”), a reduction compared to 44 at the end of 2024/25. Meantime, we are making excellent progress with the inspection of electrical installation certificates due to expire before the end of 2025/26, with 41.96% already complete. Our housing teams continue to liaise with colleagues throughout the Group to support access to all required customers’ homes and remind customers of their legal requirements set out in the tenancy agreement where required.

## Health and Safety

- 4.42 We continue with the positive position of no reportable RIDDOR incidents in the first quarter. We have not lost any days this year due to work-related accidents.
- 4.43 We also have 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.
- 4.44 Routine drug and alcohol screening is not at present part of our HR policies or employment contracts. In terms of risk, some of our staff, such as environmental operatives, drive work vehicles and operate machinery, although the latter tend to be lower-risk items such as gardening and cleaning equipment.
- 4.45 We do not experience or receive reports of any significant level of drug or alcohol misuse by staff across our services. In the event of such an instance where drug or alcohol misuse is suspected, we may however request that an employee undertake a test, taking into account the law, which requires any drug testing policies to be applied uniformly to avoid discrimination claims and avoid the targeting of specific groups or individuals without cause. In addition, we would require informed consent from any employees before conducting drug tests.

- 4.46 If we were to experience a significant rise in incidents, or suspected drug and alcohol misuse impacting work and tenant safety, we would review our position. In City Building (which has its own HR, health and safety policies and employment contracts), drug and alcohol testing has been used on some occasions where there have been reports or suspicions of misuse.

#### Workplace Fires and Flat Entrance Door Checks

- 4.47 We have not had any workplace fires to the end of quarter one and have not recorded any since the measure started in 2021.
- 4.48 As previously reported to Board, we now have a rolling programme for carrying out flat entrance door inspections in all properties six floors and higher. We visit all 9,983 flats in each six-month period (April – September and October – March), with all having had a visual inspection since the initial programme commenced. Where we gain access, the inspections verify that doors close properly, seals are intact, and hardware (hinges, locks, self-closers) function as intended. Between April and June, the first three-months of this six-month period, we completed 3,891 successful inspections.
- 4.49 This programme has a high level of non-access and we therefore contact customers on several occasions to gain access to complete these inspections and any necessary works. As agreed with Board, we therefore proceed to forced access only 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”*.



### **Changing Lives and Communities**

#### Peaceful Neighbourhoods

- 4.50 Since 2021 we have had in place a strategic measure on the number of tenancies categorised as Peaceful. This is based on the Police Scotland Safe, Calm and Peaceful methodology and definitions.
- 4.51 The Safe, Calm and Peaceful ratings are calculated by Police Scotland using the Police Scotland Business Intelligence Toolkit (BIT). This tool considers each Scottish Index of Multiple Deprivation (“**SIMD**”) datazone, the SIMD deprivation score for the datazone and public reported incidents of ASB which occurred within or near to Wheatley RSL properties (within 25 meters) within the datazone.
- 4.52 The SIMD score is only updated every three or four years and was last updated in 2020. As such, it generally remains static each period and the only variable element is the monthly reports of ASB incidents to Police Scotland.
- 4.53 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 one, the Group-wide percentage of tenancies categorised as Peaceful increased from 74.05% at the year-end 2024/25 to 75.91% in quarter one.

## Anti-Social Behaviour (“ASB”) Resolved

- 4.54 By the end of quarter one, the resolution rate for our ASB cases was 94.24%, a significant increase from 83.64% at the same time last year yet remaining below the target of 100%. The June in-month result improved to 97.21%, within 10% of target.

**Table 8**

ASB Resolution Rate	YTD	2025/26 Target
WHG	94.24%	100%

- 4.55 We continue to have a strong focus on ensuring high visibility of unresolved cases within each locality to help support oversight and continuous improvement. We are committed to our aim to resolve 100% of our ASB cases each year to help create thriving neighbourhoods where customers feel safe and secure. The Scottish average resolution rate for ASB cases resolved in 2023/2024 was 94.3%.

## Repeat Anti-Social Behaviour cases – number of repeat addresses

- 4.56 To the end of quarter one, ASB was recorded at 130 repeat addresses within WHG, compared to 249 in quarter one of 24/25. Fewer than 1% of our properties have issues with repeat incidences of ASB.
- 4.57 The Community Improvement Partnership (“CIP”) team meet monthly to discuss Prevention and Solutions activity as well as conduct analysis and make observations to facilitate further discussion around targeted activity. This helps to identify areas of concern around increased and/or persistent offending, allowing for a more proactive approach.

## Accidental Dwelling Fires

- 4.58 This year we have had 17 accidental dwelling fires (“ADFs”) to the end of quarter one, compared to 13 for the same period last year. All of these were considered minor.

**Table 9**

Number of recorded accidental dwelling fires	2025/26 YTD	2024/25 full year
WHG	17	57

- 4.59 This contributes towards a Group Strategic result to reduce RSL ADFs by 10% by 2025/26, against the baseline of 215 ADFs in 2020/21. We achieved this target in each year of the strategy so far.
- 4.60 Our strategy measure aims to ensure that 100% of applicable properties have a current fire risk assessment in place. This continues to be achieved.

**Table 10**

Fire Risk Assessments	2024/25 YTD	2023/24
The percentage of relevant premises - HMOs that have a current fire risk assessment in place	100%	100%

- 4.61 As of the end of June, we had six outstanding overdue mandatory FRA actions from a total of 35 outstanding arising from 295 raised. Each of these are being planned in and the customer is being supported by their Housing Officer to encourage access to have these works completed.

### Reducing Homelessness




- 4.62 We have provided 559 homes to homeless households in quarter one, our contribution alone exceeds the 500-quarterly target set for the Group. Our percentage of relevant lets made to homeless applicants is 64.82% (relevant lets exclude LivingWell and sheltered properties, nominations and social work referrals which we are limited to let to homeless applicants).

**Table 11**

Reducing Homelessness	2024/25 Number of lets to homeless applicants (ARC) - YTD	2023/24 Number of lets to homeless applicants (ARC) – full year
WHG	559	1,707

### Jobs and Opportunities

**Table 12**

Indicator	Target (YTD)	(YTD)		2024/25
Number of children and young people benefiting from targeted Foundation programmes in Wheatley Communities	420	635		1,651
Total number of jobs, training places or apprenticeships created for customers and communities	78	121		533
Number of people accessing services which help alleviate poverty in Wheatley Communities	1,321	2,357		7,270

- 4.63 635 children and young people from WHG homes and communities have been supported this year. This exceeds the quarter one target of 420. This has included young people securing financial support from the Wee Bursary programme and participating in the Construction Aware programme. Our partnership with the Social Enterprise Academy also helped support nearly 200 young people take part in social enterprise activities and "Dragons Den" style events in quarter one.
- 4.64 121 training and employment opportunities for people in WHG homes and communities. This exceeds the quarter one target of 78. Opportunities have included internal programmes Environmental Roots, Changing Lives & Environmental Apprenticeships. Other opportunities for WHG customers include ESOL training delivered by Glasgow School of English, Paediatric First Aid and Childminding in partnership with Scottish Childminding Association.
- 4.65 2,357 people from WHG homes and communities accessed support to alleviate the impacts of poverty exceeding the 1,321 target for quarter one. This includes 2319 households being supported by our Welfare Benefits Service to help secure over £1.55m of Client Financial Gain.



## Developing our Shared Capability

### Sickness Absence

- 4.66 Our sickness rate to the end of quarter one was 3.99% year-to-date, an increase from 3.24% last quarter. The majority of absence continues to relate to non-work-related stress due to bereavement or other personal reasons. Managers are working with staff members to ensure they understand and have access to our suite of employee well-being support, including bespoke counselling.

**Table 13**

Sickness Rate	Target	2025/26 YTD	2024/25
WHG	3%	3.99%	3.24%

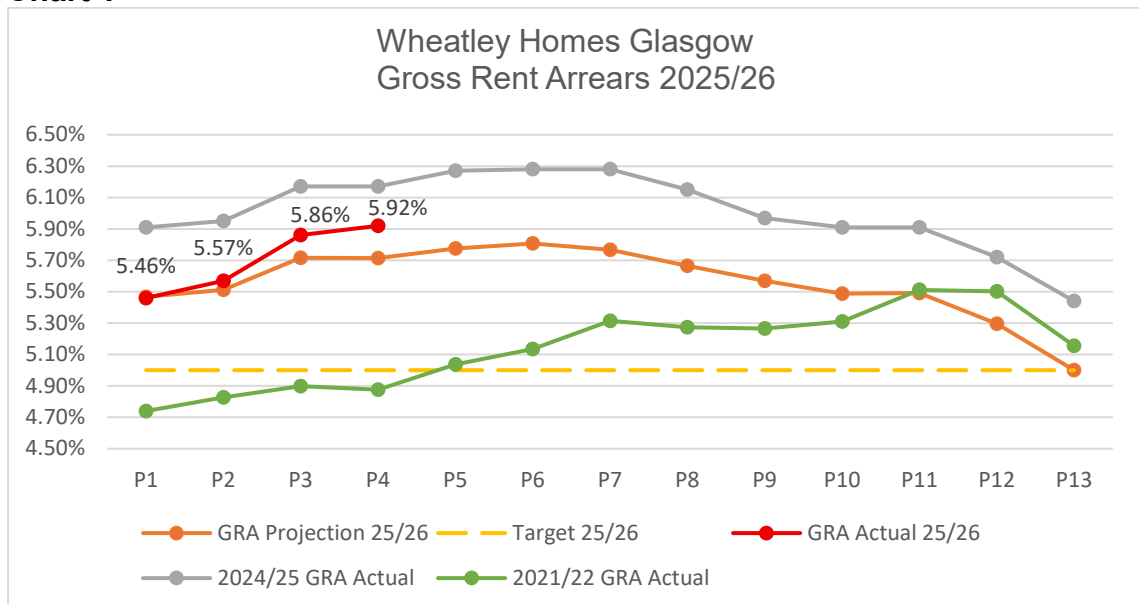


## Enabling our Ambitions

### Gross Rent Arrears (GRA)

- 4.67 Our GRA was 5.92% at the end of quarter one, an improvement on 6.17% at the same period last year. Our quarter one result is impacted by a higher number of Universal Credit (“UC”) customers than expected as the Department of Work and Pensions (“DWP”) accelerate the migration of customers onto UC. We had projected 1,500 customers moving on to UC in the first quarter of 2025/26, and so far this year there have been an additional 2,152 customers moved to UC. With almost 22,000 customers on UC at the end of the quarter, this means almost 50% of our customers are now on UC. The rent increase for 2025/26 also impacts in terms of this being processed into customers’ accounts at the start of the new financial year.

**Chart 1**



- 4.68 Weekly leadership sessions are in place, with a structured approach to identifying opportunities that minimise the impact of Universal Credit managed migration on our customers. These sessions also focus on maximising the recovery and appropriate write-off of former tenant arrears for the remainder of this financial year.

- 4.69 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.
- 4.70 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.
- 4.71 Our teams are fully focused on maximising income for customers and the business to deliver a positive outcome for year-end GRA performance targets.

#### Average Days to Re-Let (Charter and Revised)

- 4.72 Our average days to re-let (Charter) for the first quarter of this year is 28.84 days. It should be noted that, as previously reported from this year our Charter performance includes days lost to health and safety-related meter issues where we consider the property unsafe/unfit to occupy.
- 4.73 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. We have been particularly impacted in quarter one this year by the Radio Teleswitch (RTS) switch off, with energy engineers prioritising this change and leading to further reduced availability from their teams for our void work.
- 4.74 This is an improved performance compared to 2024/25. For comparison, average days to re-let including meter issues in quarter one of 2024/25 were 36.73 days and for the full year 2024/25 33.49 days.
- 4.75 Excluding meter issues, our re-letting times improve to 22.5 days for the first quarter. We remain focused on embedding improvements to the voids process and turnaround times which are in our control. As previously advised, we are working closely with City Building Glasgow, particularly on increasing the level of resources deployed to complete void repairs. This now includes dedicated void planners and additional neighbourhood environmental resource working together on a daily basis to reduce the time between give-up and void repairs.
- 4.76 As reported by SHR, the Scottish average 2023/24 increased from 55.6 days in 2022/23 to 56.7 days, indicating that the sector continues to face letting issues when compared to the 31.5-day average in 2019/20. Our letting times continue to surpass this benchmark for both measures. SHR will publish 2024/25 ARC results at the end of August 2025.

**Table 14**

Average days to re-let	ARC 2025/26 YTD (including meter issues)	2025/26 Target	2024/25 (including meter issues)	Revised 2025/26 YTD (excluding meter issues)	Revised 2024/25 (excluding meter issues)
WHG	28.84	16	33.49	22.5	21.38





## Summary of Strategic Project Delivery

- 4.77 A full update on progress with strategic projects is attached in Appendix 2. The following table summarises the current status of projects.

**Table 15**

Complete	On track	Slippage	Overdue
0	6	1	0

- 4.78 One project is currently showing some slippage, Tenant web self-service. We expect this next milestone to be completed by the end of August and that the project will, overall, still be completed on time. All remaining projects are currently on track.

### **5. Customer engagement**

- 5.1 We have several strategic projects that will 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 Scottish Housing Regulator 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. The Group Scrutiny Panel will consider 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 there is no single agreed risk appetite. Having a strong performance management culture will in particular support 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 equalities 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 have strong performance against our targets for quarter one 2025/26 in several key areas including tenancy sustainment, medical adaptation completion timescales, jobs and training places created, children and young people benefiting from Foundation programmes and the number of people accessing services to help alleviate poverty. Arrears, average days to re-let, emergency and non-emergency repair timescales and sickness absence remain key areas of focus.

## **13. Recommendations**

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








### **LIST OF APPENDICES:**

Appendix 1: Strategic Measures Dashboard





Appendix 2: Strategic Projects Dashboard










## Appendix 1 - WHG Board - Delivery Plan 25/26 - Strategic Measures

### 1. Delivering Exceptional Customer Experience


	2024/25	YTD 2025/26		
Measure	2024	2025		
	Value	Value	Target	Status
% Annual Tenant Visits	68.56%	65.53%	100%	
% new tenancies sustained for more than a year - overall	93.61%	93.35%	90%	
% new tenancies sustained for more than a year - homeless	94.57%	94.12%		Contextual
% new tenancies sustained for more than a year - revised	95.03%	94.79%	91%	
Group - % of contacts to CFC resolved within CFC	89.79%	89.47%	95%	
CFC CSAT	4.6	4.56	4.5	
Allocations CSAT	4	4.1	4.5	
Call abandonment rate after 30 secs	3.5%	8.43%	5%	

### 2. Making the Most of Our Homes and Assets

	2024/25	YTD 2025/26		
Measure	2024	2025		
	Value	Value	Target	Status
Average time taken to complete emergency repairs (hours) – make safe	3.26	2.77	3	
Average time taken to complete non-emergency repairs (working days)	7.9	9	7.5	
% reactive repairs completed right first time	NEW	99.21%	TBC	Contextual
Number of gas safety checks not met	0	0	0	
Average time to complete approved applications for medical adaptations (calendar days)	16.11	14.96	25	


	2024/25	YTD 2025/26		
Measure	2024	2025		
	Value	Value	Target	Status
Legionella - percentage of applicable properties with a valid risk assessment in place	100%	100%	100%	
Number of electrical installation inspections completed and number due to be completed	90.57%	41.96%	100%	
Percentage of properties with an EICR certificate up to 5 years old	99.91%	99.94%	100%	
Number of domestic stair and through floor lifts with a completed annual inspection and test against the number due to be completed	100%	90%	100%	
Number of passenger lifts with a completed six-month inspection and test against the number due to be completed	100%	100%	100%	
New build completions - Social Housing	87	0	0	
New build completions - Mid-market	91	0	0	
Number of RIDDOR	0	0		Contextual
Number of HSE or LA environmental team interventions	0	0	0	
Number of accidental fires in workplace	0	0	0	
Number of new employee liability claims received	0	0		Contextual
Group - Number of open employee liability claims	10	10		Contextual
Number of days lost due to work related accidents	0	0		Contextual

### 3. Changing Lives and Communities







	2024/25	YTD 2025/26		
Measure	2024	2025		
	Value	Value	Target	Status
% ASB resolved	100%	94.24%	100%	
Number of Lets to Homeless applicants	1,707	559		Contextual
% Lets Homeless Applicants - overall	63.29%	63.59%		Contextual

	2024/25	YTD 2025/26		
Measure	2024	2025		
	Value	Value	Target	Status
% Relevant lets to Homeless Applicants	64.62%	64.82%		Contextual
Group - 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	69.77%	DIV/0	30%	
Group - % planned jobs, training places or apprenticeships created which are secured by our customers	73.19%	63.46%	60%	✓
Total number of jobs, training places or apprenticeships created for customers and communities	533	121	78	✓
Number of children and young people benefiting from targeted Foundation programmes in Wheatley Communities	1,651	635	420	✓
Number of people accessing services which help alleviate poverty in Wheatley Communities	7,270	2,357	1,321	✓
Group - Repeat antisocial behaviour cases in period – number of repeat addresses	935	202		Contextual
Group - % of our customers live in neighbourhoods categorised as peaceful	74.05%	75.91%	75%	✓
WHG - % of our customers live in neighbourhoods categorised as peaceful - North East	71.19%	72.41%	75%	⚠
WHG - % of our customers live in neighbourhoods categorised as peaceful - South	60.10%	68.02%	75%	⚠
WHG - % of our customers live in neighbourhoods categorised as peaceful - North West	71.62%	69.59%	75%	⚠
Group - The percentage of HMOs that have a current fire risk assessment in place	100%	100%	100%	✓
Number of accidental dwelling fires recorded by Scottish Fire and Rescue	57	17		Contextual
Group RSLs - Number of accidental dwelling fires (reduce by 10% by 2025/26) (Upper limit 193 for 2025/26)	95	24	193	✓



#### 4. Developing Our Shared Capacity




	2024/25	YTD 2025/26		
Measure	2024	2025		
	Value	Value	Target	Status
% Sickness rate	3.24%	3.99%	3%	

#### 5. Enabling Our Ambitions


	2024/25	YTD 2025/26		
Measure	2024	2025		
	Value	Value	Target	Status
% lettable houses that became vacant	6.62%	6.67%	8%	
Average time to re-let properties (ARC)	33.49	28.84	16	
Average time to re-let properties (excluding meter issues)	21.38	22.5	16	
WHG C - Gross rent arrears (all tenants) as a % of rent due	5.44%	5.92%	5%	
WHG A - Gross rent arrears (all tenants) as a % of rent due	5.47%	5.98%		Contextual
WHG B - Gross rent arrears (all tenants) as a % of rent due	4.94%	4.79%		Contextual
% of payments made within the reporting period which were paid in 30 days or fewer (from the date the business receives a valid invoice)	94.45%	95.96%	96%	
% of contracted expenditure compliant with procurement rules	98.94%	98.95%	99%	


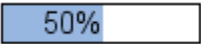
## Appendix 2 - WHG Board - Delivery Plan 25/26 - Strategic Projects

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Asset Compliance and Data Strategy Programme (b)	30-Nov-2025		<div><div>40%</div></div>	01. PIMSS Platform - Architecture and SAAS review	31-May-2025	Yes	Process mapping of identified workstreams complete identifying integration, current automation and data entry points; and to-be process designed
				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	No	
				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		<div><div>40%</div></div>	01. External consultants appointed to carry out building pathology pathway project	30-Apr-2025	Yes	External consultants were appointed in April 25 and have completed their planned assessment of our first 3 MSFs. Building Pathology lead appointed.
				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	No	
				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		<div><div></div>0%</div>	01. Complete the build and allocation of the 19 West Craigs properties	31-Jul-2025	No	
				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	No	
				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		<div><div></div>50%</div>	01. PAN Community Engagement Event	31-May-2025	Yes	Two PAN community events are completed and CCG has been identified as preferred contractor. Planning application and demolition continue as planned.
				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	
Engagement 2.0: Maturing customer engagement and	31-Dec-2025		<div><div></div>40%</div>	01. Trial a new method of managing engagement - MS Dynamics in WHG South area	30-Jun-2025	Yes	MS Dynamics trialled in WHG South area with Customer Voices during



Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
performance measures as part of our customer insight approach (b)				- and evaluate its impact			May 2025. Impact evaluated against sector averages for delivery, click, open and unsubscribe rates, and feedback sought from customer via post pilot survey. Our pilot outperformed the sector benchmarks. Further incremental roll out will support engagement and communication review projects.  Stronger Voices framework discussed with Stronger Voices Community of Excellence (CoE) and the Different Together Customer Focus Network in April 2025, and the Group Scrutiny Panel in May 2025. Refreshed Stronger Voice structure introduced in Glasgow.
				02. Undertake a review of the existing Stronger Voices framework and operation of the existing structures	31-Jul-2025	Yes	
				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	No	
				04. Review the existing framework based on the review of its effectiveness to date and feedback from customers	31-Oct-2025	No	
				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	
Tenant Web Self-Service (b)	30-Nov-2025		<div>0%</div>	01. Business Case development and approved by the Executive Team	31-May-2025	No	Business case has been reviewed and the preferred vendor identified. We expect this milestone to be completed by the end of August and the project overall will still be completed on time.
				02. Preferred vendor engagement pre contract	31-Aug-2025	No	
				03. Contract Approval - Executive Team	31-Aug-2025	No	
				04. Project Plan developed	30-Sep-2025	No	
				05. Development and implementation update to Executive Team	30-Nov-2025	No	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
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	Lowther Board agreed principles at Board meeting in May 25.
				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	No	
				04. Agree preferred option(s) with the Lowther Homes Board, for onward recommendation to the Group Board where applicable	31-Dec-2025	No	

## Report

**To:** Wheatley Homes Glasgow Board

**By:** Pauline Turnock, Group Director of Finance

**Approved by:** Steven Henderson, Group Chief Executive

**Subject:** 2024/25 Financial Statements

**Date of Meeting:** 15 August 2025

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### 1. Purpose

- 1.1 The purpose of this paper is to seek the Board's approval of the 2024/25 financial statements.

### 2. Authorising and strategic context

- 2.1 Under the terms of the Intra-Group Agreement between Wheatley Homes Glasgow and the Wheatley Group and our Terms of Reference, the Board is responsible for the on-going monitoring of performance against agreed targets. This includes the on-going performance of its finances and the approval of the statutory financial statements.

### 3. Background

#### 3.1 Financial performance

The financial statements are now complete and have been audited. The financial results are summarised below.

	Year Ended	
	31 March 2025 £k	31 March 2024 £k
Turnover	272,201	231,567
Operating expenditure	(221,413)	(214,541)
Other gains/(losses)	3,508	(1,688)
<b>Operating surplus</b>	<b>54,296</b>	<b>15,338</b>
Gain/(loss) on disposal of fixed assets	114	(23)
Net finance charges	(53,717)	(50,504)
Movement in FV of financial instruments	1,505	3,684
<b>Surplus/(deficit) for year</b>	<b>2,198</b>	<b>(31,505)</b>
Property revaluation – social housing properties	87,177	190,705
Property revaluation – office properties	27	(1,317)
Actuarial gain/(loss) in respect of pension schemes	5,950	(2,733)
<b>Total comprehensive surplus for the year</b>	<b>95,352</b>	<b>155,150</b>

- 3.2 The finance reports submitted to the Board during the year formed the basis of these financial statements and were updated to include year-end statutory accounting adjustments. The financial statements will be reviewed by the Group Audit Committee at their meeting on 13 August 2025.

#### 4. Discussion

##### 4.1 Adjustments from 31 March management accounts

The adjustments made between the 31 March management accounts and the final audited accounts are summarised below:

	Income & Expenditure £m (9.1)	Net Assets £m 783.8
<b>March management accounts</b>		
Revaluation of properties - Housing	87.2	87.2
Revaluation of properties - Investment	3.5	3.5
LGPS pension adjustments	0.3	0.3
Contingent efficiencies grant adjustments	1.5	1.5
Depreciation/IT capital contribution	9.5	9.5
Other	2.5	2.5
<b>Statutory accounts</b>	<b>95.4</b>	<b>793.0</b>

- 4.2 The statutory results are updated annually for the outcome of the housing stock valuation by JLL and the inclusion of the updated defined benefit pension scheme actuarial valuations for the Strathclyde Pension Fund.

- 4.3 Revaluation of properties: Housing, investment and office properties have been revalued at the year-end by Jones Lang Lasalle (“JLL”), the Group’s valuers. The valuation of social housing stock is carried out on an Existing Use for Social Housing (“EUV-SH”) basis. The EUV-SH valuation is assessed by modelling the net cashflows generated from properties using assumptions made by JLL on cost inflation and other costs to manage the properties. More general assumptions are applied by JLL on investment requirements over the stock in the longer term. Having homes which are well maintained and remain in good condition supports future letting and maintains future cashflows from rental income. However, this approach means that the valuation movement does not always reflect the scale of investment in existing homes in any one year. For 2024/25, the comparison of the net book value of the social housing properties to the EUV-SH valuation results in an upward valuation of £87.2m.

The investment properties are also re-valued by JLL on an annual basis using the market value subject to tenancy methodology and financial statements recognise a gain on valuation on investment properties of £3.5m for the year to 31 March 2025. A small increase of £27k on the revaluation of office properties has also been recognised.

- 4.4 LGPS pension adjustment: The accounting valuation for the Strathclyde Pension Fund defined benefit pension scheme was received at the year end. The liability recognised in the accounts decreased by £0.3m to a liability of £1.8m, with the movement reported in the Statement of Comprehensive Income as:
- Employee service cost of £5.4m
  - Actuarial gain of £6.0m
  - Interest cost on pension scheme of £0.3m
- 4.5 Contingent efficiencies grant adjustment: The contingent efficiencies grant is accounted for as a financial instrument and under the Housing SORP 2018 and is required to be measured at fair value every year. The liability recognised in the accounts increased by £0.7m to a liability of £46.9m, with the movement reported in the Statement of Comprehensive Income as:
- Movement in fair value of financial instruments £1.5m
  - Interest cost of £2.2m (£2.2m recognised in the P12 management accounts)

These items are not cash costs in the year.

- 4.6 Other: Adjustments are made for items following a post year-end review of accruals, a review of final interest capitalised and a review of expenditure to ensure capitalisation is in line with the Group policy.
- 4.7 Audit summary  
The external auditors, KPMG, have completed their audit of the financial statements and have issued an unqualified audit opinion.
- 4.8 During the course of the audit no material adjustments were identified.
- 4.9 As a standard part of their audit process, and in line with previous years, KPMG require the Board of each organisation in the Wheatley Group to sign a “letter of representation” in which the Board confirms certain matters in terms of disclosure and record-keeping. There have been no changes to the representations made in the Letter from the previous year and dates have been updated to reflect the year ended 31 March 2025. As in previous years, a letter from the Chief Executive has been provided to each Board to provide comfort that the officers have complied with the matters stated in this letter. Both these documents are provided along with this paper (Appendix 2 and 3 respectively).
- 4.10 The Board is asked to confirm in the letter of representation that the financial statements are prepared on a going concern basis. The assessment that the Association continues in business is based on the preparation and approval of the Association’s 30-year business plan which includes cashflow forecasts, the certainty of revenue streams from rental income and the assessment of the availability of funding provided to WH Glasgow through the RSL borrower relationship with WFL1.
- 4.11 The accounts and letter of representation will be signed following the approval of the Wheatley Group accounts at the Group Board meeting on 27 August 2025 and the completion of KPMG’s compliance checks. A copy of KPMG’s audit highlights report is available on Admincontrol.

## 5. Customer Engagement

- 5.1 This report relates to our financial reporting and therefore there are no direct customer implications arising from this report.

## 6. Environmental and sustainability implications

- 6.1 There are no environmental and 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 WH Glasgow's balance sheet continued to strengthen, with net assets increasing by £95.4m to £888.3m.

- 8.2 The adjusted operating surplus from core activities increased to £108.8m from £86.2m after the adjustments for accounting items as shown in the table below. Our rent increase, strong letting performance and quick turnaround of properties when they become vacant have contributed to the increase which provided capacity for investment in our existing homes. After including interest costs and capital expenditure on our existing properties, an underlying surplus of £5.4m is reported, sufficient to cover all day to day running costs, interest on borrowings and the investment in existing homes to keep them in good condition.

- 8.3 As set out in the table below, the underlying surplus includes higher interest costs than the prior year due to increased borrowing to fund the development of new build housing. We reported an underlying surplus of £5.4m after removing non-cash accounting adjustments for property and pension valuations, depreciation, new build grant income and including the capital investment in the year in our homes. Across the RSL Borrower Group an overall surplus was also reported with all covenants met at 31 March 2025.

	<b>2025 £m</b>	<b>2024 £m</b>
<b>Operating surplus</b>	<b>54.3</b>	<b>15.3</b>
Adjusted for:		
Depreciation	76.5	73.1
Investment property valuation movements	(3.5)	1.7
Pension service costs	5.4	1.9
New build grant income	(22.0)	(4.9)
WDS gift aid income	(1.9)	(0.9)
<b>Adjusted operating surplus</b>	<b>108.8</b>	<b>86.2</b>
Less:		
Interest costs	(50.4)	(47.6)
Investment in existing social homes	(53.0)	(50.1)
<b>Underlying surplus/(deficit)</b>	<b>5.4</b>	<b>(11.5)</b>

## **9. Legal, regulatory and charitable implications**

- 9.1 There are no direct legal, regulatory and charitable implications arising from the management accounts.

## **10. Risk Appetite and assessment**

- 10.1 The Board's agreed risk appetite for governance is "cautious". This level of risk tolerance is defined as "preference for safe delivery options that have a low degree of inherent risk and have only limited potential for reward".

## **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 year end statutory accounts.

## **13. Recommendations**

- 13.1 The Board is requested to:
- 1) Approve the 2024/25 financial statements;
  - 2) Confirm the preparation of the financial statements using the going concern basis;
  - 3) Delegate authority to the Chair and Group Director of Finance to approve any non-material changes to the accounts; and
  - 4) Approve the letter of representation from the auditors and note the related letter of representation from management.

### **LIST OF APPENDICES:**

Appendix 1: Financial statements for the year ending 31 March 2025

Appendix 2: Letter of representation to KPMG

Appendix 3: Letter of representation from management



# ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended

31 March 2025

**WH Glasgow Limited**

(Co-operative and Community Benefit Society No. 2572RS)  
(Scottish Housing Regulator Registration No. 317)  
(Scottish Charity No. SC034054)



## DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 March 2025.

### Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation. Wheatley Homes Glasgow ("WH Glasgow") is Scotland's largest social landlord owning and maintaining over 43,000 affordable homes to let in Glasgow, firmly rooted in its local communities. It has a skilled, committed workforce of over 1,700 staff, who deliver sector-leading frontline services.

### OPERATING REVIEW

Customers are at the heart of our decision making and we strive to ensure the services we deliver are clearly aligned with their needs. Our overall customer satisfaction reflects this at 87% and we had high levels of satisfaction in other measures including tenancy sustainment of 93%. We completed the construction of 178 new homes and working with the Wheatley Foundation we continued to support our customers navigate difficult economic challenges.

We deliver services to our customers through our network of housing officers supported by our 24/7 Customer First Centre (CFC) and our locally based environmental teams. We have a strong neighbourhood focus when delivering services to our customers using our "Think Yes" approach. Our housing officers work in small patch sizes managing between 200 and 250 tenancies. This allows them to understand the local issues that affect our customers and their communities and services that are tailored and personalised to customer's needs and circumstances. Annual tenant visits provided customers further opportunity to engage with us; discuss concerns they may have and helped us ensure our homes are in a good condition.

With the Scottish Government declaring a national housing emergency in May 2024, our commitment to tackling homelessness is an ever more important element of our five-year strategy. We allocated 1,707 homes to people who were homeless this year marking a significant contribution to tackling the housing emergency.

Customer engagement remains at the heart of delivering our services, and 815 customers had signed up to our Stronger Voices customer engagement programme by the end of the year providing us with views and feedback on our services. Our high levels of tenant satisfaction show the success of our commitment to ensuring services reflect our customers' priorities.

Building on the success of our 'Book It, Track It, Rate It' app where customers can book a repair online, track progress on the day and provide feedback afterwards, our 24/7 Customer First Centre specialists worked more closely than ever with frontline housing teams to deliver improvements to the repairs service, resolving issues more quickly. In the year, total expenditure on repairs and capital improvements to our existing homes and communities was £134.0m. We also grew the number of affordable homes completing 178 new homes during the year.

Wheatley Foundation, our charitable arm, continued to alleviate the impact of poverty on the people we work for and help them access educational, training and employment opportunities. The Foundation created 533 jobs, training and apprenticeship opportunities for people in our homes and communities over the year, helped 5,047 customers with benefit claims, and gave 807 households free furniture through the Home Comforts service.

As we move into the final year of our 2021 to 2026 Your Home, Your Community, Your Future strategy and look to develop our new 2026 to 2031 strategy, we will continue to give people even more of a say on what happens in their communities, ensure our services are aligned with our customers' needs, and find new ways of supporting the people we work for through the challenges which lie ahead.

## **DIRECTORS' REPORT (continued)**

### **OPERATING REVIEW (continued)**

Here are some of the highlights of the year:

#### **Building new homes**

WH Glasgow built 178 new homes over the year, 87 for social rent and 91 for mid-market rent.

Our completed new homes included:

- 123 homes (91 for mid-market rent and 32 for social rent) at Calton Village;
- 8 homes for social rent in two phases at Cleddans Grove, Drumchapel; and
- 47 homes for social rent at Shandwick Street, in Easterhouse.

We also started work on 58 new homes in North Toryglen and 75 homes in Pollokshaws.

The demolition of three multi-storey blocks in Wyndford in March 2025, and the top down demolition of the final remaining block, will pave the way for WH Glasgow's £100m transformation of the community, which will see almost 400 new, energy-efficient larger family homes built, 85% of which will be for social rent and the rest for mid-market rent. Work is expected to start on building those new homes in early 2027.

#### **Investing in our homes**

WH Glasgow delivered £53.1m of planned improvements to homes and communities over the year including:

- £1.5m on bathrooms, including completion of 89 new bathrooms at change of tenancy;
- £1.5m on external wall finishes, mainly fabric improvement of tenements in Cranhill;
- £6.0m on heating system boilers, including completion of 1,344 boiler replacements across the city;
- £1.0m on internal works and common areas, mainly in Riddrievalle, Townhead and the Saltmarket;
- £4.6m on kitchens including over 200 new kitchens installed at change of tenancy;
- £6.0m on mechanical, electrical and plumbing including new CCTV systems in Acre and Sandyhills, lifecycle replacements communal pumps and tanks in the Wyndford estate and over 200 house rewires;
- £1.4m on structure and roofs including improvements to building fabric and roof renewals in Castlemilk and sandstone tenements in the city centre; and
- £2.2m on windows and doors, including new windows in Castlemilk and Ruchazie.

#### **Our repairs service**

WH Glasgow carried out 203,670 reactive repairs over the year and a total of £80.9m was spent on planned and reactive maintenance. Our 'Book It, Track It, Rate It' app updates customers when their repair is booked, when the tradesperson is on their way, and also allows them to rate the service. The average rating over the year was 4.5 out of 5. Our average time to complete emergency repairs was 3.3 hours while non-emergency repairs averaged 7.9 days. The percentage of repairs completed right first time was 90.1%, in line with our 90% target.

#### **Building safety**

We continued our focus on dealing with reports of damp and mould in our homes. We have set quick response targets and aim to inspect reports of damp or mould within two working days and to complete any repairs needed within 15 working days. We grade all reports of damp and mould and the vast majority are mild in nature, with very low numbers of cases where significant mould or damp are present. Over 8,500 condition surveys using a firm of independent property surveyors combined with in person visits from housing officers were carried out during the year which confirmed that our housing stock is in good condition.

## **DIRECTORS' REPORT (continued)**

### **OPERATING REVIEW (continued)**

Helping our tenants stay safe from fire has always been our top priority, and the number of accidental fires in Wheatley homes fell by 21% over the year. Wheatley's own fire team carried out 348 person-centred fire risk assessments in our homes, and Scottish Fire and Rescue carried out 709 home fire safety visits. We installed 76 LD1 fire detection systems in our homes; delivered fire safety products such as fire-retardant bedding, ash trays and mail guards to 201 customers; carried out fire-related repairs to 163 homes; installed 51 stove guards in homes; and gave five customers specialised detection systems.

We continued to meet our compliance obligations in relation to gas and electrical safety requirements.

#### **Improving our neighbourhoods**

Our partnership with Keep Scotland Beautiful (KSB) sees the environmental charity assess the service delivered by our environmental teams. In 2024/25, all WH Glasgow neighbourhoods were rated as five-star, the highest possible grade. A total of 27 WH Glasgow customers are now trained in KSB's standards and environmental monitoring and take part in regular estate walkabouts with frontline staff.

We introduced a new Neighbourhood Environmental Improvement Team in Glasgow, tackling everything from gutter cleaning to seasonal maintenance. We also held four 'environmental weeks of action' over the year, working with schools, council partners, community groups, volunteers and our own contractors on litter-picks, recycling, tree planting and more. More than 500 people across Wheatley communities took part.

The Group Scrutiny Panel carried out a thematic review of our environmental services in 2024/25 and developed a report with 12 recommendations, with clarity of information, communication and partnership working as key themes. Our environmental teams are working through their recommendations to implement solutions to help further improve the service.

Our Community Improvement Partnership (CIP), the specialist team of police officers and our Anti-Social Behaviour Prevention and Intervention (ASBIP) officers, continued to support customers affected by anti-social behaviour. At the end of 2024/25, around 70% of neighbourhoods in the north-east and south of Glasgow, and 63% in north-west Glasgow, were classified as 'peaceful'.

#### **Letting homes**

In addition to allocating 1,707 homes to those experiencing homelessness, including 16 through Housing First, a multi-agency partnership to tackle rough sleeping in which Wheatley Group plays a leading role, we also 'flipped' 38 lets to permanent homes for the people who were homeless living in them.

#### **Engaging with customers**

We continued to engage with our customers as much as possible over the year, both online and in person. A total of 183,305 people used the WH Glasgow website in 2024/25, an increase of 9,570 from the year before.

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## **DIRECTORS' REPORT (continued)**

### **OPERATING REVIEW (continued)**

The number of customers registered with our Stronger Voices programme reached 815 by the end of 2024/25, with 64 focus groups and panel meetings, 104 walkabouts held over the year and 9 WH Glasgow customers were involved in the Group scrutiny panel. Feedback from customers informed a number of projects including the installation of a drying green in Thornwood, supporting a gardening group in Wyndford and new planters at St Edmund Court.

#### **Supporting our customers**

Around 46% of WH Glasgow customers are now on Universal Credit, an increase of 9% from last year. Our team of welfare benefits advisors support customers with benefit claims helping over 5,000 WH Glasgow customers this year, resulting in £13.1m of financial gain. Likewise our team of fuel advisors helped over 1,600 people.

Wheatley Foundation worked hard this year to help people in financial hardship, with over 14,000 instances of support to help alleviate the effects of poverty on our customers and communities.

As well as this, we:

- gave 807 households free upcycled furniture through Home Comforts;
- helped 818 new tenants with household budgeting, running a home and settling into their community through My Great Start;
- provided starter packs for 490 tenants who needed support moving into their home;
- created 533 jobs, training and apprenticeship opportunities for people in our homes and communities;
- provided recycled digital devices for 199 tenants through our Techshare initiative;
- awarded 35 people from our homes a bursary to go to college or university; and
- delivered food packs to 52 families.

A total of 1,959 children and young people in our homes and communities benefitted from Foundation programmes this year.

This included:

- 410 children under five who received a free book every month through the Dolly Parton Imagination Library initiative;
- 267 young people at schools across Glasgow who received a 'wee bursary'; and
- 283 young people in Glasgow who took part in StreetWyze anti-knife crime workshops.

#### **Independent auditor**

A resolution for the re-appointment of KPMG LLP as auditor is to be proposed at the forthcoming Annual General Meeting.

## **DIRECTORS' REPORT (continued)**

### **FINANCIAL REVIEW**

WH Glasgow generated an operating surplus of £54.3m (2024: £15.3m) for the year. The movement in the operating surplus is driven by the increase in grant income recognised in relation to new build properties, the change in the revaluation of our mid-market and commercial rental properties reported in other gains and losses and an increase in the surplus from core operations.

Before taking account of other gains and losses and the timing of grant income recognised on new build completions, an operating surplus was generated from core operations of £28.8m (2024: £12.1m). The increase of £16.7m in 2024/25 underlying operating surplus is driven by our strong letting performance and quick turnaround of properties when they become vacant and the rent increase applied in April 2024 generating an increase in income from our rents and service charges, together with an increase in grant income received in the year to support investment in our homes.

Non-cash items reported within operating surplus are:

- In other gains and losses there is an upward movement of £3.5m (2024: downward movement of £1.7m) on the revaluation of mid-market and commercial rental properties. Housing for mid-market and commercial properties are valued on an open market value subject to tenancies basis and the increase in value in the year of £3.5m (2024: loss of £1.7m) is reported in operating surplus.
- Grant income recognised on the completion of new build properties is £22.0m compared to £4.9m in the prior year, an increase of £17.1m. The grant received for new build is held on the Statement of Financial Position until the properties are completed when it is recognised as income through operating surplus. The amount recognised can vary from year-to-year dependant on the timing and size of the new build programme. A total of 178 new homes completed in 2024/25 compared to 71 new homes in 2023/24.

Turnover recognised in the Statement of Comprehensive Income in the year was £272.2m (2024: £231.6m). Of this total, 81.6% or £222.1m (2024: 89.4% or £207.0m) was generated through rental and service charge income, net of void losses. The remainder included:

- Grant income recognised on the completion of new build properties, grant received from the Social Housing Net Zero fund to deliver energy efficiency improvements in homes, grant for medical adaptations and grant received for demolitions works and property acquisitions totalling £34.2m (2024: £10.5m)
- Investment property income from the letting of mid-market homes and commercial shop units totalling £8.7m (2024: £7.9m)
- Other income for installation of bike shelters, way leave and solar panels and gift aid income from Wheatley Developments Scotland Ltd totalling £4.2m (2024: £3.4m)
- Income for support activities totalling £2.2m (2024: £2.1m)
- £0.3m (2024: £0.2m) of development & construction of property activities income in relation to funds received for re-investment into the housing properties.

## **DIRECTORS' REPORT (continued)**

### **FINANCIAL REVIEW (continued)**

Operating costs for the year amounted to £221.4m (2024: £214.5m). The main items of expenditure were as follows:

- Letting activity management and administration costs of £43.4m (2024: £41.4m)
- Planned repair and reactive maintenance costs of £25.0m and £55.9m respectively (2024: £22.2m and £56.1m)
- Total depreciation costs of £76.5m (2024: £73.1m)
- Restructuring costs of £3.5m (2024: £4.5m)
- Costs associated with our wider role in supporting communities of £3.6m (2024: £5.2m), including donations to Wheatley Foundation of £2.4m (2024: £2.4m) to provide continued support for our customers

Interest costs in the year of £53.9m (2024: £50.8m) are £3.1m higher than the prior year with the increase reflecting the increased borrowing to fund the development of new build housing.

A movement in the fair value of financial instruments of £1.5m gain (2024: £3.7m gain) reports the non-cash accounting adjustment on the contingent efficiencies grant reported within creditors falling due after more than one year. This adjusts the creditor outstanding to amortised cost and is in line with the accounting policy on financial instruments in note 2.

After taking account of core trading, other gains and losses, net finance charges and non-cash fair value movement on financial instruments, WH Glasgow generated a surplus for the financial year of £2.0m (2024: deficit of £31.5m).

#### **Cashflows**

WH Glasgow continued to deliver strong levels of cash with £101.0m generating from operating activities (2024: £89.8m), an increase of £11.2m when compared to prior year. Cash generated from operating activities was re-invested into improving our existing housing stock. Cash and cash equivalents in the year increased by £9.6m (2024: decreased by £0.8m).

#### **Liquidity**

WH Glasgow reported total reserves of £888.3m, an increase of £95.3m in the year. Social housing properties increased in value by £87.2m representing the long-term value of investment in customers' homes and the investment in the new-build programme. The valuation of social properties increased this year, however given the valuation is based on the Existing Use for Social Housing Valuation methodology ("EUV-SH") it will not always reflect the scale of capital investment spend in the year.

Net current liabilities as at 31 March 2025 of £55.1m (2024: net current liabilities: £70.0m) were reported. Within this, net rent arrears were £6.9m (2024: £7.7m), after taking account of the bad debt provision of £7.0m (2024: £7.3m). The value of rent arrears reported at the financial year end varies depending on the timing gap between the end of the four-weekly rental billing period and the year-end date. The rent arrears reported at 31 March can include technical arrears for amounts due which are associated with the timing of direct payment for housing benefit. At the rent billing period ending in March 2025, rent arrears had reduced to 5.4% compared to 5.8% at the comparable rent period end in 2024.

Borrowings due after more than one year to fund the development of new housing have increased to £1,086.0m from £1,025.1m. Cash balances are managed at an appropriate level through the Group funding subsidiary Wheatley Funding No 1 Limited to match the needs of the business and the cost of borrowing.

## **DIRECTORS' REPORT (continued)**

### **FINANCIAL REVIEW (continued)**

#### **Capital structure and treasury**

WH Glasgow's activities are funded on the basis of a business plan which is updated annually. The main elements of our long-term funding are syndicated bank facilities and bond funding provided through Wheatley Funding No. 1 Limited ("WFL1"), a related entity, as detailed in note 19. WH Glasgow currently has access to an intra-group facility of £1,130.0m (2024: £1,036.5m) which is secured on its housing stock. Interest rate risk is managed at a group level by WFL1.

#### **Investment in tenants' homes**

During the year we invested £53.1m in improving tenant's homes (2024: £50.1m). At the year-end our housing stock (including housing under construction) was valued at £1,887.5m (2024: £1,784.2m).

#### **New Build**

During the financial year we completed 178 new build properties across two developments, in addition to the acquisition of 16 properties. Our new build programme invested £52.6m in the year. The Business Plan includes a further projected spend of £302.9m on the new build programme over the next five years.

#### **Pensions**

WH Glasgow has defined benefit ("DB") pension arrangements with Strathclyde Pension Fund ("SPF"). The financial statements have been updated to reflect the results of the actuarial valuation at 31 March 2025 and show a DB pension liability in relation to unfunded obligations of £1.8m (2024: liability of £2.0m). In line with accounting rules the value of the pension asset reported relating to funded obligations has been limited to the extent to which any benefit would be available to the employer in the form of reduced future contributions. The value of the unfunded obligations have been excluded from this calculation.

#### **Reserves Policy**

Under the Statement of Recommended (Accounting) Practice ("SORP") 2018 and Financial Reporting Standard ("FRS") 102, WH Glasgow operates with three principal reserves: a revenue reserve, a revaluation reserve and a pension reserve.

#### Revenue reserve

Revenue reserve includes historic grant received in respect of the following:

- new build housing properties
- specific projects for which subsidy has been received, such as investment in the energy efficiency of our homes
- support received from the Scottish Government as part of establishing the viability of WH Glasgow's business plan under the original stock transfer arrangements

These grants have been invested for the specific purposes prescribed in the related grant conditions, with this activity typically resulting in an increase in the value of housing properties in the Statement of Financial Position. WH Glasgow has no ability to realise new cash from this element of reserves, since selling the related assets which were constructed or improved with the grant funds would trigger clawback conditions and require repayment of grant to the Scottish Government or other grant providers. Furthermore, it is not WH Glasgow's policy to sell social housing assets; on the contrary, continuing to own and support these while providing excellent services to customers is core to WH Glasgow's charitable purpose.

The revenue reserve includes revaluation gains on investment properties, including the portfolio of commercial properties and its ownership of mid-market rent homes which are leased to and managed by Lowther Homes. Under FRS 102, gains or losses on investment properties must be taken to profit and loss and therefore form part of the general revenue reserve. These gains are not available to be

## **DIRECTORS' REPORT (continued)**

### **FINANCIAL REVIEW (continued)**

#### Revenue reserve (continued)

realised in cash, since selling WH Glasgow's interest in mid-market rent properties would trigger grant clawback and would run counter to WH Glasgow's core charitable objective of supporting the provision of a range of affordable housing solutions to be provided for its customers.

The residual amount of revenue reserve, not represented by grant or gains on investment properties, may be invested by WH Glasgow in line with its 30-year business plan financial projections. Such investment is subject to WH Glasgow maintaining a viable financial profile over the life of its business plan, as well as approval by the Wheatley Group Board. In approving WH Glasgow's business plan annually, the Wheatley Group Board will take into account projected compliance with the loan covenants which apply to the Wheatley RSL Borrower Group, as well as the impact of sensitivity analysis and other risk factors which may apply.

#### Pension reserve

The pension reserve is not a cash reserve available for investment. It represents the amount by which the actuarial valuation of WH Glasgow's share of pension assets exceeds or is less than its notional pension liabilities. Under FRS 102, the reserve contained within the Statement of Financial Position assumes a continuing membership of the pension scheme. Withdrawing from the scheme in order to attempt to realise any surplus would involve liabilities being revalued onto an "exit" basis, with a significant additional premium attached to compensate the pension fund for the risk of reduced membership and inability to seek future contributions from the related members. Notwithstanding this issue, it is WH Glasgow's intention to continue membership of the Strathclyde Pension Fund on a long-term basis.

#### Revaluation reserve

The revaluation reserve represents the increase in valuation which has occurred over and above the cost of additions to WH Glasgow's property (other than investment property). This reserve is therefore also not realisable, on the basis that to do so would involve selling social housing assets and would therefore undermine WH Glasgow's core charitable purpose.

### **Principal risks facing WH Glasgow**

The Board is responsible for assessing the risks facing WH Glasgow. As a subsidiary of Wheatley Housing Group, the principal risks are broadly similar to those facing the Group and can be seen in the consolidated financial statements of the Group.

By order of the Board

**Maureen Dowden, Chair**  
**September 2025**

Wheatley House  
25 Cochrane Street  
Glasgow  
G1 1HL



## **DIRECTORS' REPORT (continued)**

### **WH GLASGOW BOARD, COMMITTEE STRUCTURE AND RELATED MATTERS**

As at 31 March 2025 WH Glasgow's Rules allowed for the appointment of up to 10 Board members (including co-optees) as follows:

- Up to 4 tenant Board members
- Up to 3 Parent Appointees
- Up to 1 independent Board members
- Up to 2 council Board members

The Board could also co-opt members, subject to the maximum number of 10 Board members.

At 31 March 2025 there were 9 members (2024: 8 members) of the WH Glasgow Board: 3 tenant members, 3 parent appointees, 2 council members and 1 independent.

## **DIRECTORS' REPORT (continued)**

### **WH GLASGOW BOARD, COMMITTEE STRUCTURE AND RELATED MATTERS (continued)**

The members of the Board during the year are listed below:

<b>Name</b>	<b>First Joined Board</b>	<b>Re-elected/ re-appointed</b>	<b>Left Board</b>	<b>Committees/Group Directorships</b>
Maureen Dowden (Chair & parent appointee)	16 September 2022	-	-	Wheatley Housing Group Limited Wheatley Solutions Limited Group Audit Committee Group Remuneration, Appointments, Appraisal and Governance Committee
Patrick Gray (parent appointee)	1 May 2017	25 May 2023	-	Wheatley Foundation (Chair)
Allan Clow (parent appointee)	25 January 2024	-	-	Wheatley Solutions Limited Group Audit Committee
Cathy McGrath (Vice Chair and tenant member)	21 September 2017	21 September 2023	-	Wheatley Foundation
Robert Keir (tenant member)	13 August 2021	-	13 September 2024	
Mary Ann Amiwero (tenant member)	16 August 2024	-	-	
Rhona Conteh (tenant member)	16 August 2024	-	-	
Christopher Quinn (tenant member)	09 May 2025	-	-	
Andrew Clark (Independent)	30 November 2018	16 January 2022	-	Wheatley Developments Scotland Limited City Building Glasgow LLP
Councillor Kenny McLean (Glasgow City Council appointee)	30 May 2014	15 September 2023	25 September 2024	
Councillor Frank McAveety (Glasgow City Council appointee)	20 June 2017	15 September 2023	15 May 2025	-
Councillor Ruari Kelly (Glasgow City Council appointee)	22 November 2024	-	-	

## **DIRECTORS' REPORT (continued)**

### **WH GLASGOW BOARD, COMMITTEE STRUCTURE AND RELATED MATTERS (continued)**

#### **Creditor payment policy**

WH Glasgow agrees payment terms with its suppliers when it enters into contracts. The average creditor payment period for the year was within 30 days.

#### **Disclosure of information to auditor**

The Board members who held office at the date of approval of these statements confirm that, so far as they are each aware, there is no relevant audit information of which WH Glasgow's auditor is unaware; and each Board member has taken all the steps that he/she ought to have taken as a Board member to make himself/herself aware of any relevant audit information and to establish that WH Glasgow's auditor is aware of that information.

### **DIRECTORS' STATEMENT ON INTERNAL FINANCIAL CONTROL**

The Directors acknowledge their responsibility for ensuring that WH Glasgow has in place systems of control that are appropriate to its business environment. These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information within WH Glasgow, or for publication;
- The maintenance of proper accounting records;
- The safeguarding of assets against unauthorised use or disposition.

The systems of internal financial control, which are under regular review, are designed to manage rather than to eliminate risk. They can only provide reasonable and not absolute assurance against material misstatement or loss.

The key procedures which have been established are as follows:

- Detailed standing orders covering Board structure, election, membership and meetings;
- Financial regulations and procedures with clear authorisation limits;
- Regular Board meetings, focusing on areas of concern, reviewing management reports;
- Audit and Compliance reporting focussing on areas of concern and reviewing management reports;
- Regular review of cashflow and loan portfolio performance;
- Regular review of tendering process, rent accounting, arrears control and treasury management;
- Segregation of duties of those involved in finance;
- Identification and monitoring of key risks by the management committee; and
- Monitoring the operation of the internal financial control system by considering regular reports from management, internal and external auditors and ensuring appropriate corrective action is taken to address any weaknesses.

The Directors confirm that they have reviewed the effectiveness of the systems of internal control. No weaknesses have been found which would have resulted in material losses, contingencies or uncertainties which require to be disclosed in the financial statements.

## **DIRECTORS' REPORT (continued)**

### **STATEMENT OF BOARD'S RESPONSIBILITIES IN RESPECT OF THE BOARD'S REPORT AND THE FINANCIAL STATEMENTS**

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society and charity law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of WH Glasgow and of its income and expenditure for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess WH Glasgow's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate WH Glasgow or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of WH Glasgow and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Registered Social Landlords Determination of Accounting Requirements 2024. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of WH Glasgow and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on WH Glasgow's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

**Maureen Dowden, Chair**  
**September 2025**

Wheatley House  
25 Cochrane Street  
Glasgow  
G1 1HL

## **INDEPENDENT AUDITOR'S REPORT TO WHEATLEY HOMES GLASGOW LIMITED AND THE TRUSTEES OF WHEATLEY HOMES GLASGOW LIMITED**

### **Opinion**

We have audited the financial statements of Wheatley Homes Glasgow Limited ("the Association") for the year ended 31 March 2025 which comprise the Association's Statement of Comprehensive Income, the Association's Statement of Changes in Reserves, the Association's Statement of Financial Position and the Association's Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the Association as at 31 March 2025 and of its income and expenditure for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the requirements of the Housing (Scotland) Act 2010, the Registered Social Landlords Determination of Accounting Requirements 2024, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

We have been appointed as auditor under section 44 (1)( c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The Association's Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the Association or to cease its operations, and as they have concluded that the Association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Board's conclusions, we considered the inherent risks to the Association's business model and analysed how those risks might affect the Association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Association will continue in operation.

**INDEPENDENT AUDITOR'S REPORT TO WHEATLEY HOMES GLASGOW LIMITED  
AND THE TRUSTEES OF WHEATLEY HOMES GLASGOW LIMITED (CONTINUED)**

**Fraud and breaches of laws and regulations – ability to detect**

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of directors and management as to the Association’s high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual suspected or alleged fraud; and
- Reading Board minutes
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to indications of fraud throughout the audit.

As required by auditing standards, taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the limited opportunity and incentive for fraudulent revenue recognition and the limited judgement in respect of revenue recognition.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Association-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These include those posted to unusual accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias including assessing the assumptions used in pension and property valuations.

*Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussions with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulation throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Association is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related registered social landlord legislation and charities legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statements items.

Whilst the Association is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO WHEATLEY HOMES GLASGOW LIMITED  
AND THE TRUSTEES OF WHEATLEY HOMES GLASGOW LIMITED (CONTINUED)**

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatements. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Other information**

The Association's Board is responsible for the other information, which comprises the Directors' Report, and the Statement on Internal Financial Control. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the Statement on Internal Financial Control on page 12 does not provide the disclosures required by the relevant Regulatory Standards for systemically important RSLs within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls; or
- in our opinion, the Statement on Internal Financial Control is materially inconsistent with the knowledge acquired by us in the course of performing our audit or
- in our opinion, the information given in the Director's Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

**Matters on which we are required to report by exception**

Under the Co-operative and Community Benefit Societies Act 2014 and the Charities (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- the Association has not kept proper books of account; or
- the Association has not maintained a satisfactory system of control over its transactions; or
- the financial statements are not in agreement with the Association's books of account; or
- we have not received all the information and explanations we need for our audit.

We have nothing to report in these respects.

In addition, under the Co-operative and Community Benefit Societies Act 2014 we are required to report if, in our opinion, the Association has not maintained a satisfactory system of control over its transactions.

We have nothing to report in this respect.

**INDEPENDENT AUDITOR'S REPORT TO WHEATLEY HOMES GLASGOW LIMITED  
AND THE TRUSTEES OF WHEATLEY HOMES GLASGOW LIMITED (CONTINUED)**

**Board's responsibilities**

As explained more fully in their statement set out on page 13, the Association's Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 69 of the Housing (Scotland) Act 2010, and to the Association's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006.. Our audit work has been undertaken so that we might state to the Association and its Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and its Trustees, for our audit work, for this report, or for the opinions we have formed.

Michael Wilkie

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

*KPMG LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006*

319 St Vincent Street

Glasgow

G2 5AS

**Xxx September** 2025



## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £'000	2024 £'000
Turnover	3	272,201	231,567
Operating expenditure	3	(221,413)	(214,541)
Other gains/ (losses)	3	3,508	(1,688)
Operating surplus		54,296	15,338
Gain/(loss) on disposal of fixed assets	9	114	(23)
Finance income	10	225	285
Finance charges	11	(53,942)	(50,789)
Movement in fair value of financial instruments		1,505	3,684
Surplus/(deficit) for the financial year		2,198	(31,505)
Unrealised surplus on the valuation of housing properties		87,177	190,705
Unrealised surplus/ (deficit) on the valuation of other fixed assets		27	(1,317)
Actuarial gain/ (loss) in respect of pension schemes		5,950	(2,733)
Total comprehensive surplus for the year		95,352	155,150

All amounts relate to continuing operations.

## STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2025

	Revenue Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 1 April 2023	200,235	437,587	637,822
Total comprehensive surplus for the year	155,150	-	155,150
Transfer of reserves for the revaluation of housing properties	(190,705)	190,705	-
Transfer of reserves for the revaluation of other fixed assets	1,317	(1,317)	-
Balance at 31 March 2024	165,997	626,975	792,972
Total comprehensive surplus for the year	95,352	-	95,352
Transfer of reserves for the revaluation of housing properties	(87,177)	87,177	-
Transfer of reserves for the revaluation of other fixed assets	(27)	27	-
Balance at 31 March 2025	174,145	714,179	888,324

The notes on pages 21 to 47 form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2025

	<i>Notes</i>	<b>2025 £'000</b>	<b>2024 £'000</b>
<b>Fixed assets</b>			
Social housing properties	14	1,887,476	1,784,173
Other tangible fixed assets	15	71,987	64,810
Investment properties	16	114,490	87,944
Investments - other	16	14,334	12,073
		<u>2,088,287</u>	<u>1,949,000</u>
 <b>Current assets</b>			
Trade and other debtors	17	56,155	47,729
Cash and cash equivalents		13,058	3,427
		<u>69,213</u>	<u>51,156</u>
 <b>Creditors: amounts falling due within one year</b>	18	<u>(124,295)</u>	<u>(121,197)</u>
<b>Net current liabilities</b>		<u>(55,082)</u>	<u>(70,041)</u>
 <b>Total assets less current liabilities</b>		2,033,205	1,878,959
 <b>Creditors: amounts falling due after more than one year</b>	19	<u>(1,140,865)</u>	<u>(1,081,819)</u>
		892,340	797,140
 <b>Provisions for liabilities</b>			
Pension liability	22	(1,769)	(2,035)
Other provisions	20	(2,247)	(2,133)
<b>Total net assets</b>		<u>888,324</u>	<u>792,972</u>
 <b>Reserves</b>			
Share capital	21	-	-
Revenue reserve including pension reserve		174,145	165,997
Revaluation reserve		714,179	626,975
<b>Total reserves</b>		<u>888,324</u>	<u>792,972</u>

These financial statements were approved by the Board on 15 August 2025 and signed on its behalf on **September 2025** by:

Maureen Dowden  
Chair

Andrew Clark  
Board member

Anthony Allison  
Secretary

The notes on pages 21 to 47 form part of these financial statements.

Charity registration number SC034054.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	<i>Notes</i>	<b>2025</b> <b>£000</b>	<b>2024</b> <b>£000</b>
<b>Net cash generated from operating activities</b>	24	<u>101,028</u>	<u>89,772</u>
<b>Cash flow from investing activities</b>			
Improvement of social housing properties	14	(52,954)	(50,053)
Construction of new properties		(51,505)	(40,835)
Purchase of other fixed assets	15	(17,134)	(16,785)
Improvement of investment properties	16	(173)	(190)
Proceeds from disposal of properties	9	217	329
Grants received	19	27,899	14,071
Finance income		<u>9</u>	<u>10</u>
		(93,641)	(93,453)
<b>Cash flow from financing activities</b>			
Finance charges		(51,756)	(48,662)
Convertible loan issued to Lowther Homes Limited		(6,000)	-
Financing drawn down		76,000	54,500
Financing repayment		<u>(16,000)</u>	<u>(3,000)</u>
		2,244	2,838
<b>Net change in cash and cash equivalents</b>		<u>9,631</u>	<u>(843)</u>
Cash and cash equivalents at beginning of the year		<u>3,427</u>	<u>4,270</u>
Cash and cash equivalents at end of the year		<u>13,058</u>	<u>3,427</u>
<b>Cash and cash equivalents at 31 March</b>			
Cash		<u>13,058</u>	<u>3,427</u>
		<u>13,058</u>	<u>3,427</u>

The notes on pages 21 to 47 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### 1. Legal status

WH Glasgow Limited ("WH Glasgow" or "the Association") is a wholly owned subsidiary of The Wheatley Housing Group ("WHG"). The Association is registered under the Co-operative and Community Benefit Societies Act 2014 No.2572RS and is a registered Scottish charity No.SC034054. WH Glasgow is registered as a housing association with the Scottish Housing Regulator under the Housing (Scotland) Act 2014. The principal activity of the Association is the provision of social housing.

The registered office is Wheatley House, 25 Cochrane Street, Glasgow G1 1HL. WH Glasgow Limited is a public benefit entity.

### 2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### Basis of accounting

The financial statements of the Association are prepared in accordance with applicable accounting standards and in accordance with the accounting requirements included with the Determination of Accounting Requirements 2024, and under the historical cost accounting rules, modified to include the revaluation of properties held for letting and commercial properties. The financial statements have also been prepared in accordance with the Statement of Recommended Practice for social housing providers 2018 ("SORP 2018"), issued by the National Housing Federation and under FRS 102. The presentational currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The financial statements have been prepared on a going concern basis which the Board considers to be appropriate for the following reasons.

The Group and Association prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in February 2025 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. These updated scenarios include severe but plausible downsides. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure.

The Board, after reviewing the Group and Association budgets for 2025/26 and the Group and Association's financial position as forecast in the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the Group and Association have adequate resources to continue to meet their liabilities over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). In reaching this conclusion, the Board has considered the following factors:

- Rent and service charge receivable – arrears and bad debt assumptions have been set at an appropriate level to allow for customer difficulties in making payments; budget and business plan scenarios have been updated to take account of potential future changes in rent increases;
- Development activity – budget and business plan scenarios have taken account of fluctuating labour costs, project delays, supply chain instability and availability of grant funding impacting new build;

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

### **2. Accounting policies (continued)**

- Maintenance costs – budget and business plan scenarios have been modelled to take account of a revised profile of repairs and maintenance expenditure including the effect of inflation and increased demand;
- Investment in existing homes– forecast expenditure has been remodelled to take account of additional investment spend to deliver future energy efficiency improvements;
- Liquidity – current available cash of £13.1m and access to undrawn loan facilities arranged through WFL1 of £324.4m which are available to WH Glasgow and other Group RSLs, gives significant headroom for committed expenditure and other forecast cash flows over the going concern assessment period; and
- The Group and Association's ability to withstand other adverse scenarios such as higher interest rates and inflation.

The Board believe the Group and Association have sufficient funding in place and expect the Group and Association to be in compliance with its debt covenants even in severe but plausible downside scenarios.

Consequently, the Board is confident that the Group and Association will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Discount rates have been used in the valuation of housing properties and in the assessment of the fair value of financial instruments. The rates used are subject to change and are influenced by wider economic factors over time.

#### **Accounting judgements and estimations**

Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts where required or appropriate and other factors.

Judgements have been made in:

- Determining the appropriate discount rates used in the valuation of housing and investment properties;
- Component accounting and the assessment of useful lives;
- The assessment of the fair value of financial instruments;
- Determining the value of the Association's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds; and
- Allocation of share of assets and liabilities for multi-employer pension schemes. Judgments in respect of the assets and liabilities to be recognised are based upon source information provided by administrators of the multi-employer pension schemes and estimations performed by the Group's actuarial advisers.

#### **Related party disclosures**

The Association is a wholly-owned subsidiary of Wheatley Housing Group Limited and is included within the consolidated financial statements of Wheatley Housing Group Limited which are publicly available. Consequently, the Association has taken advantage of the exemption, under the terms of FRS 102, from disclosing related-party transactions with wholly owned entities that are part of the Wheatley Housing Group.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

### **2. Accounting policies (continued)**

#### **Turnover**

Turnover, which is stated net of value added tax, represents income receivable from lettings and service charges, fees receivable, revenue grants and other income.

#### **Grant income**

Where a grant is paid as a contribution towards revenue expenditure, it is included in turnover. Where grant is received from government and other bodies as a contribution towards the capital cost of housing schemes, it is recognised as income using the performance model in accordance with the Statement of Recommended Practice for social housing providers 2018 ("SORP 2018"). Prior to satisfying the performance conditions, capital grant is held as deferred income on the Statement of Financial Position.

#### **Bad and doubtful debts**

Provision is made against rent arrears of current and former tenants as well as other miscellaneous debts to the extent that they are considered potentially irrecoverable. Debts are classed as uncollectable after an assessment of the legislative options available to recover and consideration of specific circumstances.

#### **Supported housing**

Expenditure on housing accommodation and supported housing is allocated on the basis of the number of units for each type of accommodation.

#### **Financial instruments**

Loans provided by Wheatley Funding Number 1 Limited ("WFL1") are classed as basic financial instruments under the requirements of FRS 102 and are measured at amortised cost. In the case of payment arrangements that exist with customers, these are deemed to constitute financing transactions and are measured at the present value of the future payments discounted at a market rate of interest applicable to similar debt instruments.

Any movement in the value of financial instruments recognised in the Statement of Comprehensive Income relates to any in-year adjustments for changes in the value of payment arrangement in place with customers, and the Scottish Government loan.

#### **Deposits and liquid resources**

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying values.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

### **2. Accounting policies (continued)**

#### **Pensions**

The Association participates in a defined benefit pension scheme arrangement with the Strathclyde Pension Fund ("the Fund"). The Fund is administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998 as amended. The Fund provides benefits based on final pensionable pay, which is contracted out of the State Second Pension. Assets and liabilities of the Fund are held separately from those of the Association. The Association accounts for its participation in the Fund in accordance with FRS 102 which requires disclosures presented for both the current and comparative period. FRS 102 also requires that quoted securities are valued at their current bid-price rather than their mid-market value.

The Fund liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. The Association's share of the Fund surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the Fund surplus/deficit is split between operating charges, finance items and, in the statement of comprehensive income under actuarial gain or loss on pension schemes.

#### **Fixed assets – housing properties**

In accordance with SORP 2018, the Association operates a full component accounting policy in relation to the capitalisation and depreciation of its completed housing stock.

- **Valuation of Social Housing Stock**

Housing properties are valued annually on an Existing Use Value for Social Housing ("EUV-SH") basis by an independent professional adviser qualified by the Royal Institution of Chartered Surveyors to undertake valuation. Housing stock has been split into two streams of property for valuation purposes, namely housing retained for letting and demolition programme properties. This separation into categories is on the basis of the Association's 30-year Business Plan which identifies the core stock which will be the subject of the Association's investment expenditure going forward and the stock which forms part of the demolition programme, and consequently has limited investment expenditure attached to it.

The cost of properties is their purchase price together with the cost of capitalised improvement works and repairs that result in an enhancement of the economic benefits of the asset. Included in the cost of capitalised improvement works are the direct costs of staff engaged in the investment programme.

Increases in the valuation of social housing properties are reported as other comprehensive income, accumulated in equity and reported as a revaluation reserve. Revaluation decreases reduce the accumulated gains and thereafter are recognised in profit or loss. Subsequent valuation gains are recognised in profit or loss to the extent they reverse a valuation decrease previously recognised in profit or loss.

On disposal, the value of the property is offset against the proceeds of sale and the gain or loss on disposal is taken to the Statement of Comprehensive Income.

- **Depreciation and impairment**

Housing properties are split between land, structure and major components which require periodic replacement. Replacement or refurbishment of such major components is capitalised and depreciated over the estimated useful life which has been set taking into account professional advice, the Group's asset strategy and the requirement of the Scottish Housing Quality Standard. In determining the remaining useful lives for the housing stock, the Association has taken account of views provided by both internal and external professional sources. Freehold land is not subject to depreciation.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

### 2. Accounting policies (continued)

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, at the following annual rates:

	<u>Economic Life</u>
Bathrooms	25 yrs
Community Infrastructure	20 yrs
External wall finishes	35 yrs
Heating system boiler	12 yrs
Internal works & common areas	20 yrs
Kitchens	20 yrs
Mechanical, Electrical & Plumbing	25 yrs
Structure & roofs	50 yrs
Windows and doors	30 yrs

Housing assets are depreciated in the month of acquisition, or in the case of a larger project, from the month of completion.

Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down would be charged to operating surplus.

#### • **New Build**

Housing properties in the course of construction are held at cost and are not depreciated. They are transferred to completed properties when ready for letting or sale.

#### • **Properties held for demolition**

Demolition programme stock has a negative valuation for accounting purposes due to the impact of demolition costs on the EUV-SH calculation, and so is held at £nil on the statement of financial position as under FRS 102 there is no constructive obligation at the date of the statement of financial position to provide for these costs.

The Association's policy is to capitalise the following:

- Cost of acquiring land and buildings;
- Interest costs directly attributable;
- Development expenditure including staff costs attributable to the delivery of the capital investment programme;
- The cost of packages of work completed on void properties; and
- Other directly attributable internal and external costs.

Expenditure on schemes which are subsequently aborted will be written off in the year in which it is recognised that the schemes will not be developed to completion.

#### • **Non-social housing properties**

Housing for Mid-Market Rent is valued on an open market value subject to tenancies basis at the date of the Statement of Financial Position by an independent professional advisor qualified by the Royal Institution of Chartered Surveyors to undertake valuation and are held as investment properties and not subject to depreciation. Where it is considered that there has been any impairment in value this is provided for accordingly. The cost of properties is their purchase price together with capitalised improvement works.



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

### **2. Accounting policies (continued)**

Mid-market rent properties owned by the Association are currently leased to Lowther Homes Limited at the prevailing market rate. These properties are managed by Lowther Homes Limited.

Commercial properties are held as investment properties and not subject to depreciation, they are held at existing use value and are subject to revaluation by an independent professional advisor qualified by the Royal Institute of Chartered Surveyors to undertake valuation. Commercial properties are revalued at each reporting date.

#### **New Build Grant and other capital grants**

New Build Grant is received from central government agencies and local authorities and is utilised to reduce the capital costs of housing properties.

New Build Grant is recognised as income in the statement of comprehensive income when new build properties are completed or the capital work carried out under the performance model. New Build Grant due or received is held as deferred income until the performance conditions are satisfied, at which point it is recognised as income in the statement of comprehensive income within turnover. Grant received in respect of revenue expenditure is recognised as income in the same period to which it relates.

Properties are disposed of under the appropriate legislation and guidance. Any grant that is repayable is accounted for as a liability on disposal of the property. Grant which is repayable but cannot be repaid from the proceeds of sale is abated and the grant removed from the financial statements. Where a disposal is deemed to have taken place for accounting purposes, but the repayment conditions have not been met in relation to the grant funding, the potential future obligation to repay disclosed as a contingent liability.

#### **Other tangible fixed assets**

For other tangible fixed assets with the exception of office premises, depreciation is charged on a straight-line basis over the expected useful economic lives of fixed assets to write off the cost, less estimated residual values over the following expected lives. Assets are depreciated in the month of acquisition, or in the case of a larger project, from the month of completion, at the following rates:

##### Economic Life

Computer equipment (cost)	3 – 7 yrs
Community infra-structure (cost)	20 yrs
District heating scheme (cost)	30 yrs
Furniture, fittings and office equipment (cost)	5 yrs
Office premises (valuation)	40 yrs
Motor vehicles (cost)	4 yrs

Office premises are held at valuation, and are depreciated, on a straight line basis, over a useful life of 40 years. Valuations are carried out at each reporting date.

#### **Stock**

Where WH Glasgow enters into development agreements in conjunction with third party housing associations and incurs the cost of the development, the contractual share of costs yet to be billed to the third party is recognised in stock. Stock is accounted for at the lower of cost or net realisable value.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

### **2. Accounting policies (continued)**

#### **Leases**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

#### **Provisions**

The Association only provides for liabilities at the date of the Statement of Financial Position where there is a legal or constructive obligation incurred which will probably result in an outflow of resources.

#### **Taxation**

The Association is considered to pass the tests as set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Association is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 1992 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Value Added Tax**

The Association is registered for VAT. A large portion of its income, including rental receipts, is exempt for VAT purposes, giving rise to a partial exemption calculation. Expenditure with recoverable VAT is shown net of VAT and expenditure with irrecoverable VAT is shown inclusive of VAT.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

**3. Particulars of turnover, operating costs and operating surplus**

		2025			2024
	Turnover	Operating costs	Other gains/ (losses)	Operating surplus	Operating surplus
	£'000	£'000	£'000	£'000	£'000
Affordable letting activities (note 4)	256,341	(198,686)	-	57,655	26,048
Other activities (note 5)	15,860	(22,727)	-	(6,867)	(9,022)
Valuation movement on investment properties (note 16)	-	-	3,508	3,508	(1,688)
Total	272,201	(221,413)	3,508	54,296	15,338
Total for previous reporting period	231,567	(214,541)	(1,688)	15,338	

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

**4. Particulars of turnover, operating costs and operating surplus from social letting activities**

	<b>General Needs £'000</b>	<b>2025 Supported Housing £'000</b>	<b>Shared Ownership £'000</b>	<b>Total £'000</b>	<b>2024 Total £'000</b>
Rent receivable net of service charges	218,633	4,259	58	222,950	207,716
Service charges	1,763	34	-	1,797	1,759
<b>Gross income from rents and service charges</b>	220,396	4,293	58	224,747	209,475
Less rent losses from voids	(2,576)	(50)	(1)	(2,627)	(2,453)
<b>Net income from rents and service charges</b>	217,820	4,243	57	222,120	207,022
Grants released from deferred income – new build	21,551	420	6	21,977	4,910
Other revenue grants	12,007	234	3	12,244	5,634
<b>Total turnover from affordable letting activities</b>	251,378	4,897	66	256,341	217,566
Management and maintenance administration costs	(42,582)	(829)	(11)	(43,422)	(41,403)
Service costs	(6,632)	(129)	(2)	(6,763)	(6,216)
Planned and cyclical maintenance including major repairs costs	(24,540)	(478)	(7)	(25,025)	(22,195)
Reactive maintenance costs	(54,774)	(1,067)	(15)	(55,856)	(56,084)
Bad debts – rents and service charges	(1,089)	(21)	-	(1,110)	(1,426)
Depreciation of affordable let properties	(65,223)	(1,270)	(17)	(66,510)	(64,194)
<b>Operating costs for affordable letting activities</b>	(194,840)	(3,794)	(52)	(198,686)	(191,518)
<b>Operating surplus for affordable letting activities</b>	56,538	1,103	14	57,655	26,048
Operating surplus for affordable letting activities for the previous reporting period	25,526	518	4	26,048	

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

**5. Particulars of turnover, operating costs and operating surplus from other activities**

	<b>Grants from Scottish Ministers £'000</b>	<b>Other revenue £'000</b>	<b>Total turnover £'000</b>	<b>Total operating costs £'000</b>	<b>2025 Operating surplus /(deficit) £'000</b>	<b>2024 Operating surplus /(deficit) £'000</b>
Wider role activities to support the community	-	475	475	(4,036)	(3,561)	(4,650)
Investment property activities	-	8,693	8,693	(616)	8,077	7,526
Support activities	-	2,186	2,186	(2,150)	36	(109)
Demolition activities	-	-	-	(41)	(41)	(155)
Other income	-	4,220	4,220	(2,290)	1,930	1,619
Depreciation – Non Social Housing	-	-	-	(9,968)	(9,968)	(8,871)
Organisation Restructuring	-	-	-	(3,532)	(3,532)	(4,534)
Development & Construction of Property Activities	-	286	286	(94)	192	152
<b>Total from other activities</b>	<b>-</b>	<b>15,860</b>	<b>15,860</b>	<b>(22,727)</b>	<b>(6,867)</b>	<b>(9,022)</b>
Total from other activities for the previous reporting period	-	14,001	14,001	(23,023)	(9,022)	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

### 6. Board members' emoluments

Board members received £1,300 (2024: £1,100) by way of reimbursement of expenses. No remuneration is paid to board members in respect of their duties in the Association.

### 7. Key management emoluments

Key management personnel are employed by the Association and perform an executive management role across all subsidiaries in the Group. The total emoluments payable to Group key management personnel are disclosed in the Wheatley Housing Group consolidated financial statements. The Association pays a share of the costs of these personnel which includes employer pension contributions and benefits in kind.

	2025	2024
	£ 000	£ 000
Aggregate emoluments payable to key management (excluding pension contributions)	533	527

During the periods the key management's emoluments (excluding pension contributions) fell within the following band distributions:

More than £40,000 but no more than £50,000	1	-
More than £50,000 but no more than £60,000	-	1
More than £90,000 but not more than £100,000	5	5

The key management are defined for this purpose as the Chief Executive and the Group Executive team in post at 31 March 2025. Emoluments include relocation expenses where appropriate.

The senior officers are eligible to join the Strathclyde Pension Fund and employer's contributions are paid on the same basis as other members of staff. Pension contributions of £34k (2024: £99k) were paid for the Chief Executive and the Group Executive team in post at 31 March 2025.

There were six senior officers in post at 31 March 2025.

Steven Henderson	Group Chief Executive
Alan Glasgow	Group Director of Housing
Laura Pluck	Group Director of Communities
Pauline Turnock	Group Director of Finance
Anthony Allison	Group Director of Governance and Business Solutions
Frank McCafferty	Group Director of Assets and Development

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

**8. Employees**

	<b>2025</b>	<b>2024</b>
	<b>No.</b>	<b>No.</b>
The average total number of employees employed during the year was	1,762	1,752
The average monthly number of full time equivalent persons employed during the year was	1,733	1,721

All staff are employed by the Association with its costs being recharged to the other group companies where appropriate.

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs (for the above persons)		
Wages and salaries	69,491	66,546
Social security costs	7,153	6,800
Employer's pension costs	4,985	9,398
FRS 102 adjustment	5,449	1,903
	<u>87,078</u>	<u>84,647</u>

**9. Gain/ (loss) on disposal of fixed assets**

Gain on disposal in the year includes net income from the sale of two social rent properties (2024: two social rent properties) and any gain on the disposal of fixed assets in the year.

	<b>£'000</b>	<b>2025</b>	<b>£'000</b>	<b>£'000</b>	<b>2024</b>	<b>£'000</b>
	<b>Properties</b>	<b>Other</b>	<b>Total</b>	<b>Properties</b>	<b>Other</b>	<b>Total</b>
		<b>assets</b>			<b>assets</b>	
Net proceeds from disposal of assets	198	19	217	314	15	329
Value of assets disposed	(87)	(16)	(103)	(338)	(14)	(352)
Gain/(loss) on sale of fixed assets	111	3	114	(24)	1	(23)

**10. Finance income**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Bank interest received	9	10
Interest on intra group loans	216	179
Interest on pension scheme (note 22)	-	96
Total	<u>225</u>	<u>285</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

### 11. Finance charges

	2025 £'000	2024 £'000
Interest on intra group loans	50,408	47,608
Other financing costs	3,299	3,181
Interest on pension scheme (note 22)	235	-
Total	<u>53,942</u>	<u>50,789</u>

Other financing costs include commitment, non-utilisation fees, the amortisation of transaction costs of the Association's funding arrangements and the amortised interest on the contingent efficiencies loan.

### 12. Auditor's remuneration

	2025 £'000	2024 £'000
The remuneration of the auditor (excluding VAT):		
Audit of these financial statements	130	130

### 13. Financial commitments

#### Capital commitments

All capital commitments of the Association were as follows:

	2025 £'000	2024 £'000
Expenditure contracted for, but not provided in the financial statements	20,799	64,867
Expenditure authorised by the Board, but not contracted	2,486	14,838
	<u>23,285</u>	<u>79,705</u>

Capital commitments are funded through a combination of grant received from the Scottish Government in relation to our new build programme, operating surplus generated by the Association, and private funding.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

**13. Financial commitments (continued)**

**Operating leases**

At 31 March the Association had annual commitments under non-cancellable operating leases as follows:

	<b>2025</b>	<b>2025</b>	<b>2024</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Land and</b>	<b>Other</b>	<b>Land and</b>	<b>Other</b>
	<b>Buildings</b>		<b>Buildings</b>	
Operating leases that fall due:				
Within one year	487	1,304	438	1,325
In the second to fifth years inclusive	1,545	996	1,589	38
Over 5 years	760	30	1,072	-
	<u>2,792</u>	<u>2,330</u>	<u>3,099</u>	<u>1,363</u>

Lease commitments under FRS 102 include the timing of the full payment due under contract.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

**14. Tangible fixed assets – Social Housing Properties**

	<b>Core Stock £'000</b>	<b>Shared Ownership £'000</b>	<b>Housing Under Construction £'000</b>	<b>Total £'000</b>
<b>Valuation</b>				
At 1 April 2024	1,724,222	706	59,245	1,784,173
Additions	52,954	-	52,634	105,588
Disposals	(88)	-	-	(88)
Transfers	25,067	-	(47,932)	(22,865)
Revaluation	20,668	-	-	20,668
At 31 March 2025	1,822,823	706	63,947	1,887,476
<b>Accumulated Depreciation</b>				
At 1 April 2024	-	-	-	-
Charge for year	66,502	8	-	66,510
Disposals	(1)	-	-	(1)
Revaluation	(66,501)	(8)	-	(66,509)
At 31 March 2025	-	-	-	-
<b>Net Book Value - Valuation</b>				
At 31 March 2025	1,822,823	706	63,947	1,887,476
At 31 March 2024	1,724,222	706	59,245	1,784,173
<b>Net Book Value - Cost</b>				
At 31 March 2025	1,625,062	290	63,947	1,689,299
At 31 March 2024	1,613,592	298	59,245	1,673,135

The number of units of social housing accommodation owned and managed (excluding unlettable voids) by the Association at 31 March is shown below:

	<b>2025</b>	<b>2024</b>
<b>Social Housing</b>		
General needs	41,380	41,276
Supported housing	806	838
Shared ownership	11	11
Housing held for long-term letting	42,197	42,125
Housing approved / planned for demolition	74	638
Total Units	42,271	42,763

The housing valuation has been based on the number of houses held for social letting.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

### 14. Tangible fixed assets – Social Housing Properties (continued)

Total expenditure on repairs and capital improvements in the year on existing properties was £133.9m (2024: £128.4m). Of this, repair costs of £80.9m (2024: £78.3m) were charged to the Statement of Comprehensive Income (note 4) with capital improvements of £53.0m (2024: £50.1m) shown as additions to core stock on the Statement of Financial Position. Additions to core stock in the year of £53.0m (2024: £50.1m) in the year include:

- £24.2m for component additions including:
  - £1.5m on bathrooms;
  - £1.5m on external wall finishes;
  - £6.0m on heating system boilers;
  - £1.0m on internal works and common areas;
  - £4.6m on kitchens;
  - £6.0m on mechanical, electrical and plumbing;
  - £1.4m on structure and roofs; and
  - £2.2m on windows and doors.
- The remaining balance of £28.8m of additions to existing properties not associated with a specific component includes £13.6m on void improvements, £3.6m of medical adaptations and £11.6m of capitalised repairs.

Additions to housing under construction include capitalised interest costs of £1.1m (2024: £0.8m). Interest has been capitalised at the weighted average interest cost for the Association of 4.84% (2024: 4.64%).

The valuation of social housing properties is separated into two categories, namely those retained for letting and those properties which form part of the Association's demolition programme, as detailed in the Association's 30-year Business Plan for 2025/26. The demolition programme identifies 74 properties (2024: 638 properties) for demolition over the next few years, with no long-term investment expenditure associated with these properties. Demolition programme stock has a negative valuation for accounting purposes due to the impact of demolition costs on the EUV-SH calculation and so is held at £nil on the Statement of Financial Position as under FRS 102 there is no constructive obligation at the date of the Statement of Financial Position to provide for these costs.

Retained stock for letting has been valued at £1,823.5m. Housing under construction, with a NBV of £63.9m, is not included within this total.

Social housing properties have been valued by Jones Lang LaSalle Limited, an independent professional adviser qualified by the Royal Institution of Chartered Surveyors ("RICS") to undertake valuations. This valuation was prepared in accordance with the appraisal and valuation manual of the RICS at 31 March 2025 on an Existing Use Valuation for Social Housing ("EUV-SH"). Discount rates between 5.50-7.00% have been used depending on the property archetype (2024: 5.75-7.00%). The valuation assumes a real rental income growth of 0.5% for the first year, followed by long-term real rental growth of 1.0% per annum for the Social Rented units. Both mid-market and full market rent properties are assumed at a long-term real rental income growth of 0.50% throughout. The capital investment made in housing properties each year may not translate directly into an increase in the value of the assets by virtue of the nature of the EUV-SH valuation methodology.

During 2024/25 two social rent properties were disposed of with sales proceeds of £198k (2024: two properties, £17k).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

**15. Other tangible fixed assets**

	Community infra- structure £'000	District heating £'000	Office premises £'000	Furniture, fittings & equipment £'000	Computer equipment £'000	Total £'000
<b>Cost or valuation</b>						
At 1 April 2024	26,967	12,439	11,996	31,769	68,444	151,615
Additions	3,006	2,523	85	3,421	8,099	17,134
Disposals	-	-	-	(30)	-	(30)
Revaluation	-	-	(558)	-	-	(558)
At 31 March 2025	29,973	14,962	11,523	35,160	76,543	168,161
<b>Accumulated Depreciation</b>						
At 1 April 2024	5,235	4,673	-	29,460	47,437	86,805
Charge for year	1,417	387	585	1,145	6,434	9,968
Disposals	-	-	-	(14)	-	(14)
Revaluation	-	-	(585)	-	-	(585)
At 31 March 2025	6,652	5,060	-	30,591	53,871	96,174
<b>Net Book Value</b>						
At 31 March 2025	23,321	9,902	11,523	4,569	22,672	71,987
At 31 March 2024	21,732	7,766	11,996	2,309	21,007	64,810

Office premises were valued by an independent professional adviser, Jones Lang LaSalle, on 31 March 2025 in accordance with the appraisal and valuation manual of the RICS.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

### 16. Investments

#### Investment Properties

	Properties held for market rent £'000	Commercial Properties £'000	Total £'000
<b>Valuation</b>			
At 1 April 2024	75,747	12,197	87,944
Additions	173	-	173
Disposals	-	-	-
Transfers	22,865	-	22,865
Revaluation taken to operating surplus	3,426	82	3,508
At 31 March 2025	102,211	12,279	114,490
<b>Net Book Value</b>			
At 31 March 2025	102,211	12,279	114,490
At 31 March 2024	75,747	12,197	87,944

Market rent properties were valued at market value subject to tenancy ("MV-T") by an independent professional adviser, Jones Lang LaSalle, on 31 March 2025.

The number of properties held for market rent by the Association at 31 March was:

	2025	2024
<b>Market Rent Properties</b>		
Total Units	975	884

Commercial properties were valued by an independent professional adviser, Jones Lang LaSalle, on 31 March 2025 in accordance with the appraisal and valuation manual of the RICS.

#### Investments - other

##### **Due after more than one year:**

	2025 £'000	2024 £'000
Unsecured subordinated convertible loan due from Lowther Homes Limited	14,334	12,073

WH Glasgow has an unsecured subordinated convertible loan with Lowther Homes Limited, a related group company. FRS 102 requires that the principal amount and interest payments be fair valued and shown as debt on the balance sheet (note 17). The difference between this and the principal amount of the instrument should be recognised as the fair value of equity component.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

### 17. Debtors

	2025 £'000	2024 £'000
<b>Due in more than one year:</b>		
Due from other group companies	22,460	18,504
	22,460	18,504
<b>Due within one year:</b>		
Arrears of rent and service charges	14,044	15,166
Adjustment to discount arrears balances with payment plans to NPV	(113)	(121)
Less: provision for bad and doubtful debts	(7,011)	(7,324)
	6,920	7,721
Prepayments and accrued income	9,500	4,622
Other debtors	8,238	8,346
Due from other group companies	9,037	8,536
Total	56,155	47,729

The balance due from other group companies in more than one year relates to the unsecured subordinated convertible loan with Lowther Homes Limited. This initial debt was issued in November 2014, followed by further tranches in September 2024 and March 2025, and is due to mature in 2043. Interest on this instrument has been charged at 6.00% in the year (2024: 5.67%).

The Wheatley Foundation has agreed to deliver certain charitable community programmes on the WH Glasgow's behalf. Under this arrangement, these programmes were funded in part during the year by WH Glasgow agreeing that the interest receipt due from Lowther Homes Limited would be paid directly to the Wheatley Foundation on its behalf.

Amounts owed by group undertakings and due within one year are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 18. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Trade creditors	7,236	4,969
Accruals	19,231	24,273
Deferred income (note 19)	24,658	23,811
Rent and service charges received in advance	18,558	19,865
Salaries, wages, other taxation and social security	680	679
Other creditors	14,377	12,145
Due to other group companies	39,555	35,455
Total	124,295	121,197

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

### 19. Creditors: amounts falling due after more than one year

	2025	2024
	£'000	£'000
Scottish Government contingent efficiencies grant	46,943	46,280
Deferred income	7,892	10,422
Amount due to group company	1,086,030	1,025,117
Total	1,140,865	1,081,819

#### Scottish Government contingent efficiencies grant

The Scottish Government made available to WH Glasgow £100.0m of contingent efficiencies grant over an eight-year period. Under this agreement £100.0m (2024: £100.0m) has been received which is an interest free loan with repayment due in 2040/41. The amount due of £46.9m at 31 March 2025 (2024: £46.3m) is the measurement of the liability after discounting for an equivalent interest bearing arrangement with the same repayment date. This treatment is consistent with FRS 102 which requires financial instruments to be measured at amortised cost. The movement in the balance in the year relates to:

- interest costs £2.2m (2024: £2.1m)
- fair value movement gain of £1.5m (2024: gain of £3.7m)

Interest costs are reported within finance charges (note 11). The movement in the fair value is reported on the face of the Statement of Comprehensive Income.

#### Bank lending facility

Borrowing arrangements are in place via a Group funding structure which consists of bank loans, note placements and capital markets debt, secured on charged properties owned by the RSLs. The RSL Group funding was made up of a committed facility of £654.7m from a syndicate of commercial banks, two committed facilities totalling £254.9m from the European Investment Bank, £400.0m from a public bond due in 2044, of which £300.0m is currently issued, £389.0m private placement loan notes with BlackRock Real Assets, M&G Investment Management and PGIM, a £50.0m facility with Barclays, a £35.0m facility with RBS, and £82.3m charitable bonds via Allia Social Impact Investments. This provided total facilities of £1,865.9m for RSLs within the Wheatley Group to develop new housing.

The facility is provided to WH Glasgow via a wholly owned subsidiary of Wheatley Housing Group Limited, Wheatley Funding No. 1 Limited. At 31 March 2025 WH Glasgow had access to an intra-group facility of £1,096.5m, secured on its housing stock. Interest in the year has been charged at 4.84% (2024: 4.73%).

WH Glasgow has secured a major portion of its social and market rent housing stock (£1,932.0m) against this facility. At 31 March 2025, 6.02% (£123.8m) of WH Glasgow's housing properties remained unsecured.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

**19. Creditors: amounts falling due after more than one year (continued)**

Borrowings are repayable as follows:	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
In less than one year	-	187
In more than one year but less than two years	-	-
In more than two years but less than five years	-	-
In more than five years	1,086,030	1,024,930
	<u>1,086,030</u>	<u>1,025,117</u>

**Deferred income**

The deferred income balance is made up as follows:

	<b>New Build Grant £'000</b>	<b>Other £'000</b>	<b>Total Deferred Income £'000</b>
Deferred income as at 1 April 2024	28,318	5,915	34,233
Additional income received	24,413	3,486	27,899
Released to the Statement of Comprehensive Income	(21,977)	(7,605)	(29,582)
Deferred income as at 31 March 2025	<u>30,754</u>	<u>1,796</u>	<u>32,550</u>

This is expected to be released to the Statement of Comprehensive Income in the following years:

<b>Deferred income to be released to the Statement of Comprehensive Income:</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
In less than one year (note 19)	24,658	23,811
In more than one year but less than five years	7,892	10,422
In more than five years	-	-
	<u>32,550</u>	<u>34,233</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

### 19. Creditors: amounts falling due after more than one year (continued)

Financial instruments	2025 £'000	2024 £'000
<b>Financial assets:</b>		
<u>Measured at amortised cost:</u>		
Debtors and accrued income	33,695	29,225
<u>Measured at fair value:</u>		
Due from other group companies	22,460	18,504
Total	56,155	47,729
	<b>2025 £'000</b>	<b>2024 £'000</b>
<b>Financial liabilities:</b>		
<u>Measured at amortised cost:</u>		
Creditors, accruals and deferred income	1,218,217	1,156,736
<u>Measured at fair value:</u>		
Scottish Government loan	46,943	46,280
Total	1,265,160	1,203,016

Income earned and expense payable on the financial assets and liabilities is disclosed in notes 10 and 11 respectively.

### 20. Provisions for liabilities and charges

	Dilapidation Provision £'000	Insurance £'000	Other £'000	Total £'000
At 1 April 2024	1,039	1,094	-	2,133
Created in the year	20	-	278	298
Utilised	(146)	(38)	-	(184)
At 31 March 2025	913	1,056	278	2,247

#### Dilapidation Provision

This provision represents the estimated costs of dilapidation works required under lease contracts for office properties leased by WH Glasgow.

#### Insurance

A provision is held in respect of the excess arising on all outstanding insurance claims.

#### Other

A provision has been recognised for the estimated costs of remedial works required to properties owned by WH Glasgow.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

### 21. Share capital

	2025	2024
	£	£
Shares of £1 each issued and fully paid		
At 1 April	9	10
Issued during year	3	2
Surrendered during year	(2)	(3)
	<hr/>	<hr/>
At 31 March	10	9

Each member holds one fully paid £1 share that is cancelled on cessation of membership. Share capital does not carry any voting rights or rights to dividend payments.

### 22. Pensions

#### Strathclyde Pension Fund

The WH Glasgow participates in the Strathclyde Pension Fund which is administered by Glasgow City Council and is a defined benefit scheme. Strathclyde Pension Fund is part of the wider Local Government Pension Scheme ("LGPS") in Scotland. The assets of the scheme are held separately from those of the Association with investments under the overall supervision of the Fund Trustees. The latest full actuarial valuation was carried out as at 31 March 2025.

In preparing the formal valuation at 31 March 2025 an allowance for full GMP indexation and an estimate of the impact of the McCloud judgement was also included based on eligibility criteria of members for inclusion in the agreed remedy.

#### Wheatley Housing Group Defined Contribution Scheme

The Wheatley Group also operates a defined contribution scheme through Cushon Master Trust. These arrangements are open to all employees of WH Glasgow who are not members of the Strathclyde Pension Fund.

#### Defined Benefit assets and obligations

The assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increases in salaries and pensions. The principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

	31 March 2025	31 March 2024
Discount rate	5.80%	4.80%
Future salary increases*	2.20%	2.30%
Inflation	2.80%	2.80%

\*Salary increases are assumed to be 3.30% for 2025/26, 2.50% for 2026/7 and 2.00% p.a. thereafter.

In valuing the liabilities of the pension fund at 31 March 2025, mortality assumptions have been made as indicated below. The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard mortality tables and include an allowance for future improvements in longevity.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

### 22. Pensions (continued)

The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 20.0 years (male) (2024: 20.1 years), 23.2 years (female) (2024: 23.2 years).
- Future retiree upon reaching 65\*: 20.7 years (male) (2024: 20.8 years), 24.4 years (female) (2024: 24.4 years).

\*Figures assume members aged 45 as at the last formal valuation date.

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The information disclosed below is in respect of the whole of the plans for which WH Glasgow has been allocated a share of cost under an agreed policy throughout the periods shown.

#### *Movements in present value of defined benefit obligation*

	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b>
Opening defined benefit obligation	448,466	397,395
Service cost	9,580	11,990
Interest cost	21,410	18,855
Actuarial losses/ (gains)	(74,133)	34,791
Contributions by members	2,746	2,677
Estimated benefits paid	(16,603)	(17,242)
	<hr/>	<hr/>
Closing defined benefit obligation	391,466	448,466

#### *Movements in fair value of plan assets*

	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b>
Opening fair value of plan assets	682,009	616,845
Expected return on plan assets	32,483	29,256
Actuarial gains/ (losses)	(8,493)	40,386
Contributions by the employer	4,131	10,087
Contributions by the members	2,746	2,677
Estimated benefits paid	(16,603)	(17,242)
	<hr/>	<hr/>
Closing fair value of plan assets	<b>696,273</b>	<b>682,009</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

**22. Pensions (continued)**

	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b>
Present value of funded defined benefit obligations	(389,697)	(446,431)
Present value of unfunded defined benefit obligations	(1,769)	(2,035)
Fair value of plan assets	696,273	682,009
Re-measurements for change in asset ceilings	(306,576)	(235,578)
Net (liability)	<u>(1,769)</u>	<u>(2,035)</u>

*Expense recognised in the statement of comprehensive income*

	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b>
Current service cost	7,525	7,845
Past service cost	2,055	4,145
Net interest on net defined benefit obligation (notes 10 and 11)	235	(96)
	<u>9,815</u>	<u>11,894</u>

The total amount recognised in the statement of comprehensive income in respect of actuarial gains and losses is £5,950k gain (2024: £2,733k loss).

*The fair value of the plan assets and the return on those assets were as follows:*

	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b>
Equities	417,764	395,566
Corporate bonds	160,143	184,142
Property	62,665	68,201
Cash	55,701	34,100
	<u>696,273</u>	<u>682,009</u>
Actual return on plan assets	<u>23,990</u>	<u>69,642</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

### 23. Related party transactions

Members of the Management Board are related parties of the Association as defined by FRS 102.

The Association retains a register of members' interests. The following interests in related parties are required to be declared:

#### Tenant Board Members

The following members who were in office during the year are tenants or factored homeowners of the Association and have tenancies or factoring agreements that are on the Association's normal terms and they cannot use their positions to their advantage.

Cathy McGrath  
Robert Keir (resigned 13 September 2024)  
Mary Ann Amihero (appointed 16 August 2024)  
Rhona Coneth (appointed 16 August 2024)  
Christopher Quinn (appointed 09 May 2025)

Transactions entered into with members, and rent arrear balances outstanding at 31 March, are as follows:

	<b>2025</b>
	<b>£'000</b>
Rent charged during the year	15
Arrears balances outstanding at 31 March 2025	-

#### Other related parties

Related party interests and transactions during the year are as follows:

	<b>Invoiced/paid in the year £'000</b>	<b>Year end balance £'000</b>
<b>2025</b>		
Strathclyde Pension Fund	4,131	-
Scotcash CIC	-	-
Transforming Communities Glasgow	-	-

All transactions were on commercial terms and at arm's length.

During the year WH Glasgow held nomination rights to a directorship of Transforming Communities: Glasgow ("TC:G"). Maureen Dowden and Bryan Duncan served as a nominated director during the year.

During the year WH Glasgow held nomination rights to a directorship of Scotcash CIC. These rights allow WH Glasgow to nominate up to two directors to the board of Scotcash with Pauline Turnock and David Rockliff serving on the board during the year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

### 24. Cash Flow Analysis

Cash flow from operating activities	2025 £'000	2024 £'000
Surplus/(deficit) for the year	2,198	(31,505)
<u>Adjustments for non-cash items:</u>		
Depreciation of tangible fixed assets	76,478	73,065
(Increase) in trade and other debtors	(4,470)	(1,573)
Increase in trade and other creditors	2,251	4,223
Increase in provisions	114	261
Pension costs less contribution payments	5,449	1,903
<u>Adjustments for investing or financing activities:</u>		
(Gain)/loss on disposal of fixed assets	(114)	23
Government grants utilised in the year	(29,582)	(5,133)
Interest paid	53,942	50,789
Interest received	(225)	(285)
Movement in fair value of financial instruments	(1,505)	(3,684)
(Gain)/loss on investment activities	(3,508)	1,688
<b>Net cash inflow from operating activities</b>	<b>101,028</b>	<b>89,772</b>

### 25. Ultimate parent organisation

The Association is a subsidiary undertaking of Wheatley Housing Group Limited, a company limited by guarantee and registered in Scotland.

The only group into which the results of the association are consolidated is Wheatley Housing Group Limited. The consolidated financial statements of Wheatley Housing Group Limited may be obtained from the registered office at Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL.

## **SUPPLEMENTARY INFORMATION**

### **Secretary and Registered Office**

Anthony Allison  
WH Glasgow Limited  
Wheatley House  
25 Cochrane Street  
Glasgow G1 1HL

### **Independent auditor**

KPMG LLP  
319 St Vincent Street  
Glasgow G2 5AS

### **Bankers**

Royal Bank of Scotland  
Glasgow Corporate Office  
4<sup>th</sup> Floor  
110 Queen Street  
Glasgow G1 3BX

(Letterhead of the Entity we audit)

KPMG LLP  
319 St Vincent  
Street Glasgow  
G2 5AS  
15 August 2025

To whom it may concern,

This representation letter is provided in connection with your audit of the financial statements of Wheatley Homes Glasgow Limited (“the Association”), for the year ended 31 March 2025, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the state of the Association’s affairs as at 31 March 2025 and its income and expenditure for the financial year then ended;
- ii. whether these financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice (including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (“FRS 102”));
- iii. whether the financial statements have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014;
- iv. whether the financial statements have been properly prepared in accordance with the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2024; and
- v. whether the financial statements have been properly prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

These financial statements comprise the Association’s Statement of Comprehensive Income, the Association’s Statement of Changes in Reserves, the Association’s Statement of Financial Position, and the Association’s Statement of Cash Flows and notes, comprising a summary of significant accounting policies and other explanatory notes.

The Board confirms that the Association meets the definition of a qualifying entity and meets the criteria for applying the disclosure exemptions with FRS 102.

The Board confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Board confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

### **Financial statements**

1. The Board has fulfilled its responsibilities, as set out in the terms of the audit engagement dated 31 March 2023, for the preparation of financial statements that:



- i. give a true and fair view of the state of the Association's affairs as at 31 March 2025 and its income and expenditure for that financial year ;
- ii. have been properly prepared in accordance with UK Generally Accepted Accounting Practice (including FRS 102);
- iii. have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014;
- iv. have been properly prepared in accordance with the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2024; and
- v. Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements have been prepared on a going concern basis.

2. The methods, the data and the significant assumptions used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
3. All events subsequent to the date of the financial statements and for which section 32 of FRS 102 requires adjustment or disclosure have been adjusted or disclosed.

#### **Information provided**

4. The Board has provided you with:
  - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - additional information that you have requested from the Board for the purpose of the audit; and
  - unrestricted access to persons within the Association from whom you determined it necessary to obtain audit evidence.
5. All transactions have been recorded in the accounting records and are reflected in the financial statements.
6. The Board confirms the following:
  - i) The Board has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

- ii) The Board has disclosed to you all information in relation to:
  - a) Fraud or suspected fraud that it is aware of and that affects the Association and involves:
    - management;
    - employees who have significant roles in internal control; or
    - others where the fraud could have a material effect on the financial statements; and

- b) allegations of fraud, or suspected fraud, affecting the Association's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Board acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Board acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe we have appropriately fulfilled those responsibilities.

- 7. The Board has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- 8. The Board has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with section 21 of FRS 102 all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
- 9. The Board has disclosed to you the identity of the Association's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with section 33 of FRS 102.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in FRS 102.

- 10. The Board confirms that:
  - a) The financial statements disclose all of the matters that are relevant to the Association's ability to continue as a going concern, including key risk factors, assumptions made and uncertainties surrounding the Association's ability to continue as a going concern as required to provide a true and fair view and to comply with FRS 102.
  - b) No material uncertainties related to events or conditions exist that may cast significant doubt upon the ability of the Association to continue as a going concern.
- 11. On the basis of the process established by the Board and having made appropriate enquiries, the Board is satisfied that the actuarial assumptions underlying the valuation of defined benefit obligations are consistent with its knowledge of the business and in accordance with the requirements of section 28 of FRS 102.

The Board further confirms that:

- a) all significant retirement benefits, including any arrangements that are:
  - statutory, contractual or implicit in the employer's actions;
  - arise in the UK and the Republic of Ireland or overseas;
  - funded or unfunded; and
  - approved or unapproved,

have been identified and properly accounted for; and

- b) all plan amendments, curtailments and settlements have been identified and properly accounted for.

This letter was tabled and agreed at the meeting of the Board of Directors on 15 August 2025. [ISA (UK) 580.A2-1]

Yours faithfully,

Maureen Dowden  
Chair

## **Appendix to the Board Representation Letter of Wheatley Homes Glasgow Limited** **Definitions**

### **Financial Statements**

A complete set of financial statements (before taking advantage of any of the FRS 102 exemptions) comprises:

- Association Statement of Financial Position as at the end of the period;
- the Association's Income and Expenditure account for the period;
- the Association's Statements of other comprehensive income for the period;
- the Association's Statement of changes in reserves for the period;
- the Association's Cash Flow Statement for the period; and
- notes, comprising a summary of significant accounting policies and other explanatory information.

FRS 102 permits an entity either to present (i) separately a Income and Expenditure account and a Statement of Other Comprehensive Income or (ii) a combined Income and Expenditure Account and Other Comprehensive Income.

### **Material Matters**

Certain representations in this letter are described as being limited to matters that are material.

FRS 102 states that:

Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or combination of both, could be the determining factor.

### **Fraud**

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

### **Error**

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

### **Management**

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

### **Qualifying Entity**

A member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and surplus /(deficit) and that member is included in the consolidation by means of full consolidation.

## **Related Party and Related Party Transaction**

### **Related party:**

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in FRS 102 as the “reporting entity”).

- a) A person or a close member of that person’s family is related to a reporting entity if that person:
  - i. has control or joint control over the reporting entity;
  - ii. has significant influence over the reporting entity; or
  - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions apply:
  - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - iii. Both entities are joint ventures of the same third party.
  - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - vi. The entity is controlled, or jointly controlled by a person identified in (a).
  - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

### **Related party transaction:**

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

15 August 2025

Appendix 3

To: Wheatley Homes Glasgow Chair

Dear Chair

**Re: Letter of representation in connection with the audit of the financial statements of Wheatley Homes Glasgow Limited**

With reference to the financial statements of Wheatley Homes Glasgow Limited, comprising the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Reserves, and notes, comprising a summary of significant accounting policies and other explanatory notes, we confirm that to the best of our knowledge and belief the representations requested by the auditor can be validly made. We also confirm that Wheatley Homes Glasgow Limited meets the definitions of a qualifying entity and meets the criteria for applying the disclosure exemptions with FRS102.

In particular, and after consultation with other relevant senior officers of the Group we confirm that to the best of our knowledge and belief:

***Financial Statements***

1. We have fulfilled our responsibilities as set out in the terms of the audit engagement dated 31st March 2023 for the preparation of financial statements that:
  - i. give a true and fair view of the state of affairs of the Association as at 31 March 2025 and of its income and expenditure for that financial year;
  - ii. have been properly prepared in accordance with UK Generally Accepted Accounting Practice (including FRS 102);
  - iii. comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
  - iv. have been properly prepared in accordance with the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2024, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements have been prepared on a going concern basis.

2. We confirm that the methods, the data and the significant assumptions used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
3. All events subsequent to the date of the financial statements and for which FRS 102 Section 32 requires adjustment or disclosure, have been adjusted or disclosed.

**Information provided**

4. The external auditor, KPMG, has been provided with:
  - access to all information of which we are aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - additional information that the auditor has requested for the purpose of the audit; and

- unrestricted access to persons within the Association from whom the auditor determined it necessary to obtain audit evidence.
5. All transactions have been recorded in the accounting records and are reflected in the financial statements.
  6. We have disclosed to the external auditor:
    - i) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

- ii) We have disclosed to the external auditor, all information in relation to:
  - a) Fraud or suspected fraud that we are aware of and that affects the Association and involves:
    - management;
    - employees who have significant roles in internal control; or
    - others where the fraud could have a material effect on the financial statements; and
  - b) allegations of fraud, or suspected fraud, affecting the Association's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, we acknowledge our responsibility for such internal control as we determine necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, we acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe we have appropriately fulfilled these responsibilities.

7. We have disclosed to the external auditor all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
8. We have disclosed to the external auditor and has appropriately accounted for and/or disclosed in the financial statements, in accordance with FRS 102 Section 21 all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
9. We have disclosed to the external auditor the identity of the Association's related parties and all the related party relationships and transactions of which we are aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with section 33 of FRS 102.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in FRS 102.

10. We confirm that:
  - a) The financial statements disclose all of the matters that are relevant to the Association's ability to continue as a going concern, including key risk factors, assumptions made and uncertainties surrounding the Association's ability to continue as a going concern as required to provide a true and fair view and to comply with FRS 102.

- b) No material uncertainties related to events or conditions exist that may cast significant doubt upon the ability of the Association to continue as a going concern.
11. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the valuation of defined benefit obligations are consistent with its knowledge of the business and in accordance with section 28 of FRS 102.

We further confirm that:

- a) all significant employee benefits, including any arrangements that are:
- statutory, contractual or implicit in the employer's actions;
  - arise in the UK and the Republic of Ireland or overseas;
  - funded or unfunded; and
  - approved or unapproved,
- have been identified and properly accounted for; and
- b) all plan amendments, curtailments and settlements have been identified and properly accounted for.

Yours faithfully

Steven Henderson  
Group Chief Executive



## **Appendix to the Representation Letter of Wheatley Homes Glasgow Limited:**

### **Definitions**

#### **Criteria for applying the disclosure exemptions within FRS 102 for the Association's financial statements**

- The Association discloses in the notes to its financial statements:
  - a) A brief narrative summary of the disclosure exemptions adopted; and
  - b) The name of the parent of the group in whose consolidated financial statements its financial statements are consolidated, and from where those financial statements may be obtained

#### **Financial Statements**

A complete set of financial statements comprises:

- a Statement of Financial Position as at the end of the period;
- a Statement of Comprehensive Income for the period;
- a Statement of Cash Flows for the period;
- a Statement of Changes in Reserves; and
- notes, comprising a summary of significant accounting policies and other explanatory information.

#### **Material Matters**

Certain representations in this letter are described as being limited to matters that are material.

FRS 102 states that:

Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or combination of both, could be the determining factor.

#### **Fraud**

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

#### **Error**

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

## **Management**

For the purposes of this letter, references to “management” should be read as “management and, where appropriate, those charged with governance”.

## **Qualifying Entity**

A member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation by means of full consolidation.

## **Related Party and Related Party Transaction**

### **Related party:**

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in FRS 102 Section 33, *Related Party Disclosures* as the “reporting entity”).

- a) A person or a close member of that person’s family is related to a reporting entity if that person:
  - i. has control or joint control over the reporting entity;
  - ii. has significant influence over the reporting entity; or
  - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
  - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - iii. Both entities are joint ventures of the same third party.
  - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - vi. The entity is controlled or jointly controlled by a person identified in (a).
  - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

### **Related party transaction:**

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. [FRS 102 33.8]

## Report

**To:** Wheatley Homes Glasgow Board

**By:** Pauline Turnock, Group Director of Finance

**Approved by:** Steven Henderson, Group Chief Executive

**Subject:** Finance Report to 30 June 2025

**Date of Meeting:** 15 August 2025

---

### 1. Purpose

- 1.1 The purpose of this paper is to provide the Board with:
- an overview of the Finance Report for the period to 30 June 2025 and Q1 forecast financial out-turn.

### 2. Authorising and strategic context

- 2.1 Under the terms of the Intra-Group Agreement between Wheatley Homes Glasgow (“**WH-G**”) and the Wheatley Group and our Terms of Reference, the Board is responsible for the on-going monitoring of performance against agreed targets. This includes the performance of its finances.

### 3. Background - Financial performance

- 3.1 The results for the period to 30 June are summarised below.

	<b>Actual £000</b>	<b>Budget £000</b>	<b>Variance £000</b>
Turnover	64,207	63,985	222
Operating expenditure	(58,228)	(58,207)	(21)
<b>Operating surplus</b>	<b>5,979</b>	<b>5,778</b>	<b>201</b>
<i>Net operating margin</i>	<i>9.3%</i>	<i>9.0%</i>	
Net interest payable	(12,242)	(12,360)	118
<b>Statutory deficit</b>	<b>(6,263)</b>	<b>(6,582)</b>	<b>319</b>
<b>Net Capital Expenditure</b>	<b>19,130</b>	<b>11,575</b>	<b>(7,555)</b>

## 4. Discussion

### 4.1 Period to 30 June 2025

Our financial results report a statutory deficit of £6,263k for the period to 30 June 2025 and, overall, WH-G reports an underlying surplus of £985k, both of which are favourable to budget. A strong letting performance has contributed to the out-turn with total income £222k favourable to budget. In expenditure, reactive repairs costs have been higher than budget in the first quarter as a result of active targeting to reduce live job numbers, with lower running costs and bad debt expenditure helping to offset and overall expenditure being broadly in line with budget.

Key points to note:

- Net rental income is £148k favourable to budget, due to housing management performance, with a YTD void rate of 1.09%, compared to the YTD budgeted rate of 1.31%.
  - Operating costs are £21k unfavourable to budget.
    - Total employee costs (direct and group services) are £48k favourable to budget mainly due to vacancies in the NETS team, linked to the recruitment of posts into the budgeted structure.
    - Direct and group services running costs are £176k favourable to budget due to several departments reporting lower costs across Wheatley Solutions.
    - Revenue repairs and maintenance spend is £393k unfavourable at the end of June. Higher spend is reported in responsive repairs of £348k, the unfavourable position driven by a targeted reduction in the number of live repair jobs. These have reducing from 7,882 live repairs at the start of the financial year to 4,993 live repairs at the end of June. Cyclical and compliance spend is £45k unfavourable due to timing of the programme compared to the budget profiling at this point in the year.
    - Bad debts are £148k favourable to budget reflecting the prudent budget assumptions.
- 4.2 Net capital expenditure is £7,555k higher than budget mainly due to a reduction in capital investment income received in the period to June 2025 compared to budget following the early receipt of grant in March 2025 for North Torglen and Shawbridge Arcade, both front funded projects with grant budgeted to be received in 2025/26. Investment programme expenditure is broadly in line with budget, with an lower spend of £112k on core programme due to the timing of works (noting spend will re-align with budget over the coming months), offset by increased void spend due to an increase in the number of higher specification voids.

### 4.3 Q1 Forecast out-turn

	FY Forecast (Q1)		
	Actual £000	Budget £000	Variance £000
Turnover	281,413	281,847	(434)
Operating expenditure	(230,058)	(230,894)	836
<b>Operating surplus</b>	<b>51,355</b>	<b>50,953</b>	<b>402</b>
<i>Net operating margin</i>	<i>18.2%</i>	<i>18.1%</i>	
Net interest payable	(54,695)	(54,695)	-
<b>Deficit</b>	<b>(3,340)</b>	<b>(3,742)</b>	<b>402</b>
<b>Net Capital Expenditure</b>	<b>98,253</b>	<b>87,554</b>	<b>(10,699)</b>

The forecast reports a statutory deficit of £3,340k for the full year out-turn to March 2025, which is £402k favourable to budget. The forecast underlying deficit is £455k favourable to the budgeted full year deficit. The forecast out-turn reflects the advance payment of the donation to the Wheatley Foundation and lower intra-group gift aid from WDS linked to spend forecast on the new build programme.

Key points to note:

- Total income is forecast to be £434k lower than budget:
  - Other income is £434k lower than budget due a reduction of £553k in the intra group gift aid income from Wheatley Developments Scotland, moving in line with the lower forecast new build spend. This is an intra group item only and does not impact the overall financial performance at a group level. This is partly offset by £119k of additional MMR income, linked to the higher than budgeted rent increase applied by Lowther in 2025/26.
- Total operating costs are forecast to be £836k favourable to budget reflecting the payment of donations in March 2025 to Wheatley Foundation, earlier than budgeted. Revenue repairs and maintenance full year spend is forecast in line with budget.
- Investment programme is forecast to be £500k higher than budget with an increase in void costs of £500k, reflecting the higher specification voids we are experiencing in 2025/26.
- Net new build expenditure is forecast to be £10,199k higher than budget due to the receipt of additional grant in March 2025 for the North Toryglen and Shawbridge Arcade developments, both front funded projects with the grant budgeted to be received in 2025/26.
- The forecast variations to budget are managed within the overall parameters of the RSL Borrower Group budget for 2025/26 of which Glasgow is part. The RSL borrower group continues to remain compliant with covenants.

## **5. Customer Engagement**

- 5.1 This report relates to our financial reporting and therefore 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 Our cost efficiency targets are built into the budget and delivery of these is a key element of continuing to demonstrate value for money.
- 8.2 The statutory deficit for the period to 30 June 2025 is £319k favourable to budget. After adjusting the net operating surplus for new build grant income, depreciation, one-off payments not related to underlying surplus and including capital expenditure in our properties, an underlying surplus of £985k is reported for the period which is £289k favourable to budget. This reflects our operating performance that had a good start to the year with additional net rental income reported from reduced void losses; a number of properties having benefitted from investment under the Housing Emergency funding enabling them to move back into the letting pool.
- 8.3 The forecast underlying statutory deficit for the year to 31 March 2026 is £455k favourable to budget.

## **9. Legal, regulatory and charitable implications**

- 9.1 There are no direct legal, regulatory and charitable implications arising.

## **10. Risk Appetite and assessment**

- 10.1 The Group's risk appetite in respect of development is "open", which is defined as willing to choose the option "*most likely to result in successful delivery while also providing an acceptable level of reward*". The Group's risk appetite in respect of 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*".

## **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 for the period to 30 June 2025.

### **13. Recommendations**

- 13.1 The Board is requested to note the Finance Report for the period ended 30 June 2025 and Q1 forecast at Appendix 1.

#### **LIST OF APPENDICES:**

Appendix 1: Period 3 – 30 June 2025 Finance Report



# Period to 30 June 2025

## Finance Report





# 1. Operating statement – Period to 30 June 2025

	Year To June 2025			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
<b>INCOME</b>				
Rental Income	60,014	59,999	15	241,420
Void Losses	(652)	(785)	133	(3,034)
Net Rental Income	59,362	59,214	148	238,386
Grant Income New Build	0	0	0	25,685
Grant Income Other	1,758	1,733	25	2,863
Other Income	3,087	3,038	49	14,913
<b>Total Income</b>	<b>64,207</b>	<b>63,985</b>	<b>222</b>	<b>281,847</b>
<b>EXPENDITURE</b>				
Employee Costs - Direct	9,492	9,561	69	37,846
Employee Costs - Group Services	3,899	3,878	(21)	15,388
ER / VR	0	0	0	1,025
Direct Running Costs	3,624	3,697	73	16,402
Running Costs - Group Services	2,022	2,125	103	8,942
Revenue Repairs and Maintenance	17,718	17,325	(393)	64,808
Bad debts	579	727	148	2,907
Depreciation	20,894	20,894	0	83,576
Demolition	0	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>58,228</b>	<b>58,207</b>	<b>(21)</b>	<b>230,894</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>5,979</b>	<b>5,778</b>	<b>201</b>	<b>50,953</b>
Net operating margin	9.3%	9.0%	0.3%	18%
Net Interest Payable	(12,242)	(12,360)	118	(54,695)
<b>STATUTORY SURPLUS / (DEFICIT)</b>	<b>(6,263)</b>	<b>(6,582)</b>	<b>319</b>	<b>(3,742)</b>

	Year To June 2025			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
<b>INVESTMENT</b>				
<b>Total Capital Investment Income</b>	<b>7,012</b>	<b>16,969</b>	<b>(9,957)</b>	<b>46,313</b>
Investment Programme Expenditure	13,646	13,616	(30)	62,937
New Build Programme	11,396	12,687	1,291	62,305
Other Capital Expenditure	1,100	2,241	1,141	8,625
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>26,142</b>	<b>28,544</b>	<b>2,402</b>	<b>133,867</b>
<b>NET CAPITAL EXPENDITURE</b>	<b>19,130</b>	<b>11,575</b>	<b>(7,555)</b>	<b>87,554</b>

## Key highlights:

A net operating surplus of £5,979k, £201k favourable to budget and a statutory deficit of £6,263k, £319k favourable to budget, is reported. The financial performance reflects the solid letting performance and lower interest payable.

- Net Rental income is £148k favourable to budget with the variance mainly related to lower than budgeted voids at 1.09% for the period compared to the budgeted 1.31%.

- Other Grant income is £25k higher than budget and includes grant for medical adaptations and investment works relating to the housing emergency.

- Other income is £49k higher than budget at P3, with higher than budgeted MMR rental income.

- Total employee costs (direct and group services) are £48k favourable to budget. Direct employee costs are £69k favourable linked to vacancies within the NETs team. The NETS budget included provision for the enhanced team to undertake chargeable gardening services from April however the structure was not in place until June and provision for 15 NETS/CBG apprenticeships of which 7 were in place by May. Additional costs from Wheatley Solutions is due to the timing of changes compared to the budgeted structure.

- Total running costs (direct and group services) are £176k favourable to budget. Within direct running costs several lines report small variances due to timing. Group services running costs are £103k favourable to budget due to several departments reporting lower costs across Wheatley Solutions.

- Revenue repairs and maintenance spend is £393k unfavourable to budget. Higher spend was reported in responsive repairs of £348k with the unfavourable position driven by the reduction in outstanding job numbers in Glasgow reducing YTD from 7,882 live repairs to 4,993 live repairs. Cyclical and compliance spend is £45k unfavourable due to timing of spend compared to the budget profiling at this point in the year.

- Bad debts are £148k favourable with a prudent approach is taken when setting the budget.

Net Interest payable is £118k favourable to budget linked to the timing of loan drawdowns compared to the budgeted profile.

Net capital expenditure of £19,130k is £7,555k higher than budget:

- Capital investment income is £9,957k lower than budget due grant being received early 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 £30k higher than budget, with an underspend of £112k on core programme due to the timing of works (noting spend will re-align with budget over the coming months), offset by increased void spend due to an increase in the number of higher specification voids.

- New build spend is £1,291k lower than budget, mainly due to timing of payments for onsite developments including Calton Village Ph2, Shawbridge Arcade and Kelvin Wynd.

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

# 1b. Underlying surplus

- The 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 which adjusts our net operating surplus by excluding the accounting adjustments for the recognition of grant income, gift aid and depreciation but including capital expenditure on our existing properties.
- At June, the underlying surplus is £985k, £289k favourable to budget. The favourable variance of £289k to budget reflects a strong start to the year driven by core operating performance with additional net rental income reported from reduced void losses and a number of properties having benefitted from investment under the Housing Emergency funding enabling them to move back into the letting pool.

WHG Underlying Surplus June 2025				
	Actual £ks	Budget £ks	Variance £ks	FY Budget £ks
Net operating surplus	5,979	5,778	201	50,953
add back:				
Depreciation	20,894	20,894	0	83,576
less:				
Grant income	0	0	0	(25,685)
WDS gift aid income	0	0	0	(2,482)
Net interest payable	(12,242)	(12,360)	118	(54,695)
Total expenditure on Investment Programme	(13,646)	(13,616)	(30)	(62,937)
Underlying surplus/(deficit)	985	696	289	(11,270)

# 2a. Repairs & Investment Programme

	YTD P3			
	Actual	Budget	Variance	FY budget
Repairs	£ks	£ks	£ks	£ks
Responsive Repairs	8,991	8,643	(348)	32,012
Cyclical (local)	6	9	3	739
JV Share of profits	0	0	0	(3,715)
Compliance/Overhead	8,721	8,672	(48)	35,772
<b>Total Repairs</b>	<b>17,718</b>	<b>17,325</b>	<b>(393)</b>	<b>64,808</b>

	YTD P3			
	Actual	Budget	Variance	FY budget
Investment Programme Grant Income	£ks	£ks	£ks	£ks
Housing Emergency	270	270	0	270
Medical Adaptations	649	649	0	1,614
<b>Total</b>	<b>919</b>	<b>919</b>	<b>0</b>	<b>1,884</b>

	Actual	Budget	Variance	FY Budget
Investment Programme Expenditure				
Core programme (excl SHNZ)	2,924	3,036	112	22,219
SHNZ	0	0	0	0
Housing Emergency	297	297	0	468
Capitalised Voids	3,248	2,838	(410)	11,064
Adaptations	649	732	83	2,928
Capitalised staff	1,468	1,461	(7)	5,859
City Building overhead allocated	2,814	2,814	0	11,255
Capitalised Repairs (rot, plasterwork, fencing)	2,244	2,438	194	9,144
<b>Total</b>	<b>13,646</b>	<b>13,616</b>	<b>(30)</b>	<b>62,937</b>

<b>Net Investment Spend</b>	<b>12,727</b>	<b>12,697</b>	<b>(30)</b>	<b>61,053</b>
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## Repairs & maintenance:

- Repairs and maintenance costs are £393k unfavorable to budget at the end of June.
- Responsive repairs and cyclical spend are £345k higher than budget with the unfavourable position driven by an active target to reduce the number of live job numbers in Glasgow which have decreased from 7,882 live repairs at the start of the year to 4,993 live repairs as the end of June.
- Overall compliance/overhead expenditure is £48k higher than budget, due to the timing of programme at this point in the year. All legislative requirements are met within the required timescale.

## Investment programme:

- Net investment in our existing homes was £12,727k which is £30k higher than budget.
- Core programme expenditure of £2,924k includes heating, KBR, district heating and lowrise fabric projects across the city. The variance to budget is due to small timing variations across several programmes.
- Void costs, which include the cost of the Nets void squad, are capitalised in line with Group policy, and are £410k higher than budget at the end of June. Higher spend is linked to several voids requiring more extensive work. YTD 18 jobs costing over £10k have occurred, compared to 3 jobs for the same period last year.
- Capitalised repair work types include doors, windows, fencing, plasterwork, showers and damp and mould remediation. The MyRepairs team continue to closely monitor spend.

# 2b. New Build Programme Spend

	*Status	Contractor	YTD P4			Full Year
			Actual	Budget	Variance	Budget
Abbotshall Avenue	Feasibility	MCTAGGART	(16)	238	254	8,632
Albion	Feasibility	TBC	0	0	0	2,783
Bowling Green	Feasibility	TBC	0	3	3	10
Caledonia Rd	Feasibility	TBC	0	6	6	96
Calton Village Ph 3	Feasibility	MCTAGGART	0	14	14	57
Kelvin Wynd	On site	-	1,940	2,555	616	7,600
Lochend Road Ph 1	Feasibility	TBC	5	25	20	101
Lochend Road Ph 2	Feasibility	TBC	(20)	13	33	52
Norby Rd	Feasibility	TBC	0	4	4	16
North Toryglen	On site	CRUDEN	3,102	1,995	(1,108)	7,296
Red Road	Feasibility	TBC	23	66	42	263
Sighthill Ph3	Feasibility	KEEPMOAT	0	215	215	2,206
Sighthill Ph4	Feasibility	KEEPMOAT	0	32	32	81
Spoutmouth	In Development	CCG	35	16	(19)	3,311
Springfield Rd	Feasibility	MCTAGGART	120	164	44	765
Stornoway St	Feasibility	TBC	0	20	20	82
Vallay St	On Site	TBC	0	39	39	155
<b>Total Social Rent</b>			<b>5,189</b>	<b>5,405</b>	<b>216</b>	<b>33,505</b>
Calton Village Ph 2	On site	MCTAGGART	2,203	2,711	509	4,729
Cook St	Feasibility	CCG	(18)	42	60	6,212
Newlands Centre	Feasibility	MCTAGGART	0	39	39	158
Shawbridge Arcade	On Site	CCG	3,041	3,386	345	7,625
South Annadale	Approved	MORRIS	0	0	0	1,408
Feasibility	Feasibility	-	9	142	132	567
Prior year	Complete	-	(2)	0	2	0
<b>Total Mid Market Rent</b>			<b>5,233</b>	<b>6,321</b>	<b>1,088</b>	<b>20,698</b>
Development Fund	-	-	0	0	0	175
Property Acquisitions	-	-	147	120	(27)	3,285
Capitalised Insurance	-	-	6	6	0	25
Capitalised Interest	-	-	0	0	0	1,265
Capitalised Staff	-	-	821	836	15	3,352
<b>Total New Build Investment</b>			<b>11,396</b>	<b>12,687</b>	<b>1,292</b>	<b>62,305</b>
<b>Grant Income New Build Received</b>			<b>5,335</b>	<b>15,292</b>	<b>(9,957)</b>	<b>43,671</b>
<b>Grant Income Other Received</b>			<b>758</b>	<b>758</b>	<b>0</b>	<b>758</b>
<b>Net New Build Cost</b>			<b>5,303</b>	<b>(3,362)</b>	<b>(8,665)</b>	<b>17,876</b>
<b>Grant Income Completions New Build and Acquisitions</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>25,685</b>
<b>Grant Income Other</b>			<b>758</b>	<b>758</b>	<b>0</b>	<b>758</b>
<b>Grant Recognised in Operating Surplus/ (Deficit)</b>			<b>758</b>	<b>758</b>	<b>0</b>	<b>26,443</b>

Net spend on new build properties of £5.3m has been incurred for the period ended June 2025, £8.7m higher than budget, linked to lower levels of grant income.

## Social Rent

- Abbotshall Avenue (SR/67):** Feasibility work has commenced and a planning application is under consideration. Site start will be delayed into Q4 2025/26 due to Planning.
- Albion (SR/80 MMR/80): (SR/80 and MMR/80):** Proposal under consideration with JR Group. Viability and financial standing being assessed. Candidate for a site start 25/26 subject to grant funding and Board approval.
- Kelvin Wynd:** Demolition of the 3 blocks by blowdown completed in March 2025 and top-down demo of 4<sup>th</sup> block ongoing. Feasibility work continues re the new build with a start in late 2026/27 on the first 3 of 5 phases.
- North Toryglen (SR/48 and MMR/10):** Works commenced on site in November 2024 following WDS Board approval in October 2024 of a revised grant drawdown profile. Grant funding £3.2m, in respect of spend during 2024/25 was budgeted for 2025/26 but received in March 2025. All remaining grant will be drawn by July 25.
- Spoutmouth (SR/34):** WDS board approval in May 2025 for land acquisition and construction of 34 social rent and 2 commercial units. Archaeological works due to start in August 2025 with works targeted to start on site in Q4.
- Springfield Rd (SR/MMR):** WDS Board approval in May 2025 for the first phase of feasibility works including design work to planning stage.
- Sighthill Ph3 (SR/41):** WDS board approval in May 2025 to vary the existing contract with Keepmoat to deliver the next phase of 41 units for social rent. Site start targeted for August 2025, later than budgeted, and grant funding in place for 2025/26.

## Mid Market Rent

- Calton Village Phase 2 (40/ST and 58/MMR):** Project commenced on site in May 2023. Works are progressing well and anticipated site completion is Q3 2025/26. All grant drawn down in 2024/25.
- Cook St (112/MMR):** Feasibility work has commenced, and a planning application is under consideration. Final SI to be undertaken during Q3 24/25. Site start will be delayed until 26/27 due to Planning and Site Access delays.
- Shawbridge Arcade (MMR/75):** Site started in May 2024 and progress is ahead of programme with potential for earlier completions. Grant funding of £7.0m, in respect of spend during 2024/25 was budgeted for 2025/26 but received in March 25. All grant has now been claimed for the development.
- South Annadale (MMR/12):** WDS Board approved in February 2024 and grant awarded in January 2024. Due to a change in contractor, a revised approval will be required from Board and site start will be delayed until Q4.

# 3. Balance Sheet

	30 June 2025	31 March 2025
	£ks	£ks
<b>Fixed Assets</b>		
Social Housing Properties	1,893,700	1,887,476
Other tangible fixed assets	70,956	71,987
Investment properties	114,548	114,490
Investments - other	14,334	14,334
<b>Fixed Assets</b>	<b>2,093,538</b>	<b>2,088,287</b>
<b>Debtors Due More Than One Year</b>		
Inter Company Loan	22,460	22,460
<b>Current Assets</b>		
Trade debtors	212	254
Rent & Service charge arrears	8,732	14,044
less: Provision for rent arrears	(7,132)	(7,124)
Prepayments and accrued income	2,206	9,500
Intercompany debtors	20,551	9,037
Other debtors	9,230	7,984
	<b>33,799</b>	<b>33,695</b>
Bank & Cash	5,693	13,058
<b>Current Assets</b>	<b>39,492</b>	<b>46,753</b>
<b>Current Liabilities</b>		
Trade liabilities	(6,412)	(7,236)
Accruals	(17,845)	(19,231)
Deferred income	(25,929)	(24,658)
Rents & service charges in advance	(13,047)	(19,238)
Intercompany creditors	(37,414)	(39,555)
Other creditors	(14,621)	(14,377)
	<b>(115,268)</b>	<b>(124,295)</b>
<b>Net Current Liabilities</b>	<b>(75,776)</b>	<b>(77,542)</b>
<b>Long Term Liabilities</b>		
Contingent efficiencies grant	(46,943)	(46,943)
Bank finance	(1,095,029)	(1,086,030)
Deferred income	(12,196)	(7,892)
Provisions	(2,224)	(2,247)
Pension liability	(1,769)	(1,769)
<b>Long Term Liabilities</b>	<b>(1,158,161)</b>	<b>(1,144,881)</b>
<b>Net Assets</b>	<b>882,061</b>	<b>888,324</b>
<b>Capital &amp; Reserves</b>		
Retained Income b/fwd	174,145	165,997
Income & Expenditure	(6,263)	8,148
Revaluation Reserves	714,179	714,179
<b>Funding Employed</b>	<b>882,061</b>	<b>888,324</b>

## Key Commentary:

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 valuation of the defined benefit pension scheme.

- **Fixed assets:** movements from the year end reflects investment in existing properties, the new build programme, and other fixed asset additions, less depreciation to date.
- **Debtors due after more than one year:** The intercompany loan debtor relates to the convertible debt with Lowther Homes Limited and is revalued on an annual basis as part of the statutory accounts.
- **Current Assets (excluding cash)** are £0.1m lower than the March 2025 position, this is due to lower net rent arrears, linked to timing of HB payments, offset by an increased intercompany debtors due to timing.
- **Short-Term Creditors:** Amounts due within one year are £9.0m lower than the March 2025 position, mainly due to a decrease in prepaid rents, accruals and intercompany creditors. At 31 March, HB relating to periods beginning on or after 1 April 2025 was received in advance, increasing the value at year end.
- **Deferred income (ST and LT):** This mainly relates to grant income for new build developments currently on site. Upon completion of the properties this income will be released to the I&E as grant income. No developments have completed in the YTD.
- **Long term bank finance loans** net of amortised fees are £1,095m and relate to funding drawn down from WFL1.

# 4a. Q1 Forecast 2025/26

	Full Year 2025/26		
	Forecast £k	Budget £k	Variance £k
<b>INCOME</b>			
Rental Income	241,420	241,420	0
Void Losses	(3,034)	(3,034)	0
<b>Net Rental Income</b>	<b>238,386</b>	<b>238,386</b>	<b>0</b>
<b>Grant Income New Build</b>	<b>25,685</b>	<b>25,685</b>	<b>0</b>
<b>Grant Income Other</b>	<b>2,863</b>	<b>2,863</b>	<b>0</b>
<b>Other Income</b>	<b>14,479</b>	<b>14,913</b>	<b>(434)</b>
<b>Total Income</b>	<b>281,413</b>	<b>281,847</b>	<b>(434)</b>
<b>EXPENDITURE</b>			
Employee Costs - Direct	37,846	37,846	0
Employee Costs - Group Services	15,439	15,388	(51)
ER / VR	1,025	1,025	0
Direct Running Costs	15,515	16,402	887
Running Costs - Group Services	8,942	8,942	0
Revenue Repairs and Maintenance	64,808	64,808	0
Bad debts	2,907	2,907	0
Depreciation	83,576	83,576	0
Demolition	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>230,058</b>	<b>230,894</b>	<b>836</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>51,355</b>	<b>50,953</b>	<b>402</b>
<i>Net operating margin</i>	<i>18.2%</i>	<i>18.1%</i>	<i>0.2%</i>
Net Interest Payable	(54,695)	(54,695)	0
<b>STATUTORY SURPLUS / (DEFICIT)</b>	<b>(3,340)</b>	<b>(3,742)</b>	<b>402</b>

	Full Year 2025/26		
	Forecast £k	Budget £k	Variance £k
<b>INVESTMENT</b>			
<b>Total Capital Investment Income</b>	<b>28,030</b>	<b>46,313</b>	<b>(18,283)</b>
<b>Investment Programme</b>	<b>63,437</b>	<b>62,937</b>	<b>(500)</b>
<b>New Build</b>	<b>54,221</b>	<b>62,305</b>	<b>8,084</b>
<b>Other Capital Expenditure</b>	<b>8,625</b>	<b>8,625</b>	<b>0</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>126,283</b>	<b>133,867</b>	<b>7,584</b>
<b>NET CAPITAL EXPENDITURE</b>	<b>98,253</b>	<b>87,554</b>	<b>(10,699)</b>

## Key Commentary:

A statutory deficit of £3,340k, £402k favourable to budget is reported.

- Other income is £434k lower than budget due a reduction of £553k in the intra group gift aid income from Wheatley Developments Scotland, following the lower forecast new build spend. This is partly offset by £119k of additional MMR income, linked to the higher than budgeted rent increase applied by Lowther in 2025/26.
- Employee and running cost group recharges are forecast to be £51k lower than budget and in with budget respectively, reflecting the timing of changes from the budgeted staff structure in Wheatley Solutions.
- Direct running costs are forecast to be £887k lower than budget due to donations to Wheatley Foundation paid earlier than budgeted in March 2025.
- Revenue repairs and maintenance are forecast to remain in line with budget. The compliance and repairs teams are closely monitoring spend to ensure it stays within budget.

Net capital expenditure is forecast at £98,253k and is £10,699k higher than budget.

- Capital investment income is forecast £18,283k lower than budget 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, in addition to a reduction in grant claimed in 2025/26, due to a later start at two sites (Abbottshall and Cook Street) with a corresponding reduction in new build spend.
- Investment programme is forecast to be £500k higher than budget with an increase in void costs of £500k, linked to the number of higher specification voids.
- New build investment expenditure is forecast to be £8,084k lower than budget primarily due to a delayed start at two sites (Abbottshall and Cook Street) linked to planning approval and site investigations.

## 4b. Q1 Forecast underlying surplus

- As with the year to date results to 30 June 2025, the Q1 Forecast full year out-turn Operating Statement (Income and Expenditure Account) is prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2018).
- An underlying deficit of £10,815k is expected for the full year as shown in the chart 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 forecast underlying deficit is £455k lower than the budgeted full year deficit mainly due to the donations to Wheatley Foundation paid earlier than budgeted in March 2025 partly offset by higher void costs within investment spend. The movement in underlying deficit in is favourable and contributes to the RSL Borrower Group position, where an overall underlying surplus is reported for the financial year to date. Financial performance continues to be managed within the overall budget parameters and covenants for the RSL Borrowers.

WH Glasgow Surplus - Q1 forecast 25/26			
	Forecast £k	Budget £k	Variance £k
Net operating surplus	51,355	50,953	402
add back:			
Depreciation	83,576	83,576	0
less:			
Grant income	(25,685)	(25,685)	0
WDS gift aid income	(1,929)	(2,482)	553
Net interest payable	(54,695)	(54,695)	0
Total expenditure on Investment Programme	(63,437)	(62,937)	(500)
Underlying deficit	(10,815)	(11,270)	455





## Report

**To:** Wheatley Homes Glasgow Board

**By:** Ranald Brown, Director of Assurance

**Subject:** Group Assurance update

**Date of Meeting:** 15 August 2025

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### 1. Purpose

- 1.1 This report provides the Board with an update for noting of the following matters:
- the Internal Audit Annual Report and Opinion 2024/25, which was approved by the Group Audit Committee on 14 May 2025; and
  - the internal audit work reported to the February and May Group Audit Committee meetings.

### 2. Authorising and strategic context

- 2.1 The Group Audit Committee is responsible for monitoring the Group's assurance activities, including approval of the Internal Audit Annual Report, and monitoring results as presented in quarterly Assurance Updates.
- 2.2 Under its Terms of Reference, the Board is responsible for managing and monitoring its compliance arrangements and operational performance. The activities undertaken by the Assurance Team provide the Board with independent assurance to support the Board in this role.

### 3. Background

- 3.1 The Group's Internal Audit team operates in accordance with the International Institute of Internal Auditors' International Professional Practices Framework ("IPPF"), which was revised during 2024/25. The new Global Internal Audit Standards ("GIAS" / the "**Standards**") applied from January 2025. In addition, the Chartered Institute of Internal Auditors issued a Code of Practice that supports the new Standards by providing additional guidance on the practice of Internal Auditing within the United Kingdom.
- 3.2 To meet the requirements of the Standards and the Code of Practice, at **Appendix 1** Internal Audit provides the Board with an Annual Report and Opinion, which summarises the results of the Internal Audit team's work during the financial year and provides an opinion on the Group's governance, risk management, and control framework.
- 3.3 In November 2024 and February 2025, the Group Audit Committee approved delivery of the following reviews, as part of the rolling Internal Audit Plan. The reviews highlighted in **blue font** are those relevant to this Board:

Allocations	CBG Performance Reporting (with GCC)	Frontline RSL Assurance checks
Payroll Data Analytics	Repairs Data Analytics	Treasury Management
Anti-Social Behaviour	Rent Credit Balances Data Analytics	Gas Safety Data Analytics

- 3.4 The Internal Audit team has now completed these reviews, and details of the relevant findings are set out in the report at **Appendix 2**.

#### 4. Discussion

##### *Internal Audit Annual Report and Opinion 2024/25*

- 4.1 A copy of the Annual Report and Opinion has been included at **Appendix 1** for the Board's information. The table below shows the different types of Internal Audit Opinion which may be given:

<b>No Assurance</b>	There are <b>business critical control weaknesses</b> identified from Group wide Internal Audit reviews undertaken in year. If not addressed as a priority, these weaknesses could affect the going concern status of one or more Group Subsidiaries.
<b>Limited Assurance</b>	There are <b>significant control weaknesses</b> identified from Group wide Internal Audit reviews undertaken in year, leaving scope for considerable improvement and concern is expressed about the adequacy of controls in mitigating risk to the Group.
<b>Substantial Assurance</b>	There are <b>control weaknesses</b> identified from Group wide Internal Audit reviews undertaken in year. The majority of existing controls and processes accord with accepted good practice and are operating effectively although some deficiencies do exist, which could result in increased risk of loss/failure affecting the achievement of strategic objectives.
<b>Full Assurance</b>	There are <b>no identified control weaknesses</b> identified from any of the Group wide Internal Audit reviews undertaken in year. Operating practices are considered optimised and industry leading, with no identified areas for improvement.

##### *Basis of Opinion*

- 4.2 There have been no material changes to the Group's objectives, activities or regulatory environment during 2024/25.
- 4.3 The internal audit engagements delivered during 2024/25 identified no critical weaknesses in the governance, risk or control framework that would put the

achievement of Group objectives at risk except for ongoing weaknesses in City Building Glasgow processes and controls in relation to governance and compliance matters. There continues to be joint working between the Wheatley Group and Glasgow City Council Chief Executives to improve governance and compliance controls within these areas.

- 4.4 As reported to the Group Audit Committee, Management has acted promptly to implement agreed audit actions throughout the year, thereby reducing the risk associated with audit findings.
- 4.5 During 2024/25, 6 of 30 risks within the Strategic Risk Register were reported as being outwith risk appetite. These risks were impacted by external factors over which management has limited influence and were reviewed by management and the Group Audit Committee each quarter to determine whether additional action was required.
- 4.6 Sufficient work has been undertaken to enable us to provide an opinion on the adequacy and effectiveness of the internal control environment in operation during 2024/25. In giving this opinion, it should be noted that assurance can never be absolute.

### Internal Audit Opinion 2024/25

Based on our Group-wide work undertaken in 2024/25 a **substantial level of assurance\*** can be given that the Group's governance, risk control framework is designed to support achievement of relevant organisational objectives and operating effectively, within the Group's risk appetite.

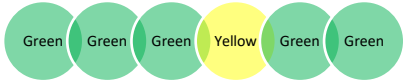
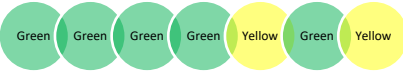


However, some weaknesses in the design or consistent application of controls remain and there were a small number of risks in the Strategic Risk Register that were outwith risk appetite. In particular, there continues to be joint working between the Wheatley Group and Glasgow City Council Chief Executives to improve governance and compliance controls within City Building Glasgow.

Management has agreed to the improvements to the Group wide control environment arising from our annual work and the progress of implementing these additional controls will be reported to the Group Audit Committee.

## Summary of work completed between November 2024 and May 2025

4.7 The tables below summarise the results of all internal audit work completed in the period since our last report.

### Assurance Reviews

Review Title	Relevant Subsidiaries	Control Objective Assessment	No of actions by type	
Allocations	Lowther, WH-E, WH-G, WH-S, Loretto		P - 2	CI - 3
CBG Performance Reporting (joint review with GCC)	Loretto, Lowther, WH-G, Solutions	Not applicable – assessment is in the full CBG report.	P - 1	N/A
Treasury Management	All Subsidiaries except Care and Foundation		N/A	CI - 4
Anti-Social Behaviour	Loretto, WH-E, WH-G, WH-S, Solutions		N/A	CI - 3
Rent Credit Balances Analytics	Loretto, WH-E, WH-G, WH-S, Lowther		N/A	CI - 2

### Advisory Reviews

Review Title	Relevant Subsidiaries	No of actions by type	
Frontline RSL assurance checks	Loretto, WH-E, WH-G, WH-S	N/A	CI - 1
CBG Partnership Oversight Board	Loretto, Lowther, WH-G, Solutions	N/A	N/A

### Focused Reviews

Review Title	Relevant Subsidiaries	No of actions by type	
Payroll data analytics	All subsidiaries except WDSL	N/A	N/A
Repairs analytics	Loretto, Lowther, WH-E, WH-G, WH-S, Solutions	N/A	N/A
Gas Safety Certificates data analytics	Loretto, Lowther, WH-E, WH-G, WH-S, Solutions	P - 1	CI - 2
Repairs analytics	Loretto, Lowther, WH-E, WH-G, WH-S, Solutions	N/A	N/A

#### 4.8 The control objective ratings are defined below:

Red	Amber	Yellow	Green
<ul style="list-style-type: none"><li>•Control objective not achieved.</li><li>•Control weaknesses identified could have a significant and immediate impact on the risks to achievement of the organisation's objectives.</li></ul>	<ul style="list-style-type: none"><li>•Control objective not achieved.</li><li>•Control weaknesses identified could have a moderate impact on the risks to achievement of the organisation's objectives.</li></ul>	<ul style="list-style-type: none"><li>•Control objective achieved.</li><li>•Control weaknesses identified could have a minor impact on the risks to the achievement of the organisation's objectives.</li></ul>	<ul style="list-style-type: none"><li>•Control objective achieved.</li><li>•Any control weaknesses identified could have very little impact on the risks to the achievement of the organisation's objectives.</li></ul>

#### 4.9 The actions are prioritised as follows:

##### Priority Action

- Applies to management actions that will address identified control weaknesses, usually where there is no control in place to mitigate the identified risk or the existing control does not provide assurance due to inadequate design of ineffective operation.

##### Continuous Improvement

- Applies to management actions where there is an existing control in place that provides assurance. However, the control could be strengthened through revised design or renewed application of existing controls ("house-keeping" issues); or further development of existing controls that are operating effectively, such as automation of a manual control.

4.10 More detail on the key findings for those reviews relevant to this Board are set out in the Assurance Update at **Appendix 2**. Full reports are available to all Board members upon request.

## 5. Customer Engagement

5.1 No customer engagement implications arise directly from this report although action owners may engage with customers to inform decision-making arising in the course of completing assigned actions.

## 6. Environmental and sustainability implications

6.1 No environmental or sustainability implications arise directly from this report.

## 7. Digital transformation alignment

7.1 No digital transformation alignment implications arise directly from this report.

## **8. Financial and value for money implications**

- 8.1 No financial or value for money implications arise directly from this report.

## **9. Legal, regulatory and charitable implications**

- 9.1 No legal, regulatory or charitable implications arise directly from this report.

## **10. Risk Appetite and assessment**

- 10.1 This report summarises the internal audit work performed during 2024/25 and informs the Board of specific risks arising from internal audit reviews performed between November 2024 and May 2025. The nature of the risks varies depending on the review and the agreed management actions are designed to help management to mitigate the identified risks.
- 10.2 Where management considers the risks identified through an internal audit review are sufficiently material to be included in the Group's risk profile, the risk is aligned to a Strategic Outcome and a risk appetite category assigned. This allows management to confirm whether the risk is being managed within risk appetite or if further improvement action is required.

## **11. Equalities implications**

- 11.1 This report does not require an equalities impact assessment.

## **12. Key issues and conclusions**

- 12.1 The Internal Audit team has completed its planned work for 2024/25 and the Director of Assurance has issued his annual opinion, as outlined at paragraph 4.6.
- 12.2 The Internal Audit team has completed the listed reviews. No significant matters were noted to bring to the attention of the Board members and 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.

## **13. Recommendation**

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

### **LIST OF APPENDICES:**

Appendix 1 - Internal Audit Annual Report and Opinion 2024/25  
Appendix 2 - Assurance update August 2025

# **Internal Audit Annual Report and Opinion 2024/25**

*Approved by Group Audit Committee  
14 May 2025*

# 1. Introduction



The purpose of this report is to provide Internal Audit’s view on the adequacy and effectiveness of the Wheatley Group’s (“the Group”) systems of governance, risk management and internal control, as assessed through delivery of the rolling Internal Audit Plan during 2024/25. The Internal Audit Plan is reviewed and approved by the Group Audit Committee (“the Committee”) each quarter.

The detailed findings from individual engagements have been reported to Management during the year, with a summary of the findings reported to the Committee at each of its 2024/25 meetings. Summary findings have also been reported to Subsidiary Boards and the Group Board where appropriate.

This Annual Report summarises the Internal Audit activity and therefore does not include all matters which came to our attention during the year. Such matters have been included within our detailed reports to Management and the Group Audit Committee during the year.

The Internal Audit function provides internal audit services that meet the Purpose of Internal Auditing (see opposite) and as set out in the Group Internal Audit Charter, in accordance with the Internal Audit Mandate.

## Purpose of Internal Auditing

Internal auditing strengthens the organisation’s ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight and foresight.

<p>Internal auditing enhances the organisation’s:</p> <ul style="list-style-type: none"><li>• Successful achievement of its objectives.</li><li>• Governance, risk management and control processes.</li><li>• Decision-making and oversight.</li><li>• Reputation and credibility with its stakeholders.</li><li>• Ability to serve the public interest.</li></ul>	<p>Internal auditing is most effective when:</p> <ul style="list-style-type: none"><li>• It is performed by competent professionals in conformance with the Global Internal Audit Standards, which are set in the public interest.</li><li>• The internal audit function is independently positioned with direct accountability to the board.</li><li>• Internal auditors are free from undue influence and committed to making objective assessments.</li></ul>
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*Domain 1: Purpose of Internal Auditing, Global Internal Audit Standards*



## 2. Annual Internal Audit Opinion

### Scope

In line with the Global Internal Audit Standards (“the Standards”), to which the Internal Audit function conforms, Internal Audit provides the Group Board, Audit Committee and Subsidiary Boards with an Internal Audit Annual Report. The report includes an opinion on the effectiveness of the Group’s governance, risk and control framework, and an opinion of whether the Group’s risk appetite is being adhered to, based on the work completed during 2024/25.

Our opinion is subject to the inherent limitations of Internal Audit as set out in Appendix 1 (Limitations and Responsibilities). In arriving at our Annual Internal Audit Opinion, we have taken the following matters into account:

- the effects of any material changes in the Group’s objectives, activities or regulatory environment;
- the results of all Internal Audit work undertaken (including any upheld instances of fraud or whistleblowing) during the year ended 31 March 2025;
- in accordance with the Wheatley Group City Building Glasgow Assurance approach, we have placed reliance on the internal audit work completed by the Glasgow City Council’s Chief Internal Auditor in relation to City Building Glasgow;
- Management’s progress to complete agreed audit actions within agreed timescales;
- risks assessed as being outwith risk appetite and management’s assessment of whether additional action was required; and
- whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the Group’s Internal Audit needs.

### Basis of Opinion

There have been no material changes to the Group’s objectives, activities or regulatory environment during 2024/25.

The internal audit engagements delivered during 2024/25 identified no critical weaknesses in the governance, risk or control framework that would put the achievement of Group objectives at risk except for ongoing weaknesses in City Building Glasgow processes and controls in relation to governance and compliance matters. There continues to be joint working between the Wheatley Group and Glasgow City Council Chief Executives to improve governance and compliance controls within these areas.

As reported to the Group Audit Committee, Management has acted promptly to implement agreed audit actions throughout the year, thereby reducing the risk associated with audit findings.

During 2024/25, 6 of 30 risks within the Strategic Risk Register were reported as being outwith risk appetite. These risks were impacted by external factors over which management has limited influence and were reviewed by management and the Group Audit Committee each quarter to determine whether additional action was required.

Sufficient work has been undertaken to enable us to provide an opinion on the adequacy and effectiveness of the internal control environment in operation during 2024/25. In giving this opinion, it should be noted that assurance can never be absolute.

## 2. Annual Internal Audit Opinion

### Annual Assurance Opinion Definitions

The different types of Internal Audit opinion which may be given are set out below:

<b>No Assurance</b>	There are <b>business critical control weaknesses</b> identified from Group wide Internal Audit reviews undertaken in year. If not addressed as a priority, these weaknesses could affect the going concern status of one or more Group Subsidiaries.
<b>Limited Assurance</b>	There are <b>significant control weaknesses</b> identified from Group wide Internal Audit reviews undertaken in year, leaving scope for considerable improvement and concern is expressed about the adequacy of controls in mitigating risk to the Group.
<b>Substantial Assurance</b>	There are <b>control weaknesses</b> identified from Group wide Internal Audit reviews undertaken in year. The majority of existing controls and processes accord with accepted good practice and are operating effectively although some deficiencies do exist, which could result in increased risk of loss/failure affecting the achievement of strategic objectives.
<b>Full Assurance</b>	There are <b>no identified control weaknesses</b> identified from any of the Group wide Internal Audit reviews undertaken in year. Operating practices are considered optimised and industry leading, with no identified areas for improvement.








### Internal Audit Opinion 2024/25

*Based on our Group-wide work undertaken in 2024/25 a **substantial level of assurance** can be given that the Group's governance, risk and control framework is designed to support achievement of relevant organisational objectives and operating effectively, within the Group's risk appetite. However, some weaknesses in the design or consistent application of controls remain and there were a small number of risks in the Strategic Risk Register that were outwith risk appetite. In particular, there continues to be joint working between the Wheatley Group and Glasgow City Council Chief Executives to improve governance and compliance controls within City Building Glasgow.*

*Management has agreed to the improvements to the Group wide control environment arising from our annual work and the progress of implementing these additional controls will be reported to the Group Audit Committee.*

### 3. Summary of Work Performed

This section summarises the results of Internal Audit reviews completed during 2024/25. The types of review, control objectives assessment ratings and number of actions by type are defined in Appendix 2.

