



**LORETTO HOUSING ASSOCIATION
MINUTE OF BOARD MEETING**

Held on Monday 24 November at 2pm a at 2pm at Wheatley House, Glasgow

Directors Present: Iain Macaulay (Chair), Andrew Little, Kerrie Mackie, Graham McInnes, Elizabeth Todd, Michael Tong, Jacqui Kelly.

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

In part: Elizabeth Cuthbertson, Director of Performance and Strategy (Item 9); Sam Bett, Director of Treasury (item 14 and CPD session).

Observer: Caitlin McLaughlin, Housing Graduate

1. Apologies for absence

Apologies for absence were received from Elaine Harley and Guy Kerkvliet.

The Chair extended a welcome to Caitlin McLaughlin, Housing Graduate from Wheatley Homes Glasgow, and thanked Caitlin for her interest in observing the proceedings of the Board.

The Chair confirmed the meeting as quorate.

2. Declarations of Interest

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

3. a) Minute of the previous meeting held on Monday 15 September 2025, minutes of the AGM meeting held on 15 September 2025 and action list and matters arising.

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

Decided: The Board approved the minutes of the previous meeting held on Monday 15 September 2025.

Decided: The Board noted the minute of the AGM meeting held on Monday 15 September 2025.

4. Chair and Managing Director update

The Chair reported on several key business matters presently under review by the Group Board, including the rent setting for 2026/27, the funding model, and strategies regarding damp and mould.

The Chair extended the congratulations of the Board to Melissa Campbell (previous Head of Housing for Loretto) who had been awarded 'Inspirational Leader of the Year' at the recent Wheatley Group 'Think Yes' Awards.

5. 2026-31 Strategy update

The Board received an update on the progress of the 2026-2031 strategy development together with a copy of the draft strategy for their review and consideration.

The Board acknowledged the strong levels of customer engagement achieved, exceeding the target that had been set.

Recommendations from the Board for inclusion in the strategy included how we are addressing measures to improve damp and mould, emphasising the importance of cyber security in safeguarding our operations, and the specific impact of compliance requirements on Loretto.

Overall, the Board considered that the draft strategy was comprehensive and well structured.

The Board noted that the final draft will be presented at the February Board meeting.

Decision: The Board noted the report.

6. Repairs improvement (presentation)

The Board received an update regarding the status of our 2025-26 emergency and non-emergency repairs performance, including key challenges and our response to these. Additionally, customer satisfaction metrics, complaint rates, and details of our improvement plan were presented.

The Board recognised the progress to date and noted the positive customer satisfaction score for repairs of 91.3% at October 2025. The Board also welcomed the ongoing improvement plan and noted the expected outcomes.

Decided: The Board noted the report.

7. 2026/27 Rent Setting and Service Charges

The Board was provided with a report on the proposed 2026/27 rent setting and service charges for the purposes of consultation with tenant focus groups. The Board also considered the corresponding mid-year update on the financial projections and key financial indicators.

The Board considered the key principles of the rent increase assumptions in our financial projections as set out in our Group rent setting framework: ie affordability, comparability with other social landlords, financial viability, consultations required with our tenants and service users.

The Board reviewed the 2026/27 rent increase proposals of 6.9% to 7.4% for rent focus group discussions, noting that a minimum 6.9% increase would be required to maintain the current Loretto strategic asset investment and management plans and legislative obligations in our homes: with the 7.4% increase supporting further investment in homes and local communities.

The Board recognised that each option is subject to differing viewpoints and considered whether the 6.9% target is sufficiently ambitious and consistent with our commitment to providing personalised, high-quality services. Additionally, the Board acknowledged that the modest gains from a 7.4% increase would enable continued investment while maintaining competitiveness. Nonetheless, the Board also recognised and appreciated our tenants' views regarding affordability.

The Board noted that the final approval of the rent increase for consultation with all tenants will be presented for approval at the Group Board meeting in December 2025.

