



**DUMFRIES & GALLOWAY HOUSING PARTNERSHIP  
BOARD MEETING**

**10.30am, Wednesday 10 November 2021  
Easterbrook Hall, Crichton, Dumfries**

**AGENDA**

1. Apologies for Absence
2. Declarations of Interest
3. a) Minute of meeting on 22 September 2021 and matters arising  
b) Action Tracker

**Main Business Items**

4. Tenant consultation update
5. DGHP partnership promises update
6. a) 2022 rent setting  
b) Benefit uptake campaign (presentation)
7. Repairs update
8. Homes 4 D & G review (presentation)
9. Development programme update
10. Funding update [redacted]

**Other Business Items**

11. a) Finance report  
b) Pensions update [redacted]
12. Quarter 2 Performance Report and Delivery Plan update
13. Risk register
14. Assurance update
15. Independent review of Pandemic response
16. 2021 Group Annual Assurance Statement

AOCB



<b>Action point</b>	<b>Update</b>
Update on the approach to sustainability within the NETs service/KSB metrics and follow up on NET's mobile working	Update to be provided to May board meeting.
Update on review of care arrangements	Update to be provided at March board meeting.
Follow up presentation on outcomes of Revive project	Update to be provided to May board meeting.



## Report

**To:** DGHP Board

**By:** Alan Glasgow, DGHP Interim Managing Director

**Approved by:** Tom Barclay, Group Director of Property and Development

**Subject:** Tenant consultation update

**Date of Meeting:** 10 November 2021

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### 1. Purpose

- 1.1 This report updates the Board on the consultation process with tenants on our proposed new operating and engagement models.
- 1.2 The report also sets out the proposed next steps for the Board's approval.

### 2. Authorising and strategic context

- 2.1 The Board are responsible for agreeing the initiation of consultation with tenants. The Board discussed and approved consultation with our tenants on our operating model and approach to engagement at the Board meeting in August.
- 2.2 The development of a new model of engagement is a key element of our new five-year strategy.

### 3. Risk appetite and assessment

- 3.1 Our new operating and engagement model is covered by the 'operating model (modernising services etc)' category in the risk appetite framework. Risk appetite in this area is "**Hungry**". This level of risk tolerance is defined as "eager to be innovative and choose options offering potentially higher business rewards (despite greater inherent business risk)".
- 3.2 By consulting tenants in detail on the proposals, we mitigate the risk that customers do not understand or support proposed changes. We can also ensure tenant feedback is taken account of in any decision to proceed to full implementation.

### 4. Background

- 4.1 In August, the Board agreed that we should consult all tenants on a new model for how we operate and engage. The proposals reflect our experiences from the pandemic and what tenants have told us about how we should deliver services. The key elements are:

- A new Customer First Centre – We will launch a new and improved 24 hours a day, seven days a week centre which will resolve customer enquiries at the first point of contact. Up to 95% of customer queries will be resolved at the point of contact by basing housing experts in an expanded *Customer First Centre*. This will free up Housing Officers to spend more time in their patches and community to deal with complex cases, support the most vulnerable, and manage their estate.
- More services in your home – Housing Officers will spend more time in communities with a clear message that you do not need to come to us, we will come to you.
- Do more online - Improved online self-services will allow customers to do more for themselves at a time and place to suit them. Our new Customer First Centre will also allow more digital engagement with customers able to contact us online.
- Centres of Excellence - If customers don't want to meet us at home, they can choose to meet us at a convenient location, including our new Centres of Excellence in Dumfries and Stranraer. They will be available for customers to use the internet and for wider community activities and as learning centres.

4.2 Alongside the new operating model, it was agreed to consult tenants about our enhanced approach to engagement that would see more tenants becoming involved in our decision-making on a recurring basis. This would increase the number and diversity of tenants involved in influencing how we work, through a wider variety of mechanisms. This is a key objective of our implementation of our new engagement strategy, **Stronger Voices, Stronger Communities**.

## 5. Customer engagement

5.1 Under the Housing (Scotland) Act 2001, we have a statutory duty to formally consult all tenants given the significance of the new operating model and engagement strategy. A multi-channel approach to consultation was adopted, using a print booklet sent to all customers as well as phone and social media to promote the consultation and encourage customers to participate.

5.2 The consultation began on 16<sup>th</sup> August and concluded on 25 October. We asked the following questions:

**Q1:** *Do you support plans to introduce a new way of working and of delivering services to benefit tenants and communities?*

**Q2:** *Do you believe the planned new way of engagement would make it more open and accessible for tenants to get involved and have their say?*

5.3 Customers were able to send responses by post, email, phone, in person to housing staff or via the Independent Tenant Advisor, the Tenant Participation Advisory Service ("TPAS") Scotland. TPAS were available to provide advice and support to all tenants on demand throughout the duration of the consultation. TPAS did not receive any contacts from DGHP customers.

## 6. Discussion

### Summary of response

- 6.1 We have had a huge and overwhelmingly positive response to the consultation proposals. We received 1122 responses from DGHP tenants and in excess of 5,000 responses across the wider group. The final results of the consultation were as follows:

	Responses	Q1	Q2
DGHP	1122	94%	92%

- 6.2 By way of context, we received 3200 responses across the whole Group during the last rent setting tenant consultation.

### Operating Model – Q1

- 6.3 The first question, on our operating model, attracted the highest score, which was consistent across the wider group. Common themes in tenant comments, both in our own responses and across the wider group, included:

- strong support for the idea of housing officers spending more time in their communities;
- Support for the development of enhanced phone and online services; and
- the need to provide services in an accessible way for those who do not have, or struggle with, online services.

- 6.4 As the Board has previously discussed, an important part of our strategy is that we will continue to ensure that no-one is left behind as we introduce improved digital services.

- 6.5 The consultation included plans for our two community hubs in Dumfries and Stranraer where tenants can visit our staff in person and hold community activities. This did not attract significant comment from respondents, with the majority focusing instead on accessibility of services in person (eg from the housing officer in the community) or over the phone/online.

- 6.6 A small number of respondents did indicate they felt there was a need to retain an option for face to face contact. Our new operating model delivers a service where we go to customers in the homes and neighbourhoods. Given our geography if a customer needs to meet face to face and is a significant distance from one of our new Centres of Excellence our locally based housing team will arrange to meet confidentially at a local community facility convenient to the customer.

### Engagement model – Q2

- 6.7 The second question, on our engagement approach, also received very strong support at 92%. Tenant comments highlighted support for broadening the range of ways for tenants to have their say, without this always having to be at in-person meetings. Some tenants also highlighted this would make engagement opportunities more widely available.

- 6.8 The progress since DGHP joined the Wheatley Group has been transformational; with the introduction of our 24/7 phone services, significant investment to recruit an additional 23 housing officers to deliver our new 1:200 patch model, the TUPE transfer of our repairs service and the introduction of the new NETs service across the region.
- 6.9 We have also introduced significantly more wraparound services to support tenants – including the tenancy support service (using in-house care expertise), community improvement partnership with police and fire service resources and specialist support for homeless customers.
- 6.10 The Wheatley Foundation works closely with us to support tenants into employment, training and with financial inclusion activity. Online services have been introduced, and staff have the technology to support customers in their home, with further technology planned for February 2022 with the roll out of Go Mobile technology for housing officers.
- 6.11 If we move ahead with the proposals in this consultation, this will see the next evolution of our services and engagement approach.

### Next Steps

- 6.12 Based on the strong support from tenants to all three questions, it is proposed that we now take forward our new operating model and engagement approach. We propose to provide feedback to customers about the results of the consultation responses.
- 6.13 The next stage will be the launch of the new Customer First Centre at the start of December. Recruitment and training for its new enhanced staff compliment is almost complete.
- 6.14 The financial allocations for customer-led decision-making will be incorporated in our business plans in February, including the You Choose Challenge funds.

## **7. Digital transformation alignment**

- 7.1 The proposals on which we consulted tenants are strongly aligned with our digital strategy. They outline a range of new and improved digital services, whilst ensuring no customer is left behind.

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

- 8.1 The proposals in this report have been incorporated in our business plans.

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

- 9.1 The Scottish Housing Regulator is fully aware of the consultation process and will be notified of the consultation outcome.

## **10. Equalities implications**

- 10.1 We have undertaken an initial Equalities Impact Assessment (“EIA”) in relation to tenants for our new operating model and engagement approach. The assessment did not identify any adverse implications for our tenants. Rather, the approach to enhancing our accessibility is expected to have a positive impact. In terms of diversity, the widening of our engagement structure will have a positive impact and broaden the range of customers segments who engage with us.

## **11. Environmental and sustainability implications**

- 11.1 No direct implications from the proposals in this report.

## **12. Recommendations**

- 12.1 The Board is asked to:

- 1) Note the outcome of the consultation on our new operating and engagement models;
- 2) In light of the views expressed by tenants, agree that we should proceed with implementation of the proposals including:
  - Implementing the new Customer First Centre from 1 December 2021
  - We commence the recruitment for 250 Customer Voices;
  - Incorporating £3.7m into the business plan for customer priorities; and
  - our new Hub-Centres of Excellence



## Report

**To:** DGHP Board

**By:** Alan Glasgow, DGHP Interim Managing Director

**Approved by:** Olga Clayton, Group Director of Housing and Care

**Subject:** DGHP partnership promises update

**Date of Meeting:** 10 November 2021

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### 1. Purpose

- 1.1. This report provides the DGHP Board with an update against the DGHP Partnership Promises made to tenants ahead of the tenant ballot and partnership with Wheatley Group.

### 2. Authorising and strategic context

- 2.1 Under the Group Authorise/Manage/Monitor Matrix, the DGHP Board has responsibility for authorising new operating/service delivery models in its areas, such as those that the transformation programme will deliver. The Wheatley Board has responsibility for ensuring progress with key strategic projects such as DGHP's migration to operating successfully as part of Wheatley.

### 3. Risk appetite and assessment

- 3.1 The DGHP Strategic Projects plan is covered by the Operating Model (modernising services) category in the risk appetite framework. Risk appetite in this area is "**Hungry**". This level of risk tolerance is defined as "eager to be innovative and choose options offering potentially higher business rewards (despite greater inherent business risk)."

### 4. Background

- 4.1 Significant progress has been made against the Partnership Promises made to customers in December 2019, demonstrating our ability to deliver large scale transformation, whilst remaining agile to ensure we continue to deliver an outstanding customer experience. As a result of the pandemic the partnership promises have been accelerated in some areas including our implementation of more wraparound services to customers in Dumfries and Galloway and our approach to digital transformation.
- 4.2 DGHP Board agreed at their meeting on 26 May to incorporate the key strategic projects for 2021/22 with the remaining Partnership Promises and to receive a quarterly update on progress. The quarterly update against the 2021/22 Strategic Projects Plan can be seen at item 9.



- 4.3 This report provides a more detailed update specifically against the Partnership Promises to measure progress delivered since joining the partnership in December 2019.

## 5. Customer engagement

- 5.1 A key theme throughout our strategy is our commitment to ensuring customers have greater power, control, and choice regarding the services they receive. Tenants voted overwhelmingly in favour of the partnership with Wheatley Group and the Partnership Promises through extensive consultation in 2019.

## 6. Partnership Promises

### *Rents*

- 6.1 The partnership has delivered 2 years of rent increases capped at 2% and consultation is about to begin on the third year of this rent promise. A 2% increase this year would save individual customers an average of £94 next year which is £950,000 savings for customers overall compared to the business plan in place for DGHP before joining Wheatley Group, whilst also receiving the enhanced services as part of the group.

### *Investment and Improvements*

- 6.2 The partnership promised an additional £125 million to fund improvements to existing homes and to build up to 1000 new homes. The delivery of improvement works has been challenging as we prioritised customer and staff safety during the pandemic. This has resulted in a reprofiled investment plan to be delivered at pace. A total of £31.5 million has already been spent to date in improvements and new build homes along with:

- £27.8m is being invested towards improvements in 4428 homes this year;
- £18.7m committed to the delivery of 86 new build homes so far;
- £1.4m external funding has been secured for a decarbonisation project for 100 homes;
- £1.2million commitment to neighbourhood improvements in 2021/22; and
- Improving our SHQS standards from 82% in 2019 to 96% (including abeyances and exemptions).

### *New Build Homes*

- 6.3 DGHP would have been limited to building 250 new homes by 2025 but the partnership promised up to 1000 new homes, including an approach to regenerate some local communities. The Board have approved a new 5 year development programme and we have completed our first homes since joining the partnership in Monreith, Sanquhar and Lincluden. A more detailed update on the development programme can be seen at item 5.
- 6.4 43 homes have already been completed and a further 43 homes are on site at Eastriggs and Nursery Avenue, Stranraer. This is an overall investment of £18.7 million delivered and on site so far, with a significant development pipeline established for DGHP.

- 6.5 Dumfries and Galloway Council have also agreed in principle to working with DGHP to develop the Lochside Transformation Regeneration Area. (TRA). This unique approach embraces the resources from a number of strategic partners to develop a masterplan that will transform the Lochside area.

#### *Services to Older People*

- 6.6 Additional services, over and above DGHP's existing sheltered housing, to help older people stay independent in their home for longer were promised and the following has already been delivered:
- Alertacall pilot rolled out to DGHP customers in May 2020;
  - 38 new bungalows have been completed or are onsite, proving new homes to customers;
  - 377 adaptations completed since April 2020; and
  - We are working with Dumfries and Galloway Council to develop our living well model for DGHP.

#### *Handyperson Service*

- 6.7 DGHP had no plans to offer a handyperson service but as a result of the partnership this service launched last month. The launch of the service was rescheduled due to the pandemic but will now offer over 60s and people with a disability free help with small tasks around the home including: changing light bulbs, assembling flat pack furniture, moving furniture, putting up a shelf, taking down/ putting up curtain poles and many other things.

#### *Delivering more Services in-house*

- 6.8 DGHP promised to deliver more services by bringing the repairs service in house. DGHP were due to tender for a new repairs and heating contractor in April 2020 but the partnership enabled the repairs service to be brought into DGHP in April 2020 followed by the gas heating services in April 2021.
- 6.9 Although not part of the Partnership Promises the NETs service was also launched in July 2021 and has been very well received by customers and local elected members since its launch in July 2021. It has also provided additional employment opportunities with a team of over 50 staff dedicated to keeping neighbourhoods clean and tidy.
- 6.10 As a result of these changes DGHP now has 168 more staff directly employed by DGHP, growing our services and bringing new secure employment opportunities with excellent terms and conditions to the region.

#### *Housing Services*

- 6.11 Since the partnership DGHP have had access to and have been able to deliver many additional services that would not have happened without the partnership.

- 6.12 We have implemented wrap-around services much faster than had been anticipated:
- Since March 2020 we have provided 3415 EatWell food parcels and £60,380 in vouchers to customers;
  - Fuel advisors and debt advisors are in place;
  - Our Helping Hands fund is now in place for Housing Officers to draw down as part of our Think Yes Together approach;
  - My Great Start launched June 2021 with 116 referrals so far – a financial gain for customers of £9865;
  - Discussions are in the progressing with local third sector partners to deliver a Home Comforts model by end of 2021;
  - MySavings was introduced to DGHP customers April 2021;
  - Delivery of 1750 vouchers at Christmas;
  - 867 households supported by our response fund;
  - 22 bursaries awarded;
  - 177 Children registered with Imagination Library 800 free books delivered; and
  - 2 youth art programmes started and will support 100 young people.
- 6.13 Wheatley Care Housing Support Service (homeless services) has been a great success. The service is now supporting over 80 individuals and has formed excellent working relationships between Dumfries and Galloway Council (DGC) and DGHP staff, they have to date received 156 referrals.
- 6.14 DGHP have developed a very close working relationship with the Council Homelessness and Support services. We have agreed to provide up to 20 homes to deliver the Housing First pilot in the region and we have provided 73 homes to Dumfries and Galloway Council for use as temporary accommodation to support homeless households. As part of our new Homelessness Strategy we are also committed to providing 45% of our new allocations to rehouse homeless households.
- 6.15 DGHP have moved from a 9-5 Monday to Friday call centre to a new 24/7 contact centre approach, providing a broad range of services to customers at a time that suits them. This will be further enhanced with additional resources and investment as part of our new operating model.

#### *Jobs, Apprenticeships and Training*

- 6.16 The partnership promised 500 new jobs, apprenticeships and training opportunities by 2025 and 63 of those have already been delivered:
- 34 additional jobs created by the NETs service;
  - 3 ignite graduates recruited;
  - 9 Modern Apprenticeships;
  - Changing Lives;
  - 6 Wheatley Pledge Apprenticeships; and
  - 3 Community Benefit jobs.
- 6.17 We are currently in discussions with City Building Glasgow to capture the job opportunities created through their work with DGHP and these numbers will be reported when available.

## *Our Staff*

- 6.18 The partnership promised that staff would continue to be employed by DGHP and enjoy enhanced career opportunities, along with no compulsory redundancies. This has been delivered and we have aligned our teams with Wheatley Solutions, Wheatley 360 and Wheatley Care, benefitting from extensive capacity and expertise provided by teams across the group and providing the DGHP team with more career opportunities not previously available in DGHP.
- 6.19 We have launched My Academy and W.E. Rewards for the DGHP Teams, providing increased learning and development opportunities for staff and financial savings as part of our improved employment offer.
- 6.20 The Partnership also promised that staff would be able to deliver a more personal tailored service to customers by using new technology and increasing the number of staff in local communities. We have:
- Invested over £800k to appoint 23 new Housing Officers to implement our new operating model with a 1:200 patch size, amongst the smallest patch sizes in Scotland;
  - Implemented Hand held technology rolled out for new repairs services;
  - We are introducing Go Mobile to the DGHP Housing Team in February;
  - Our lone working app on mobiles is being used to keep frontline staff safe; and
  - The Noise App is being trialled within DGHP, providing technology to help deal with cases of anti-social behaviour.
- 6.21 DGHP have also consolidated 4 different sets of terms and conditions for our new repairs team within the first 12 months of the TUPE.

## *Tenant Participation*

- 6.22 Since joining the group DGHP tenants have had extra opportunities to get involved in influencing decisions and shaping services at a national level. DGHP Board agreed our new engagement strategy, **Stronger Voices, Stronger Communities** to give customers more power and control of their services.
- 6.23 Frontline staff have been heavily involved in a range of covid safe engagement activities. Over the last 6 months we have engaged over 1500 customer views for a range of services including our new proposed delivery model, recruitment to our customer voice, Keep Scotland Beautiful Inspectors and our Homes 4D&G allocations review. We have also identified a further 95 customers interested in being part of our digital and face to face focus groups for rent consultation across the region. This has been delivered with a multi-channel approach that uses digital, surveys and face to face methods to engage customers in a way that is convenient to them.

## *Anti-Social Behaviour*

- 6.24 The partnership has allowed us to address ASB more effectively with access to specialist expertise through Wheatley's ground-breaking Community Improvement Partnership which sees Police and Fire officers seconded to work closely with housing staff. We have also:
- Appointed a Group Protection Co-ordinator role for DGHP;
  - Worked with key partners to improve our protection processes;
  - Delivered a targeted ASB package being rolled out for Lochside; and
  - Trialled the Noise App in Lochside.

## *Governance*

- 6.25 Being part of the Wheatley Group has allowed us to strengthen DGHP Governance arrangements with the implementation of the new governance framework. This includes DGHP representation on the group Development Committee, Audit Committee, Wheatley Foundation Board and Wheatley Solutions Board. We have also appointed a new DGHP Board Chair and 2 new DGHP Board Members since joining the partnership.
- 6.26 The DGHP Board have also developed a clear and ambitious vision in our new strategy Your Home, Your Community, Your Future. This sets out our exciting vision for DGHP up to 2026, embracing the opportunities that have emerged as a result of the pandemic and incorporating delivery of the Partnership Promises.
- 6.27 Just prior to joining the group DGHP Board successfully refinanced the funding arrangements for DGHP, benefitting from extremely competitive rates and providing funding to invest in the quality of our current homes and the delivery of new homes. We have used some of this investment to purchase our new Centre of Excellence in Dumfries Town Centre and we are in negotiation to conclude the purchase of our office in Stranraer which will be redeveloped into another Centre of Excellence.
- 6.28 Additionally, DGHP have a growing reputation with key strategic partners. We are working with DGC to develop a new strategic agreement that sets out our new relationship with the Council. We work very closely with a range of Strategic and Operational services in DGC. DGHP is also supporting the city status bid, with support from Group communications team. We also have a growing voice and influence across the South of Scotland. The Managing Director is part of the multi-agency team that has developed the new South of Scotland Regional Economic Partnership Strategy and action plans.

## *Key issues and conclusions*

- 6.29 DGHP have made significant steps towards the delivery of the Partnership Promises and we are well placed to accelerate our investment in homes and delivery of new homes as we emerge from the pandemic. The Partnership promises will deliver the expected benefits from partnership that were set out in Wheatley's proposal to DGHP. These benefits are grouped in terms of their impact on DGHP as an organisation, its stakeholders, tenants and staff, and are summarised below:

#### *Benefits for DGHP:*

- An end to high engagement with the SHR;
- Strengthened landlord compliance;
- An even stronger Board;
- In-house repairs and investment delivery;
- Service Excellence;
- Enhanced Financial Capacity; and
- Strategic Landlord of Choice and an increased presence and influence across the region.

#### *Benefits for Stakeholders:*

- Strong, committed local partner;
- No need for high engagement; and
- Committed, long term funders.

#### *Benefits for Tenants:*

- Accelerated investment in homes;
- Increased new build;
- Wider range of services including digital, accessible local housing officers, extensive wrap around support and specialists to meet particular need;
- Stronger 'voice' to influence decisions;
- Lower rent increases than the current Business Plan, assumption (2% max for 3 years); and
- My Savings.

#### *Benefits for Staff:*

- Enhanced careers pathways;
- Access to bespoke learning;
- No compulsory redundancies;
- Corporate service staff locally based;
- Part of organisation with reputation for excellence; and
- WE Benefits.

## **7. Digital transformation alignment**

- 7.1 The Partnership promises include the investment of new technology for DGHP staff and customers. We have made strong progress and have plans to deliver even more digital enhancements as we move onto group IT systems in February 2022.

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

- 8.1 The partnership promises will be delivered within existing DGHP and Wheatley Business Plans. The rent promise to cap rent increases for the first three years of the partnership and the delivery of more wraparound for DGHP customers deliver even greater value for money.

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

9.1. There are no legal or charitable implications arising from the transformation programme. We continue to provide regular updates to the SHR as part of our routine engagement across the Wheatley Group.

## **10. Equalities implications**

10.1 There are no equalities implications directly arising from this report.

## **11 Environmental and sustainability implications**

11.1 There are no environmental or sustainability implications arising from this report.

## **12 Recommendation**

12.1 The Board is asked to note the progress made to deliver the Partnership Promises.

## **List of Appendices**

Appendix 1 – DGHP Partnership Promises

## DGHP Partnership Promises

Customer Promise	Measures	Completed	Comment
Eatwell	Eatwell - food parcels/vouchers in place		383 EatWell vouchers in Q1-2 2021/22 £60,380 of vouchers issued
Improved frontline and customer services with more staff working much more closely with customers and communities	23 new housing officers recruited. New 1:200 patch model implemented and improved 24/7 out of hours contact centre in place.		
Additional investment capacity to improve homes, making them modern, warmer and more energy-efficient	We have invested £6.89m in 2020/21 and have a 5 year finance plan agreed including £45.7m over 2021-23. (£27.8m 21/22, £17.9m 22/23)		Investment lower in 2020/21 due to Covid restrictions but increases in 2021/22 approved within DGHP Business Plans.
Lower rents than planned with increases	Consultation on the third year of 2% increase rent cap has begun		
Fuel advisors/energy advice, fuel top ups and emergency fund	Fuel advisors in place along with fuel top ups and access to emergency fund		Fuel advisors and debt advisors in place Housing Officers referring customers for advice and emergency funds Helping Hands now in place for DGHP Officers
DGHP will be stronger, allowing us to do more for tenants and communities	Added benefit improvements drawn down from group expertise include; support throughout pandemic, improved website, 24/7 contact centre, dedicated protection resource in Wheatley 360 with access to improved fire safety, ASB and Police resources, improved finance and treasury management assurance and improved governance support.		
Retain and develop our locally-based staff and grow the DGHP workforce by bringing the repairs service in-house	Repairs service being delivered inhouse, along with heating/gas servicing		Wheatley Repairs service being delivered inhouse since April 2020 Gas Service delivered in house from April 2021 NETs service delivered in house in July 2021 168 staff employed directly by DGHP
Work closely with the other housing associations which are already part of Wheatley Group.	We work closely with other group housing associations to benefit shared learning, skills and to draw on the group expertise to improve services		Closer working with Group CIP team to tackle ASB, improved fire protection advice and support, expertise to help shape and deliver our new build programme. Close working to support customers throughout pandemic. DGHP teams are active membership of group wide Communities of Excellence networks.
Have our own Board who would make decisions and set the strategies and policies. We would also have a place on the Wheatley Group Board, influencing Groupwide decisions	DGHP Board in place and strengthened with improved governance arrangements and new Chair		Strengthened governance arrangements Two new Board members appointed for DGHP in last 12 months DGHP representative on Group Board, Wheatley Foundation and Group Development, Audit and Solutions Committees
Achieve better value for your money as we could take advantage of the size and strength of a group and all its expertise	Additional benefits leveraged for customers as result of joining Wheatley Group in first year. This included significant financial benefits from refinancing by DGHP Board to support investment and new build programme.		Lower rents though rent promise for customers Significant financial benefits from DGHP refinancing
A free handyperson service	Handyperson implementation in May 21 as part of remobilisation plans.		Delayed due to covid but now in place
Additional services, over and above our existing sheltered housing, to help older people stay independent in their home for longer	Handyperson role being delivered from September 21. Alertacall pilot rolled out to DGHP customers. 12 new build bungalows built in Sanquhar. 101 adaptations completed in 2020/21.		Further development of Older Persons Service included in 2021/22 Strategic Delivery Plan for Care Phase 1 alignment which will also develop plans for roll out of Livingwell model at DGHP.
1000 new-build houses in the region	5 year development programme in place		New build sites completed at Sanquhar, Monreith and Lincluden. Five year development programme in place. 86 homes in first 5 sites approved for development with overall investment of £15.9m
Up to 500 new jobs, training places and apprenticeships in our communities created through the expanded investment and new-build programmes and Wheatley Group's employability schemes	2 ignite graduates recruited, 14 bursaries. Roll out of Wheatley Works to be implemented in 2021/22 Strategic Delivery Plan.		Further progress to be made in 2021/22 with implementation of Wheatley Works as part of Strategic Delivery Plan Projects.
Home Comforts	Develop delivery model to roll out Home Comforts in DGHP		Discussions in final stages with local third sector partners to deliver Home Comforts model by end of 2021
W.E. Benefits	W.E Benefits to be implemented for DGHP customers from May 2021.		My Savings introduced to DGHP customers April 2021 – 500 signed up WE Rewards available to DGHP staff from April 2021
Keep our name and our identity in the partnership	DGHP recognised in D&G and strengthened by strategic partnership working with DGC		DGHP recognised in D&G and strengthened by strategic partnership working with DGC Working with DGC on Strategic Agreement Contribution to SOS REP Strategy and Plans City of culture bid support





## Report

**To:** DGHP Board

**By:** Alan Glasgow, DGHP Interim Managing Director

**Approved by:** Tom Barclay, Group Director of Property and Development

**Subject:** 2022 rent setting

**Date of Meeting:** 10 November 2021

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### 1. Purpose

1.1 This report:

- Seeks agreement from the Board for the DGHP rent and general service charge increases for consultation; and
- Sets out how we intend to consult tenants on these proposals.

### 2. Authorising and strategic context

2.1 Under the Group Authorising Framework, the Group Board is responsible for the Group rent setting framework. Individual partner Boards thereafter approve their rent increases within this framework.

2.2 The Group Board agreed the rent setting parameters at their meeting on 29 September 2021 for consideration by each Board during their next meeting cycle.

### 3. Risk appetite and assessment

3.1 The risk appetite in relation to business planning assumptions such as rent increases is open. This is defined as *“willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward”*.

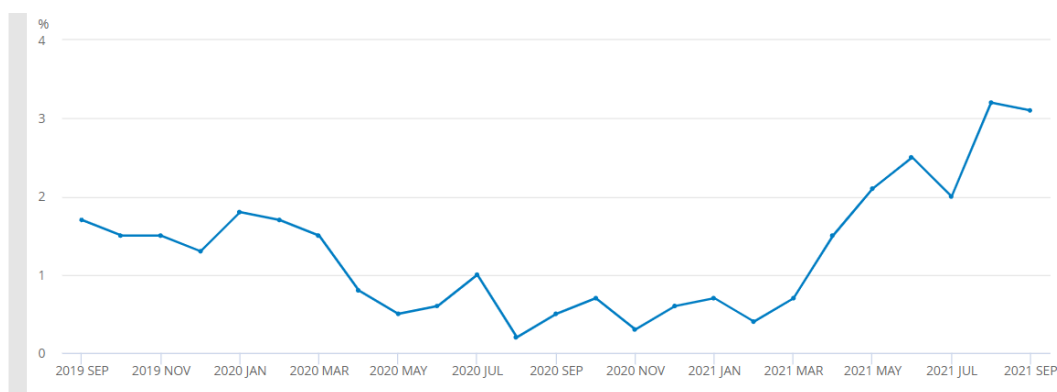
3.2 In relation to the statutory requirement in consulting and engaging tenants on any rent increase, our risk appetite is averse, that is *“avoidance of risk and uncertainty is a key organisational objective”*.

3.3 The decision on rent increases involves striking a balance between the need to meet our objective of borrowing only to invest in new homes, continuing to deliver services our customers tell us they want, and keeping rents affordable. Setting rents lower than the assumption in the business plan could – in the absence of mitigating cost savings – risk the financial viability of DGHP.

## 4. Background

- 4.1 The rent increase was a specific partnership tenant commitment agreed by the Group and DGHP Boards as being capped at 2% per annum for the first three years of the partnership. 2022 would be the third year of the Partnership promise. Our business plan assumes future increase at a rate of 2.9%, but would be subject to annual review and consultation.
- 4.2 In recent months, there has been a great deal of fluctuation in inflation (Chart 1 below) and rates have increased significantly. CPI has increased from 0.4% in February 2021 to 3.1% in September and RPI from 1.4% to 4.9% over the same period.

Chart 1: CPI trend for the period from September 2019 to September 2021



- 4.3 The expectation is that rates will increase further in the coming months as energy prices increase and demand rises with the easing of Covid restrictions in many countries. The latest forecast from the Bank of England monetary policy committee (Chart 2) is that rates may approach 4% by the end of 2021 before falling back to the target of 2% in around 2 years' time.

Chart 2: Forecast inflation per Monetary Policy Report (August 2021)



- 4.4 In addition to general inflationary increases, supply constraints and excess demand for building materials are projected to result in further inflationary cost pressures which will impact us. UK Government figures show that construction material prices for repairs and maintenance rose by 23% between July 2020 and July 2021 and for new housing by 19.8% over the same period. The Office of National Statistics has projected that costs for certain materials are expected to more than double. The increase in national insurance to pay for social care will also increase costs across the group.

## 5. Customer engagement

5.1 Addressed in paragraphs 6.35 to 6.40 below.

## 6. Discussion

6.1 The rent increase assumptions in our financial projections are subject to ongoing review. The annual review takes into account the key principles set out in our Group rent setting framework:

- Affordability;
- Comparability;
- Consultation with tenants and service users; and
- Financial viability.

### Affordability

6.2 Our average rents for 2020/21 are shown in table 1 below. This shows that weekly rents for DGHP are the lowest in the group.

Table 1: Group RSL average rents – March 2021 ARC return

RSL*	Average Weekly Rent					Total Units	Overall Average Rent
	1 Apt	2 Apt	3 Apt	4 Apt	5+ Apt		
Dunedin Canmore	£111.40	£95.48	£106.97	£116.89	£121.33	5,212	£102.27
Loretto HA	£113.05	£92.46	£93.42	£102.37	£118.55	2,360	£96.54
WLHP		£86.16	£92.80	£98.44	£106.85	725	£92.30
GHA	£72.54	£82.75	£88.21	£102.31	£112.03	42,409	£89.44
DGHP		£75.44	£82.42	£88.53	£96.17	9,978	£82.49

6.3 Based on the proposed increase of 2%, the average increases per week for different property sizes would be as shown in Table 2 below.

Table 2: average weekly rent increase by property size

	2 Apt	3 Apt	4 Apt	5 Apt
Per Week increase	£1.54	£1.68	£1.81	£1.96

6.4 We do not have detailed data on our tenants' incomes, however there are several factors which we can take into account when considering affordability. We engage directly with tenants regularly through our independently conducted tenant satisfaction surveys. In the most recent survey in 2019, the percentage of tenants that felt that our rents represent good value for money had increased from 83% to 90%.

6.5 The UK minimum wage grew by 2.2% in April 2021, as well as continued public sector pay rises, such as the 3.3% general uplift for care workers and the final 3% of the COSLA deal for local government workers. Scottish Government tax policy over the same period has also favoured the lower-paid and increased their real incomes. The Office for Budget Responsibility noted on 27<sup>th</sup> October 2021 that across the UK, wages have grown in real terms by 3.4% since February 2020.

- 6.6 In response to the pandemic the UK government introduced a temporary increase in Universal Credit (“UC”) payments of £20 per week. This is ended in October 2021. At the UK budget the UC taper rate was reduced from 63% to 55% as some form of mitigation for the end of the temporary £20 increase. The taper rate is the amount of benefit a worker loses for every pound they earn above their worker allowance and is therefore reducing from 63p to 55p in the pound. It is too early at this stage to assess the impact of this change for our tenants.
- 6.7 However, for full UC claimants, the housing costs element of their UC will still increase to cover any increase in housing costs in full, subject to the benefits cap. This cap is £20,000 a year for a couple or single parent with children, and £13,400 for a single person, and our analysis shows that our rent proposals will still leave significant headroom to this cap for our customers. For example, a 2-bed rent of £400 per month, or £4800 per year, leaves a significant of headroom for other benefits and our customers do not hit this cap.
- 6.8 Affordability analysis of our rents using the SFHA’s Tool are set out table 3:

*Table 3: Affordability analysis by property type and household composition*

House size	Ave Rent	% of minimum living wage spent on rent					Small Family (2 children)	Large family (3 children)
		Single person	Couple (1*PT,1*FT)	Single pensioner	Couple pensioner	Single parent +1 child		
1 Bedroom	£78.49	27.2%	18.1%	24.7%	18.1%			
2 Bedroom	£85.75					22.9%	14.1%	
3 Bedroom	£92.11						15.2%	
4+Bedroom	£100.06						13.3%	
							16.5%	
							14.4%	

- 6.9 While the results are subject to the inherent limitations of the assumptions used in this Tool, and are necessarily generalised based on an assumption that no individual earns more than the UK government minimum living wage, it provides a useful assessment of our position in each RSL and each part of the country.
- 6.10 Our analysis highlights that all our rents consume less than one-third of average net estimated household income, which is often taken as an indicator of rent being affordable. Shelter (2015) cited in the recent Scottish Government literature review of rent affordability have quoted a figure of 35% of net household income as an affordability threshold. A UK Affordable Housing Commission report from 2019 noted that if rent is higher than 40% of net income, then serious affordability issues may arise.
- 6.11 We continue to offer a wide range of wraparound services and wider support to our customers who are experiencing financial hardship. This includes our Helping Hands Fund, fuel vouchers and EatWell packages. We have around £500k remaining in the group Ofgem-supported Energy Crisis Fund and will be using this to support customers through the winter.

### Comparability

- 6.12 DGHP rents are compared with the other local operators below. They are significantly below the averages for other RSLs operating in the region. The comparator figures are based on the whole stock base for those landlords.

Table 4: Dumfries RSL average rents + service charges at March 2020 (Source ARC 2019-20)

Dumfries & Galloway Social Landlord	Rents					
	1 Apt	2 Apt	3 Apt (Rent)	4 Apt	5+ Apt	Overall Average Rent
Cunningham Housing Association Ltd	£ -	£ 80.23	£ 99.53	£107.98	£115.97	£102.00
Home in Scotland Ltd	£ -	£ 87.52	£ 89.23	£ 88.58	£108.37	£ 88.91
Loreburn Housing Association Ltd	£ 73.52	£ 83.11	£ 89.15	£108.89	£106.33	£ 90.64
Irvine Housing Association Ltd	£ -	£ 74.55	£ 82.35	£ 90.38	£103.12	£ 83.97
<b>Dumfries and Galloway Housing Partnership</b>	£ -	£ 73.98	£ 80.83	£ 86.82	£ 94.34	£ 80.89

6.13 We will not know the increases proposed by other RSLs until later in the year, so we cannot compare relative increases at this stage. However, a number of organisations still operate on the basis of linking rent increases to published inflation indices such as RPI and CPI, usually taken around November.

#### Financial viability

6.14 The Board reviewed and agreed revised financial projections at its meeting in February. The projections agreed included the assumption of 2% for 2022 with the long-term rate remaining at 2.9%. The Board agreed the projections allowed us to remain financially strong, comply with loan covenants and deliver on ballot commitments made to tenants.

6.15 The approved projections have been updated to reflect:

- (i) The final audited results for 2020/21;
- (ii) The latest forecast spend and completions for the development programme; and
- (iii) An increase in assumed pay rises from 1.5% to 2.5% in the next two years and an allowance for increase National Insurance costs from April 2022.

6.16 At the end of August, spend on the DGHP investment programme was £8m vs £13m budget, in the context of a full year budget of £33m. Our investment team are working hard to accelerate the level of investment delivery, however there is a risk that some of this investment budget may have to be rolled forward into next financial year. We have assessed various scenarios for this and the impact on loan covenants. Under these scenarios, the updated financial projections show DGHP can continue to meet covenants.

6.17 Service charges would be increased in line with rent, except where different pricing adjustments are required based on specific service cost changes. Any such differential service charge increases would be subject to specific consultation with tenants.

6.18 The final proposal for DGHP will be presented to this and the Group Board in February 2022 for final approval.

6.19 We are required under statute to consult with tenants on proposed rent and service charge increases. Our proposal for how we will engage with customers is set out below.

## Consultation process

### *Part 1 - initial and in-depth consultation*

- 6.20 The easing of restrictions, coupled with the advancements of digital platforms and increased customer appetite to engage digitally allow us to introduce focus groups to our consultation process. The focus groups have previously provided deeper customer insight than the formal consultation process. They also fit with our new engagement framework and provide a good opportunity for recruitment of tenants to our new engagement structures.
- 6.21 It is proposed that we hold circa 10 focus groups at DGHP, which will be independently facilitated by BMG. With 6-8 attendees at each, we expect to engage over 60 DGHP tenants in focus groups.
- 6.22 The focus groups will be a mix of in-person and digital. We will also seek to engage a diverse range of tenants. The focus groups will be provided with a copy of the draft rent setting booklet in advance and the sessions will be broadly structured as follows:

#### **Introduction (Opening presentation)**

- Opening address from MD or Head of Housing
- Overview of what service and investment customers have received in the previous year
- What can be achieved for the year ahead based on the rent proposals
- MD / Head of Service leaves –Independent facilitator takes over

#### **Discussion**

- What do people think in general?
- What might they pay more for? –more investment?
- Highlight ‘you choose challenge’ approach for greater participation in local spending – what do they think of this model?
- Stronger voices, increasing engagement –what do they think about more flexible opportunities to stay involved?

#### **Closing**

- MD returns to respond to any questions raised
- Share feedback from discussion/suggestions for brochure and content
- Explain next steps for rent consultation

- 6.23 The focus groups will be held from mid-November to early December, assuming the DGHP Board formally approves the consultation to commence for the rent increase.

### *Formal consultation*

- 6.24 We will issue a formal letter to all tenants with a rent consultation booklet and response form. The draft consultation booklet is attached at Appendix 1.
- 6.25 Following the focus groups, each individual RSL Chair will be briefed on the key messages and agree any changes to the consultation booklet based on focus group feedback.

6.26 We will engage Civica Election Services (“Civica”) to operate the formal consultation on our behalf. Group have used Civica for all our tenant ballots and they will provide additional independence to the process. As with the ballots, Civica would issue the consultation documents and provide us with independently verified results.

6.27 The consultation process will run for 6 weeks from 13 December to 28 January. Following this, the formal proposals will be brought to DGHP Board in February, which will take account of both the focus group feedback and the consultation responses.

## **7. Digital transformation alignment**

7.1 Tenants will be able to participate in the consultation through a wider range of digital means than ever before. For the first time, we will run on-line focus groups. Responses will also be able to be emailed to the independent provider Civica. We will use a wide variety of digital and social media approaches to publicise the consultation.

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

8.1 As set out above.

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

9.1 Consultation with tenants on any increases in rent or service charges is a requirement of the Housing (Scotland) Act 2001. The approach set out in this paper will meet our requirement to consult under the Act.

## **10. Equalities implications**

10.1 No implications noted.

## **11. Environmental and sustainability implications**

11.1 No implications noted.

## **12. Recommendations**

12.1 The Board is asked to:

- 1) Agree that the proposed rent and service charge increase of 2% in line with the Partnership promise to customers as the basis for tenant consultation; and
- 2) Approve the approach to rent consultation set out in this report and note that the results of consultation will be presented to the Board in February 2022 to enable final rent decisions to be made.

## **List of Appendices**

Appendix 1 – Draft DGHP consultation booklet

# Investing in your community

Rent levels 2022/23



Have  
your  
say



# Listening to you, and responding

The last year continued to be a difficult and challenging time for everyone as the pandemic continued. At DGHP, we maintain our determination to support our tenants and communities in every way we can.

Over the last year we redeployed our resources to the areas tenants and communities told us they needed them most, in particular the expansion of our support services. We also invested significantly in new services to help people in need and in new ways of working that enabled our staff to be there to support tenants and their families 24/7.

In our recent consultation, tenants confirmed they wanted us to embed these new ways of working going forward, including:

- › A new and improved 24 hours a day, seven days a week, Customer First Centre which will deal quickly and efficiently with customer enquiries at the first time of asking;
- › More services in your home – we will come to you, when it suits you, in a way that suits you;
- › Enhanced online services – improved online self-services to allow tenants to do much more for themselves at a time and place to suit them;
- › Our new Centres of Excellence in Dumfries and Stranraer will be remodelled to support more community group activities and act as a learning centre; and

› A new way of engaging that built on what we have learned during the pandemic to allow more tenants to get involved and have their say, increasingly through digital and online platforms.

As restrictions have eased, we prioritised the remobilisation of services based on what you told us matters most. Our repairs service and stair cleaning services were fully remobilised as soon as it was possible and safe to do so.

Our expert welfare benefits advisers have continued helping customers with Universal Credit claims and making sure they are getting all the benefits they are entitled to.

We understand from your feedback that you want us to keep investing in homes and neighbourhoods. Many tenants have also told us the repairs service is the most important service for them and we're introducing improvements to our repairs service in the year ahead.

It's by listening to you and understanding what's important, that we're able to invest in your priorities and make sure our services are right for you. Over the next year we'll be implementing our new approach to engagement which will see more tenants than ever directly involved in shaping our services and priorities.

We know the pandemic and the challenges it has brought will be with us for some time. We remain committed to supporting our tenants and communities, now and through the uncertainties of the future. This booklet looks at how we can continue providing the services people need while investing in homes and neighbourhoods.



## What's inside?

- 4 What tenants tell us
- 5 How your rent was spent last year
- 7 Challenges for the year ahead
- 8 Our Partnership Promises
- 10 Supporting you in difficult times
- 11 How to make your voice heard





**New homes**

We know that increasing the number of affordable homes for rent is important to tenants. Working with our partner we quickly remobilised our construction of new homes when restrictions eased and built 12 new affordable homes over the year. We also started work on 37 new homes across 2 sites and plans were approved for the development of a further 37 homes.

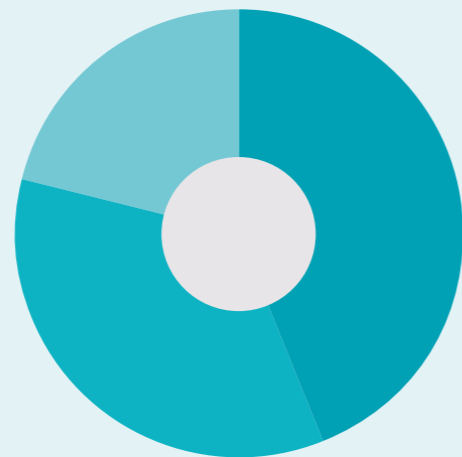
**Repairs service**

At the start of year, our repairs and maintenance service was restricted to emergency and essential services only. Throughout the year, our overriding priority was the safety of our staff and tenants.

As lockdown restrictions were temporarily eased, we were able to increase the range of essential repairs we could carry out, but reverted back to emergency and essential services as restrictions tightened again.

Despite the challenges we still managed to deliver 26,700 reactive repairs over the year.

Here is a breakdown of how each pound was spent in 2020/21



- 44% Investment and maintenance
- 35% Loan interest
- 21% Staffing and administration costs

# Challenges for the year ahead

The pandemic has had a significant impact on our business, tenants and communities. Like all social landlords we have had to adapt the way we delivered services to take account of the restrictions in place. Our priority has always been, and will continue to be, the health, safety and wellbeing of tenants and our staff.

We have fully remobilised all our services, but there remains a need for additional health and safety protocols which will continue to impact the way we deliver services, particularly repairs and investment activity.

The pandemic has had an unprecedented impact on the economy. This is placing a number of cost pressures and challenges on all social landlords across the sector, including:

- Global shortages of materials used in repairs, investment and new homes mean that getting the materials we need will continue to be a challenge;
- Inflation is rising and is expected to continue to rise in the months ahead. Materials costs for repairs and maintenance work went up by 23% between July 2020 and July 2021 according to UK Government published figures. This means that we will face challenges as rising inflation continues to further push up the cost of goods and services;

- Legal requirements for all social landlords to increase the energy efficiency of all homes in the coming years, which should save tenants money on fuel bills in the future; and
- The UK Government 1.25% increase in National Insurance contributions will increase staff costs for all social landlords

We have continued to work hard to reduce costs in recent years with our management costs now lower than the Scottish and UK averages. We have used these savings to allow us to continue to meet our partnership promise of rent increase at 2%. This is significantly below the current CPI inflation rate of 3.1%.



# Our Partnership Promises

As we come to the end of our second full year as part of the Wheatley Group we have made significant progress on our partnership promises that we made to tenants during the ballot. This includes:

- Eatwell food parcels and vouchers - over 3400 Eatwell parcels have been delivered and over £60,000 in vouchers delivered to DGHP customers.
- Improved frontline and customer services with more staff working much more closely with customers and communities - we have recruited 23 new housing officers, implemented a 1 to 200 patch size and have an improved 24/7 out of hours contact centre in place.

- Additional investment capacity to improve homes, making them modern, warmer and more energy efficient - we have invested £11 million in the last year with a further £45.7 million over the next 2 years.
- Lower rents than planned - 2022/23 will be the 3rd year that we have capped rent increases at 2%. Based on the average DGHP weekly rent of £82.49, the increase will be £1.65. By keeping the rent increase at 2% instead of the planned increase prior to joining the Group, customers are saving on average £94 per year which equals more than £950,000 savings in total.
- DGHP customers having access to fuel advisors/energy advice, fuel top ups and emergency fund.
- Retain and develop our locally-based staff and grow the DGHP workforce by bringing the repairs service in-house - along with heating/gas servicing.
- Introduction of a free handyman service.
- Additional services, over and above our existing sheltered housing, to help older people stay independent in their home for longer- Alertacall pilot rolled out to DGHP customers, 12 new build bungalows built in Sanquhar.



- In July 2021, we introduced a brand new service improvement for DGHP customers with a team of over 50 dedicated environmental operatives ensuring our neighbourhoods are well maintained and areas that customers are proud to live.
- 1000 new build homes in the region - 5 year development programme in place, First new build site completed at Sanquhar and 86 homes in first 5 sites approved for development with overall investment of £15.9m.
- 63 jobs, training and apprenticeships in our communities created through the expanded investment and new-build programmes and Wheatley Group's employability schemes.



# Supporting you in difficult times



Keeping on top of bills and running a home can be difficult at the best of times.

We understand many people are facing challenges as we continue to live with the impacts of the pandemic. Please be assured we are here to help all tenants save money and support them to keep on top of their rent and other household costs.

Remember TALK TO US. The sooner you get in touch, the quicker we can help. Check out the many ways we can help tenants save money.

## MySavings

Tenants who sign up for an online account can save up to 10% on everyday shopping bills. Register for MySavings and get money off everything from food and clothes to cinema tickets, gym membership and takeaways.

## Fuel advisors

Worried about rising gas and electricity prices? Our fuel advice service helps tenants get on to the lowest tariffs, arrange low-cost repayments and, in some cases, get debts written off. Last year tenants across Wheatley Group saved almost £300,000 on their energy bills.

## EatWell

Struggling to put food on the table? Eat Well supports tenants who face real hardship and who may be forced to turn to food banks.

## Welfare advice

Our welfare benefits advice team have helped tenants across Wheatley Group claim more than £8.6m last year in benefits and tax credits they were due. They can help you too.

## Universal Credit advice

We help tenants make a Universal Credit claim and offer support until the money comes in. We also help tenants get online, set up an email address, manage money and open a bank account.

## Budget planner

Do you know how much it costs to run your home? How much is left over after paying rent? Our household budget planner can help.

## Work and training

Want to apply for work, but struggle to fill in online forms or write a CV? We can help you get ready for work. We also have great training and job opportunities for people of all ages.

## Need support?

**Talk:** to your housing officer

**Phone:** 0800 011 3447

**Email:** customerservice@dghp.org.uk

**Web:** www.dghp.org.uk

# How to make your voice heard



You can feedback by:

- completing the enclosed consultation form and returning in the envelope provided; or,
- going online at [www.cesvotes.com/wheatleygroup](http://www.cesvotes.com/wheatleygroup) You will need your security code printed on the enclosed consultation form to do this.

The consultation closes on **Friday, 28 January 2022**.

## What happens next?

All feedback from tenants will be independently checked by an external organisation. The DGHP Board will then consider all the feedback on rent levels for 2022/23.

We'll also report on the progress of the work carried out through the year. We will let you know what your new rent for 2022/23 will be by letter. Your new rent will be due from April 2022 onwards.

Wheatley Group, Wheatley House,  
25 Cochrane Street, Glasgow, G1 1HL  
[www.wheatley-group.com](http://www.wheatley-group.com)





## Report

**To:** DGHP Board

**By:** Alan Glasgow, DGHP Interim Managing Director

**Approved by:** Tom Barclay, Group Director of property and Development

**Subject:** Repairs update

**Date of Meeting:** 10 November 2021

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### 1. Purpose

1.1 The purpose of this report is to provide the Board with an update on the repairs service and set out plans for its development.

### 2. Authorising and strategic context

2.1 Under the Group Authorising Framework and Intra-Group Agreement the DGHP Board is responsible for operational matters. The Board approved our current repairs policy in May 2020.

### 3. Risk appetite and assessment

3.1 The risk appetite of DGHP relating to Repairs and Maintenance is “Minimal” i.e. preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.

3.2 Risks relating to repairs and maintenance are set out in the DGHP risk register. In addition, performance reporting for DGHP repairs is embedded in the Scottish Housing Regulator reporting requirements and the quarterly DGHP performance report to Board.

### 4. Background

4.1 We know that for customers’ repairs is the single most important service that we provide, and that it is most often the way in which customers interact with us. Our repairs service is, in the main, provided through our in-house repairs service, and generally has good levels of customer satisfaction with latest levels at 91.7%.

4.2 During the pandemic we maintained a repairs service focusing initially on life and limb services, and then, as restrictions allowed, the service was extended to a point where it began to return to more business-as-usual operations from May 21.

4.3 Since then, customers have had access to an almost full repairs service, albeit with some operational challenges because of limited availability of some materials, staff absence due to continuing Covid related infections, the continuing need for PPE and safe working practices and the need to work through a backlog of repairs that could not be carried out before a return to near normal working.

## 5. Customer engagement

5.1 Customers have been kept informed throughout the pandemic on the availability and nature of our repairs service, including as it has returned to normal, through regular service-related bulletins that were sent by post and extensive text messaging providing updates on specific repairs.

## 6. Discussion

6.1 With lockdown easing we have seen high levels of demand, including in our customer first centre, for repairs. The table below shows the number of completed repairs this year compared to the same period in 2019/20 – the last time a ‘normal’ repairs service was in operation.

Area	Completed Repairs					
	Emergency			Non-emergency		
	YTD 2019/20	YTD 2021/22	Variance	YTD 2019/20	YTD 2021/22	Variance
DGHP	5,256	6,308	20%	10,359	9,288	-10%

6.2 In considering non-emergency repairs, it is worth noting that this year, the bulk of demand has taken place over the five months since the service remobilised in late May 2021, and especially from July 2021 to now, rather than the seven months covered by the reporting period.

6.3 At the time of issuing the report there are 3,183 live non-emergency jobs in the repairs system which is a slight reduction from the peak of 3,393 in early October, although significantly above the 1,500 or so that would be typically expected given our customer numbers. Of the jobs in the system, 1,742 are overdue the timescales we expect for the type of work to be completed. This is an improvement on the peak of 2,255 although still in excess of what we would hope to achieve. Other key repairs performance including emergency repairs timescales and gas servicing remain on or better than target, despite the increased demand for repairs being experienced at present.

6.4 To address this, and drive service improvement we are acting across a range of areas, namely:

- Raising jobs and data integrity;
- Reinforcing staff responsibilities and accountabilities;
- Capacity and clearing the backlog;
- Materials/St. Gobain;
- Systems development; and
- Colocation.



### Raising jobs and data integrity

- 6.5 Work has been undertaken to ensure that the data we hold is accurate. This has included addressing identified issue, arising from how the repairs system has been used, including duplicate jobs and jobs not being closed where there is a no access. We have also, on an experimental basis, taken steps to ensure trades staff have visibility on more of their upcoming jobs to address reported mobile network coverage issues.
- 6.6 We are now looking to optimise utilisation of trades staff through improving diary management, and to drive the number of jobs completed right first time which will address the relatively high number of follow-on jobs being undertaken at present.
- 6.7 Key to this is closer working between planners and operations managers with daily review meetings and optimisation of forward work for trades teams. As discussed below, we are also exploring the potential to physically colocate those staff in the near future.

### Reinforcing staff responsibilities and accountabilities

- 6.8 As the Board will recall, our repairs service has been developed during the pandemic and we are at a stage where it is timely to reinforce core responsibility and accountabilities. This is being done through the recently appointed interim head of repairs emphasising the importance of operational effectiveness and in particular staff productivity and clearing the backlog above. Our recently appointed trade team leaders are undergoing training including to reinforce expectations of their roles and to introduce them to, and build skills in, the repairs systems used in DGHP. This operational focus is being supported through developing operational management information that, amongst other things, details productivity at individual and team levels to aid management and support service improvement.

### Capacity and clearing the backlog

- 6.9 Our trades teams are now fully staffed following the recent successful recruitment of 20 front line trade staff. New starts have received their induction, necessary training and equipment and are now fully operational. The additional capacity these staff bring will assist in clearing the backlog. We are also making use of our sub-contractor network including our Wheatley Group partner, City Building Glasgow, to further augment capacity given the high repairs demand currently and the existing backlog.
- 6.10 As well as boosting available capacity to complete repairs, we are also focusing on ensuring that existing trades capacity is operating as effectively as possible. Key to this is maximizing the number of jobs completed first time. This is being done through our planning ensuring that trades staff have sufficient time to complete the repair in one visit. We are also examining areas that lead to multiple visits including inspections, measuring up for works and follow up jobs to ensure that these only take place when necessary to ensure a successful repairs outcome for customers.

### Materials/St. Gobain

- 6.11 We are making steady progress with St Gobain in addressing material supply issues that have impacted our ability to complete certain repairs, although at present there are still materials in short supply including some glass, cement based and manufactured products, such as internal timber pass doors.
- 6.12 This progress follows discussions with St Gobain at UK director level and assigning a senior member of our repairs service to work with St Gobain to review current processes and optimise these to ensure materials are available where and when needed. We have also made it easier for trades staff to collect materials including through local branches of Jewsons and other businesses owned by St Gobain, and from drop off locations. We are now undertaking van stock audits with St Gobain to ensure each vehicle (and tradesperson) has the optimum materials available for completing the most common jobs.

### Systems development

- 6.13 A review of our repairs system is on-going, supported by Civica – the provider of the system. To date, the review has not identified any fundamental issues with the system although it has emphasised the need to ensure it is used as designed. An interface issue with DRS has been identified for multi-trades jobs that is being worked around in advance of a technical solution. Staff not raising jobs with the right SOR code or closing jobs properly through PDAs (handheld terminals used by repairs staff) are particular areas that have been highlighted where there are inconsistencies in how the system is being used. The review also highlighted the importance of staff having detailed understanding of how to make best use of the system and working to the operating model that was designed as part of its implementation. Refresher training on the processes involved including how to use the PDAs is being developed and will be rolled out to staff.

### Colocation

- 6.14 As mentioned above, close working between planners and operations managers is essential to the effectiveness of a repair service. To date, staff have had to build this working relationship in a predominantly remote working and online environment due to timing of the pandemic and when DGHP's repairs service came in house. To address this, we are actively looking for a location in Dumfries where planners and repairs operational managers can colocate, with call handlers. Including call handlers will allow far more immediate dialogue on repairs issues through ready access to in-depth expertise when taking a call and raising a repair. It also fits with our group wide customer first centre model where having a physical location for call handlers is expected to improve the customer experience and staff wellbeing.
- 6.15 In parallel, whilst continuing to address the high level of repair demand and the backlog at present, we are working closely with colleagues across group to shape the repairs service going forward. This includes reintroducing successful aspects of the group's MyRepairs service from before the pandemic (and the need for home based working limited face-to-face interactions) such as the colocation of repairs planners, operational managers and call handlers discussed above.

6.16 More generally, the creation of our Group's Customer First Centre and our drive for service improvement has led to numerous repairs related developments that we are planning to put in place. These include:

- The Customer First Centre becoming a single point of contact, with skilled specialist repairs advisors, through which customer raise and follow up on repairs. This approach will mean the centre can better manage customer communications and be far more responsive through much closer working with repairs service planners;
- Providing customers with real-time information on progress with their repair including the ability to track their repairs operative when on route and the opportunity to rate the service there and then through direct feedback to the customer first centre;
- The potential for rapid rectification of repairs related issues when the ability to rate the service there and then results in negative feedback. In practice, this could be done through the customer first centre monitoring customer feedback as it happens and responding to negative ratings quickly. This might include contacting the customer and arranging for the trades team to return to the job quickly to resolve the problem;
- Appointing all repairs including follow on works and requiring that any changes initiated by us are communicated from the Customer First Centre and only done, where practically possible, in discussion with the customer in advance;
- Introducing real-time dashboards that provide repairs operational highlights (and low lights) and that automate triggers to alert customer first centre staff to proactively contact the customer where it is likely that a commitment, such as an agreed appointment time, will be missed;
- Changing the approach to no access emergency jobs so that the Customer First Centre contacts the customer to determine why the job could not be completed and re-raises it if still required;
- Developing our web self-service offer for repairs so that customers have access through an online account to 'one click diagnosis' of the most common repairs types and can reschedule or cancel appointments;
- Introducing a mechanism through which customers can directly message the trades person in the run-up to their job being carried out, with brief updates such as to ask them to wait, as they are running slightly late;
- Developing a new *handyperson type* service for all customers that will rapidly carry out smaller repairs jobs that do not required a skilled trade person. This will be additional to the existing handyperson service that carries out odd jobs for older and more vulnerable customers; and
- Simplifying the way we categorise and manage repairs so there are only two types of repairs – emergency and non-emergency. Doing this will greatly improve transparency and help with reducing the currently complex systems and process interactions needed to deliver a repair.

6.17 The innovations discussed above are being developed into a detailed implementation plan. Early wins will come from establishing the customer first centre with specifically trained repairs call handlers and expertise. Longer term improvements will come from developing the processes and technology that supports the repairs service across all Wheatley partners.

- 6.18 These changes align with the group repairs policy framework that was approved by the Wheatley Board at its meeting in February 2020 and the DGHP policy framework that this Board approved in May 2020.

## **7. Digital transformation alignment**

- 7.1 Digital transformation is a major part of delivering the priorities for developing our repairs service and our My Repairs vision. Deploying digital technology in areas including booking and changing a repair online, tracking progress with a repair and providing real time feedback on satisfaction, or otherwise, are all aspects of how customers will increasingly have control over their repairs experience, and a service tailored to particular needs.

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

- 8.1 The development of the repair service discussed here will be subject to detailed business planning as necessary.

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

- 9.1 There are no specific legal implications as a result of the discussion in this paper.

## **10. Equalities implications**

- 10.1 The development of our repairs service and the policy presented here are all aimed at providing a repairs service that meets customer needs. Tailoring the service to individuals including ensuring that no one is left behind are key aspects which will ensure that developing our repairs service has a positive equalities impact.

## **11. Environmental and sustainability implications**

- 11.1 An effective repairs service that prolongs the life of components in our homes and protects our assets will have environmental and sustainability benefits through reducing waste and delaying the resource implications associated with manufacturing and transporting replacement products.
- 11.2 Where waste is unavoidable, the increasing focus on the 'Circular Economy' including planned Scottish Government legislation, will increase the emphasis on the provenance and use of materials and resources. Our waste streams are already segregated and recycled where possible. Future innovation will present opportunities for further sustainable outcomes through our repairs service. For example, in theory UPVC window frames can be recycled as new frames up to 10 times.

## **12. Recommendation**

- 12.1 The DGHP Board is asked to note the update.



## Report

**To:** DGHP Board

**By:** Lindsay Lauder, Director of Development and Regeneration

**Approved by:** Tom Barclay, Group Director of Property and Development

**Subject:** Development programme update

**Date of Meeting:** 10 November 2021

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### 1. Purpose

1.1 To provide the DGHP Board with an overview of the new build programme performance and topical issues connected to development.

### 2. Authorising and strategic context

2.1 The Group Authorising Framework provides that each RSL Board approves a 5-year Development Programme on a rolling basis. The 5-year programme was approved by DGHP's Board in February 2021. Once the programme is approved, the Group Development Committee is responsible for scrutinising and approving each individual contract award within the parameters agreed in February 2021.

2.2 The purpose of this report is to provide Members with an update in relation to the Development programme. No approvals are sought.

2.3 The delivery of the DGHP programme contributes to the Group's development programme and supports DGHP's on-going role as a key partner for the Scottish Government in their More Homes Scotland commitments and by the recently published Programme for Government commitment to deliver 110,000 new supply affordable homes.

2.4 The development programme requires on-going partnership working with Dumfries and Galloway Council to meet the objectives of its Local Housing Strategy and Strategic Housing Investment Plan. We additionally continue to be in contact with a broad range of private developers, housebuilders and land agents to put ourselves in position to exploit development opportunities as they emerge.

### 3. Risk appetite and assessment

3.1 The agreed risk appetite in respect of development is level 4, "open", which is defined as *"willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward"*.

- 3.2 The information provided in this report will support the management of risk in respect of development by providing an overview of any existing risk in regards to the development programme.
- 3.3 In addition, a Property Risk Assessment is in place for DGHP and risk registers are developed for each project to facilitate the management or mitigation of all identified risks.

#### **4. Background**

- 4.1 Progress on the 2021/22 grant programme is monitored through quarterly progress meetings with Dumfries and Galloway Council and Scottish Government.
- 4.2 All projects discussed in this paper are supported in principle for progression and development by the Local Authority.
- 4.3 While building activity on our sites continues, our builders are still continuing to employ steps to limit the spread of coronavirus. We are actively engaging with our contractors on an ongoing basis to understand the implications of this for our development programme.
- 4.4 Our Resource Planning Assumptions (RPA) for 2021/22 is £2.462m. At present, we are projecting an underspend of £0.25M against this figure. The primary issue with the RPA is the project at Glenluce, which has been delayed while discussions take place with adjoining neighbours.
- 4.5 This year has seen well-publicised price increases for raw and finished materials required in the construction process and delays in delivery of these items. At present, the DGHP programme has not had to meet any requests for additional costs/time associated with this.

#### **5. Customer engagement**

- 5.1 We work closely with our internal customers in the planning and delivery of the DGHP Development Programme. The Housing Management Team is closely aligned to our programme.
- 5.2 Local communities are engaged in the Planning process at neighbourhood level in all of our developments as part of the statutory consent process. Additionally, as the programme is delivered we undertake customer satisfaction surveys from our end customers.
- 5.3 A number of “Customer Voices” projects are progressing across Group and learnings from these projects will be applied to future new build projects. We will work with Housing Management colleagues to link the homes built to prospective customers, at an early enough date to be consulted on preferences for fixture and finishes where possible to do so.

## 6. Discussion

6.1 The below table summarises the position of the DGHP Development Programme:

Indicators	Highlights & Exceptions
Unit completions	<p>12 units were completed in 2020/21 at Queensberry Square, Sanquhar.</p> <p>31 units have completed to date in 2021/2022:</p> <ul style="list-style-type: none"><li>▪ 5 units at Monreith</li><li>▪ 26 units at Lincluden</li></ul> <p>A further 6 units are planned to complete in the current financial year at Lincluden.</p>
On site	<p>We have 3 projects on site, with 43 units under construction which include the 6 units at Lincluden as noted above along with:</p> <ul style="list-style-type: none"><li>▪ 19 units at Nursery Ave, Stranraer</li><li>▪ 18 Units at Gillwood Road, Eastriggs</li></ul>
Due on site	<p>There are no projects currently approved by Group Development Committee and 'due on site'.</p> <p>However, there is a healthy pipeline of projects being progressed to ensure continuation of programme delivery.</p>
Programme	<p>There are a total of 832 units across projects 'in development', due on site and 'on site' projects.</p>
Budget versus Spend	<p>Spend is £4.679m against budget of £8.099m to the end of September 2021. The spend variance is driven by spend being accelerated at Sanquhar in 2020/21 which had been accounted for in the 2021/22 Business Plan and a delayed start to the refurbishment element of Lincluden following the COVID lockdown.</p>
Engagement Status	<p>Lochside is considered a 'High Engagement project' in the DGHP programme given its scale.</p>

### Project Updates

#### Lincluden Stables, Dumfries

- 6.2 DGHP Board approved a tender from Ashleigh (Scotland) Ltd (ASL) in February 2020 for the construction of 32 units for social rent. A site start was achieved on 9 March 2020 but was interrupted between 24 March 2020 and mid-June 2020 in line with Scottish Government Guidance and ASL continued to follow Scottish Government coronavirus guidance after this.
- 6.3 The contract with ASL was split into 2 Phases with the first being for 26 new build units and the second for the renovation of the former stable block to provide a further 6 units. The full Grant funding allocation of £3.52m has been drawn down.
- 6.4 Handover of the first phase occurred at the start of September 2021 with Phase 2 targeted for completion in late February 2022.

### St Medan's, Monreith

- 6.5 DGHP Board approved a tender from City Building in May 2020 for the construction of 5 units of social rent. A site start was achieved as programmed on 10 August 2020. The full grant funding allocation of £0.413m has been drawn down and handover of the units occurred on 24 May 2021.

### Queensberry Square, Sanquhar

- 6.6 DGHP Board approved a tender from Ashleigh (Scotland) Ltd in February 2020 for the development of 12 units for social rent. A site start was achieved as planned on 2 March 2020 but was interrupted between 24 March 2020 and mid-June 2020 in line with Scottish Government Guidance and ASL continued to follow Scottish Government Guidance after this.
- 6.7 The full grant funding allocation of £0.955m has been drawn down and the handover of the units occurred at the end of March 2021.
- 6.8 This project has been shortlisted in the Scotland Housing Awards 2021 in the "Excellence in Development for Affordable Housing" category. The winner is due to be announced at an awards ceremony in Glasgow on 25 November 2021.

### Nursery Avenue, Stranraer

- 6.9 DGHP Board agreed on 27 May 2020 that we enter a contract with McTaggart Construction Limited for the construction of 19 units for social rented housing at Nursery Avenue, Stranraer.
- 6.10 Planning Approval for the Nursery Avenue project was received in November 2020 and following consent from Scottish Water in April 2021 the project started on site in May 2021. Completion of the project is targeted for September 2022.
- 6.11 Work on site is currently focused on groundworks including formation of the site drainage, roads, the formation of a large crib wall and foundation works. The contractor and DGHP have worked hard to build and maintain a good relationship with the existing residents of Nursery Avenue.

### Gillwood Road, Eastriggs

- 6.12 Group Development Committee approved in March 2021 that we enter a contract with Ashleigh (Scotland) Ltd for the construction of 18 units for social rented housing at Gillwood Road, Eastriggs.
- 6.13 Scottish Government grant funding of £1.603m was confirmed in March 2021. Work on site started in July 2021 and £0.752m of grant funding remains to be claimed which will be achieved this year. It is planned that this project will complete by July 2022.
- 6.14 The first house kits have now started to arrive on this site. The contractor and DGHP have worked hard to build and maintain a good relationship with the existing residents surrounding the site.



### Glenbay Hotel, Glenluce

- 6.15 In May 2021 the Group Development Committee approved the acceptance of a tender for the demolition of the former Glenbay Hotel, Glenluce by George Beattie and Sons Ltd as part of the contract to provide 10 new homes on the site. The site is in the Strategic Housing Investment Plan with both DGC and Scottish Government being supportive of the scheme and ensuring that funding is available for it.
- 6.16 Time-consuming discussions with neighbouring owners around the demolition proposals are drawing to an end with plans for the demolition works to take place in early 2022. We are working with Ashleigh (Scotland) Ltd and design consultants on this project, and they are currently working on a full planning application for the site to be lodged in December 2021.

### Springholm

- 6.17 The site is included in the Council's Local Development Plan for 40 units and the current layout proposes 47 units. A pre-planning application enquiry (PAE) was lodged with the Council at the start of July 2021 and feedback on this is awaited. We have been told that there is a workload / resourcing disconnect within the DGC Planning Service. The Council has recently agreed to fund additional resources for the Service which should assist this.
- 6.18 The site is in the Strategic Housing Investment Plan. DGC is supportive given the lack of new affordable housing provision in Stewartry in recent years.
- 6.19 A full planning application will be made in 2021 subject to us receiving the PAE feedback in October.

### Johnstonebridge

- 6.20 The current layout is for 33 units and a PAE was submitted to the Council at the end of June 2021 on this basis. As with Springholm, the outcome of the PAE is still awaited.
- 6.21 The site has been in the Strategic Housing Investment Plan for a number of years and there is DGC support for the site to be brought forward. Site investigations are ongoing, and costs of the project are to be assessed. Strategic Housing and Scottish Government are aware of the challenges with this project and the expected high development costs.

### Herries Avenue, Dumfries

- 6.22 Herries Avenue, Dumfries was acquired by Dumfries and Galloway Housing Partnership (DGHP) prior to joining the Group. An overarching strategy in relation to Herries Avenue, Currie's Yard and Catherinefield Farm, Dumfries referred to as the Heathhall Landbank, was agreed by Group Development Committee and thereafter DGHP Board in May 2020.
- 6.23 This Strategy agreed that DGHP would enact the buy-back clause of the acquisition contract, with the full acquisition cost being recoverable. Building Craftsmen have not indicated what their intentions are for the site should the buyback progress.

- 6.24 Following issue of the Buy Back Notice in July 2020, Building Craftsmen (BC) advised that they were no longer able to progress with the buy back. Following a period of attempting to engage with Building Craftsmen, it was clear this would not reach conclusion regarding the buy back. Legal action was therefore raised in May 2021 to enforce the buyback clause. The case is going through procedural hearings at present, with the next court date set for 17<sup>th</sup> November 2021.

#### Currie's Yard and Catherinefield Farm, Dumfries

- 6.25 We are working with CCG (Scotland) Ltd and design consultants on both these sites and a full planning application for the site at Currie's Yard was submitted in August 2021 for 89 units for social rent. We have been advised that we should know the decision on that application by December 2021.
- 6.26 The Catherinefield site will be included in the Masterplan to satisfy the requirements of the Local Development Plan. Catherinefield is a challenging site given development costs, constraints and scale. Discussions have taken place with CCG to consider options for delivery based on a mixed tenure approach, however a combination of low sales prices and higher development costs makes this challenging. We will continue to review this, however it should be noted that a buy back option is in place for this site.

#### Queensberry Brae, Thornhill

- 6.27 The site has capacity for 112 units and was acquired by DGHP in March 2017 for £1.68M from Buccleuch Estates utilising Scottish Government grant funding.
- 6.28 Previous discussions took place with the Health and Social Care Partnership regarding the possibility of provision of extra care housing associated with the adjacent Thornhill Community Hospital. This is no longer being progressed as the HSCP has been unable to progress their Business Plan for the proposal.
- 6.29 Springfield are currently assessing the site for mixed tenure with a response awaited at present.

#### Ashwood Drive, Stranraer

- 6.30 DGHP leases office premises at this highly accessible location on the edge of Stranraer Town Centre. This lease is due to expire on 27 November 2021, at which time the site will be acquired by DGHP from the current owners in line with the Corporate Estates Strategy. Following acquisition, demolition works will take place to allow delivery of a combined project for a new office hub and 12 new build units for elderly amenity customers. The units are a mix of 4 x1 bedroom/2 person and 8x2 bedroom/3 person flats and will be built on ground, first and second floor with a lift.
- 6.31 Initial site investigations have already been carried out revealing peat on the site and, in line with normal practice, a Stage 2 site investigation will be conducted on the existing building footprint post-demolition.
- 6.32 The site has recently been added to the Strategic Housing Investment Plan. We have received a response from Council Planning to our PAE. Our proposals are being updated to reflect this feedback with a view to submitting a full application by March 2022.

### Corsbie Road, Newton Stewart

- 6.33 This site is not in the Strategic Housing Investment Plan although the Strategic Housing Team is supportive in principle. The site is in the Local Development Plan. We are working with the Wee House Company (WHC) and design consultants in a developer led project of 60 units of modular construction for social rent. The WHC are progressing acquisition of the site with the landowner and a further access strip from the Council. The site layout is being reviewed following initial investigations and the outcome of the PAE. This may result in a lower unit number than currently assumed.

### Barnhill, Dumfries

- 6.34 Springfield are currently assessing this greenfield site at the edge of Lochside, Dumfries for mixed tenure. It is in third party ownership and Springfield are speaking with the owner although there is a gap in price expectations and scope of the acquisition. Springfield would prefer to acquire and build in phases. Springfield are reviewing an appraisal of the site and we are awaiting the outcome of their internal discussions on this.

### George Hotel, Stranraer

- 6.35 The former George Hotel building is lying vacant and derelict on this site in Stranraer Town Centre. The site is not in the Strategic Housing Investment Plan; however, the Council have indicated a preference to see the site developed for mixed use with community facilities on the ground floor and residential units above. Design consultants have been appointed to conduct a feasibility study of the site for further consideration.

### Lochside, Dumfries

- 6.36 Board received an update on the Lochside TRA proposal in September 2021. The draft Heads of Terms for the TRA proposal were submitted to DG Council in August 2021. Feedback on this draft is expected imminently, with DG Council intending to take a report to their Economy and Resources Committee in November 2021 to seek agreement on principle to the Heads of Terms. Once agreed, procurement of a design team and community consultation will commence.
- 6.37 In the interim, it has been agreed in principle with Council Officers that the former Maxwelltown High School site will not be put to the open market and will be retained for development as part of the TRA proposal.

### Prospective Future Sites

- 6.38 We are in the very early stages of considering new site opportunities in Stranraer, Dumfries, Castle Douglas and Annan following approaches from developers and land agents. The Development Team will liaise with Housing, Letting and Asset Management colleagues to ensure that there will be a sustainable demand for the areas and house types and sizes. The housing supply position will also be considered in conjunction with the Council's Strategic Housing Team's information.

## Material Supply and Delivery

- 6.39 Global economic factors, Brexit and the impact of COVID are impacting on the delivery and cost of materials across the supply chain. The lack of supplies has and may continue to impact on project timescales. No formal approach has been made by contractor for DGHP projects requesting additional costs, however extensions of time have been sought for matters related to COVID 19 and material supplies. The construction contracts in place do not allow for increased material costs where we are in contract.
- 6.40 We are in dialogue with our contractors to assess the impact of material cost and supply issues now increasingly affecting the construction industry. A survey has now been completed, which broadly indicates issues with both supply and cost of materials across the supply chain.
- 6.41 The supply issues are reported to be a combination of pressure on product availability in the UK market, driven by high demand and wider global issues with product availability. This has been caused primarily by COVID-19 and Brexit (linked to the availability of labour). Materials that our contractors are reporting significant supply issues with include steel, cement, timber, plasterboard, doors, and plumbing materials. The findings of the survey and next steps were reported to the Group Development Committee on 23 September 2021 and have been shared with the SFHA and Scottish Government.

## Update on Benchmark Review

- 6.42 In March 2021 the Scottish Government established an Affordable Housing Investment working group to consider benchmark grant levels. This is a repeat of a process instigated by the Scottish Government in 2013 and in 2015.
- 6.43 The report was recently considered by COSLA leaders and has now been presented to the Cabinet Secretary for Social Justice, Housing and Local Government with an outcome expected in the coming weeks. We will continue to engage with the SFHA and Scottish Government on the release of the new benchmarks to allow these to be applied to projects where we intend to seek tender approval.

## **7. Digital transformation alignment**

- 7.1 We have set a clear direction for our new homes to be digitally enabled to support home working and modern living. All of our new build homes as standard are enabled by the provision of fibre to the home. This is free of charge to the end customer and included with the total development costs. The customer can then decide on the internet provider they wish to use.
- 7.2 The digital enablement of affordable homes is one of the additional quality measures that the Scottish Government proposed within the 2021 grant benchmark review.

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

- 8.1 The business plan approved by the Board in February 2021 reflects a new build programme of 810 new units to be completed over the next five years.

- 8.2 The table below summarises target and actual spend performance for period 6, to 30 September 2021:

<b>DGHP Capital Expenditure, New Build Programme 2021/22 Period to End September 2021</b>			
<b>Spend</b>	<b>Budget</b>	<b>Variance</b>	<b>Budget for full year</b>
£4.679m	£8.099m	£3.420m	£16.217m

- 8.3 £4.679m of new build expenditure has been incurred in the year to date which is lower than budget. This is as a result of works being accelerated at Sanquhar in 2020/21 and a delayed site start for the refurbishment element of Lincluden as a result of COVID. Spend to the end of 2021/22 is currently forecast as £9.720M. Progress has also been slower than anticipated at Glenluce to allow consultation to take place with adjoining neighbours and feedback on Planning pre-application enquiries has affected projects.
- 8.4 Our ability to successfully deliver new build housing strengthens the income streams in our business plan and supports our charitable objectives to address housing need by providing much needed homes for potential customers on our waiting lists.
- 8.5 Delivering value for money to our funders and stakeholders, including the Scottish Government and local authorities, is important in re-establishing our position as a key delivery partner.
- 8.6 Delivery of the Development programme is reflected within the 2021/22 DGHP Business Plan financial projections approved by the DGHP Board in February 2021. The programme reflected within these projections was sculpted to ensure that it can be delivered within our planned funding arrangements and that existing covenants can be met. As an update report there are no additional financial implications to those previously agreed.

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

- 9.1 The Property Legal Team undertakes title due diligence relative to all site acquisitions required to facilitate the development programme along with preparation of documentation and due diligence associated with asset securitisation.
- 9.2 The Property Legal Team also assist with the preparation of legal documents including Building Contracts and Development Agreements to safeguard our development operations.
- 9.3 In light of the Covid-19 pandemic (and the risk of further, future delays due to a re-emergence) we reviewed the various contract models used in the delivery of our Group development programme.
- 9.4 For new contracts entered using the Wheatley Group Framework arrangements it has been necessary to adjust the terms of our Schedule of Amendments to enable contractors to claim for an extension of time as a result of Covid-19. In terms of our Framework arrangements are such that any claim by contractors for additional money (loss or expense) as a result of Covid -19 is unlikely to be successful.

## **10. Equalities implications**

- 10.1 Within the programme, all new build units are designed to Housing with Varying Needs (Part 1). The inclusion of wheelchair and amenity units on sites is considered as a standard approach.
- 10.2 The requirement and provision of more specific house types, such as larger family accommodation and specifically adapted homes will be considered in consultation with our Housing Management and Letting's colleagues as well as Health and Social Care partners.

## **11. Environmental and sustainability implications**

- 11.1 Our new build properties are developed to meet Aspects 1 and 2 of the Silver Sustainability Standards which covers reduction in carbon dioxide emissions and energy use for space heating. This is in line with Grant condition requirements from the Scottish Government. Our new build homes meet EPC band B.
- 11.2 The projects also feature photovoltaic panels that convert sunlight into electricity. Along with a highly efficient thermal specification these solar generation systems help the project exceed the target emission rates required by building standards. Taken as a whole, the specification helps customers reduce their energy bills.
- 11.3 As we move towards the national decarbonisation targets and gas free developments by 2024, we will be moving to specify zero carbon heating technology in our developments.

## **12. Recommendation**

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



## Report

**To:** DGHP Board

**By:** Pauline Turnock, Director of Financial and Legal Services

**Approved by:** Steven Henderson, Group Director of Finance

**Subject:** Finance report

**Date of Meeting:** 10 November 2021

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### 1. Purpose

1.1 The purpose of this report is to provide the DGHP board with an overview of the management accounts for the period to 30 September 2021 and Q2 Forecast.

### 2. Authorising and strategic context

2.1 Under the terms of the Intra-Group Agreement between DGHP and the Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, the DGHP board is responsible for the on-going monitoring of performance against agreed targets. This includes the on-going performance of its finances.

### 3. Risk appetite and assessment

3.1 Our agreed risk appetite in Performance against Group is “Open”. This level of risk tolerance is defined as “Prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level”.

3.2 Delivery of financial results within approved budgetary limits is a key element in delivering our strategy and maintaining the confidence of investors.

3.3 This report provides the Board with an update of performance to date to allow it to discharge its role in monitoring performance and agreeing any actions required.

### 4. Background

4.1 This report outlines performance against budget for the period to date of 30 September 2021.

### 5. Customer engagement

5.1 No implications.

## 6. Discussion

- 6.1 This report outlines performance against budget with the appendix providing more detail on the financial results. This report also outlines the Q2 forecast full year out-turn for the year to March 2022.
- 6.2 Within the budget reported, a reallocation has been made to align the reporting of garage rental income to that for other group RSLs transferring the budget and actuals from rental income into other income. For the new in house environmental service, the budget for environmental works previously shown in repairs has now been split and reported in staff and running costs from July 2021 when the service was launched, and staff and running costs to deliver the service reported against these lines again consistent with the approach in the other RSLs. These adjustments are reclassifications and there has been no change to the underlying budgeted financial contribution for the year.

### Results to 30 September 2021

- 6.3 We have reported a net operating surplus of £11,854k, which is £4,084k favourable to budget. The key driver of the variance is higher grant income due in the main to the early completions at Lincluden. All expenditure lines are showing favourable variances, most notably repairs and maintenance where challenges remain with the sourcing of materials and supplies.
- 6.4 Key points to note:
- Net rental income is £190k favourable to budget benefitting from the earlier completions at Sanquhar in March 2021. Void losses represent 0.78% of gross rent, which is broadly in line with the budget.
  - Grant income to date is £2,458k favourable to budget. The budget was based on 12 completions at Sanquhar in the year which were recognised in March 2021, on early completion. Actual grant income relates to the 5 units at Monreith which were delayed from the prior year and Phase 1 (26 of 32 units) at Lincluden of £2.9m handed over in September.
  - Other income is favourable by £128k largely due to aids and adaptations claims being submitted for work carried out in Q4 2020/21.
  - Expenditure is £1,308k favourable to budget driven by two key areas:
    - Repairs and maintenance spend is £636k favourable to budget with slower spend on catch up repairs in Q1 than anticipated. Material supply issues have impacted the planned accelerated start to the year. City Building have been assigned specific backlog repairs work to help meet the higher levels of demand; and
    - Bad debt costs are £326k favourable to the budget which has been set on a prudent basis as the longer-term impact of the pandemic on our tenants' financial circumstances starts to become clearer.
- 6.2 We has reported a net capital spend of £17,129k, which is £7,696k lower than budget for the six months to date.



### 6.3 Key points to note:

- Core programme is £5,886k lower than budget across all lines of expenditure but particularly the mobilisation on windows and heating has been slower than expected due to particular material and component supply issues in these areas.
- New Build expenditure is £3,406k lower than budget, driven by lower levels of spend versus budget at Lincluden (£3.4m) which reported accelerated spend in the prior year and has completed a number of units earlier than anticipated in the budget. Sanquhar was completed in 2021 and Lincluden had accelerated spend in Q4 of 2020/21.
- Other capital expenditure of £1,003k is the design and concept on the Dumfries Hub and on DGHP's share of Group IT investment including the migration project.

### **Q2 2021/22 Full Year Forecast**

6.4 The Q2 Forecast outturn for 2021/22 reports a statutory surplus of £11,098k £870k lower than budget and an operating surplus of £17,323k, £753k lower than budget. The main drivers of this variance are:

- A lower level of grant income recognised on the completion of new build properties, £1,207k lower than budget. This is to reflect the actual timing of Sanquhar and Monreith completions;
- Gross rental income is forecast to be £292k higher than the original budget with the forecast being based on the actual rates on a property-by-property basis after the rent increase;
- Total operating expenditure is projected to be £138k favourable to budget with full year savings in direct staff and group services running costs expected; and
- Interest income is expected to be £117k lower than budgeted as deposit rates available in the market are negligible and are expected to remain so for the rest of the year.

6.5 Net capital expenditure is forecast to be £2,365k lower than budget.

- Planned core investment works are currently forecast to be £1,120k below budget reflecting the rephasing of the programme after taking into account material and component supply delays in certain work areas with rescheduling changes made to help delivering planned works close to the budgeted investment levels. A significant level of activity is required in the second half of the year to meet the forecast levels of investment and this will be challenging given the wider supply constraints in the market. The Group's joint venture partners City Building have been engaged to assist with the delivery of the programme and extra teams have been deployed locally and assigned specific key elements of the programme;
- New Build expenditure of £10,473k is £6,497k below budget and reflects the current programme, with Sanquhar and Lincluden profiling updated based on having accelerated progress on these sites in the prior year (2020/21); and
- Grant income is £5,252k lower with £2,917k linked to the early claim for Lincluden and claims for other sites matched to the re-profiled expenditure.

## **Covenant compliance**

6.6 [redacted]

## **7. Digital transformation alignment**

7.1 No implications.

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

8.1 Our results for the period to 30 September report a statutory surplus of £8,667k which is £3,999k favourable to budget.

8.2 Underlying surplus after deducting major repairs and interest costs from EBITDA reported a deficit of £570k for the period compared to budgeted underlying deficit of £7,997k, with the favourable variance driven by the lower levels of repairs expenditure and lower capital investment spend in our existing properties.

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

9.1 No implications.

## **10. Equalities implications**

10.1 Not applicable.

## **11. Environmental and sustainability implications**

11.1 Not applicable.

## **12. Recommendations**

12.1 The Board is requested to:

- 1) Note the management accounts for the period to 30 September 2021 at Appendix 1; and
- 2) Note the covenant measures to the second quarter of 2021/22.

## **List of Appendices**

Appendix 1: Finance report – period to September 2021



# Year to 30 September 2021 Finance Report

v0.1



# 1. Operating statement P6 – September 2021



OPERATING STATEMENT	Year to September 2021			Full year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
<b>INCOME</b>				
Rental Income	22,932	22,735	197	44,772
Void Losses	(180)	(173)	(7)	(344)
<b>Net Rental Income</b>	<b>22,752</b>	<b>22,562</b>	<b>190</b>	<b>44,428</b>
Grant Income	3,415	957	2,458	5,291
Other Income	1,587	1,460	128	2,655
<b>TOTAL INCOME</b>	<b>27,755</b>	<b>24,979</b>	<b>2,776</b>	<b>52,374</b>
<b>EXPENDITURE</b>				
Employee Costs - Direct	1,818	1,884	65	4,344
Employee Costs - Group Services	885	1,027	142	1,918
Transformation budget				305
Direct Running Costs	1,537	1,584	47	2,785
Running Costs - Group Services	1,033	1,125	92	2,231
Revenue Repairs and Maintenance	4,673	5,309	636	9,909
Bad debts	200	526	326	1,052
Depreciation	5,755	5,755	-	11,510
Demolition				244
<b>TOTAL EXPENDITURE</b>	<b>15,901</b>	<b>17,209</b>	<b>1,308</b>	<b>34,298</b>
<b>NET OPERATING SURPLUS</b>	<b>11,854</b>	<b>7,769</b>	<b>4,084</b>	<b>18,076</b>
<i>Net operating margin</i>	43%	31%		35%
Interest Receivable and similar income	3	71	(67)	141
Net Interest payable & similar charges	(3,190)	(3,172)	(18)	(6,249)
<b>STATUTORY SURPLUS</b>	<b>8,667</b>	<b>4,668</b>	<b>3,999</b>	<b>11,968</b>

INVESTMENT	Actual £ks	Budget £ks	Variance £ks	Full year Budget £ks
<b>TOTAL CAPITAL INVESTMENT INCOME</b>	<b>432</b>	<b>3,131</b>	<b>(2,699)</b>	<b>6,855</b>
Total Expenditure on Core Programme	11,577	17,463	5,886	32,816
New Build	4,980	8,386	3,406	16,970
<b>Other Capital Expenditure</b>				
Premises	137	1,018	881	2,035
IT	866	1,088	222	2,176
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>17,560</b>	<b>27,955</b>	<b>10,395</b>	<b>53,997</b>
<b>NET CAPITAL EXPENDITURE</b>	<b>17,129</b>	<b>24,824</b>	<b>7,696</b>	<b>47,142</b>

## Key highlights year to date :

Net operating surplus of £11,854k is £4,084k favourable to budget. Statutory surplus for the period is £8,667k, £3,999k favourable to budget. The key driver of the variance is in higher grant income due to timing of new build completions at Lincluden and lower expenditure, most notably in repairs compliance works.

- Net Rental income is £197k favourable to budget, benefitting from the earlier completions at Sanquhar and the recent completions at Lincluden which were budgeted for March 2022. YTD Void losses represent 0.78% of gross rent. Garage rent is reported in other income consistent with the other RSLs.
- Grant income to date is £2,458k favourable to budget. The budget was based on 12 completions at Sanquhar in the year which were recognised in March 2021 on early completion. Actual grant income relates to the 5 units at Monreith which were delayed from the prior year and Phase 1 (26 of 32 units) at Lincluden handed over in September.
- Other income is £128k favourable to budget driven by the first quarter Aids and Adaptations claim which is already more than 50% of the budgeted amount,. The bid for A&A has been accepted at £604k which is £100k more than anticipated for the full year.
- Total expenditure is favourable to budget by £1,308k with most costs favourable to budget at P6.
- Direct running costs are £47k favourable to budget, as the new Hub is not yet operational which is continuing to yield savings. Also budgeted is the Handy Man service which has been absorbed by repairs team.
- Repairs costs of £4,673k are favourable to budget by £636k due to slower mobilisation across compliance workstreams. Gas servicing is yielding savings of £94k following the transfer in-house from Saltire due to no longer paying VAT on staff. Timing of spend on FIT and other compliance is contributing to the underspend in that area of £761k.
- Grant claims of £432k have been received in September in relation to Eastgriggs. The budget assumed income would have been received for Lincluden, however the Lincluden cash claims against cost were made in full in 20/21.
- Core programme is £5,886k lower than budget across all lines of expenditure. Most notably mobilisation of the windows and heating programme has been slower than expected due to availability of supplies in these areas.
- New Build expenditure is £3,406k lower than budget, driven by lower levels of spend versus budget at Lincluden which had accelerated spend in Q4 of 2020/21 and Sanquhar which was completed early in March 2021.

## 2. Underlying surplus – P6 Sept 2021

### Key highlights :

- 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 2014).
- 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 table 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 and depreciation but including capital expenditure on our existing properties.
- For the year to date an underlying deficit of £570k has been generated using this measure which is £7,427k favourable to budget. The variance is driven by slower than budget profile spend in investment and repairs which is projected to catch up in the current financial year. The budget reflects the large investment programme delayed due to Covid 19 resulting in higher spend in the current financial year and hence the full year budgeted deficit of £14,629k

DGHP Underlying Surplus - September 2021				
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks	FY Budget £ks
Net operating surplus	11,854	7,769	4,085	18,076
add back:				
Depreciation	5,755	5,755	0	11,510
less:				
Grant income	(3,415)	(957)	(2,458)	(5,291)
Net interest payable	(3,187)	(3,101)	(86)	(6,108)
Total expenditure on Core Programme	(11,577)	(17,463)	5,886	(32,816)
Underlying surplus	(570)	(7,997)	7,427	(14,629)

### 3 . Period 6 – In House Repairs service (IHR)



Dumfries & Galloway Housing Partnership	Year to September 2021			Full year Budget £k's
	Actual £ks	Budget £ks	Variance £ks	
<b>INCOME</b>				
Internal Subsidiaries	6,353	5,758	595	11,397
External Customers	1	-	1	-
<b>TOTAL INCOME</b>	<b>6,354</b>	<b>5,758</b>	<b>595</b>	<b>11,397</b>
<b>COST OF SALES</b>				
Staff Costs	2,704	2,530	(174)	5,060
Materials	748	750	2	1,500
Subcontractor & Other Costs	2,267	1,458	(809)	3,246
<b>TOTAL COST OF SALES</b>	<b>5,719</b>	<b>4,738</b>	<b>(981)</b>	<b>9,806</b>
<b>GROSS (LOSS)/PROFIT</b>	<b>635</b>	<b>1,020</b>	<b>(385)</b>	<b>1,591</b>
Margin %	10%	18%	-65%	28%
<b>Overheads</b>	<b>764</b>	<b>1,020</b>	<b>256</b>	<b>2,039</b>
<b>NET (LOSS)/PROFIT</b>	<b>(129)</b>	<b>-</b>	<b>(129)</b>	<b>-</b>

#### Key Comments:

- Income for the in house repairs service is £595k higher than budget which is driven by higher levels of spend on voids.
- £1k was invoiced to Home Group for 7 August responsive repairs with an updated invoice still to be received.
- Due to the level of works on voids, subcontractors are being used for a significant portion of work as well as City Building assigned a tranche of the responsive backlog with responsive repairs spend ahead of budget for the last quarter and now broadly in line with budget for the year to date.

## 4. Period 6 – Repairs and Investment

Dumfries & Galloway Housing Partnership	Year to September 2021			Full year Budget £k's
	Actual £ks	Budget £ks	Variance £ks	
Reactive	3,175	3,194	19	6,261
Gas planned maintenance	464	743	280	1,296
Landscaping and cyclical maintenance	385	370	(15)	939
Compliance	520	1,002	481	1,413
Loss/(profit) on IHR	129	-	(129)	-
<b>TOTAL</b>	<b>4,673</b>	<b>5,309</b>	<b>636</b>	<b>9,909</b>

Major Repairs - Capital	YTD September			Full Year Budget	Full Year Q2 Forecast
	Actual	Budget	Variance		
Core Programme	8,065	14,984	6,919	28,002	26,882
Capitalised Voids	2,325	1,450	(875)	2,900	2,900
Adaptations	620	481	(139)	814	814
Capitalised Staff	545	549	4	1,098	1,098
Fire Safety	23	-	(23)	3	3
<b>TOTAL</b>	<b>11,577</b>	<b>17,463</b>	<b>5,886</b>	<b>32,816</b>	<b>31,696</b>

### Key Comments:

#### Repairs

- Repairs and maintenance is tracking lower than budget by £636k. Reactive repairs are £19k lower than budget from a previous underspend of £78k at end August. The budget has been rephased in the Q2 Forecast to allow for catch up works in the last two quarters.
- Total cost of revenue repairs and maintenance in the I&E statement is £4,673k. This reflects, Reactive and cyclical repairs including landscaping (until June when replaced by new in-house Environmental team), servicing of heating, and revenue compliance spend and including overhead savings against budget which are not adjusted through the hourly recovery rate used for IHR which is set at the start of the year and based on the annual budget.
- Gas Services spend includes £94k of VAT savings on using inhouse labour and savings from not being charged a subcontractors margin. The fixed rate will be reviewed after a period of normal operation. The gas servicing budget was based on Saltire cost as a contractor with no savings forecast in first year of operation.
- Vacancies in the staffing structure are now filled to ensure the service is running at full capacity which will assist with the increased demand levels including any remaining postponed works from Q4 2020/21. City Building have been engaged to support as well as the increased use of local subcontractors for the more specialist void works.

#### Investment

- The Core programme is £6,919k lower than budget spend due to profiling of budget which anticipated an accelerated program in Q1. The investment works had been slowed due to the similar material supply issues facing the in house repairs service. Q2 review has been undertaken with CBG and they have given assurances that they will be able to deliver, with good progress being made in P6.
- Void spend is £875k higher than budget. Key subcontractors providing specialist works are Powermac joinery and Bell Group Carlisle. With the low investment in stock in prior years, voids are needing extensive works and the opportunity to perform component replacements and investment type works is being undertaken by repairs whilst properties are empty.

## 5. Period 6 – New Build

Development Name	Year To 30 September			FY Budget	Q2 Forecast
	Actual	Budget	Variance		
<i>Lincluden Dumfries</i>	1,830	5,251	3,421	7,098	2,573
<i>Nursery Avenue</i>	1,432	1,819	387	4,366	2,894
<i>Eastriggs</i>	737	-	(737)	1,274	2,344
<i>Monreith 3</i>	265	332	67	332	265
<i>Thornhill</i>	26	-	(26)	1,703	284
<i>Springholm</i>	32	12	(20)	12	129
<i>North St. Glenluce</i>	16	-	(16)	618	400
<i>Catherinefield Farm</i>	4	-	(4)	-	69
<i>Heathhall</i>	300	-	(300)	-	300
<i>Johnstonebridge</i>	24	-	(24)	12	68
<i>Daar Lodge</i>	-	-	-	-	40
<i>Corsbie Road</i>	-	-	-	116	134
<i>Ashwood Drive</i>	-	-	-	0	100
<i>George Hotel</i>	-	-	-	-	20
<i>Sanquhar</i>	12	685	673	685	100
<i>Other completed</i>	1	-	(1)	0	-
<i>Completed PY</i>	13	685	672	685	100
<b>Total Cost</b>	<b>4,679</b>	<b>8,099</b>	<b>3,420</b>	<b>16,217</b>	<b>9,720</b>
<b>Capitalised Staff</b>	<b>301</b>	<b>287</b>	<b>(14)</b>	<b>574</b>	<b>574</b>
<b>Grant Income</b>	<b>432</b>	<b>3,131</b>	<b>(2,699)</b>	<b>6,855</b>	<b>1,603</b>
<b>Net New Build Costs</b>	<b>4,548</b>	<b>5,255</b>	<b>707</b>	<b>9,936</b>	<b>8,691</b>

NB - Costs above exclude Capitalised interest . FY budget £179k

- **Lincluden** – Phase 1 handover (26 units) occurred on 6 September 2021 and Phase 2 (6 units) is on programme for February 2022.
- **Nursery Ave** – The site start was achieved on 31 May 2021 and groundworks are progressing. On programme for completion in September 2022.
- **Sanquhar** – The final account has now been agreed and signed. The project is now in defects.
- **Monreith** – The project completed on 24 May 2021 and the final account is to be signed. The project is now in defects.
- **Eastriggs** – Site start was achieved on 12 July 2021 and is on programme for completion in July 2022. The contractor reports material cost increases but there is no contractual claim.
- **Asset Management** – review of existing stock is likely to result in proposals for a demolition programme during and beyond 2021/22. Strategy presented separately to Board for approval. Wider Lochside regeneration proposals being progressed.

### Future Developments – awaiting approval:

- **Thornhill** – SG and Council continue to support the project. Discussions continue to progress with potential development partner (Springfield).
- **Springholm** – Pre-contract items progressing, discussions with Scottish Water and Transport Scotland underway to address key constraints. Awaiting feedback from Planners on PAE lodged in July 2021.
- **Glenluce** – Demolition tender approved by ET and Development committee in May. £166,595 (Exc. VAT) tender cost. Anticipated start delayed pending discussions with neighbouring owners.
- **Currie's Yard** – PPIP was successfully extended in May 2021 and SI is complete with exception of ongoing gas monitoring. The full planning submission is in with a decision expected by December 2021. Tender approval is expected during Q4 2022 based on the current programme. The design team also considering the masterplan and desktop study of Catherinefield, initial viability assessment by contractor undertaken.
- **Daar Lodge** – Internal refurb of wardens flat in sheltered accommodation. Tender almost ready to be issued by design team.
- **Corsbie Road** – Discussions continue between the developer and landowner but Council own ransom strip and discussions ongoing. Innovative MMC project. Town Centre Living Funding sought. Site boundary being reviewed due to topographical constraints.
- **Ashwood Drive** – Feasibility study completed, and cost report prepared for mixed use housing and office hub proposals. Stage 1 SI complete except for gas monitoring. Acquisition targeted for end November 2021 and demolition as early as possible after that.
- **George Hotel** – Feasibility study procured and commenced to support Dumfries and Galloway Council exploration of redevelopment proposals.



## 6. Balance Sheet P6



Balance Sheet	30 September 21 £'000's	31 March 21 £'000's
<b>Fixed Assets</b>		
Social Housing Properties	417,874	407,072
Other Fixed Assets	1,850	847
Investment Properties	11,010	11,010
	<u>430,734</u>	<u>418,929</u>
<b>Current Assets</b>		
Stock	1,539	1,414
Trade Debtors	9	375
Rent and service charge arrears	2,207	2,632
less: provision for rent arrears	(1,295)	(1,093)
Prepayments and accrued income	453	622
Other debtors	1,179	391
Total Debtors	2,553	2,927
Due from other group companies	120	345
Cash & Cash Equivalents	64,701	70,022
	<u>68,913</u>	<u>74,708</u>
<b>Creditors: within 1 year</b>		
Trade Creditors	(2,385)	(3,710)
Accruals & Deferred Income	(5,381)	(4,548)
Grants	(669)	(4,084)
Provisions	(379)	(379)
Prepayments of Rent and Service Charge	(877)	(660)
Other Creditors	(700)	(424)
Total Creditors	(10,391)	(13,805)
Amounts due to Group Undertakings	(2,281)	(2,332)
	<u>(12,672)</u>	<u>(16,137)</u>
<b>Net Current Liability</b>	<b>56,241</b>	<b>58,571</b>
<b>Long Term Creditors</b>		
Loans	(188,662)	(188,688)
Loan interest	(2,559)	(2,114)
Grants	(8,131)	(7,742)
Pension Liability	(3,325)	(3,325)
	<u>(198,677)</u>	<u>(199,869)</u>
<b>Net Assets</b>	<b>284,298</b>	<b>275,631</b>
<b>Capital and Reserves</b>		
Share Capital		
Revenue Reserve	98,464	89,797
Revaluation Reserve	185,834	185,834
	<u>284,298</u>	<u>275,631</u>
<b>Shareholders' funds</b>	<b>284,298</b>	<b>275,631</b>

### Key Comments:

- **Fixed assets** of £430m – representing investment works added less depreciation of existing assets. Other fixed assets have increase in value due to IT capital investment spend. The revaluation of fixed assets resulted in an increase to reserves of £35m at 31 March 2021.
- **Trade & other debtors** – YTD arrears requiring provision have increased and a bad debt expense of £200k incurred due to that increase. Net arrears have reduced due to timing of 4 weekly Housing Benefit receipt.
- **Stock** relates to repairs stock purchased from Saint and materials on site related to the investment program
- **Cash at Bank** consists of £64.7m cash in hand as New Build and Investment progress
- **Creditors: within 1 year** Includes
  - Amounts due to Wheatley Group and DGHP3.
  - M&G interest accrued and paid twice annually
  - Payroll is accrued monthly for second half of the month as pay date is 15<sup>th</sup>.
  - Grants reduction of £3.4m since year end reflects £0.5m released at Monreith and £2.9m released in September in respect of 26 of 32 units at Lincluden, with a further 6 under Phase 2 scheduled for February 2022.
  - Investment accruals confirmed by the surveyors.
- **Long-Term Creditors** This relates to
  - Capital loans of £188.7m,
  - The roll up of accrued interest on Allia loans not payable until end date £2.6m incurred since drawdown
  - Grant income received is deferred until the completion of new build properties

# 7. Q2 Forecast Full year – 2021/2022



Full Year Forecast	Budget £'000	Qtr2 Forecast £'000	Variance £'000
<b>INCOME</b>			
Rental Income	44,772	45,064	292
Void Losses	(344)	(342)	2
Net Rental Income	44,428	44,722	294
Grant Income	5,291	4,084	(1,207)
Other Income	2,655	2,655	-
<b>Total Income</b>	<b>52,374</b>	<b>51,461</b>	<b>(913)</b>
<b>EXPENDITURE</b>			
Employee Costs	4,344	4,279	65
Employee Costs - Group services	1,918	1,918	-
Transformation Budget	305	305	-
Running Costs	2,785	2,785	-
Running Costs - Group services	2,231	2,136	95
Repairs & Maintenance	9,909	9,909	-
Bad debts	1,052	1,052	-
Depreciation	11,510	11,510	-
Demolition	244	244	-
<b>Total Expenditure</b>	<b>34,298</b>	<b>34,138</b>	<b>160</b>
<b>NET OPERATING SURPLUS</b>	<b>18,076</b>	<b>17,323</b>	<b>(753)</b>
RTB sales	-	-	-
Net Interest Payable	(6,108)	(6,225)	(117)
<b>STATUTORY SURPLUS/(DEFICIT)</b>	<b>11,968</b>	<b>11,098</b>	<b>(870)</b>
<b>INVESTMENT</b>			
<b>Total Capital Investment Income</b>	<b>6,855</b>	<b>1,603</b>	<b>(5,252)</b>
Total Expenditure on Core Programme	32,816	31,696	1,120
New Build & other investment expenditure	16,970	10,473	6,497
Other Capital Expenditure	4,211	4,211	-
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>53,997</b>	<b>46,380</b>	<b>7,617</b>
<b>NET CAPITAL EXPENDITURE</b>	<b>47,142</b>	<b>44,777</b>	<b>2,365</b>

## Key Comments:

- Full year forecast out-turn statutory surplus of £11,098k is forecast being £870k unfavourable to budget. With the key driver being the reduction in grant income recognised in the year after the early completion of the 12 properties at Sanquhar in March 2021.
- Net rental income is forecast with Q1 variance continuing and at 1% void giving £294k increase, due to budget using average rents and actuals now used to rebase forecast.
- Employee costs are forecast to be £65k lower retaining the year to date saving report in September. Group services running costs are expected to be £95k lower than budget reflecting DGHP's share of their projected full year savings. While direct running costs reports a small favourable variance in the year to date, the forecast has been held at budgeted levels pending the full transition to the new operating model.
- Repairs and maintenance costs are forecast to be in line with budget with the expectation that year to date costs will move back to budgeted levels as the postponed works are picked up in H2.
- A prudent approach continues to be taken with bad debt costs, forecasting in line with budget.
- Net finance costs are forecast to be £117k adverse to budget, due to the lower deposit rates available in the market and payable on cash balances.
- **Core programme** is currently forecast to be £1,120k below budget reflecting the rephasing of the programme with lower spend on environmental works and Low Rise Fabric works. The programme is running £5,886k lower than budget at the end of September and actions have been identified to help return spend to budgeted levels by the end of the year. CBG will take up provision of roofing works from an third party contractor which will accelerate spend in this area in the second half of the year.
- **New Build** reflects the current programme with Sanquhar and Lincluden profiling updated based on accelerated progress on these sites in the prior year (2020/21). Forecast spend on Glenluce reduced £0.4m since Q1 Forecast.





## Report

**To:** DGHP Board

**Report by:** Alan Glasgow, DGHP Interim Managing Director

**Approved by:** Olga Clayton, Group Director of Housing and Care

**Subject:** Quarter 2 Performance Report and Delivery Plan update

**Date of Meeting:** 10 November 2021

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### 1. Purpose

- 1.1 This report provides the DGHP Board with an update on performance delivering the targets in the DGHP Performance Framework and strategic projects for 2021/22 as of the end of quarter 2 (period 7).
- 1.2 Dashboards with the measures included in all three sub-sections for the five themes are attached as Appendix 1. A summary of progress delivering the strategic projects is presented in Appendix 2.

### 2. Authorising and strategic context

- 2.1 Under the terms of the Authorising Framework, the Board is responsible for setting the overall Performance Framework and approving the delivery plan for each year. Under the Authorise/Manage/Monitor Matrix, the Board has an ongoing role monitoring performance against the key indicators agreed under the performance framework.
- 2.2 Under the terms of the Intra-Group Agreement between DGHP and the Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, the DGHP Board is responsible for approving regulatory returns including the Charter. It is also responsible for monitoring of performance against agreed targets. In the case of DGHP, this includes the on-going performance of its services. In addition, the Authorising Framework states that the DGHP Board is responsible for approving any changes to their Service Delivery Model or arrangements which it may consider necessary to deliver the level of performance to achieve agreed targets.

### 3. Risk appetite and assessment

- 3.1 The agreed Wheatley Group risk appetite in relation to board governance is “cautious”. This level of risk tolerance is defined as “preference for safe delivery options that have a low degree of inherent risk”. We mitigate this risk by reserving the agreement of individual performance targets and strategic projects to Boards and providing the Board with regular updates in relation to progress against these targets and projects.

## **4. Background**

- 4.1 The DGHP Board agreed our Strategy for 2021 to 2026, *Your Home, Your Community, Your Future*, in February 2021. In May 2021, the Board also agreed the supporting Performance Framework, setting out the measures, targets and reporting arrangements that provide performance management and oversight of delivery for Boards and management.
- 4.2 Performance has remained relatively strong in quarter 2 with 16 out of 23 measures either achieving or exceeding targets set. Despite challenging circumstances, DGHP has performed well in key areas such as average days to let and arrears.

## **5. Customer engagement**

- 5.1 We presented a summary of the validated 2020/21 performance against our key Charter measures to the Group's Tenant Scrutiny Panel in October, along with a comparison with the national average and an update on performance in the first part of 2021/22.
- 5.2 We also consulted the Tenant Scrutiny Panel on the new customer value approach that underpins the current Performance Framework. As noted previously to the Board, we are working with a provider to implement a suitable platform to gather more frequent customer feedback on the five customer service areas identified as part of the customer value approach: repairs, anti-social behaviour, environmental services, complaints handling and housing allocations. The first phase will allow us to capture feedback about repairs services.
- 5.3 A key theme throughout our strategy is our commitment to ensuring customers have greater power, control, and choice regarding the services they receive. We have reflected this in our approach to developing our strategic projects, with over 50% incorporating an element of customer engagement activity. This is a key deliverable within our new engagement framework, Stronger Voices, Stronger Communities.
- 5.4 Frontline staff have been heavily involved in a range of Covid-safe engagement activities around the new proposed working model, rent consultation focus groups, and recruitment to Customer Voice and Keep Scotland Beautiful focus groups. To date, we have engaged with over 1k customers to collect thoughts about our new proposed way of working.
- 5.5 We have, to date, over 95 customers wanting to be part of digital and face-to-face focus groups for rent consultation across the region. As part of these conversations, we are seeking recruitment for our Customer Voice panels with Tenants and Resident Association (TARA) beginning to play part in this. Housing Officers and Stronger Voices Officers are also hosting a range of community engagement events to gather the asks and needs of communities. Between now and the end of December, we have 52 local engagement events at which Team DGHP will be in attendance to engage safely with customers on topics such as investment programmes, Customer Voice programmes, our NETs service, and the wrap-around services we have to offer customers.

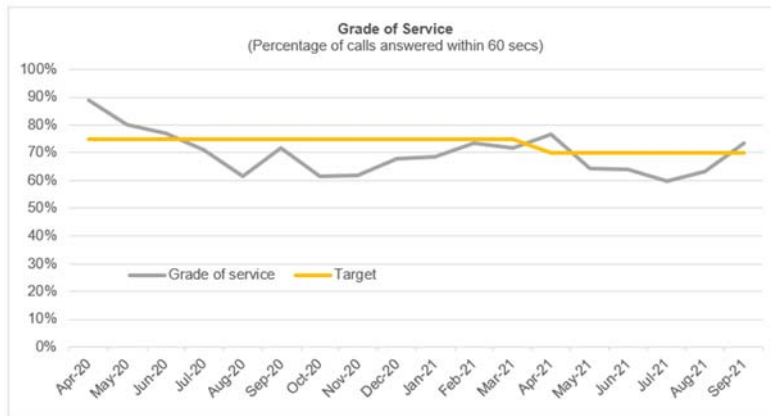
## 6. Discussion



### Delivering Exceptional Customer Experience

#### Customer First Centre - Grade of Service

- 6.1 In the year to the end of September, the Group answered 67.2% of calls within 60 seconds against the Group's target of 70%. This grade of service was lowest in July, at 59.9% in-month, but has since increased to 73.3% in September. We are still responding to relatively high call volumes, 65.5k in September compared to 58.8k in April. The main driver for call volumes continues to be repairs. DGHP has recorded 23% higher call volumes than usual this month.



- 6.2 We are working through a detailed action plan to complete all repairs requests; the spike was anticipated following remobilisation and is discussed further at section 6.7 below.
- 6.3 As part of the creation of the Customer First Centre, we are increasing staffing resources. This includes specialist housing and commercial teams to increase the rate of first-time call resolution. The recent recruitment has also seen us reshape our staff contracts and bring into effect new shift patterns that will enable flexibility to meet peaks in demand. Most recent recruits have now received the relevant training and are handling customer demand competently. We will have a further cohort of new staff join us in early November.

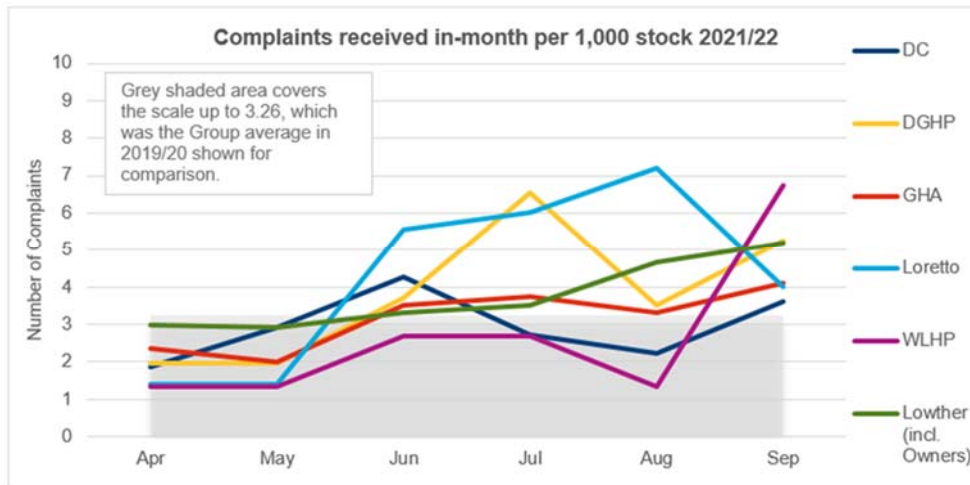
#### Tenancy Sustainment

- 6.4 The percentage of new tenancies sustained for more than a year, a Charter measure, is currently 86.1%, which is just below the 87% target. We also measure sustainment excluding deaths and transfers within Group. Following a slight decrease earlier this (a pattern for all Wheatley Group RSLs), DGHP tenancy sustainment has shown improvement over this quarter:

RSL Tenancy Sustainment	Charter measure	Excluding deceased and transferred within Group
DGHP	86.14%	88.35%
Group	90.08%	92.02%

## Complaints Handling

- 6.5 The number of complaints DGHP has received has seen some monthly volatility, as expected when services remobilised. We received 194 complaints in the year to date, with the Charter measure of average days to respond to stage 1 complaints being 4.5 days and 17.4 days for stage 2. Both measures are within target.
- 6.6 The single largest category (43%) of complaints continues to be repairs. However, in the context of the number of repairs we have completed so far this year, c. 12k, the number of complaints received is around 1%. We expect call volumes and complaints to mirror the increased demand for repairs as we work through our action plans to address outstanding repairs.



- 6.7 In addition to the Charter measure on average days to respond, to improve complaints handling across the entire Group, we have also now committed to meeting the Scottish Public Service Ombudsman (“SPSO”) guidance on handling complaints efficiently, responding within 5 working days for stage 1 complaints and within 20 working days for those complaints that are stage 2. We present the year to the end of September results in the following table:

Percentage of complaints Responded to in SPSO timescales	Stage 1		Stage 2	
	Complaints received	Percentage responded to within 5 working days	Complaints received	Percentage responded to within 20 working days
	180	83.6%	14	76.9%



## Making the Most of Our Homes and Assets

### New Build Programme

- 6.8 The Group aim is to deliver 5,500 new homes over the course of the strategy with DGHP having a target of delivering 17 this year. More detail is presented in a separate agenda item. In summary, DGHP currently has three projects on-site, with 31 handovers completed in the year to date. The following table shows the variance against targeted progress:

Current Projects	Handovers	Target	Variance	Comment
Lincluden Depot	26	-	26	First handovers 6 months ahead of schedule
Queensberry Square	-	12	-12	Project completed ahead of schedule in March 2021
St Medans, Monreith	5	5	0	Complete
Totals =	31	17	14	

- 6.9 This will be followed by the six homes at Lincluden within the refurbished stable block in February 2022. The Eastriggs project started on site in July 2021 and is programmed to complete in July 2022. The Nursery Avenue project started on site in May 2021 and is programmed to complete in September 2022.

#### Planned to Reactive Repairs Spending

- 6.10 We set a Strategic Result to achieve a ratio of planned to reactive repairs spend of 60%:40%. Spend figures are subject to investment programme profiling throughout the year. The ratio for DGHP at end of September shown in the table below, shows that planned spend for DGHP is slightly higher than target, and the Group average (with reactive spend subsequently lower than target and the Group average).

Percentage Spend 2021/22	Planned	Reactive
DGHP	60.7%	39.3%
Group	60.1%	39.9%

#### Volume of Emergency Repairs


- 6.11 The table below shows our position to reduce the volume of emergency repairs to less than 30% of overall reactive repairs by 2026 compared to the baseline year of 2019/20. Our current performance is 40.5% against the target of less than 30%.
- 6.12 Emergency repairs volumes carried out by all of the Group's RSLs are above the 2019/20 levels due to the Scottish Government restrictions that were in place, and our focus on delivering emergency repairs in the early part of 2021/22.
- 6.13 The action plan DGHP implemented last month, which included deploying extra trades resources, additional subcontractors, offering overtime to all staff and procuring materials from alternative sources, is allowing us to tackle the build-up of repairs. Earlier this year, DGHP recorded year-to-date completed non-emergency repairs 18 % below the completed numbers in a more usual year. This month that figure has reduced to 10% fewer.as we increased the number of repairs we were able to carry out in September.

	Emergency		Reactive		Percentage 2019/20	Percentage 2021/22
	YTD 2019/20	YTD 2021/22	YTD 2019/20	YTD 2021/22		
DGHP	5,526	6,308	15,585	15,596	35.5%	<b>40.5%</b>
Group	40,478	45,164	113,285	114,562	35.7%	<b>39.4%</b>




## Repairs Timescales and Right First Time

- 6.14 The average time taken to complete emergency and non-emergency repairs is detailed in the table below. We focused on delivering emergency repairs within our target timescales. But the high numbers of repairs completed following the end of Scottish Government Covid restrictions at the beginning of summer, and consequent material shortages, meant that the average time to complete non-emergency repairs has been higher than our target:

Time to deliver repairs (Charter)	Emergency (hours)		Non-emergency (days)	
	Target	Current Value	Target	Current Value
	3.00	2.12 	5.50	9.38 

- 6.15 Our performance against the right first-time measure has also been affected by our focus on emergency repairs, and the delay to non-emergency repairs, as it includes time element. Overall, 99.7% of our repairs are completed on first visit, however the Charter indicator is 82.7% as 1,603 jobs are done right first time but outside the target date. As noted in the sections above, we have made substantial progress addressing the high demand for repairs and we expect the improvement steps we have taken will lead to improvements in these reported measures of performance during quarter 3.

Percentage of repairs right first time (Charter)	2019/20	2021/22 YTD	Target
	83.5%	82.7%	92.0% 

## Medical Adaptations

- 6.16 Since April, DGHP have completed 276 adaptations in total. There are now 84 households waiting. We continue to receive higher numbers of referrals than usual, as occupational therapy services have resumed.
- 6.17 The average time to complete adaptations has increased for DGHP from 24.66 days in Q1 to 33.4 days in Q2, still below the target of 35 days. The table below shows the number of households waiting, completions and the average time to complete adaptations for DGHP compared to the Group average.

Medical Adaptations	Current Households Waiting	Number Completed YTD	Average Days to Complete	Target
DGHP	84	276	33.4 days	35 
Group	267	1,126	40.1 days	35 

## Gas Safety

- 6.18 We continue to be in a 100% compliant position for gas safety, with no further expired gas certificates. Current figures against the rolling 12-month Charter indicator are listed in the table below and have now returned to zero.

Gas safety certificate expiries	2020/21	YTD 2021/22
DGHP	298	0
Group	2,078	0



## Changing Lives and Communities

### Peaceful Neighbourhoods

- 6.19 The Group five-year strategic target is 70% of our tenancies to be classed as “peaceful”. We do not break down this Group measure into RSL-level figures. The percentage of tenancies throughout the Group categorised as peaceful has reduced slightly since the summer, moving from 70.1% (62,827) in July to 69.5% (62,334) in September.

Percentage of Group tenancies classified as (year to date average):	2020/21		YTD 2021/22	
	Number	Percentage	Number	Percentage
Safe	6,529	7.3%	8,397	9.4%
Calm	20,931	23.3%	19,007	21.2%
Peaceful	62,279	69.4%	62,334	69.5%

- 6.20 Our CIP Police Team focuses on working with the top repeat victims, offenders and locations across the Group, which the team believes has the biggest impact on the percentage of tenancies classified as peaceful. There are 37 problem location work packages currently allocated to CIP officers for action across the Group. Four repeat locations have been identified in DGHP areas and a strategic deployment is working in Lochside to reduce incidences of anti-social behaviour.

### Accidental Dwelling Fires

- 6.21 As part of the Group’s RSLs, DGHP set a strategic result to reduce accidental dwelling fires by 10% against the baseline of a total of 215 fires in 2020/21 (see the following table). DGHP reported five accidental dwelling fires in quarter 2, which was a reduction on the previous quarter.

Number of recorded accidental dwelling fires	2020/21				2021/22	
	Q1	Q2	Q3	Q4	Q1	Q2
DGHP	6	4	5	8	6	5
Group Strategic Result Total and Target	215				106 Annual Target = 210	

- 6.22 To achieve this strategic Result, we will ensure that 100% of relevant properties under the legislation have a current fire risk assessment in place and currently we are in full compliance.

### Reducing Homelessness

- 6.23 DGHP made 49.5% relevant lets to homeless applicants in the year to date, which is above the 45% target. “Relevant lets” excludes mutual exchange and transfer, those over which our influence on the let is limited. The Charter measure includes these types of lets.
- 6.24 We have let 207 homes to homeless applicants this year and continue to be on track to deliver 417 by year-end to contribute to the Group’s strategic result of 10,000 households over the next five years.

Percentage of Lets to Homeless Applicants	Relevant lets only				Charter measure	
	2020/21	In-month September	Year to Date	Target	2020/21	Year to date
	51.8%	50.0%	49.5%	45% <span style="color: green;">■</span>	45%	48.2%



## Developing our Shared Capability

### Sickness Absence

- 6.25 DGHP lost 2.62% of working time due to staff sickness absence in the year to end of September, compared to the target of 3%. There has been an increase since the beginning of the year, but rates are lower than the year-end figure for 2019/20 which was 4.68%. The in-month figures for August and September for DGHP showed an increase from 1.96% to 2.58%.
- 6.26 The top two reasons for absence across for DGHP are stress/anxiety and minor illness. As part of the wider approach to absence management under the new operating model, we have also reviewed our absence management workshops, introduced process maps, and have readily available guidance on our intranet. All related forms have been updated and we have introduced a 48-hour turnaround time to meet with any employee to identify the stresses and seek solutions. We are also now offering enhanced support through various wellbeing and learning programmes and will work closely with our occupational health provider and qualified therapists to make sure we have the maximum support mechanisms in place for our employees.



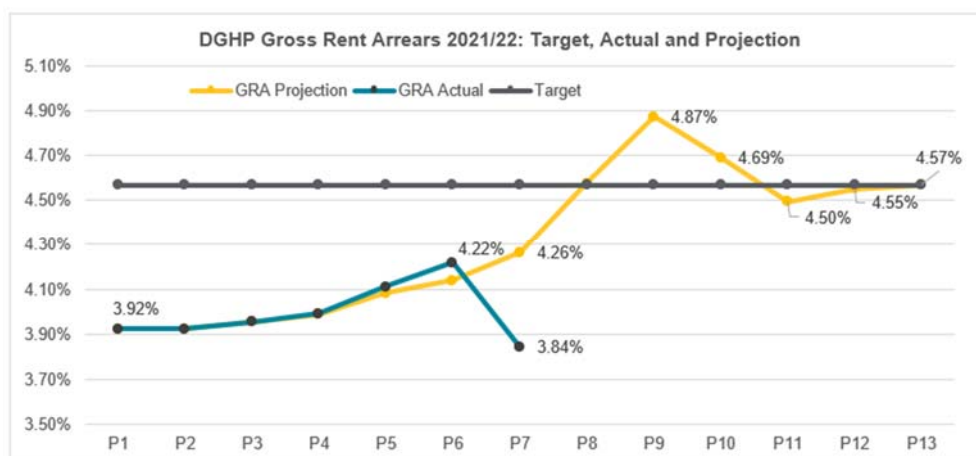
## Enabling our Ambitions

### Gross Rent Arrears

- 6.27 Our strategic aim is to reduce arrears down to 4% by 2026 and achieve a target of 4.57% during this financial year. Gross rent arrears decreased in period 7 from 4.11% to 3.84%. The support and wraparound services we provide to our customers continue to limit the impact of the pandemic on the rate of arrears, which remain under target despite an increase since the end of 2020/21.
- 6.28 DGHP is performing better than the first quarter Scottish average of 5.91% recently published by the Regulator. Within that average, local authority landlords reported arrears of 7.91%, and, as a larger landlord, DGHP still performs better. Sector analysis notes that with the end of furlough schemes and the ongoing impact of the pandemic and Brexit on the economy that the next few months will see increases in arrears before some expected stabilisation later in 2022.

Gross Rent Arrears	2020/21 Result	Current performance	Annual Target	Previous Period
DGHP	3.86%	3.84% <span style="color: green;">■</span>	4.57%	4.11%
Group RSL average	4.48%	4.90% <span style="color: green;">■</span>	5.03%	4.75%

6.29 Our initial projection estimated DGHP would end the year at 4.57%. Based on current performance, we still expect arrears to follow a trajectory of an increase over winter followed by a reduction to target by period 13. The chart below shows actual gross rent arrears, the target and original projection.



6.30 The Business Plan assumed there would be an increase of 387 new UC customers in DGHP by period 6 (period 7 data is not yet available). There has been an actual increase of 226 new UC customers to date and we are expecting over 1,000 new UC customers by the end of 2021/22. There is a current (net) caseload of 3,347 UC customers, which is equivalent to more than 34% of customers across DGHP, with a total of 42% of customers (over 4,200) expected to be on UC at the end of the financial year. For context, there is currently 28% of customers on UC in the Group’s RSLs.

Average Days to Re-Let

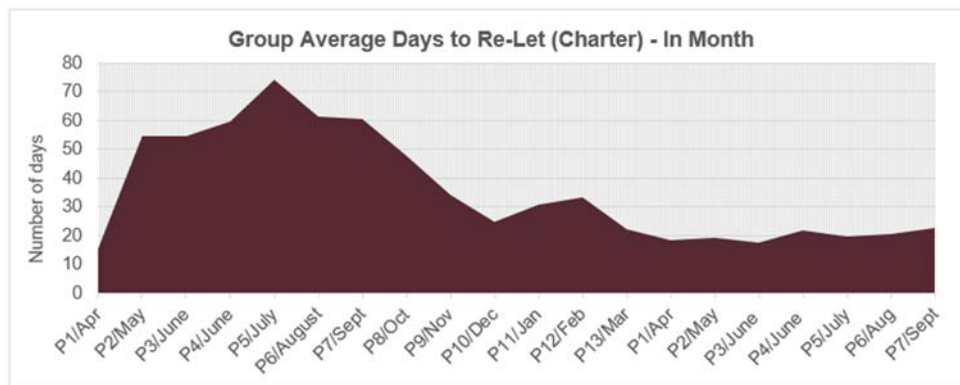
6.31 Our target is for DGHP to achieve average days to re-let a home of 21.1 days, and to reduce this to 19.9 days by the end of this financial year. We aim to be under 20.0 days at year-end so that we are in a recovered position post-pandemic to achieve the strategic target of less than 14.0 days in year two of the Strategy.

6.32 The year-to-date average position for DGHP shows a slight decrease from 16.31 days reported last quarter to 15.75 days as of the end of quarter 2 (period 7). This remains within the current quarter’s target of 21.1 days and in a strong position compared to the rest of the Group’s RSLs despite challenges of material shortages and other factors.

6.33 The recently published Charter results show the impact of the pandemic on letting times last year, with the Scottish average at 56.3 days in 2020/21 compared to 31.5 days in 2019/20 (RSL: 53.4 days, local authority: 59.4 days). DGHP surpassed these averages last year and is still well below the average despite the ongoing impact of the pandemic.