Section and Review title	Type of review	Relevant Subsidiaries									Control Objective assessment	No. of actions by type	
		Care	Foundation	Loretto	Lowther	Solutions	WDSL	WH-E	WH-G	WH-S			
Development Completion & Post-Completion review	Assurance											P - 4	CI - 3
W.E. Notify Incident and Accident reporting	Assurance											P - 3	CI - 6
Faster Payments data analytics	Assurance											N/A	CI - 3
Allocations	Assurance											P - 2	CI - 3
Anti-social behaviour	Assurance											N/A	CI - 3
Rent credit balances data analytics	Assurance											N/A	CI - 2
Treasury Management	Assurance											N/A	CI - 4
SHR Annual Assurance Statement validation	Assurance										Not applicable	N/A	N/A
CBG Performance Reporting (Note 1)	Assurance										Not applicable	P - 1	N/A

### 3. Summary of Work Performed

*Continued from previous slide.*

Section and Review title	Type of review	Relevant Subsidiaries									No. of actions by type	
		Care	Foundation	Loretto	Lowther	Solutions	WDSL	WH-E	WH-G	WH-S		
Care Quality Assurance Framework	Advisory										P - 3	N/A
Post-Implementation Review	Advisory										P - 4	CI - 1
Frontline RSL assurance checks	Advisory										N/A	CI - 1
CBG Partnership Oversight Board	Advisory										N/A	N/A
Legislative Compliance mapping	Focused										N/A	N/A
Electrical Testing Certificates data analytics	Focused										P - 4	CI - 3
Purchase Cards data analytics	Focused										N/A	CI - 2
Rent Credit Balances	Focused										N/A	CI - 2
Helping Hand data analytics	Focused										P - 3	CI - 0
Payroll data analytics	Focused										N/A	N/A
Repairs data analytics	Focused										N/A	N/A
Gas Safety Certificates data analytics	Focused										P - 1	CI - 2
Retained Bond Prospectus review	Focused										N/A	N/A
Audit Scotland's NFI project	Focused										N/A	N/A

Summaries of all reviews conducted during 2024/25 have previously been reported to the Group Audit Committee and to Subsidiary Boards.

### 3. Summary of Work Performed

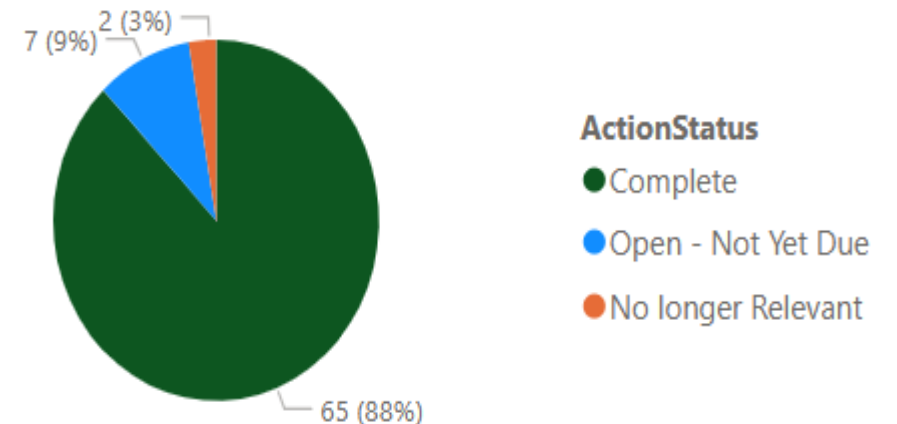
#### Follow up of management actions

Internal Audit completes quarterly follow up activity to verify that management have implemented agreed actions. The results are reported to each meeting of the Group Audit Committee, an annual summary of which is shown below.

Group-wide action status at 31 March 2025	Actions
Actions brought forward from 31 March 2024	14
New actions agreed during 2024/25	60
Total Actions followed up during 2024/25	74

All actions due for completion by 31 March 2025 were complete at the year end and therefore there were no overdue actions to report.

Count of ActionStatus by ActionStatus

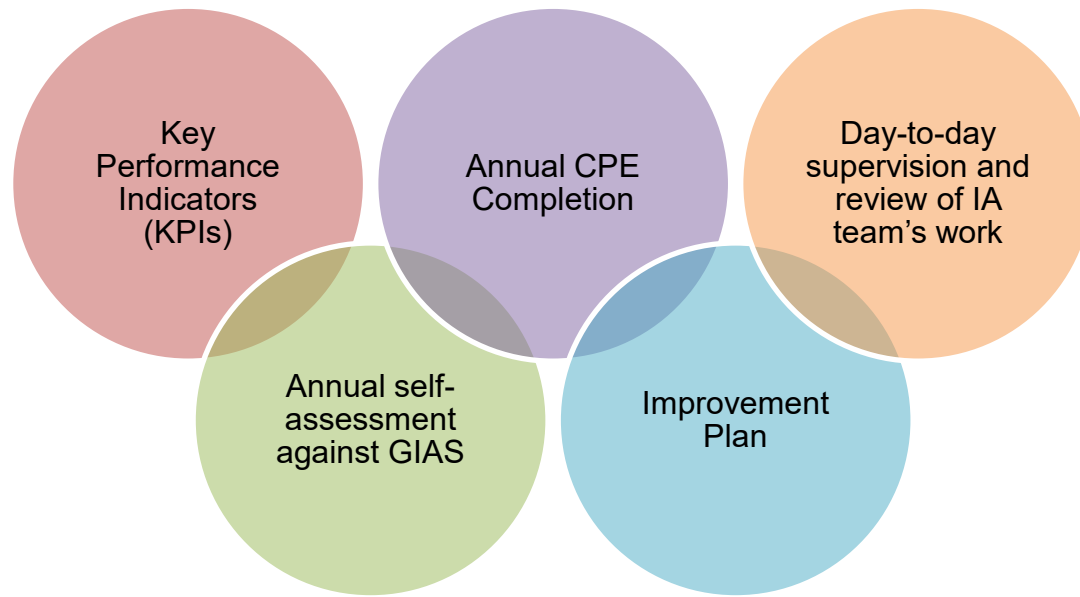


## 4. Quality Assurance and Improvement Programme

The Standards require the Director of Assurance to develop, implement, and maintain a quality assurance and improvement programme (QAIP) that covers all aspects of the internal audit function. The Group's QAIP consists of internal and external assessments.

### Internal Assessments

The Standards require internal assessments of the IA function's conformance with the Standards and progress towards performance objectives. The Group's internal assessment approach is set out below and the results are set out on the next slides.



### External Assessments

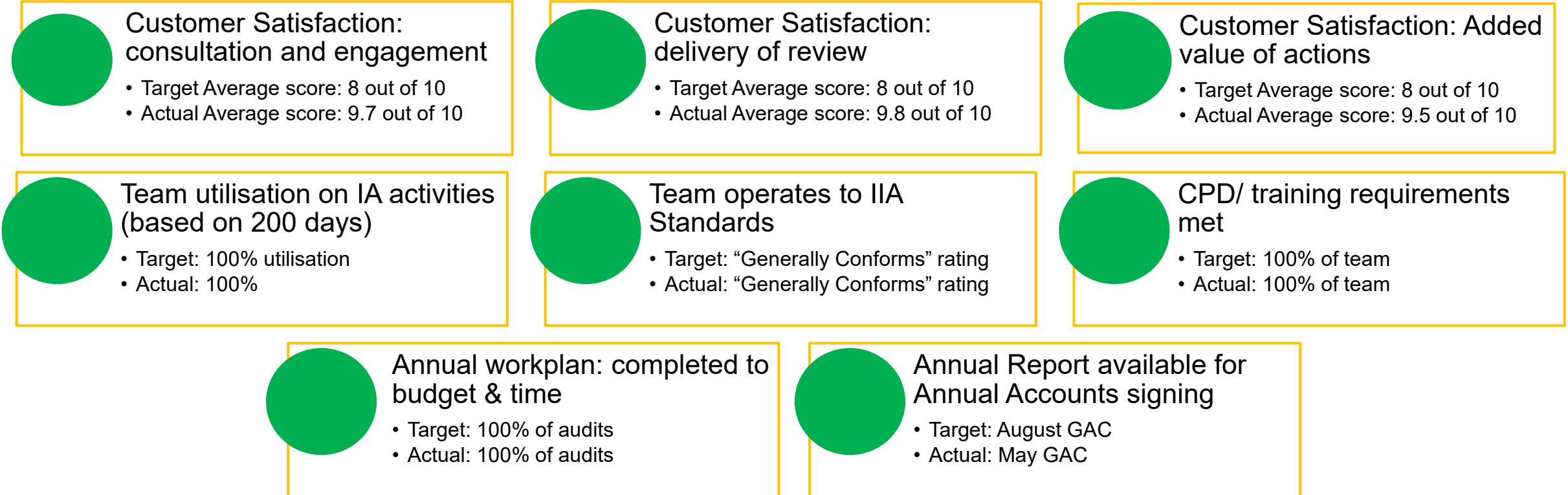
The Standards require that an independent external quality assessment (EQA) is completed at least once every five years, by a qualified, independent assessor or assessment team.

To be qualified, at least one member of the assessment team must hold an active Certified Internal Auditor designation.

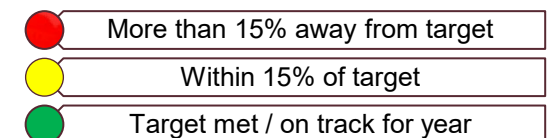
The next EQA is due in 2026/27.

## 4. Quality Assurance and Improvement Programme

The Internal Audit team's performance against its agreed KPIs for 2024/25 is set out below. The same KPIs are proposed for 2025/26.



The customer satisfaction measures are based on feedback forms completed by auditees following each review. Performance against target is allocated a Red, Amber or Green rating, as follows:



# 4. Quality Assurance and Improvement Programme

## Annual Self-Assessment against GIAS

The Internal Audit team completed its annual quality self-assessment, using a GIAS toolkit for the first time. In total, the toolkit provides a conformance assessment against 5 domains, 15 principles and 52 standards. In addition, 3 of the domains, 4 of the principles, and 8 of the standards have an additional performance assessment.

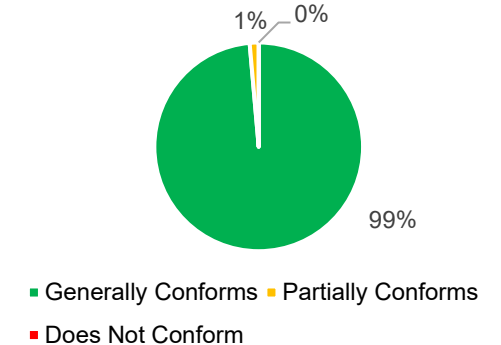
**Conformance results:** We conform in all 5 domains, all 15 principles and 51 out of 52 standards. There was one standard which was assessed as “*partially conforms*”: Standard 9.2 “Internal Audit Strategy”, because work to develop an updated Internal Audit Strategy was in progress at the time of the assessment.

**Performance results:** As above, one domain, one principle and one standard were recorded as having partial performance; all relating to the development of the IA Strategy. The remaining performance assessments were all “*reasonable performance*”, which equates to “*generally conforms*”.

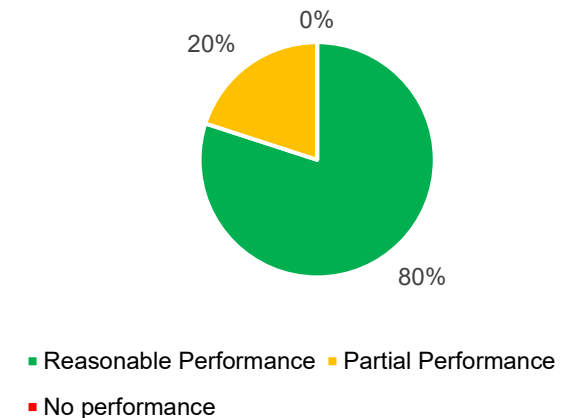
Actions to address the areas of partial conformance/ performance were captured in the Self-Assessment Improvement Plan, a summary of which is set out on the next slide.

Overall, the internal self-assessment rated performance as “**Generally Conforms**”, the highest rating available. Definitions of the ratings available are set out in Appendix 3.

## Conformance Results



## Performance Results





## 4. Quality Assurance and Improvement Programme

### Improvement Plans

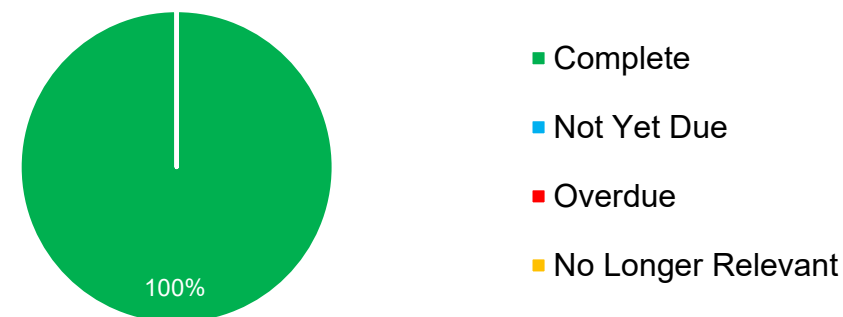
The Internal Audit team has delivered improvements through 3 actions plans during 2024/25:

**The Methodology Improvement Plan:** As reported to the Group Audit Committee in May 2024, the Internal Audit team reviewed its methodology against the new Global Internal Audit Standards, which came into force in January 2025. Six actions arose from that review, which were reported to the Committee until completed. All actions in this plan were completed during 2024/25.

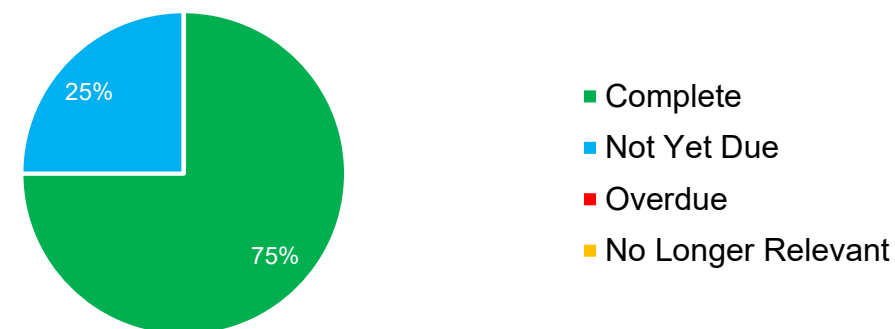
**Self-Assessment Improvement Plan:** Following the completion of the annual self-assessment, eight actions were identified and reported to the Group Audit Committee in January 2025. The status of the incomplete actions is reported to each Group Audit Committee meeting.

**KPI Improvement Plan:** There were no improvement actions arising from the customer feedback forms used to calculate customer satisfaction KPIs set out earlier in this report.

Methodology Improvement Plan



Self-Assessment Improvement Plan



# 5. Disclosures required by Global Internal Audit Standards

As required by the Global Internal Audit Standards, we confirm the following:

<div>Green</div> <div>Objectivity / Independence / Qualifications</div> <ul style="list-style-type: none"> <li>• GIAS requires the Director of Assurance to consider potential impairments to the IA team's independence and objectivity as part of the planning for each engagement. The team also confirms independence annually, and the Director's qualifications and independence are discussed with the Committee annually.</li> <li>• There were no impairments to objectivity or independence noted in relation to the reviews completed during 2024/25. All team members completed independence reviews in September 2024, and the Director confirmed all CPD requirements were met in the year, and he had no independence concerns.</li> </ul>	<div>Green</div> <div>Agreement of Findings</div> <ul style="list-style-type: none"> <li>• GIAS requires the Director of Assurance to report any areas of disagreement with management that have not been resolved during the reporting process.</li> <li>• The audit findings in all of the reviews completed in 2024/25 have been agreed with management as factually accurate and management has agreed the actions.</li> </ul>	<div>Green</div> <div>Unmanaged risks</div> <ul style="list-style-type: none"> <li>• GIAS requires the Director of Assurance to highlight any instances where, in his view, management's response to engagement findings leaves the Group facing an unacceptable level of risk.</li> <li>• There are no such concerns arising from management's response to the matters raised in 2024/25 reports.</li> </ul>	<div>Green</div> <div>Reporting Errors</div> <ul style="list-style-type: none"> <li>• GIAS requires the Director of Assurance to bring any significant errors or omissions arising from previous reporting to the attention of the Group Audit Committee and senior management.</li> <li>• An example of a "significant" error or omission would be where an incorrect control objective rating is provided, or a misleading overall conclusion for an individual engagement.</li> <li>• There were no such errors or omissions to report during 2024/25.</li> </ul>	<div>Green</div> <div>Conformance with Standards</div> <ul style="list-style-type: none"> <li>• GIAS requires the Director of Assurance to flag any reviews that were not completed in conformance with GIAS</li> <li>• All of the reviews completed in 2024/25 were performed in conformance with GIAS.</li> <li>• The IA Mandate and Charter are reviewed and approved by the Group Audit Committee every three years, or in the event of any updates being required.</li> <li>• They were most recently approved in May 2024 and the triennial review is due in May 2027. The Internal Audit team has confirmed no interim update is required.</li> </ul>
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Green	No concerns to be raised	Amber	Minor concern to be raised	Red	Significant concern to be raised
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# Appendices

# Appendix 1: Limitations and responsibilities

## Limitations Inherent to the Internal Auditor's Work

We have prepared the Internal Audit Annual Report and undertaken the agreed programme of work as set out in the Internal Audit Rolling Plan, subject to the limitations outlined below.

### Opinion

The Annual Internal Audit Statement is based solely on the work undertaken as part of the agreed Internal Audit Plan. The work addressed the control objectives agreed for each assignment as set out in our individual Terms of Reference. The matters raised in this report are only those which came to our attention during our Internal Audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

There might be weaknesses in the system of internal control that we are not aware of because they did not form part of our programme of work, were excluded from the scope of the individual review, or were not brought to our attention. Our audit plan is based on risk to capture the higher risk areas within the Group.

As a consequence, Management and the Group Audit Committee should be aware that our opinion may have differed if our programme of work or scope for individual reviews was extended or other relevant matters were brought to our attention.

## Internal Control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

## Responsibilities of Management and Internal Audit

It is Management's responsibility to develop and maintain sound governance, risk management, and control processes to ensure the prevention and detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for Management's responsibilities for the design and operation of these processes.

Internal Audit endeavour to plan work so that we have a reasonable expectation of detecting significant control weaknesses and if detected, we shall carry out additional work directed towards the identification of consequent fraud or other irregularities.

Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and our examinations as Internal Auditors should not be relied upon to disclose all fraud, defalcations or other irregularities which may exist.

# Appendix 2: Types of Review and Subsidiaries key

## Wheatley Housing Group Subsidiaries

The table below shows the Wheatley Housing Group subsidiaries to which the Internal Audit team provides internal audit services, along with the shortened form used for this report.

Wheatley Homes East (WH-E)	Wheatley Homes Glasgow (WH-G)	Wheatley Homes South (WH-S)	Loretto Housing (Loretto)	Lowther (Lowther)
Wheatley Care (Care)	Wheatley Foundation (Foundation)	Wheatley Solutions (Solutions)	Wheatley Development Scotland Ltd (WDSL)	

Internal audit services for the Group's joint venture, City Building Glasgow, are provided by the Glasgow City Council internal audit team and the results are reported separately.

## Review Types

The Group's internal audit services comprise assurance, advisory and focused activities, examples of which are outlined below.

Assurance:	Internal audits, continuous auditing data analysis, validation of management self-assessments. These reviews include an assessment against agreed control objectives within the final report.
Advisory:	Advisory review, project support, investigative data analysis to support development of management information
Focus areas:	controls mapping, pre-inspection visits, fraud investigations

# Appendix 2. Definitions of ratings

## Control Objective Classification:

The audit approach involves assessing the risks to the achievement of the control objectives. Controls to mitigate these risks are then identified and tested in terms design, adequacy and operating effectiveness. Where those controls are considered insufficient to mitigate the risks to the achievement of the control objective, the classification will be “red” or “amber”. Where the controls are adequate to mitigate the risks, the classification will be “yellow” or “green”. The classification allocated is based on audit findings and the Director of Assurance’s professional judgement, which will consider the strategic importance of the area under review.

Red	Amber	Yellow	Green
<ul style="list-style-type: none"><li>• Control objective not achieved.</li><li>• Control weaknesses identified could have a significant and immediate impact on the risks to achievement of the organisation’s objectives.</li></ul>	<ul style="list-style-type: none"><li>• Control objective not achieved.</li><li>• Control weaknesses identified could have a moderate impact on the risks to achievement of the organisation’s objectives.</li></ul>	<ul style="list-style-type: none"><li>• Control objective achieved.</li><li>• Control weaknesses identified could have a minor impact on the risks to the achievement of the organisation’s objectives.</li></ul>	<ul style="list-style-type: none"><li>• Control objective achieved.</li><li>• Any control weaknesses identified could have very little impact on the risks to the achievement of the organisation’s objectives.</li></ul>

## Action Prioritisation:

Each of the actions arising from an Internal Audit engagement is assigned a priority rating, as shown below. The prioritisation allocated is based on the Director of Assurance’s professional judgement.

### Priority Action

- Applies to management actions that will address identified control weaknesses, usually where there is no control in place to mitigate the identified risk or the existing control does not provide assurance due to inadequate design or ineffective operation.

### Continuous Improvement

- Applies to management actions where there is an existing control in place that provides assurance. However, the control could be strengthened through revised design or renewed application of existing controls (“house-keeping” issues); or further development of existing controls that are operating effectively, such as automation of a manual control.

# Appendix 3: Internal Quality Assessment (IQA) Definitions

The IPPF requires internal audit functions to complete a regular assessment of performance against standards. The Group has agreed that an internal quality assessment (IQA) will be completed annually, except in years when an external quality assessment (EQA) is completed. To assist with preparing for conformance with the new GIAS, an IQA was completed in December 2024, using the IIA's new GIAS-based assessment tool. The table below shows the assessment descriptions, with the highest rating being 'Generally Conforms'.

Assessment Opinion	Assessment Description
<b>Generally Conforms</b>	The relevant structures, policies, and procedures of the function, as well as the processes by which they are applied, conform with the requirements of the Global Internal Audit Standards 2024 in all material respects. For the Domains and Principles, this means that there is general conformance to a majority of the Standards (Requirements). There may be significant opportunities for improvement, but these must not represent situations where the function has not implemented the Principles and/or Standards (Requirements), has not applied them effectively, or has not achieved their stated objectives. As indicated above, general conformance does not require complete/perfect conformance, the ideal situation, successful practice, etc.
<b>Partially Conforms</b>	The function is making good-faith efforts to conform with the overarching requirements of the Global Internal Audit Standards 2024 i.e. Principles and Standards (Requirements), but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the elements of the Global Internal Audit Standards 2024 i.e. the Principles and Standards (Requirements) and achieving their objectives. Some deficiencies may be beyond the control of the function and may result in recommendations to senior management or the board of the organisation.
<b>Does not Conform</b>	The function is neither aware of nor making good-faith efforts to conform, with, or is failing to achieve many/all of the objectives of the Global Internal Audit Standards which includes the Principles and the Standards (Requirements). These deficiencies will usually have a significant negative impact on the function's effectiveness and its potential to add value to the organisation. These may also represent significant opportunities for improvement, including actions by senior management or the board.
<b>Not Applicable</b>	The function is unable to comply with the requirements of the Global Internal Audit Standards 2024 due to circumstances outside of its control, such as internal audit team size and/or regulatory/legal requirements.









# Assurance update

## 15 August 2025

***Ranald Brown***  
*Director of Assurance*

# 1. Internal Audit Plan Status

This report summarises the findings of the following Internal Audit activity completed during this period. Follow-Up activity is summarised at section 11 and the types of review, control objectives assessment ratings and number of actions by type are defined in Appendices 1 and 2.

Section and Review title	Type of review	Relevant Subsidiaries									Control Objective assessment	No. of actions by type	
		Care	Foundation	Loretto	Lowther	Solutions	WDSL	WH-E	WH-G	WH-S			
2 – Allocations	Assurance											P – 2	CI - 3
3 – Anti-Social Behaviour	Assurance											N/A	CI - 3
4 – CBG Performance Reporting (jointly with GCC)	Assurance											P – 1	N/A
5 – Treasury Management	Assurance											N/A	CI - 4
6 – Frontline RSL assurance checks	Advisory										Not applicable	N/A	CI - 1
7 – Rent Credit Balances data analytics	Assurance											N/A	CI - 2
8 – Payroll data analytics	Focused										Not applicable	Not applicable	
9 – Gas Safety Certificates data analytics	Focused										Not applicable	P – 1	CI - 2
10 – Repairs data analytics	Focused										Not applicable	N/A	N/A

## 2. Allocations

### Report Conclusion

The Housing (Scotland) Act 2014 sets out the legal framework for social housing lists and allocations and rules on priority of allocation of housing. RSLs must also comply with standards set by the Scottish Housing Regulator. MyHousing is the Group's online housing information, advice and letting service for RSLs and Lowther. It lets customers register, search for a home and note an interest online.

WH - South uses MyHousing to host Homes4D&G, the common housing register (CHR) for Dumfries and Galloway. WH - East uses EdIndex, the CHR led by the City of Edinburgh Council, for properties in Edinburgh. This review only considered controls over EdIndex that are owned by WH – East.

We reviewed the allocations processes in place across the Group's Housing subsidiaries and Lowther to assess whether controls were operating as designed.

We found that, in general, the processes in place are operating effectively. The MyHousing system provides automated controls that facilitate the allocation process and there are manual controls in place

that provide oversight in relation to the required manual overrides to the system, for example allocation of individuals to Band A (strategic housing need) and Band B (homelessness).

The Group meets regularly with the system supplier and there are appropriate controls in place to manage the contract, including business continuity plans and regular assessments of data and cyber

se [REDACTED] and  
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gu [REDACTED] support the assessment of the extent to  
which applicants meet Lowther's letting criteria.

# 2. Allocations

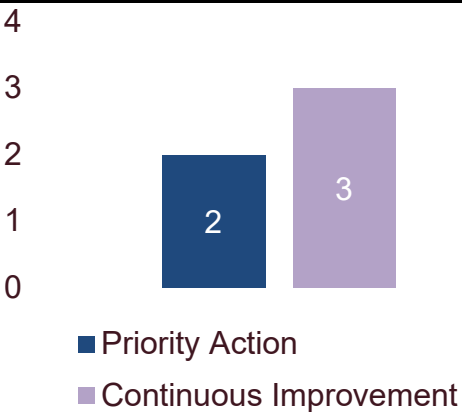
## Control Objective Classification

Green	The Group Housing Information, Advice and Letting Policy Framework and Model Policy meets legislative and regulatory requirements;
Green	Customer data stored by the Group is accurate, held securely, and deleted in line with agreed retention periods;
Green	Properties are accessible to all customers, and published advert timescales are followed to ensure all customers have a fair opportunity to submit notes of interest;
Yellow	Matching and selections are accurate, aligned to policy, and free from manipulation; and the housing verification process is followed before the tenancy agreement is signed;
Green	Decisions to house customers in Band A (exceptional need/management transfer) are made in line with policy, adequately evidenced, and subject to review;
Green	The MyHousing contract is actively managed to confirm cyber security controls are operating effectively, including user access reviews, vendor security assessments and business continuity plans.

## Relevant Subsidiaries

WH-E	Care	Foundation
WH-G	Loretto	Lowther
WH-S	WDSL	Solutions

## Number of Actions



## 2. Allocations

### Areas of Good Practice

- ✓ The Group's Housing Information, Advice and Letting Policy Framework and Model Policy is subject to annual review by the Homelessness and Letting Lead.
- ✓ The MyHousing contract is actively managed, with minuted meetings held weekly with the supplier and required actions/issues recorded in a formal action log. There is an annual review of the supplier's data protection and cyber security arrangements.
- ✓ There is a Letting and Homelessness Business Continuity Management Plan which is subject to annual review by the Management Director of Wheatley Homes East who is the Allocation lead for the Group RSLs.
- ✓ System access to MyHousing is reviewed and updated weekly from the WeSupport movers, leaver and joiners report.
- ✓ Controls are in place to confirm the accuracy of customer data, including a weekly review of incomplete applications, and a system-generated annual prompt to all applicants to review and, of required, update their data on MyHousing.
- ✓ There is a regular manual review of Cancelled and Housed application forms in MyHousing to confirm they are deleted in line with the Housing Retention Policy.
- ✓ MyHousing provides a full audit trail of all interaction made by staff, customer and system updates.
- ✓ Applicants can access letting properties from the Group, RSLs and Lowther websites to make notes of interest and an autobid function is available within MyHousing for applicants unable to use the system independently. This function registers notes of interests on relevant properties on the applicant's behalf.
- ✓ The quality and banding of all published adverts are subject to formal review by the Housing Access Team (HAT) for WHG and WHE before publication, with proposed changes to any adverts requiring updated being shared with housing officers and managers. For WHS, the HAT meets housing officers weekly to discuss advert bandings.
- ✓ Housing managers are issued with monthly reports relating to Band A award applications, suspended application and applicants on the transfer list, for review and amendment, if required.

## 2. Allocations

### Priority Actions

- We tested a sample of 30 Band A and Band B allocations for RSLs. While we found no evidence to suggest inappropriate allocations had been made, our testing identified inconsistencies in the availability of documentation to support application decisions, both in terms of which documents were available and where they were stored.  
**Management Response:** *We will work with Housing management to clarify the guidance on the documentation that should be stored within MyHousing to support the allocation decisions. (Due date 31/03/25)*
- We tested a sample of 5 lets for Lowther properties, including 2 MMR and 3 FMR properties. We found that there was not always sufficient documentation available on file to show that the applicant has met the criteria, including in the Lowther letting policy.  
**Management Response:** *i) We will provide additional guidance for staff to confirm that it covers all information that should be reviewed when considering whether applications meet the eligibility criteria as well as further detail on documentation standards. ii) We will also review our policy and guidance to consider whether the existing eligibility criteria remain appropriate. Due dates: i) 28/02/25; ii) 31/05/25*

## 2. Allocations

### Continuous Improvement Opportunities

- MyHousing has the functionality to generate an exception report that details all instances in which the system-generated application bands (based on the applicant assessment form) have been manually overridden by a member of staff. However, this report is not currently part of the Group's MyHousing reports. There is an opportunity to create a report from MyHousing which would highlight all application bands which had been overridden in the month.

**Management Response:** *We will work with Home Connections to determine whether an Allocations Application Banding Override report can be created. If this can be created, we will review the report on a monthly basis to identify any unusual activity. LHDs/HOH will be asked to confirm that use of the manual overrides are in line with known changes. (Due date 30/09/25 – due to contractor timescales)*

- Testing of MyHousing retention identified 3 instances where the application records appeared to have been retained for longer than necessary. Management's subsequent investigation identified that the applications are correctly recorded in the system. However, the

MyHousing report used for the testing appears to have extracted the dates incorrectly from the system. There is currently a manual review of the records flagged for deletion each week, which provides comfort that this is not a wide-spread issue within the report.

**Management Response:** *We immediately raised this issue with Home Connections, who are investigating the reason for the errors in the reports. We will continue to follow this up with Home Connections and, if required, implement a fix. (Due date 31/03/25)*

- In November 2024, Lowther started using the Group's MyHousing allocation management system to manage its online letting process. As this happened after the annual review of the Letting Policy in June 2024, the Policy does not explain that applicants should use MyHousing to apply for a property.

**Management Response:** *We will update Lowther Policy to reflect the use of MyHousing to process Lowther's applications. (Due date 31/05/25)*

### 3. Anti-Social Behaviour

#### Report Conclusion

The legislative framework that governs how Registered Social Landlords (RSLs) interpret and manage Anti-social Behaviour (ASB) is outlined within the Anti-social Behaviour (Scotland) Act 2004 and the Housing (Scotland) Act 2001. The Scottish Housing Regulator also requires RSLs to report on 2 specific ASB indicators within the Annual Return on the Charter each year.

The Group has identified managing ASB as a strategic priority, with an aim of delivering safe, calm and peaceful neighbourhoods where people want to live. To facilitate achievement of this objective, the Group developed an Anti-social Behaviour Prevention Framework, which was launched with a new operating model, 'Prevention and Solutions' in December 2023. The operating model replicates the public health approach towards policing, where the Community Improvement Partnership (CIP) team try to understand the causes of anti-social behaviour to address it and prevent any repeat incidents.

The Group's ASB processes are supported with use of the "Safer Communities" system, which allows frontline Housing Officers and the CIP team to record and manage incidents and delivers ASB management information.

This review assessed the extent to which the revised ASB processes have been implemented consistently across the Group. This included the use of the Safer Communities IT system and sample testing of Category A and B ASB reports. The review is relevant to RSLs only, due to the differing regulatory requirements between the RSLs and Lowther in relation to ASB.

Our findings show that as part of the new operating model, the Group has implemented a continuous improvement process to ensure all ASB cases are recorded and managed correctly, establishing retention policies for the Safer Communities system and introducing a regular review and update of Data Privacy Impact Assessment (DPIA).



# 3. Anti-Social Behaviour

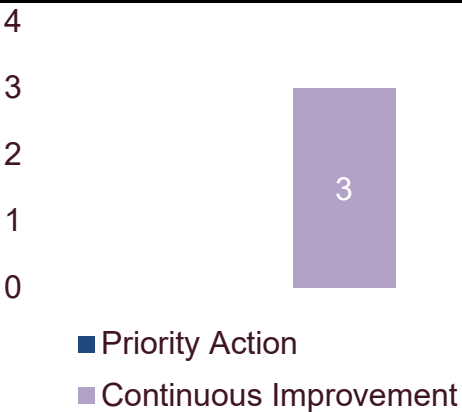
## Control Objective Classification

Green	The Group Anti-social Behaviour Prevention Framework and RSL Policies and procedures meet legislative and regulatory requirements, and are accessible to staff and customers;
Green	All relevant staff have completed training and can access guidance on the Group's ASB processes and procedures including use of Safer Communities;
Green	Category A and B ASB cases are accurately recorded and managed in Safer Communities in line with the Group's policy and procedures, including the use of appropriate escalation routes;
Yellow	Customer data stored by the Group and third parties acting in partnership with Group is accurate, held securely, and deleted in line with agreed retention policies;
Green	ASB reporting is complete, accurate, and designed to demonstrate delivery of the Group's Strategic objectives;
Yellow	The Safer Communities contract is actively managed to confirm cyber security controls are operating effectively, including user access reviews, vendor security assessments and business continuity plans.

## Relevant Subsidiaries

WH-E	Care	Foundation
WH-G	Loretto	Lowther
WH-S	WDSL	Solutions

## Number of Actions



### 3. Anti-Social Behaviour

#### Areas of Good Practice

- ✓ The Group Anti-Social Behaviour Prevention Framework and RSL policies and procedures are aligned with the relevant legislation, and are available to all staff on PolicyHub, and customers on Group and RSL websites.
- ✓ Detailed ASB Training has been provided to ASBIP Officers, Frontline Housing Officers and CFC staff to support appropriate management of cases.
- ✓ Overall, ASB processes are adhered to by ASBIP Officers and Frontline Staff in the recording and management of ASB cases, including actions, narrative notes and secure evidence storage.
- ✓ The ASB Toolkit clearly defines the ASB process, including the importance of providing support, definitions of ASB categories, and possible enforcement actions.
- ✓ The CIP team is in the process of formalising ASB quality assurance processes to support improvement and development across RSLs, with actions taken to resolve any findings identified.
- ✓ There is active management of cases, through Safer Communities dashboards and weekly case status reports produced by the CIP Compliance Officer, which are circulated to ASB Leads and Locality Directors for discussion and monitoring.
- ✓ Clear, measurable ASB targets have been set, which are aligned to the Group's Strategy and regulatory reporting requirements for the Annual Return on the Charter.
- ✓ Management information from partnership working is used to assist in identifying trends in communities and implement targeted support where required.
- ✓ The Policy and Performance Officer is in the process of implementing a monthly review of Safer Communities users by performing a reconciliation between user access reports and user access matrix to ensure that access is appropriate and in line with permission profiles.

### 3. Anti-Social Behaviour

#### Continuous Improvement Opportunities

- We identified a small number of cases (0.5%) where the incident issue and category appeared mismatched. The daily review of cases introduced in August 2024 to identify and correct such mismatches did not operate effectively at times when the staff member responsible was not at work. These mismatches do not impact individual outcomes, as the same process is followed, but may be reflected in management reporting. During the course of the fieldwork, management reviewed all of the mismatches in our analysis as part of the quality assurance process for year end ASB reporting and ARC submissions.  
**Management Response:** *We have identified additional team members who will be trained to complete existing daily checks. In addition, we will implement a monthly quality assurance review of a sample of cases to provide additional assurance that any mismatched cases have been identified and corrected. (Due date 31/05/25)*
- Currently, the Wheatley 360 retention schedule does not reflect the Safer Communities platform.  
**Management Response:** *We will undertake a review of the W360 retention schedule by 30<sup>th</sup> April which will be further strengthened by an annual review thereafter to ensure that it reflects current practice and ensure that information is held in line with the schedule. (Due date 31/05/25)*
- While it is good practice to perform an annual review of DPIA, there is not currently a defined process in place for the regular review and update of the Safer Communities DPIA, which has not been updated since September 2023.  
**Management Response:** *We will establish a process for the regular review and refresh of DPIA and VSAF to reflect any changes in processes and schedule an annual review to ensure that this is in line with best practice. (Due date 31/05/25)*

## 4. CBG Performance Reporting (joint review with GCC)

### Report Conclusion

#### Background

This review was performed jointly with Glasgow City Council (GCC) Internal Audit with a focus on investigation of potential exceptions in City Building Glasgow (CBG) repairs performance data, identified through GCC IA data analytics.

The potential exceptions related to differences in the repairs data between the Group and CBG systems and the purpose of the testing was to determine the reason for the differences.

Detailed findings have been reported by GCC Internal Audit to CBG and shared with the Group Audit Committee as part of GCC IA's CBG Assurance Update.

#### Work completed

Our work included:

- Interrogating the Group's iWorld housing management system for a sample of repairs identified by GCC IA and working with the Group's Data and Repairs teams to identify reasons for these differences; and

- Completing walk-throughs of Wheatley processes such as variations, post-inspections and billing on behalf of GCC IA.

#### Next Steps

GCC IA has reported on the findings relating to processes jointly owned by CBG and the Group in more detail in the full report on CBG Performance.

In order to ensure the integrity of the data, a sample of repairs was taken from the system and compared against the Group's system. The results of this comparison are detailed in the full report.

It is noted that, as part of our fieldwork, a Management Review of the invoice approval process has been completed, and new procedures are being implemented.

# 4. CBG Performance Reporting (joint review with GCC)



## Areas of Good Practice

- ✓ The Data team has regular meetings with City Building to investigate system issues and develop effective solutions. This has also strengthened working relationships between CBG and Wheatley;
- ✓ The Group does review CBG work orders for accuracy, challenging those where errors are present; and
- ✓ The Group have implemented a variation process with CBG to allow them to raise any corrections required to work orders, promoting this joint responsibility.

## Priority Action

➤ The Group's invoice approval process is a key control in determining the accuracy of amounts billed for repairs by CBG. Our review of a sample of 3 monthly inspection analysis reports (January, February and March 2024) noted a high “failure” rate of 75% for the sample selected for inspection, demonstrating the importance of the control. It should be noted that the sample was targeted on repairs that were expected to require checking due to the reviewer's detailed knowledge of how to apply the schedule of rates. As a result, the “failure” rate is expected to be lower across the whole population of invoices. There is a business continuity risk in relation to this process as currently there is only one member of staff completing the inspection reviews, on a part-time basis.

**Management Response:** Before work commences there is a pre-approval process in place for higher value repairs (jobs estimated to be £3,000 or greater). Repairs work orders are created by selecting the SoRs to generated the job and create the charge. On billing invoices are sampled for more detailed checking to check the correct SoR has been used for particular work types and costs. Thereafter weekly repairs invoices are subject to a tiered review and approval process through IPOS prior to final approval for payment. A more fundamental review of charging has begun and we anticipate moving towards a cost-plus basis which would remove the use of thousands of SoR codes, which are a legacy of the pre-JV client-contractor model, as the basis of charging. This would reduce the opportunity to allocate work to incorrect codes and thus reduce the required checking. Since the review was completed arrangements have been put in place to provider cover for the invoice review. (Due date 31/10/2025)

## Relevant Subsidiaries

WH-E	Care	Foundatio n
WH-G	Loretto	Lowther
WH-S	WDSL	Solutions

## Number of Actions

2

1

1

- Priority Action
- Continuous Improvement

# 5. Treasury Management

## Report Conclusion

The Treasury Management function has a key role in supporting the achievement of the Group's strategic objectives through provision of a strong funding platform to facilitate efficient growth and maintenance of a strong credit rating from the S&P credit rating agency. As a result, it is important that the Treasury Management processes, including cash management and covenant reporting are adequately designed and operating effectively.

This review assessed the extent to which controls in place to manage the Treasury Management function were adequately designed and operating effectively. Our review concluded that there are strong controls in place, such as segregation of duties being enforced through banking controls for all transactions; and regular, detailed reporting to Board on Treasury activities.

We identified four continuous improvement opportunities to further strengthen the control environment; which management has agreed to action. These include mitigating the risk of key person failure by developing additional guidance in relation to complex or infrequent tasks typically carried out by one person; introducing additional checks to confirm the completeness and accuracy of documents used for

Board and covenant reporting; and formally scheduling the currently ad hoc reviews of i) user access to online banking system and ii) the application of the team's retention schedule.



# 5. Treasury Management

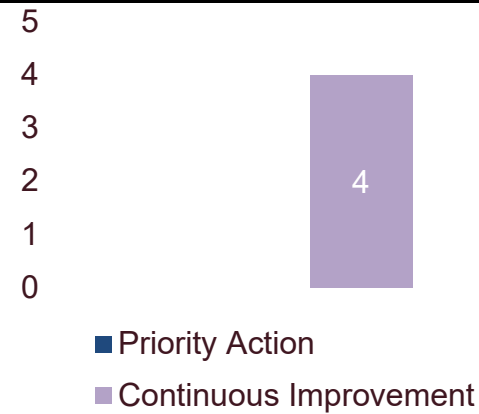
## Control Objective Classification

Green	The Group's Treasury Management Policy and supporting documentation are aligned to the CIPFA best practice guidance and are consistent with the Group's Standing Orders & Scheme of Financial Delegation;
Green	Investments are managed to preserve capital and maximise return within the liquidity and risk appetite limits set by Group Board;
Green	Debt instruments are managed within Golden Rules, risk appetite limits set by Group and Subsidiary Board and covenant requirements;
Green	The Group's cashflow position is closely monitored, with contingency arrangements in place should it fall below an acceptable level;
Yellow	Group Board receives regular and accurate updates on Treasury management performance against target to allow for appropriate scrutiny;
Green	Where sustainability targets are embedded within the Group's financing arrangements, we are able to provide accurate and complete evidence to demonstrate achievement of these targets; and
Yellow	There are adequate fraud prevention controls in place, such as segregation of duties and restricted access to Treasury systems and information.

## Relevant Subsidiaries

WH-E	Care	Foundation
WH-G	Loretto	Lowther
WH-S	WDSL	Solutions

## Number of Actions



# 5. Treasury Management

## Areas of Good Practice

- ✓ The Treasury team deposits excess cash into the Group's Money Market Fund (MMF) accounts, earning the Group £880K in interest payments between 1<sup>st</sup> January 2024 and 28<sup>th</sup> February 2025.
- ✓ Treasury updates prepared for Group Board provide detailed information to allow adequate scrutiny of key Treasury information and to inform decision making.
- ✓ Dual authorisation is required for every transaction processed in the Group's online banking portals, enforcing segregation of duties on all transactions irrespective of the value.
- ✓ The Treasury team is in the process of updating source data spreadsheets (such as the Borrowings spreadsheet and Valuations dashboard) to develop more automated summaries and graphs, reducing the need for manual interventions and reducing key person dependencies.
- ✓ Appropriate signatories were obtained and supporting documentation saved as evidence for the sample of 5 MMF subscriptions reviewed.
- ✓ The Treasury team members develop and maintain their professional knowledge by attending external webinars run by funders / other external stakeholders covering a range of topics such as fraud and the current economic climate.
- ✓ Confidential project folders held within the Treasury SharePoint site are restricted to only required users (i.e. not all Treasury team staff), ensuring that insider trading regulations are not breached.



# 5. Treasury Management

## Continuous Improvement Opportunities

- The Treasury team is completing a scheduled triennial review of the Group Treasury Management Policy (GTMP). There is an opportunity to supplement this with additional guidance for activities that are more complex or infrequent, which are usually completed by only one team member.

**Management Response:** *The revised GTMP will be presented to the Group Board for consideration and approval in June 2025. We will develop more detailed supporting documentation for those areas where there is a single person reliance risk or tasks that are complex or infrequent by 31 August 2025. (Due date 31/08/25)*

- While they did not impact on covenant reporting, our review of the spreadsheets and supporting documents used to facilitate Board and covenant reporting identified a small number of housekeeping matters relating to quality control of these documents.

**Management Response:** *We will introduce a scheduled task to review the completeness and accuracy of covenant reporting documents. We will review Treasury spreadsheets to identify additional system controls to be added, such as protected cells to minimise the risk of manual errors, without impacting the overall functionality of the spreadsheet. (Due date 30/06/25)*

- The Treasury team manages user access to the Group's online banking portals. Updates to access are made when an instruction from a line manager is received. There is no regularly scheduled review of user access.

**Management Response:** *We will liaise with the Group's banks to clarify and document our understanding of the access rights associated with the different user access levels the banks offer, and the available user access audit reports. We will schedule a quarterly review of user access. (Due date 30/06/25)*

- Currently, review of the Treasury retention schedule and the Treasury SharePoint site to confirm documents are held in line with the retention schedule is ad hoc.

**Management Response:** *We will schedule an annual task to review of the Treasury elements of the Finance retention schedule and the Treasury SharePoint site to ensure documents held there are retained in line with the retention schedule. (Due date 30/06/25)*

## 6. Frontline Housing Assurance Checks

### Report Conclusion

This advisory review has considered the arrangements in place to give Managing Directors (RSLs), Locality Directors and Heads of Housing comfort that frontline housing staff are operating as expected and following the policies and procedures in place. At the start of the review, management advised that they were aware that assurance checks required review to determine whether additional checks should be introduced.

The review has been completed in stages, and we provided an interim update to the Group Audit Committee in January 2025, outlining work completed to date, and remaining activity to be completed. During this final stage of the review, we met with the RSL MDs and agreed a “shortlist” of areas where additional controls or additional performance reporting may be able to provide desired assurance. The list included specific aspects of the selection, letting, and end of tenancy processes, and RSL records management arrangements.

Our interim update noted that much of the assurance currently available to Locality Housing Directors/ Heads of Housing comes from reviewing of performance reports and PowerBI dashboards, holding structured meetings with their team and routinely reviewing and discussing cases with team members. While this is mostly informal assurance, it is embedded in day-to-day business as usual activity, including visual measure boards and 1-2-1 discussions. Some assurance checks are also completed on behalf of RSLs by other teams including the Business Improvement Team and other Solutions teams.

In this final stage of the review, we have worked with the Business Improvement Team to understand their plans to implement checks and confirmed that the team will include checks across the priority areas shortlisted by the RSL MDs. Frontline Housing staff should now work with the Business Improvement Team to agree the specifics of these checks and determine what will be possible to implement in the short-term, and any actions required to enable the development of checks in the longer-term.

To [REDACTED] desired  
com [REDACTED]  
sh [REDACTED] RSL  
ma [REDACTED]  
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We [REDACTED] examination of ASTRA data fields to  
understand data collected in this system and have identified opportunities  
for use of this data to provide additional comfort over the shortlisted areas.  
For example, we have highlighted opportunities where data analytics could  
be used to provide additional oversight using the data already held in  
system.

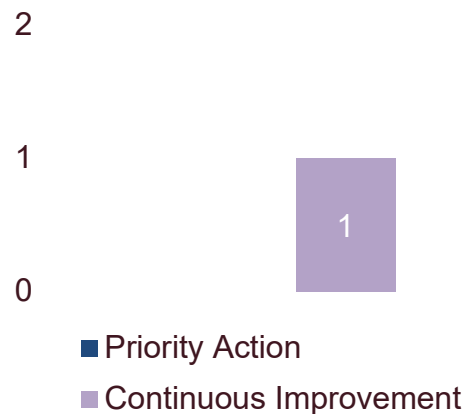
We have not tested any of the controls in place and have not provided a conclusion on the adequacy or effectiveness of the control arrangements in place. The final baseline assessment reflects management’s judgement on their required level of comfort, and how it is obtained.

# 6. Frontline Housing Assurance Checks

## Relevant Subsidiaries

WH-E	Care	Foundation
WH-G	Loretto	Lowther
WH-S	WDSL	Solutions

## Number of Actions



## Good practice

- We worked with RSL management to develop a baseline of areas where management identified that they have, or would like to have, comfort over frontline activity. The resulting baseline contains 20 areas of activity. We have been told that 16 of these have existing controls in place and the RSL MDs are satisfied with the level of comfort they receive over these areas.
- The RSL MDs have identified 4 areas of activity where they would like additional comfort. These are specific aspects of wider processes which would benefit from additional oversight.
- The Business Improvement Manager is developing a revised programme of frontline assurance checks and has agreed that the areas shortlisted by the RSL MDs should be included in this.
- The Business Improvement Team has sought advice from the Assurance Team on opportunities to improve the design and effectiveness of the frontline assurance checks. This report sets out recommended good practice, potential challenges and questions for both RSL MDs and the Business Improvement team to consider within the development of these checks.

## 6. Frontline Housing Assurance Checks

### Continuous Improvement Opportunities

- The Business Improvement Manager is developing a revised programme of frontline assurance checks and has agreed that the areas shortlisted by the RSL MDs will be included in this. To ensure that the resulting checks will meet their assurance needs, the RSL MDs, or their nominated officers, should work with the Business Improvement Team to agree the design and scope of the checks.

**Management Response:** *We will identify representatives from Communities of Excellence to work with the Business Improvement Manager to design proposed assurance checks across the shortlisted areas. Details of the proposed checks and/or the action plan to deliver desired checks will then be presented to the Housing DMT for agreement. This will include agreed roles and responsibilities for monitoring the results of the checks, and developing any actions required to drive improvement within the Frontline Housing processes in response.*

*(Due date 31/07/25)*



# 7. Rent Credit Balances Data Analytics

## Report Conclusion

We have completed an annual analytics-based review of rent credit balances, which has included follow up of two improvement actions arising from the previous review of these balances.

We also ran the analysis of credit balances for each RSL and Lowther and assessed the progress of management's investigation of large or long-outstanding balances.

We found that management has reviewed and updated processes for the management of both former and current credit balances. These processes are complex because it can be difficult to determine to whom the credit balances is due.

This is particularly the case for tenants receiving Universal Credit: as overpayments that may initially appear to be due to DWP may already have been claimed back by DWP directly from the tenant. In these cases, the credit would be due to the tenant. Management has been liaising with DWP to agree a process for reviewing these balances but has faced challenges in obtaining engagement from the appropriate teams within DWP.

These complexities are reflected in the analysis of rent credit balances, summarised on the next slide. This highlights that the majority of the balances are less than £999 and most between £200 to £336.

Management has developed new codes for use in Astra (the Group's customer relationship management system) in relation to tracing former tenants for the purpose of stage 1 and 2 of the credit balance review process. This has enabled management to identify former tenants who are not currently in contact with the Group and to contact them to determine if they are eligible for the credit. We have also identified a number of former tenant credit balances where a recipient for the credit cannot be traced.

# 7. Rent Credit Balances Data Analytics

## Summary of data analysis

In March 2025, there were 45,684 (38,751 at June 2024) accounts with credit balances totalling £11.6m (£9m) across all RSL subsidiaries and Lowther. These included 18,701 (12,437) current tenant accounts with credit balances totalling £6.3m (£4.1m) , and 26,983 (26,314) former tenant accounts with credit balances totalling £5.4m (£4.9m).

The tables below show that for both current and former tenant arrears, the vast majority are for £999 or less, with the average credit balances being £336 for current tenants and £200 for former tenants. It should also be highlighted that 94% of the current tenant credit balances are balances less that £999; this is reflective of work to manage arrears as the Group promotes the approach of having paid rent for a period in advance, rather than poor management of credit balances.

### Current Tenants

Value of credit balance	Number of credit balances	% of total credit balances
£999 or less (i.e. routine working balance)	17,574	94%
£1,000 to £9,999	1,112	6%
£10,000 or more	15	0%
Total	18,701	100%

### Former Tenants

Value of credit balance	Number of credit balances	% of total credit balances
£999 or less (i.e. routine working balance)	26,101	97%
£1,000 to £9,999	867	3%
£10,000 or more	15	0%
Total	26,983	100%

Fourteen of the fifteen current tenant balances with a value of more than £10,000 relate to customers with universal credit or housing benefit markers on their account; reflecting the challenges involved with making re-payments to DwP or Local Authorities. The remaining balance relates to an intensive housing management case where the agency pays the rent annually and in advance.

# 7. Rent Credit Balances Data Analytics

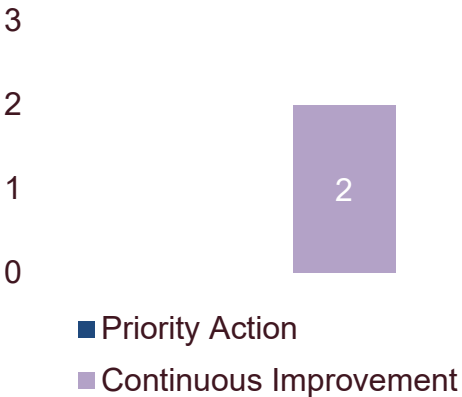
## Control Objective Classification

Yellow	There is an agreed policy for the treatment of former tenant credit balances, which has been implemented by staff;
Yellow	Credit rent balances are regularly reviewed by Housing teams for both current and former tenants;
Green	Credit balances that are greater than the accepted “working balances” (equivalent to two months’ rent) identified and investigated to determine whether any action is required; and
Green	Identified actions have been monitored to confirm they are completed within agreed timelines.

## Relevant Subsidiaries

WH-E	Care	Foundation
WH-G	Loretto	Lowther
WH-S	WDSL	Solutions

## Number of Actions





# 7. Rent Credit Balances Data Analytics

## Continuous Improvement Opportunities

- A process for investigation of former tenant credit balances, supported by additional coding in NEC to identify the creditor to whom the balance is owed (eg customer or DWP) has been drafted. The additional codes are currently in testing. Management should finalise the updated procedures, including actions relating to treatment of credit balances where the recipient cannot be traced.

**Management Response:** *We will liaise with colleagues in Legal, Treasury and Finance to consider a process relating to the treatment of credit balances where the recipient cannot be traced. Once a process has been agreed, we will then agree a timetable for updating the former tenant credit balance process to reflect the decision made and then issuing it to staff. (Due date 31/07/25)*

- Management should agree a plan for review of existing former tenant credit balances, in line with the revised procedures outlined above, to reduce the overall credit balance figure in the medium to long term. This could be completed as a staged process, to be monitored through the Rent CoE.

**Management Response:** *We will develop a long-term plan for assessing the historic former tenant balances. Delivery of the plan will be completed as a staged process, which will be monitored through the Rent CoE. (Due date 31/09/25 for development of the plan)*

## Summary of changes to processes

- ✓ Additional codes have been developed for use in NEC to clarify the status of former tenant credit balances. These align to the stages in the draft guidance developed for staff.
- ✓ Management has developed a draft former tenant credit balance procedure to facilitate the progression of balances through this investigation process.
- ✓ Power Bi reporting is being developed to provide management with oversight of the number of credit accounts, value of these accounts and outcomes of investigations (e.g. due back to customer/LA/DWP).
- ✓ Current tenant credit balances largely relate to working balances of less than £1,000, with the average value being £336. This reflects the successful application of the Group's approach to arrears management.



## 8. Payroll Data Analytics

### Report Conclusion

The Internal Audit team previously worked with the Payroll team to develop and embed a continuous audit approach using the data analytics tool IDEA. The results were reported to the Group Audit Committee quarterly to the end of 2023/24 with no issues identified. From 2024/25 it was agreed that these checks would be completed on an annual cycle. We have now completed the annual analytics checks for all Group payrolls completed in 2024/25 to date and have found no issues.

This focused annual review covered payments made through the payroll system 'Access' between 6 April and 29 November 2024. We used our data analytics tool IDEA to run automated tests on Payroll data extracted from the Access system. We then compared potential exceptions with records of payroll changes, remuneration reports and rule infringement reports held by the Payroll team. We confirmed that these potential exceptions were explained within the Payroll team's existing reporting and that no further action was required.

The continuous analytics approach is focused on specific risks within the payroll process and includes checks for duplicate payments, ghost employees and other indicators of fraud. It does not cover the end-to-end Payroll process or give assurance over the adequacy of all controls in place within the Payroll process.

### Summary of findings

Our analysis of 2024/25 Payroll data to date found:

- 7 unique employee number appeared on more than one payroll. These were 7 employees who changed role during the period and moved from the two weekly to four weekly payroll;



- 81 records where the employee received either zero or negative Gross and/or Net pay in the period. These related to leavers, sickness absence with no pay, maternity leave with no pay, and relief staff.

As there have been no changes to the Payroll process following the CIPHR upgrade, we did not identify any opportunities to improve the efficiency or scope of the existing continuous audit approach at this time.

# 8. Payroll Data Analytics

## Relevant Subsidiaries

WH-E	Care	Foundation
WH-G	Loretto	Lowther
WH-S	WDSL	Solutions

*The review is applicable to all Group subsidiaries except Wheatley Development Scotland Ltd which has no payrolled employees. Expenses and Overtime payments will be covered in a separate review.*

## Number of Actions

*We identified no priority actions or areas for improvement during this focused review.*

## Areas of Good Practice

- ✓ All payroll records required to complete the continuous audit approach were available for testing;
- ✓ Rule infringement reports are run by the Payroll team ahead of each pay run and show evidence of review, with reasons for exceptions recorded;
- ✓ Changes spreadsheets are used to record and manage all changes required to each Payroll including details of new starts, leavers, changes to roles, changes to cost centers, and planned periods of leave. These spreadsheets contain a record of who has processed each change and who it has been checked by.
- ✓ We were able to reconcile the potential exceptions flagged during our analytics testing to the records maintained by the Payroll team and found no issues with the accuracy or completeness of the records used during our testing.

# 9. Gas Safety Certificates Data Analysis

## Report Conclusion

This review used data held in the Group systems to assess the completeness and accuracy of gas safety reporting for the Group RSLs and Lowther. Gas Servicing information is held differently across the East, South and West of the Group in line with local systems and processes:

- In the West, gas service records are recorded within the City Building system Servitor, then transfer into iWorld, the housing management system, with completion dates and certificates also recorded in PIMSS.
- In the East prior to April 2024 gas service certificates were manual and records were held in Genero and iWorld. Since April 2024, electronic records of completion have been stored in Servitor.
- In the South, all gas servicing information is held in Servitor.

These different approaches mean that there are differences in the gas servicing reports available to management. A strategic project is currently being scoped to design a longer-term compliance management solution that is data and technology driven. A key aim of this will be to align the approaches, process and systems used across the South, East and West.

We have analysed data held at the time of our review in iWorld, Servitor, and PIMSS, and locally held records, and confirmed that 46,860 domestic gas properties across the Group RSLs and Lowther had an in-date gas service at the time of our fieldwork. We also completed testing to confirm whether a corresponding Landlord's Gas Safety certificate was held for these properties. We confirmed that certificates were held for a sample of 30 East and 50 South gas

properties. For the West (Wheatley Homes Glasgow, Loretto Housing, and Lowther West) we analysed PIMMS records of certificates held to confirm that these reconciled to the last service date for each gas property.

We found 2,299 properties (7%) where the "Gas Service Last Date" recorded in PIMSS, and the latest Certificate Date recorded in iWorld did not match. Management advised that these differences are due to a known IT interface failure between the City Building system and the iWorld system. The City Building system (CBG) is the primary system for recording gas service information.

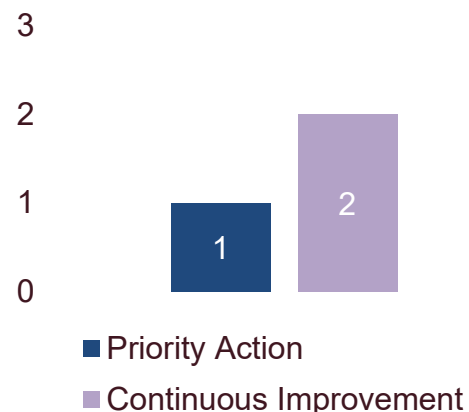
	Number of gas properties (at time of testing)	With an in-date gas service record	with a corresponding Landlord Gas Safety Certificate
WH Glasgow	28,163	28,163	26,086 (93%)
Loretto Housing	2,388	2,388	2,246 (94%)
Lowther West	1,204	1,204	1,124 (93%)
Lowther East & South	902	902	100% of sample tested
WH East	5,930	5,930	100% of sample tested
WH South	8,273	8,273	100% of sample tested

# 9. Gas Safety Certificates Data Analysis

## Relevant Subsidiaries

WH-E	Care	Foundation
WH-G	Loretto	Lowther
WH-S	WDSL	Solutions

## Number of Actions



## Areas of Good Practice

- ✓ Gas servicing is scheduled on a rolling 10-month cycle to allow for all services to be completed in advance of the annual servicing requirement.
- ✓ Gas servicing approach is automated, with appointments driven by the service due dates.
- ✓ Daily gas servicing reports are available on Boxi (iWorld data) and Servitor, enabling Compliance teams across the West, South and East to review and monitor compliance on an ongoing basis.
- ✓ During the last 12 months WH-E has migrated its property records from Genero to Servitor and has moved from manual Landlord Gas safety Certificates to electronic versions. Prior-year paper certificates are being prepared for transfer to our secure document storage provider Restore.
- ✓ There is no direct interface between the version of Servitor used in the East and iWorld. To ensure all gas service requirements have transferred accurately from the previous system Genero onto Servitor, daily reconciliations are completed by the Compliance team in the East.
- ✓ Forced access arrangements are in place to ensure all properties remain gas compliant.
- ✓ External audits by gas specialists confirm the quality of servicing for a sample of properties each year.

## 9. Gas Safety Certificates Data Analysis

### Priority Actions

- We identified 2,299 properties (7%) where the "Gas Service Last Date" and latest Certificate Date recorded in PIMSS did not match. While the iWorld records confirm that a service has taken place for these properties, the corresponding certificates are not held in PIMSS. We were informed that the certificates do exist, and that the differences we identified are due to a known IT interface failure between Servitor and iWorld, meaning certificates do not always transfer correctly into iWorld from Servitor. A solution is being sought to have these added correctly uploaded to iWorld. Further sample checking will be completed to determine whether certificates are held on all systems once the management action is complete.

**Management Response:** *This issue was caused by a known interface failure between Servitor and iWorld. Certificates are supposed to transfer overnight following completion of each service, but this was not happening in all cases. The list of UPRN's has been issued from Wheatley IT to CBG IT in a bid to identify a process for reconciling the certification gap as a result of the previous IT interface between Servitor and iWorld. Discussions continue with CBG IT and we will hold fortnightly meetings with IT and Operational leads from Wheatley and CBG to progress the resolution of this issue. (Due date 31/10/25)*

## 9. Gas Safety Certificates Data Analysis

### Continuous Improvement Opportunities

- The East Compliance team perform daily reconciliations of gas servicing data held in iWorld and Servitor to confirm the completeness of the data in Servitor. During our testing we identified differences between information held in Servitor and PIMSS and identified 20 service completions which had not updated in Servitor.

**Management Response:** Existing reconciliations will be extended for another 6 months to allow time for any further issues to be identified and addressed. At the end of this period the Compliance Coordinator will determine if the checks are still required. (Due date 31/10/25)

- The Communal Gas Servicing programme in the West is managed on a spreadsheet maintained by the Group Compliance Manager. As this is a manual record there is a risk of human error, and reliance is being placed on the Group Compliance Manager to ensure this is up to date and accurate.

**Management Response:** All plant rooms connected with Group Heating have been allocated a Unique Property Reference Number (UPRN) so they are all now clearly identifiable within the asset register and iWorld, and all certification is now available through PIMMS.

The automation of the service process needs to be resolved through joint working across the compliance teams in the West and in CBG and a timetable agreed between us which will involve changes to working practices around PDAs for CBG teams.

We will hold fortnightly meetings with IT and Operational leads from Wheatley and CBG to progress the resolution of this issue (Due date 31/10/25)

# 10. Repairs Data Analytics

## Report Conclusion

### Review Background

The Group's approach to management of damp and mould, including damp and mould reporting to Executive Team (ET) and Boards has been evolving over the last 18 months, as changes to repairs processes and systems are implemented across the Group, and as management's understanding of required performance information develops.

Further changes are required in the coming months, in particular as a result of the Scottish Housing Regulator's (SHR) changes to the ARC measures, which have resulted in changes to damp and mould reporting for 2025/26 onwards.

The findings of this review therefore recognise that the current reporting process is viewed by management as an interim position, and that plans are in place to develop more automated reporting once the KPIs have been finalised.

### Work completed

This review analysed repairs data to assess the completeness and accuracy of existing damp and mould exception reporting, including the consistency of reporting across subsidiaries. The review was completed in three stages.

Stage 1 involved a walkthrough of the existing damp and mould reporting process, to understand the source of the data used for ET and Board performance reporting; Stage 2 assessed the completeness and accuracy of the performance reporting through reperforming the calculations of damp and mould figures used in the October 2024 ET Performance Report and November 2024 Board Performance Reports; and Stage 3 considered additional reporting that could

provide enhanced assurance.

### Next Steps

Due to the complex and manually intensive process in place to collate the data used for damp and mould reporting, we were unable to fully reperform the calculation of a small percentage of the figures reported. This does not mean that these figures were incorrect, but that the audit trail was not sufficiently detailed to allow

The [REDACTED] cases  
and [REDACTED]  
management identified  
from [REDACTED]

The [REDACTED]  
data [REDACTED] period August – November 2025. Rather than raising actions for follow up from this review, we will ensure that management's planned actions have been completed when we complete the Damp and Mould review in August 2025.

More information about the specific findings from the review is available on the next slide.



# 10. Repairs Data Analytics

## Report Conclusion

### Summary of Findings

We re-performed the October 2024 damp and mould ET and Board KPIs from the source data and were able to re-perform and agree with 162/198 (82%) of the measures, across all subsidiaries.

We were unable to re-perform 5 measures across WH-East and WH-South as the source data shows the year-to-date figure on the date it is viewed, and a record is not kept of the position when the report is run each month.

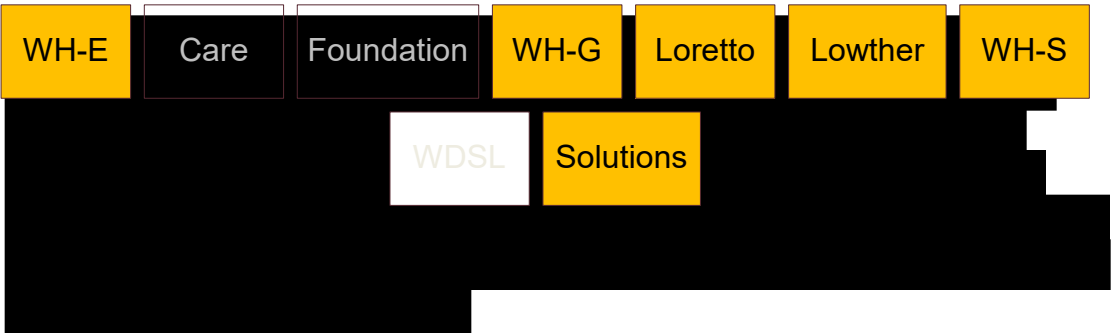
We obtained different figures to those reported when reperforming the remaining 31/198 (16%) measures, 16 of which relate to the ‘Mould Inspections raised and attended within 2 Working Days’ data table. This is the most manual set of measures to calculate and management was already working to review and develop this area of reporting.

For the 31 measures where we were unable to agree the reported figure, we were able to agree the figures at the point they were taken from monthly source reports. Due to the complex nature of having different reporting systems and repairs processes across the three geographic areas, with inconsistent source data across subsidiaries, it is necessary to manually adjust these source report figures. However, a full audit trail for these adjustments was not maintained, with the result that we were unable to fully reperform the reporting. We noted that these adjustments were generally small.

We also noted a small number of data transfer errors between repairs management reports and the final ET performance report, which would be

rectified by more automated reporting across all subsidiaries. The largest difference found was the Group figure for “total number of mould lines raised”, which was understated by 50 (reported as 945 not 995) due to incorrect addition within a table.

### Relevant Subsidiaries





# 10. Repairs Data Analytics

The table below sets out the actions planned by management to address the findings on the previous slide. We will follow up management's implementation of these actions in August 2025.

## Planned Management actions

The **Data and Performance teams** plan to:

- Continue supporting Repairs teams to align cost centres, SOR codes and trade types across all repairs, with the aim of preventing mis-diagnosis of repairs.
- Support the review of damp and mould KPIs by ET, Repairs management, and the Performance Team to ensure these remain appropriate and reflect the SHA ARC measure changes. This will include the presentation of these measures in the performance report to ensure this is clear and consistency of measures across subsidiaries.
- Keep an audit log of ET and Board KPIs reported, including source reports and any manual interventions required to produce these.
- Work with the repairs performance team to develop exception reporting to identify anomalies in the source data to be actioned.
- Develop an automated Power Bi report to produce ET damp and

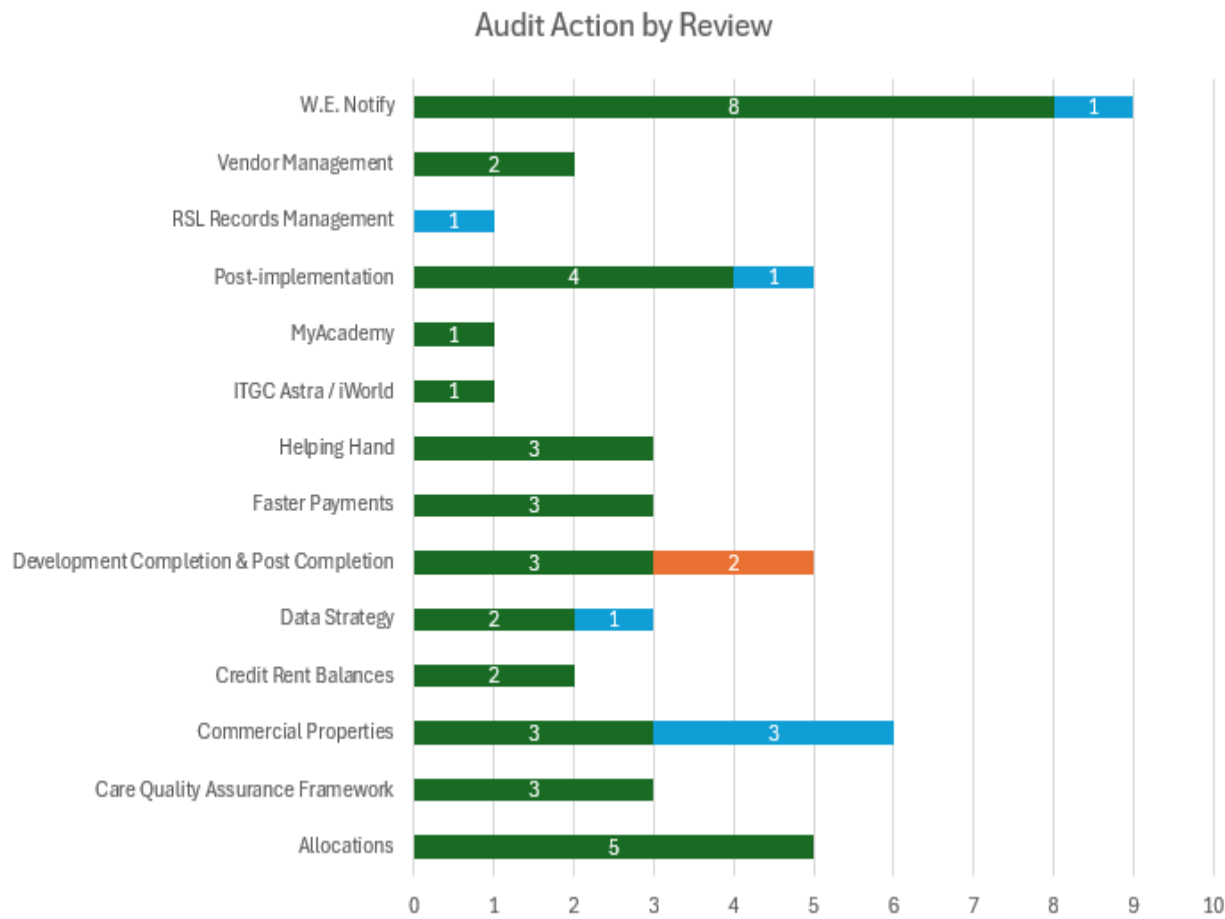
mould performance measures, minimising the need for manual intervention.

**Repairs management** plans to:

- Review training of WH-East staff to increase the accuracy of damp and mould repairs raised through Servitor.
- Work with the Data team to develop exception reporting to identify anomalies in the source data to be actioned. Actioning of any anomalies will be by the repairs teams.
- Continue work with the Data team to inform and develop a proactive damp and mould dashboard, focused on key analysis and management information to ensure the damp and mould process is operating as it should.
- Review the Group's approach to damp and mould with the aim of making this more efficient, effective and consistent across subsidiaries.

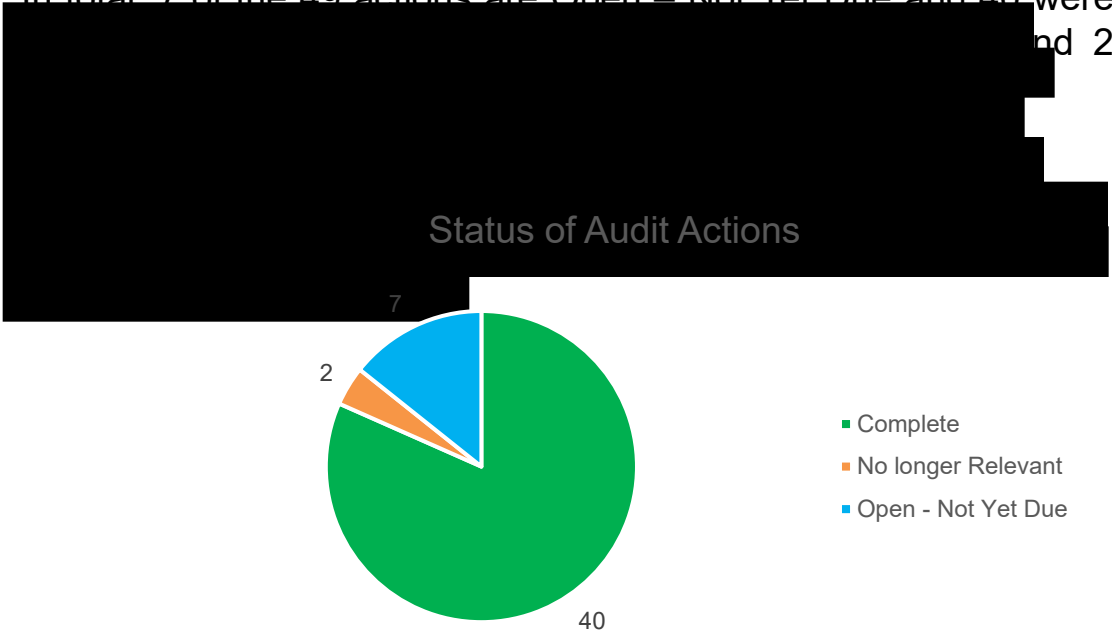
# 11. Follow Up

In second half of 2024/25, the Internal Audit team followed up 49 actions. The graph below shows the status of these actions by review.



Group-wide action status at 31 March 2025	Actions
Actions brought forward from 30 September 2024	21
New actions agreed	28
Total Actions followed up	49

In total, 7 of the 49 actions are Open – Not Yet Due and 40 were Complete and 2 were No longer Relevant.



# Appendices

# Appendix 1: Types of Review and Subsidiaries key

## Wheatley Housing Group Subsidiaries

The table below shows the Wheatley Housing Group subsidiaries to which the Internal Audit team provides internal audit services, along with the shortened form used for this report.

Wheatley Homes East (WH-E)	Wheatley Homes Glasgow (WH-G)	Wheatley Homes South (WH-S)	Loretto Housing (Loretto)	Lowther (Lowther)
Wheatley Care (Care)	Wheatley Foundation (Foundation)	Wheatley Solutions (Solutions)	Wheatley Development Scotland Ltd (WDSL)	

Internal audit services for the Group’s joint venture, City Building Glasgow, and the results are reported separately.

## Review Types

The Group’s internal audit services comprise assurance, advisory and focus areas which are outlined below.

Assurance:	Internal audits, continuous auditing data analysis, validation of management self-assessments. These reviews include an assessment against agreed control objectives within the final report.
Advisory:	Advisory review, project support, investigative data analysis to support development of management information
Focus areas:	controls mapping, pre-inspection visits, fraud investigations

# Appendix 2. Definitions of ratings

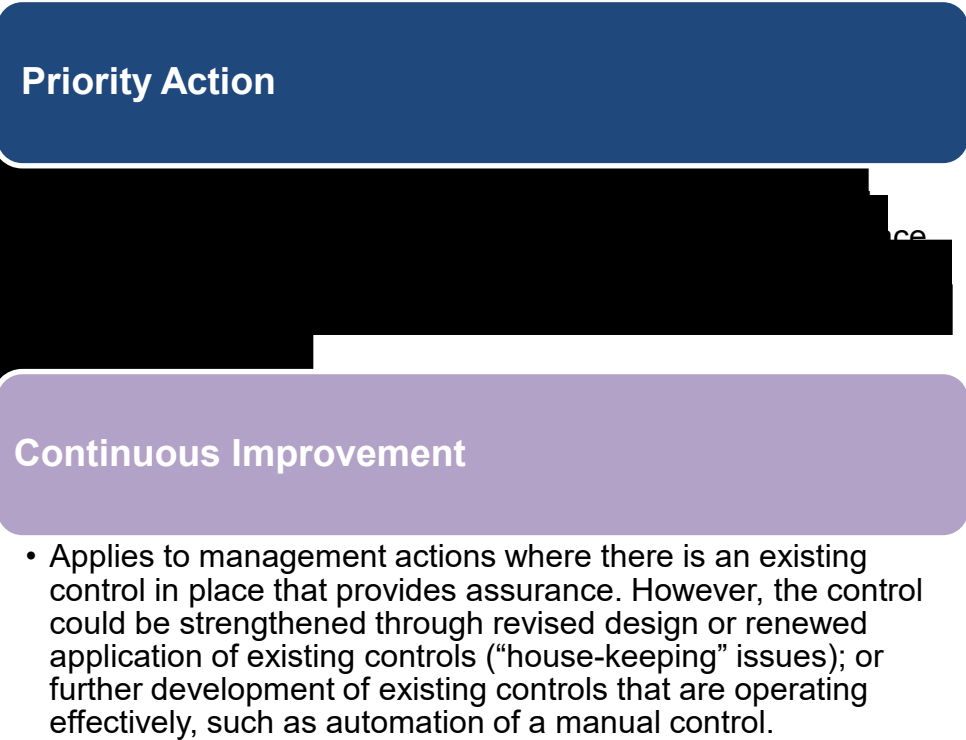
## Control Objective Classification:

The audit approach involves assessing the risks to the achievement of the control objectives. Controls to mitigate these risks are then identified and tested in terms design, adequacy and operating effectiveness. Where those controls are considered insufficient to mitigate the risks to the achievement of the control objective, the classification will be “red” or “amber”. Where the controls are adequate to mitigate the risks, the classification will be “yellow” or “green”. The classification allocated is based on audit findings and the Director of Assurance’s professional judgement, which will also consider the strategic importance of the area under review.

Red	Amber	Yellow	Green
<ul style="list-style-type: none"><li>Control objective not achieved.</li><li>Control weaknesses identified could have a significant and immediate impact on the risks to achievement of the organisation’s objectives.</li></ul>	<ul style="list-style-type: none"><li>Control objective not achieved.</li><li>Control weaknesses identified could have a moderate impact on the risks to achievement of the organisation’s objectives.</li></ul>	<ul style="list-style-type: none"><li>Control objective achieved.</li><li>Control weaknesses identified could have a minor impact on the risks to the achievement of the organisation’s objectives.</li></ul>	<ul style="list-style-type: none"><li>Control objective achieved.</li><li>Any control weaknesses identified could have very little impact on the risks to the achievement of the organisation’s objectives.</li></ul>

## Action Prioritisation:

Each of the actions arising from an Internal Audit engagement is assigned a priority rating, as shown below. The prioritisation allocated is based on the Director of Assurance’s professional judgement.





## Report

**To:** Wheatley Homes Glasgow Board

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

**Approved by:** Steven Henderson, Group Chief Executive

**Subject:** Governance update

**Date of Meeting:** 15 August 2025

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### 1. Purpose

- 1.1 This report provides an update to the Board, seeking approval where required, on the following governance-related matters:
- Final schedule of meetings for the remainder of the 2025 calendar year; including the Annual General Meeting (“**AGM**”) and the proposed 2026 meeting dates;
  - Annual Secretary’s report;
  - Board vacancy update; and
  - Annual assurance statement.

### 2. Authorising and strategic context

- 2.1 The Board is responsible for calling meetings, including General Meetings and ordinary Board meetings throughout the course of the year including reporting on governance matters which precede the AGM. The Board is also responsible for approving the appointment of our tenant Board members.
- 2.2 The Group Board is responsible for approving a Group Annual Assurance Statement for submission to the Scottish Housing Regulator (“**SHR**”).

### 3. Background

- 3.1 We are required to hold an annual general meeting within six months of the end of each financial year of the Association and provide the Board with the Secretary’s report in advance of the AGM.
- 3.2 The requirement to submit an Annual Assurance Statement (“**AAS**”) was introduced by the SHR in 2019. The AAS is a way for us to assure ourselves, tenants, those who are homeless/threatened with homelessness, other service users and the SHR that we comply with our regulatory obligations.
- 3.3 The SHR considers our AAS as part of its annual risk assessment and then uses this to help inform how it will engage with us throughout the year. This is then included within the SHR’s engagement plan for us. For group structures such as ours, the SHR requires one AAS covering all Registered Social Landlords (“**RSLs**”).

#### 4. Discussion

##### Remaining 2025 meeting dates and 2026 schedule

- 4.1 We have two further Board meetings scheduled for this calendar year which would take us to the minimum requirement of 6 scheduled meetings for the calendar year:
- 12 September 2025 and;
  - 19 November 2025.
- 4.2 It is proposed that we call our AGM for 12 September 2025 at 10am. The meeting and business thereof will be called in line with the requirements of our Rules. This will be followed by the Board meeting at approximately 10.30am. The annual Group Christmas lunch will be at 1pm on Wednesday 17 December 2025.
- 4.3 The proposed schedule of meetings for 2026, which follows the timings for this year, is as follows:

Date	Time
Friday 6 February	10.30 – 12.30
Friday 20 March (followed by Stock Tour)	10.30 – 12.30
Friday 15 May (inc Strategy Workshop)	10.00 – 14.00
Friday 14 August	10.30 – 12.30
Friday 11 September (following AGM)	10.30 – 12.30
Friday 20 November	10.30 – 12.30

##### Annual Secretary's report

- 4.4 In advance of the AGM, Rule 68 states that:

*“At the last Board meeting before the annual general meeting, the Secretary must confirm in writing to the Board that Rules 62 to 67 have been followed or, if they have not been followed, the reasons for this”.*

The Secretary's report about each Rule referred to in Rule 68 is as follows:

Rule	Secretary's report
62	Minutes are up to date and are signed digitally via DocuSign.
63	The seal is not routinely used. It is kept at the registered office.
64 and 65	All registers have been checked and maintained throughout the year and are held at our registered office.
66	Our registered name has been displayed at our registered office and at every office where our business is carried out throughout the year. Our name is clearly marked on business letters, notices, adverts, official publications and financial documents.
67	Our books of account, registers, securities and other documents are kept at our registered office.



### Board vacancy

- 4.5 We are awaiting formal confirmation from Glasgow City Council in relation to a successor to Frank McAveety. Upon receipt of this we will initiate the normal steps of a full Board induction and confirm to the Board at the earliest opportunity.

### Annual Assurance Statement

- 4.6 The SHR requires our AAS to confirm compliance or otherwise. Any areas for improvement should be recorded in the AAS, but only where these are of such materiality and significance that we are unable to say confidently whether we were complying with a particular requirement.

- 4.7 We have taken account of updates to the SHR's guidance in the preparation of our AAS and used the toolkit developed by the Scottish Federation of Housing Associations ("**SFHA**"). This year, the SHR issued a requirement for RSLs to

*Confirm whether you meet all duties in relation to tenant and resident safety, and in particular that you have obtained appropriate assurance about your compliance with all relevant safety requirements including:*

- *Gas safety*
- *Electrical safety*
- *Water safety*
- *Fire safety*
- *Asbestos*
- *Damp and Mould*
- *Lift safety*

- 4.8 These are not new elements to what we have assured on in our previous AASs i.e. tenant and resident, rather they are being made more explicit by the SHR.

### Self-assessment and review

- 4.9 As part of the completion of our self-assessment of compliance against the Regulatory Standards (the "**Standards**") and the requirements set out in the Framework we identify sources of assurance relative to each requirement and catalogue these in a detailed evidence file.

- 4.10 In assessing materiality, we take account of the SHR's Statutory Guidance which states we should consider whether the issue could:

- seriously affect the interests and safety of tenants, people who are homeless or other service users;
- threaten the stability, efficient running or viability of service delivery arrangements;
- bring the landlord into disrepute, or raise public or stakeholder concern about your organisation or the social housing sector; and
- in the case of RSLs, put at risk the good governance and financial health of the organisation.

- 4.11 This year we are required to have our self-assessment externally reviewed. Campbell Tickell has carried out and completed its review and confirmed that we are materially compliant with the regulatory standards.

*“Wheatley has carried out a comprehensive self-assessment that clearly evidences compliance with the SHR Regulatory Standards, Requirements of RSLs and the Constitutional Requirements.”*

- 4.12 Campbell Tickell has highlighted that there are no areas of non-compliance. It has highlighted one area to consider in relation to the formatting of risk reports. This will be reviewed and if considered appropriate and beneficial, reflected in our future risk reporting.
- 4.13 A copy of the full self-assessment is available to Board members on request.

#### Tenant and resident safety

- 4.14 Tenant and resident safety remain a key focus of our work. We have robust processes in place to support our approach to tenant and resident safety. This includes teams dedicated to building compliance, supported by a Health and Safety Team which provides support and guidance when required. We also have a dedicated fire safety team which has suitably skilled and experienced individuals.
- 4.15 We include building compliance and fire safety reports to the Group, Lowther and each RSL Board on an annual basis and provide comprehensive health and safety reports bi-annually.
- 4.16 In April this year the Group Board approved an updated Group Health and Safety policy and considered fire safety within the context of the Grenfell Phase 2 report, Multi Storey Flat cladding and fire door checks.
- 4.17 Where practical, we would combine compliance activities taking account of asset compliance cycles, property attributes and individual customer requirements. Our compliance processes and delivery programmes are regularly reviewed by both internally by our Assurance Team and externally by bodies such as CORGI for Gas, NEIC for electrical safety and relevant lifts inspectors arranged through our insurers.
- 4.18 We further strengthened our building compliance activity through our Group Asset Management Strategy and associated subsidiary Strategic Asset Investment Plans. These have a strong focus on compliance-related activity, which keeps our tenants and residents safe.
- 4.19 In the intervening period, any other matters arising either as a consequence of our work or wider public/customer interest are raised separately to the Board.

#### Social Housing Charter

- 4.20 The Charter, distinct from the Framework, contains a total of 16 outcomes and standards that social landlords should aim to achieve. As two of the standards only apply to Local Authorities, 14 apply to us. The Statutory Guidance in relation to the AAS requires us to also include a statement of compliance with the Charter.

- 4.21 The SHR sets a wide range of specific performance measures that RSLs must collect as part of compliance with the charter. The measures form what we report to the SHR each year as part of the Annual Return on the Charter. The Charter measures are augmented by the SHR prescribing a wide range of specific questions that RSLs must ask as part of their tenant satisfaction surveys relating to the Charter standards. We ask these as part of our satisfaction surveys.
- 4.22 We have in place a very robust approach to assurance and evidence of how we are performing relative to the charter through our core performance reporting framework.
- 4.23 There is a requirement to evidence renewal of EICRs every 5 years. Reasonable efforts including making at least two appointments have been made to complete this work for all customers. Where, despite these efforts, access was not achieved, the properties are reported as in abeyance in our Annual Return on the Charter.
- 4.24 In relation to the AAS, the SHR has advised that given the importance of tenant and resident safety, if all due EICRs have not been carried out at the point of submitting the AAS then this should be identified in the AAS, including the timeframe for completing all due EICRs. We have included a note to confirm that approximately 0.06% of properties are recorded as not having an up to date EICR. In all cases, reasonable attempts to obtain access had been unsuccessful and enforcement action is being pursued.

#### All relevant legislative duties

- 4.25 The AAS requirement covers a broad scope. Compliance is addressed through adherence to the relevant legal framework and the application of internal policies that reflect applicable laws and regulations.
- 4.26 These policies are reviewed by specialist teams and, when necessary, by external advisors. Legislative compliance mapping conducted by our Assurance team has contributed to clarifying our responsibilities.
- 4.27 We operate a 3 Lines of Defence Model that provides assurance to senior management and Board members about the operation of internal controls in place to confirm we are meeting our legal obligations.
- 4.28 Beyond our core 3 Lines of Defence Model, we are subject to external scrutiny for example through the annual external audit process in specific areas of legislation and spot inspections, such as HMRC. We have not had any instances where a judgement has gone against the Group that we are materially not meeting legislative duties.
- 4.29 Over the last 12-18 months, our Assurance Team have undertaken compliance mapping activity. The results of this have been reported to the Audit Committee and provide both additional assurance on our understanding of and compliance with our legislative duties.

## 2025 Assurance Statement

4.30 Based on the above, it is intended that the following statement be recommended to the Group Board:

### **Wheatley Housing Group Limited: Annual Assurance Statement 2025**

As the parent in a Group structure, the Board confirms that we have appropriate assurance that all Registered Social Landlords ("RSL") which are part of Wheatley Housing Group Limited (being Wheatley Housing Group Limited, Wheatley Homes Glasgow Limited, Wheatley Homes East Limited, Wheatley Homes South Limited and Loretto Housing Association Limited) materially comply with:

- All relevant regulatory requirements as set out in Section Three of the Regulatory Framework
- The Regulatory Standards of Governance and Financial Management
- The relevant standards and outcomes of the Scottish Social Housing Charter
- Our statutory obligations in respect of tenant and resident safety, housing and homelessness and equalities and human rights

We have gained this assurance following a review and assessment of the evidence provided at our Board meeting on 27 August 2025 and from our ongoing oversight and scrutiny of the Group's affairs throughout the year 2024/25.

The Board has overseen the assurance exercise that supports this Statement and is satisfied that it is comprehensive in its scope to include each of the group members. The Boards of each of the subsidiaries are involved in the Group assurance exercise insofar as it relates to their RSL and have also, through their representation on the parent Board, contributed to the Group assurance review.

The Group Board confirms that we are assured we have established appropriate systems for the collection of equalities data and confirms that we are compliant with our obligations in respect of equalities data collection.

The Group Board also confirms compliance in relation to our tenant and safety obligations. In particular, we have gained assurance of our compliance in respect of duties relating to gas safety, electrical safety, fire safety, water safety, lift safety, asbestos and damp and mould.

We recognise that we are required to notify the Scottish Housing Regulator of any changes in our compliance during the course of the year and are assured that we have effective arrangements in place to enable us to do so.

We are required to carry out Electrical Installation Condition Reports on our properties every 5 years. Approximately 0.06% of properties were recorded as not having an up to date EICR. In all cases reasonable attempts to obtain access have been unsuccessful and enforcement action is being pursued to ensure that all properties have a valid EICR by year end March 2026.

## **5. Customer engagement**

5.1 There have been no customer engagement implications related to this report.

## **6. Environmental and sustainability implications**

- 6.1 There are no environmental or sustainability implications related to the matters in this report.

## **7. Digital transformation alignment**

- 7.1 There are no digital transformation implications related to the matters in this report.

## **8. Financial and value for money implications**

- 8.1 There are no direct financial or value for money implications arising from this report.

## **9. Legal, regulatory and charitable implications**

- 9.1 The SHR Regulatory Standards of Governance (Standard 6 (6.1) states that all RSLs:

*'Formally and actively plans to ensure orderly succession to governing body places to maintain an appropriate and effective composition of governing body members and to ensure the sustainability of the governing body.*

- 9.2 The proposals within this report are consistent with this requirement.
- 9.3 In accordance with our Rules, we are required to hold an annual general meeting within six months of the end of each financial year of the Association and provide the Board with the Secretary's report in advance of the AGM.
- 9.4 The Group is required to complete an AAS taking into account any specific assurance requests issued by the SHR. The proposed statement meets these requirements.

## **10. Risk appetite and assessment**

- 10.1 Our governance arrangements support delivery across each of our strategic themes. Across each of our strategic themes we have a broadly cautious or minimal approach to our legal and regulatory compliance. The matters and recommendations in this report are consistent with this approach.
- 10.2 We regularly report to the Board on governance-related matters and routinely review our records to ensure that our governance records remain up-to-date and accurate.

## **11. Equalities implications**

- 11.1 There are no equalities implications related to the matters in this report.

## **12. Key issues and conclusions**

- 12.1 Our Annual Assurance Statement 2024/25 and our annual Secretary's report confirm that we are materially compliant with the SHR requirements and will be submitted for Group Board approval on 27 August 2025.

## **13. Recommendations**

- 13.1 The Board is asked to:
- 1) Instruct the Secretary to call the Annual General Meeting for 12 September at 10am;
  - 2) Note the Secretary's Report under Rule 68; and
  - 3) Note the outcome of our annual self-assessment against the SHR's Regulatory Framework and proposed Annual Assurance Statement for agreement by the Group Board.

### **LIST OF APPENDICES:**

None