Decided: The Board:

- 1) Agreed that we undertake an initial consultation with rent focus groups on a 6.9% increase with an additional option of 7.4% for the 2026/27 rent and service charge increase;**
- 2) Noted that the final approval of the rent increase for consultation with all tenants will be presented for approval at the Group Board December 2025 meeting; and**
- 3) Noted that this Board has delegated authority to agree the 2026/27 rent and service charge increase where it is within the agreed range.**

8. Housing Bill (Scotland) update

The Board was provided with update on the implications of the Housing (Scotland) Bill 2025 (“the Bill”) and the steps we are taking, or already have in place, to comply with statutory duties and compliance requirements for Registered Social Landlords (“RSLs”).

The Board noted the assurance that we are proactively reviewing current practices, engaging with stakeholders, and preparing to update processes and policies to ensure compliance with the Bill. The Board noted the further assurance that our existing approach to damp and mould already exceeds expected standards.

Decided: The Board noted the report.

9. EDI Action Plan update and 2024/25 Annual Equalities report

The Board was provided with an update on the implementation of our Group Equity, Diversity and Inclusion (“EDI”) action plan and the 2024/25 Annual Equalities report.

The Board recognised the significant efforts made regarding Equity, Diversity and Inclusion throughout Loretto and the Group overall, and specifically commended the BITC scoring ratings that were attained.

Decided: The Board noted the report.

10. Performance report

The Board was provided with an update on sector comparisons for the Annual Return on the Charter (“ARC”) indicators following the publication of 2024/25 sector-wide data by the Scottish Housing Regulator (“SHR”); and our performance against targets and strategic projects for 2025/26 to the end of quarter two.

The Board acknowledged the strong performance against our targets and the continued improvement efforts across key focus areas.

Decided: The Board noted the report.

11. Finance report

The Board was provided with an overview of the Finance Report for the period to 30 September 2025 and Q2 forecast financial out-turn; an overview of the revision to the target rate of return for social and mid-market rent new build developments; and an update on the SHAPS DB Pension Scheme deficit.

The Board noted that the finalised IRR rates will be confirmed following approval by the Group Board at their meeting in December 2025.

The Board considered the impact on the SHAPS DB Pension Scheme deficit for Loretto. The Board acknowledged the assurance that ongoing evaluations of potential additional costs will be conducted, and that any such costs will be assessed in relation to their impact on our financial projections. This approach is intended to ensure that our business plans incorporate all necessary provisions.

Decided: The Board:

- 1) Noted the Finance Report for the period ended 30 September 2025 and Q2 forecast.**
- 2) Noted the revision to the target rate of return for social and mid-market rent new build developments and agreed the criteria used by Wheatley Developments Scotland for the approval of projects on our behalf is updated to reflect this subject to Group Board approval.**
- 3) Noted the update to the SHAPS DB pension scheme deficit.**

12. Risk register

The Board was provided with a report outlining the proposed changes to the Risk Register.

The Board reviewed the presented risks, including those outside risk appetite, two amendments, three new risks, and one deletion. No additional changes were noted.

Decided: The Board approved the proposed changes to the Risk Register.

13. Group Unacceptable actions policy update

The Board was provided with an update on the revised Group Unacceptable Actions Policy.

Decided: The Board noted the report.

14. CPD Session and Funding update

CPD Session – Group Funding Structures

The Board was provided with a presentation on the Wheatley Group's funding arrangements for RSLs summarising the purpose of our borrowing, our funding vehicles and our funding controls.

The Board expressed their thanks to the Director of Treasury for the presentation, which had further enhanced their understanding of the Group's Funding Structures and would assist them in making informed decisions regarding the new funding paper (item 14.2).

[Redacted content]

- 2) Noted the intention to progress £90m of new bank term loans; and
- 3) Delegated authority for the Group Director of Finance and the Director of Treasury to finalise the loan documentation and agree any non-material changes.

15. AOCB

Strategic Partnership

The Board was advised of the recent announcement of the intention of Wheatley Housing Group Limited (WHGL) to resign its membership and Parent status of Wheatley Care Limited effective from 31 March 2026 and the proposal to redefine the relationship to move to a strategic partnership, as approved at the WHGL Board meeting on 12 November 2025.

The Board was advised that they will be kept apprised of the ongoing process and any impact on delivery of services for Loretto Housing.

Signed: **(Chair)**

Date: