



**LORETTO HOUSING ASSOCIATION
MINUTE OF BOARD MEETING**

Held on Monday 9 February 2026 at 2pm at Wheatley House, Glasgow

Directors Present: Iain Macaulay (Chair), Elaine Harley, Andrew Little, Elizabeth Todd and Michael Tong.

In Attendance: Laura Pluck, Group Director of Communities; Laura Henderson, Managing Director; Nicola McQuiston, Head of Housing; Sarah Stocks, Finance Manager; Helen Berry, Director of Governance; Pauline Donald, Governance Business Partner.

In part: Brian Stewart, Director of Investment, repairs and compliance, (item 8); Elspeth Lang, Head of Development (item 8); Sam Bett, Director of Treasury (item 9); Helen Berry, Director of Governance (item 10); Kirsty Connolly, Director of Assurance (item 13)

1. Apologies for absence

Apologies for absence were received from Graham McInnes, Jacqui Kelly, Kerry Mackie and Guy Kerkvliet.

The Chair confirmed the meeting as quorate.

2. Declarations of Interest

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

3. Minute of the previous meeting held on Monday 24 November 2025, action list and matters arising.

The Board reviewed the minutes of the previous Board meeting and the action list. No matters arising were noted.

Decided: The Board approved the minutes of the previous meeting held on Monday 24 November 2025.

4. Chair and Managing Director update

The Chair reported on the Strategic Governance review's recommendation for a Group Board report to the Board. A summary of key issues from the Group Board's 17 December 2025 meeting was noted as follows:

- Noted the Group Board meeting with the Cabinet Secretary who reiterated that we are a key partner with an openness to different ideas and models to deliver more homes and tackle homelessness
- Approved the draft Group strategy, which reflected both our own feedback and feedback from fellow Boards across the Group.
- Approved the timetable for Wheatley Care transitioning from a governance partnership to a strategic partnership from April 2026.
- Considered the findings from the independent strategic governance review and the agreed approach to implementation.
- Approved our recommendation to proceed with the 6.9% and 7.4% rent options.
- Approved to add Responsibilities under Awaab's Law as a specific risk on the Group strategic risk register.

The Managing Director advised that, aside from the matters listed on the agenda, there were no further key issues to report.

5. Awaab's Law in Scotland

The Board was provided with an update on the Scottish Government's introduction of the Scottish equivalent of Awaab's Law and on our preparedness for the new statutory requirements which will now come into effect on 6 October 2026. An update was also given on the proposed next steps for updating the Group's Managing Dampness, Mould and Condensation Policy.

The Board noted that there remain areas for clarification and that further guidance from the Scottish Government, to support implementation of the Regulations, is also awaited. The Board was advised that we will update our policy once the Regulations are approved and guidance is issued, ensuring full alignment. The updated policy and our supporting implementation plan will be presented to the Board for review.

The Board raised and considered how Loretto intends to fund, resource and performance report on the new Regulations, as well as how these will affect our five-year financial forecasts. The Board acknowledged the confirmation that existing state requirements and how we address these are well-defined and actioned accordingly. However, it was further noted that future requirements will need to be mapped, with any emerging issues addressed as relevant regulations and guidance are released and clarified. The Board also recommended that any additional references to the Regulations and related responsibilities be incorporated, as relevant, into the 2026-31 Strategy. The Board noted the assurance that damp and mould continue to be a top priority within the broader goal of creating 'homes and neighbourhoods to be proud of'.

The Board reviewed the processes for identifying and managing cases that may involve vulnerable individuals. The Board was assured of robust compliance with relevant legislation and regulations and acknowledged the awareness of

necessary support levels as determined through, for example, Housing Officer or multidisciplinary team visits.

Decision: The Board:

- 1) **Noted the contents of the report and the implications of the Regulations.**
- 2) **Provided feedback on the proposed approach to preparing for implementation and updating the Group Managing Dampness, Mould and Condensation Policy.**

6. 2026-2031 Strategy

The Board was provided with the final draft of the 2026-31 Strategy. Feedback from the Board was sought on the proposed approach to launch and implementation.

The Board acknowledged the work involved in developing the final draft strategy and commented on the easily readable format. After review, the Board outlined the below for inclusion in the strategy:

- Re-consider the metrics used to measure neighbourhood management and ensure that this area remains as a performance metric;
- Align customer priorities to strategic themes and strategic objectives;
- Outcomes from customer priorities currently placed at the end of each chapter - recommended to be placed further up front in the strategy;
- Include further specifics related to expected outcomes from Awaab's law/Damp and Mould agenda.

The Board supported the inclusion of the 'Wheatley Standard for our homes' in the strategy and asked how its costs are reflected in Loretto's five-year financial forecast. The Board was advised that financial planning for 2026/27 will serve as the baseline, with future annual plans being adjusted as needed.

Decided: The Board approved the 2026-31 Strategy, *Making homes and lives better (subject to the agreed amendments).*

7. 2026/27 Rent Setting and Service Charges

The Board was provided with feedback from our consultation on the 2026/27 rent, service and other charges increase.

The Board reflected on the discussions at the previous Board meeting on the three key principles of financial viability, affordability and comparability and considered the further information presented on the outcomes of the independently managed consultation with tenants and service users.

The Board noted that service users identified affordability, investment in current homes, dependable repairs, and enhancements to the local environment as their top priorities. The Board considered and approved the proposal to apply a 6.9% rent and service charge increase based on the analysis of the feedback received from service users.

Decided: The Board:

- 1) Considered the feedback received through the consultation process with tenants on our 2026/27 rent, service and other charges increase; and
- 2) Approved a 6.9% rent, service charges and other charges (including garages and lock ups) for 2026/27 for all tenants effective from the first Monday in April and from 28 March 2026 for ex-Cube properties.

8. Financial Projections

a) Financial Projections 2026/27

The Board was provided with an update and presentation on the financial projections for investment in assets and services over the period to 2031, in support of our strategy, *Making Homes and Lives Better*; an overview of our five-year Capital Investment Plan and our five-year new build Development Programme.

The Board noted the context to which the projections were developed including: keeping rents affordable balanced with cost of services, CPI at 3.4% at December 2025, higher costs for key areas of housing expenditure such as repairs, interest rate volatility, assumed rent increase for 2026/27 at 6.9%, £50k allocated to assist customers with rent from the Helping Hand Fund, pressures on materials and labour impacting our 3-year tenant commitments and in our repairs and void spend, new build completions forecast of 61 units 2025/26 with total completions of 555.

The Board also noted that our business plan assumptions reflect changes in the legislative landscape through the Housing (Scotland) Act 2025, and the National Housing Emergency declared by the Scottish Government in May 2024.

The Board considered and discussed the report as presented. The Board sought assurance that we will generate the relevant income to fund our investment in assets and services. The Board was advised that our ratios here are sufficient and remain within the loan to value rate and covenant requirements.

The Board questioned this further and in particular whether the interest cover in 2029/30 aligned correctly with the net trading cash position reported in the cashflow. The Board considered that the information as presented should be reviewed further by the Finance Team and re-presented to the Board.

The Board also emphasized the need to ensure relevant mitigations are in place when considering potential costs for future legislative or regulatory requirements, such as Awaab's Law, Net Zero initiatives, and our extra pension contributions.

b) Five-year capital investment plan

The Board was provided with an overview of the five-year capital investment plan.

The Board noted the total investment of £25.6m in planned improvements to our customer's homes in the next five years to meet our compliance obligations,

deliver neighbourhood improvements, significantly expand component replacement programmes, support our energy efficiency ambitions and address the needs of particular stock types.

The Board noted the current delivery status during 2025/26 and the strong performance across customer value programmes including renewal of kitchens, neighbourhood improvements and heating replacements. The Board was asked to note the below target profiles at the end of March 2026 and the associated reasons for these.

The Board noted the confirmation that, at the current time, gas boilers are still being replaced with equivalent models.

c) Five-year development plan

The Board was provided with an overview of the five-year development programme.

The Board noted the completion of 44 new homes to the end of January 2026, a further 17 new homes that are expected to complete by end March 2026 and 112 units on site under construction across 4 projects.

The Board was advised that our five-year development programme assumes we will complete 555 units over the next five budget years from 2026/27, with 499 being for social rent and 56 for mid-market rent based on current financial capacity.

Decided: The Board:

- 1) Approved the updated projections for investment in assets and services over the five-year period to 2031;**
- 2) Approved the five-year Capital Investment Plan;**
- 3) Approved the five-year Development Programme;**
- 4) Noted that the financial projections, five-year Capital Investment Plan and five-year Development Programme will form the Group Plan and Programme and be presented in February 2026 to the Group Board and;**
- 5) Agreed that the projected 2026/27 figures form the basis of next year's annual budget which will be presented to this Board for approval in March 2026.**

9. [REDACTED]

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10. Strategic governance review

The Board was provided with an update on the findings of the independent strategic governance review and progress in implementing its recommendations, an update on the transition to a Strategic Partnership with Wheatley Care and the proposed Board Annual Planner for 2026.

The Board considered and supported the proposals presented within the strategic governance review report; noted the approach to drive the information flow between the subsidiary Boards and the Group Board; welcomed the recommendation on the minutes of the meeting and noted their support to CPD sessions such as the recent session on our Funding Model.

The Board considered areas for future topics eg Finance, Regulatory environment, implementation and communication of the Strategy, Development (greenfield to building lifecycle), customer feedback, cybersecurity, Building safety.

The Board noted the recommendation to consider bringing Loretto under the 'Wheatley' branding approach and considered that the risk of this approach would be low.

The Board considered the 2026 Annual Board Planner and agreed to include: Wheatley Care – progress update on demerger at 3 months and 6 months; Awaab's Law – update to Board in May and August 2026 (or as directed by any further progress on Scottish Government legislation).

The Board noted that there will be a Stock Tour prior to the Board meeting in March and that a visit to the City Building Training Academy and Duke Street were options being considered; both were welcomed by the Board.

Decided: The Board:

- 1) Noted the agreed approach to implementing the Campbell Tickell recommendations as set out in Appendix 2;**
- 2) Noted the status of the transition to a Strategic Partnership with Wheatley Care; and**
- 3) Approved the Board Planner for 2026.**

11. Finance report

The Board was provided with an overview of the Finance Report for the period to 31 December 2025 and the Q3 forecast financial out-turn.

The Board considered the variances to budget noting that these are primarily driven by the timing of core programme spend, strong letting performance, generating higher rental income from early completions at East Lane and South Crosshill, improved void performance, and lower operating expenditure. The Board also considered the Q3 forecast outturn noting the income forecast, operating costs and net capital expenditure position.

The Board highlighted the reported overspend in responsive repairs noting the increase in completed jobs in 2025/26, which is being offset by a favourable to budget variance for cyclical repairs due to the reprofiling of the planned programme. The Board noted the assurance that our planned programme continues as scheduled with no negative impact on customers. The Board acknowledged the commitment to maintaining a strong partnership with City Building Glasgow to continually improve our repairs services, while ensuring alignment with our financial objectives.

Decided: The Board noted the Finance Report for the period ended 31 December 2025 and the Q3 forecast.

12. Performance report

The Board was provided with an update on performance against targets and strategic projects for 2025/26 to the end of quarter three.

Key points highlighted to the Board included our above target tenancy sustainment rate; strong re-let status, best in Group gross arrears position, strong CFC customer satisfaction rate, reduction in call abandonment rates and our robust Damp and Mould performance.

The Board considered the report as presented. The Board highlighted the efforts to achieve the strong Damp and Mould performance. The Board acknowledged that all cases reported had been completed and noted the requirement to now report all cases to the Scottish Housing Regulator, broken down by causation. The efforts and approaches taken to support customers in managing Damp and Mould were outlined to the Board including where cause can be related to

building fabric or other factors. The Board requested that any cases outwith timelines are reported to the Board.

The Board acknowledged the introduction of the new call-back option for customers noting the significant and immediate effect in reducing abandonment rates. The Board were informed that work continued to support month-by-month improvement in our call abandonment rates and noted the gradual improvement to achieve targets.

Decided: The Board noted the report.

13. Group Assurance update

The Board was provided with an update for noting of the internal audit work reported to the August and November Group Audit Committee meetings.

The Board noted that there were no material issues of concern to report to the Board.

Decided: The Board noted the report.

14. AOCB

No other business was raised.

Signed: **(Chair)**

Date:

Post-meeting note:

The Board received a report providing updated 2026/27 Financial projections on 19 February 2026.

The report was updated following queries raised at the Board meeting and further discussions with the Chair, Andrew Little and the Finance Team on 13 February 2026.

The updated paper included a correction to the Interest cover table and supporting narrative (section 5.3). There is no change to the Financial Projections.

The Board was asked to note that a summary of the cross-guarantor structure of the RSL Borrower Group will be included in the March Finance report to the Board. This will cover the covenant and golden rule monitoring applying to the Group debt and the financial monitoring at an RSL level to ensure each RSL within the Group remains financially sustainable in the long term and that its contribution to the Group, along with all the other RSLs in the group, allows the Group to meet its external funding covenants.