Average Days to Re-Let	In month - September	Current Year to Date	Cumulative Target - Q2	2020/21 Results
DGHP	17.79	15.75	21.1	37.26
Group	22.65	20.27	22.0	40.87

- 6.34 The following chart shows the in-month Group average days to let this year to date and last year.



### Summary of Group Strategic Project Delivery

- 6.35 The full list of our strategic projects is attached to this report as Appendix 2. Out of the strategic projects is involved in delivering during 2021/22, the following three projects have been completed since our last report:

- Deliver a group-wide Antisocial Behaviour Prevention and Mitigation Framework that maps out our approach to preventing, managing, and mitigating ASB. Group Board agreed the framework in June.
- The development of a new leadership development programme is complete, and we are now due to start delivery.
- Strategic governance review

- 6.36 There are 11 projects on track, no projects are slipping against the milestones and none are overdue.

### Update on the Delivery of DGHP Projects

- 6.37 DGHP Board agreed at their meeting in May to incorporate the key strategic projects for 2021/22 with the remaining Partnership Promises and to receive a quarterly update on progress. A more detailed update on the Partnership Promises is a separate agenda item.

- 6.38 Five of the 16 projects have been completed, with a number of interim milestones for the other 11 projects achieved. All projects remain on target and further detail is provided in **Appendix 3**. Key achievements during the second quarter are noted below:

- The My Great Start service is now being offered to DGHP customers at the start of their tenancy. This is being delivered in partnership with the Dumfries and Galloway Citizens Advice Service;
- The Wheatley Works Programme continues to increase employment opportunities for our customers; and
- The Homes 4 D&G Review is progressing and engagement with customers and partners has taken place.

## Wheatley Solutions Business Excellence Framework Performance Measures

- 6.39 As part of the renewal of our Services Agreement with Wheatley Solutions, we agreed a Business Excellence Framework that contained several Key Performance Indicators. It was agreed Wheatley Solutions would report these to the Board bi-annually.
- 6.40 Performance for the year to date is set out in **Appendix 4**. Most measures are being delivered, with the two main exceptions being the Customer Service Centre and IT service desk.
- 6.41 The Board has already agreed plans for a new Customer First Centre and current performance is presented in section 6.1. Our IT service model and the associated KPIs were developed pre-pandemic and as such was always going to require to be redesigned to reflect our hybrid operating model. This process is well underway, including the recruitment of additional resources, a configuration of the service model and support built into the new Centres of Excellence Model.
- 6.42 As our new operating model continues to bed-in, the DGHP Managing Director will be working with Wheatley Solutions senior staff to agree the Insight Day programme for 2022 along with how DGHP staff are fully engaged Communities of Excellence.
- 6.43 In advance of the next bi-annual update we will also undertake a review of the KPIs in the Framework to ensure they reflect our requirements of Wheatley Solutions under our new operating model.

### Conclusion

- 6.44 Despite the continuing challenges posed for the entire sector due to the pandemic, there are areas of strong performance by DGHP. Lower gross rent arrears and average days to let are performing well against other Group RSLs and sector averages.
- 6.45 We are now halfway through the year and at the point the sector analysis identified as the low point for performance in terms of the pandemic's ongoing impact. Our efforts in quarter 3 will be crucial to determine whether we enter quarter 4 in a stronger, more recovered position despite the challenges of the last 18 months.
- 6.46 Our project delivery aims to introduce many of the new ways of working that our Strategy is built on. Strong project delivery in the first part of this year means that DGHP, both as a business and as part of the Wheatley Group, is building a more digital, more customer-focused and more efficient business that will be prepared to deliver both strategy and improved performance results in 2022/23.

## **7. Digital transformation alignment**

- 7.1 There are no digital transformation themes aligned to the content of this report.

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

- 8.1 The measures and projects included in this report were agreed as the Performance Framework and Delivery Plan for 2021/22. Both documents focus service delivery and improvement on the key priorities within the Group Strategy to make sure that financial and other resources are aligned with these priorities.

8.2 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 monthly performance reporting. RSL Subsidiary Boards approve the returns, and the figures are included in the year-end performance report to the Board. RSLs are also required to involve tenants in the scrutiny of performance, which DGHP does through the Group Tenant Scrutiny Panel, and to report to tenants on performance by October each year.

## **10. Equality implications**

10.1 There are no proposals in this report relating to our duties under equality legislation or that have an adverse impact on equality.

## **11. Environmental and sustainability implications**

11.1 We are developing further measures for environmental and carbon performance which will be brought back to the Group Board for consideration by the end of the financial year.

## **12. Recommendation**

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

### **List of Appendices**

Appendix 1 - Strategic Results and Other KPIs Dashboard






Appendix 2 - Strategic Projects Dashboard

Appendix 3 - DGHP Projects Update







Appendix 4 - Business Excellence Framework Key Performance Indicators

## Appendix 1 - DGHP Board - Delivery Plan 21/22 - Strategic Measures



### 1. Delivering Exceptional Customer Experience

Measure	2020/21	YTD 2021/22		
	2020	2021		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - Stage 1	4.42	4.49	5	
Average time for full response to all complaints (working days) - Stage 2	12.82	17.43	20	
% new tenancies sustained for more than a year - overall	84.98%	86.14%	87%	
Group - Average waiting time (seconds)	64.38	132.54	60	
Group - % of first contact resolution at Hub	91.79%	89.72%	80%	












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

Measure	2020/21	YTD 2021/22		
	2020	2021		
	Value	Value	Target	Status
Reduce the volume of emergency repairs to less than 30% of overall reactive repairs	April to September 2019/20 – 5,256	6,308	>30%	
Average time taken to complete emergency repairs (hours) – make safe	1.9	2.12	3	
Average time taken to complete non-emergency repairs (working days)	5.63	9.38	5.5	
% reactive repairs completed right first time	93.46%	82.72%	92%	
Number of gas safety checks not met	298	0	0	
% stock compliant with SHQS	87.07%	91.01%	90%	




Measure	2020/21	YTD 2021/22		
	2020	2021		
	Value	Value	Target	Status
Average time to complete approved applications for medical adaptations (calendar days)	43.3	33.43	35	
New build completions - Social Housing	0	31	17	





### 3. Changing Lives and Communities

Measure	2020/21	YTD 2021/22		
	2020	2021		
	Value	Value	Target	Status
% lets to homeless applicants	51.8%	49.5%	45%	
% lets to homeless applicants (ARC)	50.3%	48.9%	N/A	
Number of lets to homeless applicants (contributes to 10,000 for Group by 2025/26)	396	207	N/A	
Group - Over 70% of customers live in neighbourhoods categorised as peaceful by 2025/26	69.4%	69.5% (75%)	68%	
% ASB resolved	99.9%	96.53%	98%	
DGHP - Total number of jobs, training places or apprenticeships created including Wheatley Pledge	0	53	0	
Group - Increase the number of active users of MySavings to 5,000 as part of our commitment to reduce the cost of running a home	New	244	252	
Group - 100% of relevant properties have a current fire risk assessment in place	100%	100%	100%	
Group - The percentage of HMOs that have a current fire risk assessment in place	100%	100%	100%	
Group - Non-relevant properties with current fire risk assessment in place	Programme started October 2020	34.27%	37%	
Number of accidental dwelling recorded by Scottish Fire and Rescue	23	11		

4. Developing Our Shared Capacity


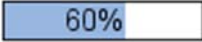
Measure	2020/21	YTD 2021/22		
	2020	2021		
	Value	Value	Target	Status
% Sickness rate	1.49%	2.62%	3%	



5. Enabling Our Ambitions


Measure	2020/21	YTD 2021/22		
	2020	2021		
	Value	Value	Target	Status
% lettable houses that became vacant	7.83%	9.26%	8%	
% court actions initiated which resulted in eviction - overall	No evictions	100%	25%	
Average time to re-let properties	37.26	15.75	21.1	
Gross rent arrears (all tenants) as a % of rent due	3.86%	3.84%	4.57%	


Appendix 2 - Delivery Plan 21/22 - Strategic Projects

1. Customer Experience Strategic Projects


Project	Status	Progress	Description	Due Date	Completed	Update provided by Lead
Implement new engagement framework - Phase 1			01. Stronger Voices Team structure agreed via workforce planning and recruited	31-Jul-2021	Yes	62 Customer Voices identified as of 30 Sept across RSLs/Lowther. To date, those Customer Voices have been involved in neighbourhood assessments/customer journey mapping/focus groups on services, involving a variety of business leads. In addition, there has been a Group-wide consultation carried out with RSL customers on the new operating model and the new way of engaging (and change of name for GHA to Wheatley Homes Glasgow)  Further focus group participants will be identified during October to take part in rent consultation focus groups running in November - those participants will also be asked whether they would be interested in joining the Customer Voice programme as engagement will also be promoted at those sessions.  The community app has been developed but there has been a delay in rolling out the community app pilot across the South East of Glasgow due to the requirement for security testing. This will delay the completion of milestone 4. In the meantime, Test and Learn sessions have been carried out using the app with a small number of customers to gain insight into people's views of the app, whether it is easy to use, and what they find attractive in terms of functionality.
			02. Engagement plan for Customer and Community Voices developed	31-Aug-2021	Yes	
			03. Customer and Community Voices recruited - 50	30-Sep-2021	Yes	
			04. My Community App piloted, evaluated and preferred solution identified and agreed by ET	31-Jan-2022	No	
			05. Customer and Community Voices recruited - total 100	31-Mar-2022	No	




Project	Status	Progress	Description	Due Date	Completed	Update provided by Lead
Develop a Wheatley Whole Family approach		<input type="text" value="20%"/>	01. Scoping stage completed	31-Aug-2021	Yes	Potential consultant to lead project identified and discussions underway to commission project.
			02. Consultant appointed and Group project team identified	31-Oct-2021	No	
			03. Review of all primary insight and report on initial findings	31-Dec-2021	No	
			04. Customer and staff engagement undertaken	28-Feb-2022	No	
			05. Final report and action plan produced and approved by ET	28-Feb-2022	No	
Introduce new cloud based telephony system		<input type="text" value="0%"/>	01. Carry out a review of telephony vendors and system capability	31-Jan-2022	No	This project will improve the infrastructure supporting our Customer First Centre. We are now in in early engagement with various vendors to test the market and functionality available to us. This work will be complete by the timescale identified. Discussion is ongoing with procurement on routes to market and an internal project manager has been assigned to help shape the project and build the business case in line with the planned timescales. We are working with one current vendor to prepare a demonstration of the
			02. Review WFM platforms in line with telephony system	31-Jan-2022	No	
			03. Business case for new cloud based telephony and WFM system approved by ET	31-Mar-2022	No	


Project	Status	Progress	Description	Due Date	Completed	Update provided by Lead
			04. Go-live approved by ET	31-Mar-2022	No	product to the Executive Team to show the full range of functionality and how this can support our new operating model and way of working. This demonstration of the product will take place in early November.
Develop new RSL online services model		<input type="text" value="0%"/>	01. Identify a leader plus small team of 2-3 in the business to focus on this work	31-Oct-2021	No	Our suite of RSL online services is being reviewed as part of the new operating model. This will form part of the work led by the Customer First Centre alongside the Group IT and Digital Team.
			02. Review current online service offerings (baseline)	30-Nov-2021	No	
			03. Identify and engage with relevant service leads for 'baseline' services	31-Dec-2021	No	
			04. Use this to define our digital customer offering, approach and roadmap	31-Mar-2022	No	
			05. Develop customer digital engagement approach/strategy	31-Mar-2022	No	
			06. Co-ordinate our activity to promote this to customers	31-Mar-2022	No	

Project	Status	Progress	Description	Due Date	Completed	Update provided by Lead
Refine Repairs Delivery Model		<div style="border: 1px solid black; background-color: #e0e0e0; padding: 2px;">33%</div>	01 Final 5 year review received from Campbell Tickell	31-May-2021	Yes	Final five-year review from Campbell Tickell was received by deadline and was agreed by the Wheatley Board on 21 June. The review has been endorsed by CBG's Board and an implementation plan is being developed to take forward the recommendations from the review. Workshops have been held involving staff from the repairs service in our West and South areas, with the East to follow, to define our future repairs service. Next milestone due to be reported end of December.
			02 Develop common approach for repairs service across West, East and South	31-Dec-2021	No	
			03 ET and Board approval of proposals	28-Feb-2022	No	

## 2. Homes and Assets Strategic Projects


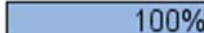


Project	Status	Progress	Description	Due Date	Completed	Update provided by Lead
Implement Group corporate estate model - phase 1		<div style="border: 1px solid black; background-color: #e0e0e0; padding: 2px;">57%</div>	01. DGHP Dumfries Hub developed and approved by ET	31-May-2021	Yes	Wheatley House complete and used for recent Board meeting and Wheatley Way sessions. List of touchdowns agreed with Executive Team in place and available for use. Plans for other sites progressing including elsewhere in Glasgow, Dumfries and Edinburgh progressing.
			02. Wheatley House prototype complete-	31-Jul-2021	Yes	
			03. New Mart Road Hub developed and approved by ET	31-Aug-2021	Yes	
			04. Deliver Touchdown Points	30-Sep-2021	Yes	

Project	Status	Progress	Description	Due Date	Completed	Update provided by Lead
			05. DGHP Dumfries Hub complete	28-Feb-2022	No	
			06. New Mart Road Hub complete	31-Mar-2022	No	
			07. Review Depots with outcome of review and proposals agreed by ET	31-Mar-2022	No	
Wyndford Regeneration		<div style="border: 1px solid black; background-color: #e0e0e0; padding: 2px; display: inline-block;">25%</div>	01. Settlement agreement executed	30-Apr-2021	Yes	Agreement reached with GCC on commitment to Wyndford regeneration project. Inclusion of Wyndford in Maryhill TRA boundary remains to be agreed by GCC.  Approved by Group Board on 27 October and on GHA Board agenda for 5 November
			02. Stock classification report to GHA Board	31-Aug-2021	No	
			03. Maryhill TRA proposed boundary change to TCG Board	30-Sep-2021	No	
			04. Wyndford masterplan to be agreed with GCC	28-Feb-2022	No	
High Rise Living Framework Year 2			01. Launch You choose Challenge (10% of MSF sites to spend £10m investment)	31-Oct-2021	No	2021 Consultation is already underway in terms of the targeted investment at sites such as Charles Street and Linkwood. Update scheduled for GHA Board at January 2022 Board workshop.
			02. Increase High Rise Living Forum by 25 additional members	31-Oct-2021	No	


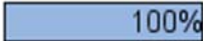


Project	Status	Progress	Description	Due Date	Completed	Update provided by Lead
			03. Provide an update to ET and Board on progress with the High Rise Living Framework	31-Dec-2021	No	
Wheatley Green Investment Plan		<div style="border: 1px solid black; background-color: #ADD8E6; padding: 2px; display: inline-block;">75%</div>	01. Develop Wheatley Green Campaign to align with COP26	30-Apr-2021	Yes	COP related activities progressing as planned including frequent press stories on 'green' projects across group and awareness raising on sustainability among staff.
			02. ET agreement of COP 26 Green Campaign	31-May-2021	Yes	
			03. Green Investment Plan engagement with Scottish Government	31-Aug-2021	Yes	
			04. COP26 related campaign activities ends	31-Dec-2021	No	




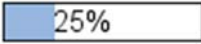

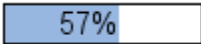
### 3. Changing Lives and Communities Strategic Projects

Project	Status	Progress	Description	Due Date	Completed	Update provided by Lead
Deliver a group wide Antisocial Behaviour Prevention & Mitigation Framework (ASBPMF) that maps out our approach to preventing, managing and mitigating ASB			01. Draft ASB Prevention & Mitigation Framework prepared for Executive Team consideration	31- May-2021	Yes	Project complete - the ASB Prevention & Mitigation Framework was approved by the WG Board on 21 June.
			02. Group Board approval of Framework	30- Jun-2021	Yes	
Review Group Fire Prevention & Mitigation Framework including digital solutions			01. Undertake a review and update the Fire Prevention & Mitigation Framework	31- May-2021	Yes	Digital reporting of information developed and deployed using power BI dashboard. Information including through Power BI shared weekly with key staff.
			02. Updated Framework approved by Group Board	31- May-2021	Yes	
			03. Explore & develop a Group response to the new Scottish Fire & Rescue Service 'Safe & Well' model	31- Dec-2021	No	
			04. Group response agreed by ET	31- Dec-2021	No	
			05. Explore digital solutions for capturing, recording, managing & reporting on Group Fire Risk Assessments, Fire Intervention Reports and vulnerable person visits	31- Mar-2022	No	
			06. Digital solutions proposals agreed by ET -	31- Mar-2022	No	

#### 4. Shared Capability Strategic Projects

Delivery Plan Project	Status	% Progress	Description	Due Date	Completed	Update provided by Lead
Develop new leadership development programme			01. Expand existing Leading in a Digital Era programme	31-May-2021	Yes	Project complete. Proposals presented to Executive team in July and agreed. The roll out of the new programme will now start.
			02. New Leadership Development programme developed for all people leaders, reflecting the new operating model	31-May-2021	Yes	
			03. ET approval of new Leadership Development Programme	31-Jul-2021	Yes	
Strategic governance review			01. Scope agreed by Group Board	30-Apr-2021	Yes	The Group Board received initial feedback on review findings from Campbell Tickell at their strategy workshop in August.
			02. External review undertaken	31-Jul-2021	Yes	
			03. Group Board agree recommendation	31-Oct-2021	No	The Group Board considered the Campbell Tickell report on 27 October and agreed the implementation plan.
			04. Group Board agree implementation plan	31-Oct-2021	No	

## 5. Enabling our Ambitions Strategic Projects

Project	Status	Progress	Description	Due Date	Completed	Update provided by Lead
Restructure funding syndicate			01. Board agree strategy for restructure	31-Oct-2021	Yes	Strategy agreed by Board on 7 <sup>th</sup> October.
			02. Implementation of restructure	31-Dec-2021	No	
Establish digital maturity approach and assessments			01. Revise baseline of current metrics (revisit Azets review)	31-May-2021	Yes	Project and strategy reviews completed for Q2 projects – update schedule for next Wheatley Solutions Board on 5 November.
			02. Define and establish core maturity metrics across 21/22	30-Jun-2021	Yes	
			03. Define projects and activities/outcomes linked to maturity goals across roadmaps	30-Jun-2021	Yes	
			04. Communicate targets for progression	31-Jul-2021	Yes	
			05. Perform mid-year review	31-Oct-2021	No	
			06. Update on progress to WS Board	30-Nov-2021	No	
			07. Produce end of year report and plan for 2022 for ET approval	28-Feb-2022	No	



Outcomes	Target	
Improved quality of environmental management services measured against Keep Scotland Beautiful criteria (KSB) with increased customer engagement opportunities.	31/07/21	The NETs service launched on 01/07/21 with 27 DGHP customers taking up roles within the service. Although KSB assessed DGHP as a no award area due to them returning a score of 45.9% the NETs service have already started to resolve the actions highlighted and all NETs identified issues were resolved by 31st August.
Completion of Strategic Asset Return on Investment to inform investment and regeneration opportunities for DGHP.	31/10/21	Strategic Return on Investment Analysis has been completed and is being used to develop a strategic asset management plan for DGHP.
New Support contract implementation to improve homelessness support Care wraparound services utilised in DGHP Care Review of Young Persons Service/Temp accommodation funding and model	31/12/21	The new contract with DGC was implemented by 30/4/21 and care wraparound services by 31/05/21. The review of the Young Persons Service/Temp accommodation funding and model is complete with the overall alignment completed by 31/12/21.
Review of Homes4D&G with partners and DGC will help inform groupwide review of lettings	31/04/2022	The project has commenced with extensive customer, staff and partner consultation already gathered.
Book It, Track It, Rate It introduced in DGHP	31/01/22	The project remains on target to go live by 31/01/22.
DGHP onto Group wide systems improving self service options for customers and delivery of Go Mobile for DGHP staff	31/01/22	Phase 1 of the I.T. integration has been completed including user acceptance testing, data load testing and pre-migration activities. The project remains on target.
DGHP Dumfries Centre of Excellence	28/02/22	Tenders have been issued for completion of the first DGHP Centre of Excellence
Delivery of increased employment opportunities working with local employability delivery partners. Roll out Wheatley Pledge offering to local employers Introduce Modern Apprenticeship programme Expand Changing Lives programme into DGHP Capture increased job and training opportunities as part of 500 promised in the Partnership agreement.	31/03/22	The Modern Apprenticeship programme has been introduced, along with the Changing Lives programme. Changing Lives recruitment began in May and trainees began their placements in July. All trainees are DGHP customers with various barriers to work including caring responsibilities and mental health issues. A dashboard has been developed by Wheatley Foundation monitoring job and training opportunities. Local employability delivery partners have been identified and Wheatley Pledge will be delivered by 31/12/21.
Strategic agreement with Dumfries and Galloway Council for Transformational Regeneration area and draft masterplan outlining long term approach to regeneration	31/03/22	A report went to D&G Committee on Principal of TRA in June and the masterplan brief will be completed by 31/08/21. Consultants for the masterplan will be procured by 31/09/21 with the initial draft masterplan on target for completion by 31/03/22.
Engagement Plan developed for DGHP 21/22 to include recruitment of Tenant Voice, Recruitment to Customer Voices, Roll out of Keep Scotland Beautiful assessors and pilot You Choose Challenge in DGHP	31/03/22	The Engagement Plan remains on target.
Measures	Target	Commentary/Update
Implement My great start for new tenants to increase tenancy sustainability	31/06/2021	A formal partnership with D&G CAB has been agreed and My Great Start service now available for tenants.
Access to WE Benefits will provide savings for DGHP customers and increase disposable incomes to support tenants to maintain their tenancy.	31/05/21	WE Benefits was launched in May and all wraparound services, including fuel advisors, contents insurance and employability, in place and operational by end June 2021. Home Contents Insurance has been agreed by Group's insurance provider and promoted to tenants in August.
Develop delivery model for Home Comforts in DGHP	31/03/22	Scoping work underway to consider opportunities for furniture donation/recycling for DGHP customers in need.
Review of DGHP3 completed as part of intragroup agreement	31/03/21	
Achieve compliance with SHQS / EEESH standards	31/08/21	Compliance with SHQS is currently at 96% and including abeyances and exemptions. We are focussing on delivery of the remaining 4% as we remobilise our full investment programme.
Strategic agreement in place to outline new partnership approach between DGHP and DGC.	30/11/21	Work is ongoing with DGC to jointly develop the strategic agreement that sets out the new collaborative working partnership between the Council and DGHP. Once complete this will be presented to the DGHP Board at a future Board meeting.

Service Aspect	Measure/Commitment	DGHP	Additional information/comments
Legal advice and support	100% of court case submissions completed within agreed timescales	100%	
Accounting and financial management	Monthly finance review meetings with leadership teams, to discuss and provide advice on its financial position and emerging themes, opportunities, issues and risks.	√	
	Finance report provided to every Board meeting	√	Standing scheduled Board agenda item
Funding & Treasury Management	100% of covenant returns completed and submitted on time	√	
	Compliance with Treasury Management Policy	√	
	Valuations for annual accounts and lenders completed on time	√	
IT infrastructure and essential business support	98.5% availability of critical systems	√	
	Funding and delivery, in conjunction with operational teams, of the IT investment and systems necessary to implement strategy	√	Delivered through technology plan, which is monitored additionally by Wheatley Solutions Board
	Ensure robust cyber security is in place and tested annually	√	Update report was provided to Board in May
Employee availability and relations	90% of vacant roles recruited within target timescale agreed by management	√	
	Staff absence levels at or below agreed annual target	√	
Staff wellbeing	90% of staff satisfaction with wellbeing support		Not yet commenced - To start testing under new way of working.

Payroll	100% of payroll runs administered on time	√	
Facilities management	100% of Sub facilities risk evaluated	√	Confirmed and records in place
	Operational Safety Manuals in place for 100% of Sub corporate estate	√	Confirmed and records in place

Service Aspect	Measure/commitment	DGHP	Comments
Statutory accounting	100% of statutory returns completed and submitted on time	√	
	Unqualified Audit opinion by external auditors	√	Confirmed via KPMG report at August Board
	All key accounting estimates and judgements reviewed annually	√	Not due until Feb 22, however was completed in Feb 21 for the 20-21 financial statements
Assurance	Chief Internal Auditor Annual Assurance Statement	√	Received by Board in August
	Sub specific reviews reported to Board within 1 Board cycle		Not applicable during year to date
	All whistleblowing allegations fully investigated and reported to the Board within 1 Board cycle		Not applicable during year to date
Performance	Quarterly Performance reports issued 7 days before applicable meetings	√	Standing Board agenda item each quarter
	Annual Return on Charter prepared for Board approval and submitted in line with regulatory deadlines	√	Approved by Board in May 21
	Annual benchmarking reports	√	Limited to intragroup benchmarking for this year. Future strategic project to enhance our benchmarking approach
	Monthly management reports on performance indicators.	√	Monthly performance reporting system in place, including at Executive level



Business continuity	Business Continuity and disaster recovery plan in place and tested annually	√	Board have been updated throughout pandemic. We are in the process of revising our approach to business continuity to reflect learning from the pandemic and current good practice.
	100% of recommendations from annual review implemented within agreed timescales		Not yet applicable
Security management	All security incidents will be managed to a successful and safe outcome	√	Security incidents management and reporting processes already in place
Governance	100% of statutory returns completed and submitted on time (pre-approved by the Board where appropriate)	√	
	All board papers will be issued at 7 days before Board meeting	√	

Service Aspect	Measure/commitment	DGHP	Comments
Contact handling	75% of calls answered in less than 30 seconds	Board have agreed new Customer First Centre approach as part of enhancing performance	
	80% of transactions resolved at first point of contact		
Accounts Payable	95% of invoices will be paid with 30 days of receipt	86.57	
	99% availability of help desk		
IT help desk	95% of issues resolved at the first point of contact		New service desk approach being implemented to reflect our hybrid operating model.
Land and property acquisitions and disposals	All acquisitions and disposals registered with Registers of Scotland and security pools updated as	√	
Complaints, FoISA and data protection requests	100% of enquires dealt with within statutory timescales	√	
	100% of reportable data breaches reported to ICO.	√	Target met and also reported to Group Audit Committee

Service Aspect	Measure/commitment	DGHP	Comments
Supporting on-going change and innovation	All strategic projects delivered within a 5% time and budget variance	Ongoing	
	Annual Satisfaction survey, compliant with SHR technical requirements, completed and reported to Board		The Board agreed not to have one for this year - not applicable
Insight	Sub staff engaged in 100% of Group Communities of Excellence		Memberships being reviewed at present and to be achieved within the financial year.
	4 themed insight events per annum available to Sub staff		2021 approach has been impacted by pandemic. 2022 programme to be agreed with Managing Director.
IT development	100% delivery of strategic support agreed with Sub Management to migrate onto group systems to unlock new technology for Sub service delivery.	√	
Tenant engagement	Annual engagement programme		Initial plans in place and to be taken forward as part of new engagement model post tenant consultation.
	Increased range in Sub tenants engaging		
	100% of tenant consultations meet legal and regulatory requirements	√	Recent tenant consultation in line with requirements
Learning and development	100% of staff have a My Contribution performance and CPD plan in place		My Contribution is currently being refreshed and measurement will commence when this is available.
	40% of promoted posts are filled by internal candidates	n/a	Reported annually at year end, not yet due.
Procurement	Expenditure on behalf of Sub is compliant with procurement rules	92.9% against target of 70%	

Service Aspect	Measure/commitment	DGHP	Comments
Transformation projects	95% of transformation projects delivered on time and on budget	Ongoing	Confirmed via strategic projects/finance reporting
Asset management	Certifiable SHQS and EESSH compliance	√	
	Annual Investment Plan for Board approval	√	Approved by Board in May 21
Business planning and Funding	Annual business plan provided for Board approval		Not yet due - scheduled for February 22
	Sufficient Funding secured to deliver Sub strategy	√	In place as part of existing annual business plan and budget.
Property development	Annual 5-year development programme provided to the Board for approval		Not yet due - annually each February
	The number of units in development programmedelivered		Subject to standalone reporting - see separate agenda item on mid year update and performance



## Report

**To:** DGHP Board

**By:** Alan Glasgow, DGHP Interim Managing Director

**Approved by:** Tom Barclay, Group Director of Property and Development

**Subject:** Risk register

**Date of Meeting:** 10 November 2021

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### 1. Purpose

1.1. To provide the DGHP Board with a revised Corporate Risk Register at **Appendix 1** for approval.

### 2. Authorising and strategic context

2.1. In accordance with the Group Authorise/Monitor/Manage Matrix, the Group Board is responsible for managing and monitoring the Wheatley Group Risk Management Framework. The DGHP Board (the board) is responsible for managing and monitoring its Corporate Risk Register and Risk Appetite in accordance with the Group Risk Management Framework.

2.2. Risk registers are in place across the Group and are reported to each subsidiary board on a bi-annual basis. These capture risks that may impact on the delivery of the Board's strategic aims.

### 3. Risk appetite and assessment

3.1. Each identified risk has been scored in line with the Group's risk management policy and considered using the Group's risk appetite matrix.

### 4. Background

4.1. The Internal Audit team facilitated two risk workshop sessions with Managing Director of DGHP, the Interim Managing Director, Heads of Housing and Development Leads on 25<sup>th</sup> August and 1<sup>st</sup> November 2021. This included training on the risk management framework and review of risks within the DGHP Corporate Risk Register. Any changes as a result of this workshop have been included in this report for approval. This report also includes any changes arising from scrutiny of the Strategic Risk Register (SRR) by the Group Audit Committee and Wheatley Group Board in August 2021.

4.2. Following completion of risk workshop with all management teams across the Group, we will review the Group’s risk appetite statements at risk appetite risk workshops due to be held with Boards during Spring 2022; please note that these have been delayed due to COVID-19. This review will also incorporate any actions relating to the Group’s approach to risk management arising from the Campbell Tickell governance review. A detailed update on the planned approach to the workshops will be presented to the Group Audit Committee in February 2022, for approval.

**5. Customer engagement**

5.1. There are no customer engagement implications arising directly from this report.

**6. Discussion**

6.1. Key strategic risk areas have been identified through a high-level review of our evolving strategies, operational risks and the current operating environment. The following table provides a summary of the changes to the Corporate Risk Register, which is available in full at Appendix 1.

<b>Risk reference</b>	<b>Risk Title</b>	<b>Proposed change</b>
DGHP01	Rent arrears, including Universal Credit	Risk description and controls updated to reflect challenges associated with continuing Scottish Government pandemic guidance. Scoring updated to align with the Strategic Risk Register (SRR).
DGHP02	Development Program	Controls updated to reflect additional measures now in place.
DGHP03	Stock Condition	Risk title, description and scoring updated to reflect current challenges and additional controls.
DGHP04	Business Continuity/ Disaster Recovery	Risk description updated to align with SRR. Controls updated to reflect review of arrangements that is in progress.
DGHP05	Political and Policy Changes	Minor change to risk description to align with SRR.
DGHP06	Laws and Regulations	Minor update to risk reflecting consideration of additional regulatory requirements. Additional detail added to control.
DGHP07	Failure to recruit, develop, retain and succession plan	Risk scoring updated to align with SRR and minor update to controls.
DGHP08	Governance Structure	Risk title, description, scoring and controls updated to align with SRR and reflect the fact that Subsidiary Board structures may be reviewed from time to time.

Risk reference	Risk Title	Proposed change
DGHP09	Property Services	Risk description, scoring and controls updated to reflect current challenges and additional measures.
DGHP10	Fire Safety	Risk title, description and scoring updated to focus on Fire Safety, in line with SRR. Additional controls also described.
DGHP11	Care and Support Services	Future mitigation removed to align with SRR.
DGHP12	Supply chain disruption	Risk title, description and scoring updated to reflect potential difficulties in sourcing goods. Controls updated to align with SRR.
DGHP13	Securing new funding and adverse market changes	Risk description and controls updated to reflect additional measures now in place.
DGHP14	Compliance with funders' requirements	Risk description and controls updated to reflect potential causes of risk more clearly and additional measures now in place.
DGHP15	Group Credit Rating	Risk description and scoring updated to align with SRR.
DGHP16	Pension Contributions	Minor updates to description and control wording to align with SRR.
DGHP17	Cyber Security	Risk description updated to reflect potential causes of risk more clearly. Additional control added.
DGHP18	Post-2021 Housing Policy and Grant availability	Risk description and controls updated to reflect potential causes of risk more clearly and additional measures now in place.
DGHP19	Customer Satisfaction	Controls aligned with SRR.
DGHP20	Service remobilisation post COVID-19	<b>Risk removed</b> following the full remobilisation of all services.
DGHP21	Ongoing threat of future waves of COVID-19 and/or another pandemic	Controls updated to reflect additional measures now in place and risk title updated to include the potential for another pandemic.
DGHP22	New operating model implementation	Controls updated to reflect progress of implementation plans.
DGHP23	Implementation of Partnership Promises	Controls updated to reflect progress of implementation arrangements.

<b>Risk reference</b>	<b>Risk Title</b>	<b>Proposed change</b>
DGHP24	Coronavirus vaccination roll-out	Controls updated to reflect additional measures now in place.
DGHP25	Climate change impact on Group assets and services	Existing risk separated into <b>two new risks-</b> DGHP25 and DGHP26.
DGHP26	Meeting stakeholder expectations on climate change	New climate change risk.

## **7. Digital transformation alignment**

7.1. There are no digital transformation implications arising directly from 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. There are no direct legal, regulatory or charitable implications arising from this report.

## **10. Equalities implications**

10.1. There are no equalities implications arising from this report.

## **11. Environmental and sustainability implications**

11.1. There are no direct environmental or sustainability implications arising from this report.

## **12. Recommendation**

12.1. The Board is asked to review and approve the revised Corporate Risk Register.

## **List of Appendices**

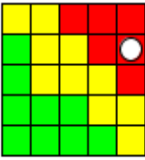

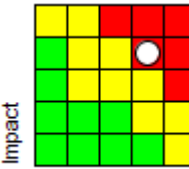
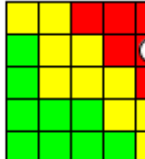
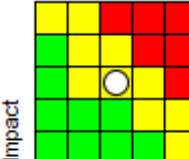
Appendix 1- DGHP Corporate Risk Register- Draft for Approval

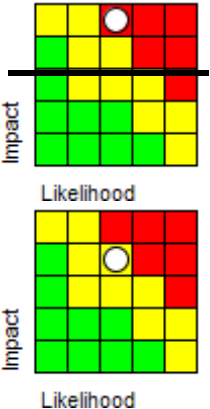
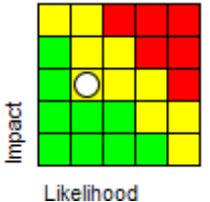
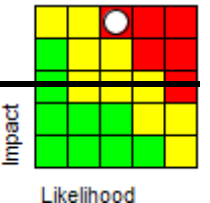
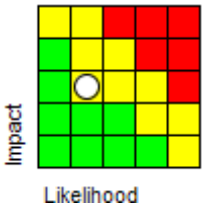
Appendix 2 - Risk Scoring Definitions

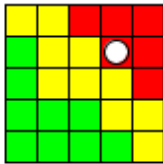
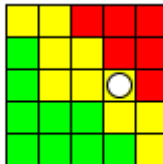
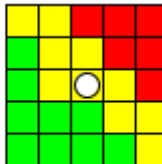
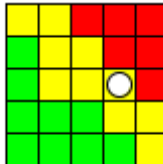
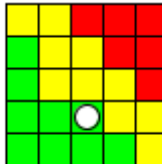
Appendix 3 - Risk Appetite Definitions

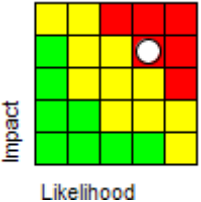
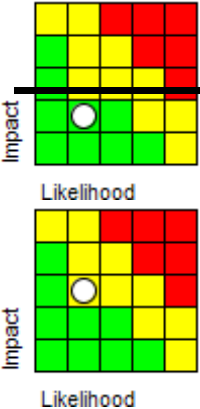


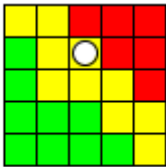
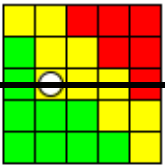
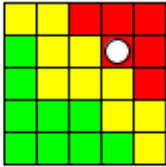
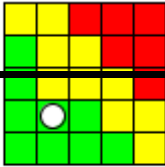
## Appendix 1 - DGHP Corporate Risk Register (Proposed Changes in red text)

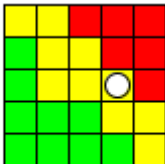


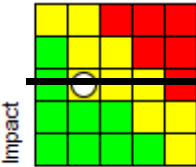
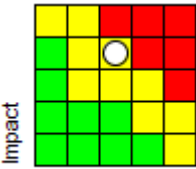
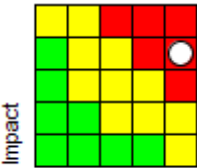
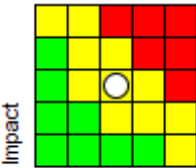
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DGHPRR01 Rent arrears including Universal Credit	<p>The impact of Covid-19, including legislation to prevent evictions, <b>increased lead-in times and uncertainty around Sheriff eviction decisions</b>, as well as the <b>closure of the Furlough scheme and the continued expansion of Universal Credit</b>, continue to impact on our rental income stream and increase our arrears. This also has negative impacts for customers, with increasing financial hardship.</p> <p><b>Move to Group housing management system may also identify changes in rent arrears.</b></p>	 <p>Likelihood</p>	<p>Staff across the Group – including frontline housing teams, the customer service centre and communications – run ongoing campaigns and programmes of contact with customers affected by financial hardship and with problems in paying their rent, whether caused as a result of Covid-19, the wider issues with Universal Credit or for other reasons.</p> <p>This includes a dedicated Universal Credit team, use of mobile technology for staff to assist customers with online transactions and working with partners to influence the UK and Scottish policy and funding environment.</p> <p><b>Online service portals are more accessible and housing officers are becoming more available.</b> Our small housing patch sizes of 1:200 from December 2020 provide a key mitigation, allowing staff to work proactively with customers before their debts become unmanageable, drawing in <b>Wheatley 360</b> support services such as welfare benefits advice, <del>energy advice and emergency funds where appropriate as required.</del></p> <p>The <b>DGHP Group</b> business plan also contains a significant buffer within its assumptions for risk in relation to bad debts and rent arrears. <b>In addition, arrears performance is reviewed by Boards as part of quarterly performance reports.</b></p>	 <p>Likelihood</p> <p>Revised:</p>  <p>Likelihood</p>	Cautious
DGHPRR02 Development Program	<p>Appropriate viable development sites with housing demand fail to be identified and acquired resulting in non-delivery of partnership promise to build 1000 new homes and results in reduced income flow and loss of reputation, with potential consequences as follows:</p>	 <p>Likelihood</p>	<p>Development of new build strategy for DGHP which considers different routes to delivery.</p> <p>Analysis of demand by Indigo House to inform programme.</p> <p>Political lobbying and support.</p> <p>Good design and cost planning, aligning to the Group design standard.</p> <p>Access to the Group Contractor and Consultant Frameworks.</p> <p>Increasing Contractor base in Dumfries and Galloway.</p>	 <p>Likelihood</p>	Open

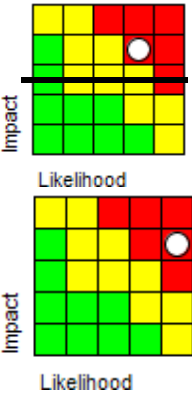
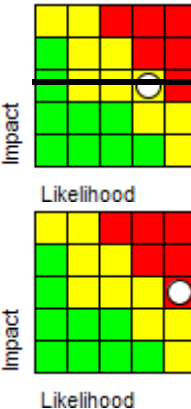
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
	<ul style="list-style-type: none"> <li>• Inability to attract new customers</li> <li>• Loss of confidence by stakeholders</li> <li>• Reduced income stream</li> </ul>		<p>Developing and maintaining positive relationships with Scottish Government, Funders and D&amp;G Council.</p> <p>Governance structure reporting to the group development committee.</p> <p><del>Recruitment complete for vacant posts.</del></p> <p>Asset Strategy development is underway to assist in identification of viable regeneration and new build sites.</p>		
DGHPRR03 Stock Condition	<p>Poor planning and supply chain challenges result in a failure to invest in DGHP stock to meet SHQS/ EESSH, investment promises and Compliance standards, leading to potential reputation damage and regulatory intervention.</p>		<p>Stock condition surveys and investment plan in place</p> <p>Investment Programme developed and funding in place to meet and maintain standards in business plans.</p> <p>Developing Asset Management Strategy - Stock Appraisal being undertaken identifying regeneration and demolition opportunities</p> <p>Support from group to draw down delivery capacity and expertise to support delivery of programme</p> <p>Group provides regular updates against regulatory standards to Regulator.</p> <p>Regular updates on performance against compliance and investment delivery delivered to DGHP Board.</p> <p>Continue to work with CBG to manage resources and supply chain challenges.</p>		Averse
DGHPRR04 Business Continuity & Disaster Recovery	<p><del>DGHP</del> The Wheatley Housing Group does not have adequate or tested business continuity / disaster recovery plans in place for key business activities (for example: repairs service, care provision/staff cover, customer payment systems/technology) including those with significant contractors, resulting in significant disruption to service.</p>		<p>Business Continuity Plans are in place across all business areas. <del>Plans in place and being refreshed alongside new leadership team and management arrangements with Group.</del></p> <p><del>Group Assurance continue to monitor progress and robustness of plans.</del></p> <p>A business continuity implementation group is responsible for collating, reviewing and designing the Group's Disaster Recovery and Business Continuity Plans.</p> <p>Positive working relationships with D&amp;G community resilience planning.</p>		Minimal

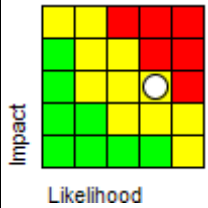
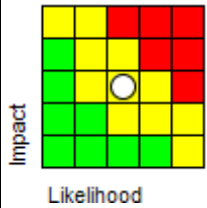
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
		 <p data-bbox="770 411 792 475">Impact</p> <p data-bbox="770 491 875 512">Likelihood</p>	<p data-bbox="981 320 1736 437">The business continuity framework is being further developed in line with the Group's new business operating model and in light of experience through the COVID-19 pandemic. DGHP has representation on the working group developing the framework.</p>		
<p data-bbox="109 536 309 632">DGHPRR05 Political &amp; Policy Changes</p>	<p data-bbox="324 536 721 746">The risk that political and policy changes (within Scotland and the UK) affect the ability of <del>DGHP Wheatley Housing Group</del> to deliver strategic objectives resulting in significant adverse reputational impact.</p>	 <p data-bbox="770 624 792 687">Impact</p> <p data-bbox="770 703 875 724">Likelihood</p>	<p data-bbox="981 536 1736 794">The current policy and national political environment brings a degree of uncertainty. The Group has an established stakeholder management framework in place and relevant Managers will be focussed on responding to changes in policy and administration as they arise. The Group's policy of not building homes for sale also mitigates potential property market risk.</p>	 <p data-bbox="1785 624 1807 687">Impact</p> <p data-bbox="1785 703 1890 724">Likelihood</p>	<p data-bbox="1982 536 2087 557">Cautious</p>
<p data-bbox="109 850 264 946">DGHPRR06 Laws &amp; Regulation</p>	<p data-bbox="324 850 721 1366">Non-compliance with statutory laws and regulations, including but not limited to: (i) Scottish Housing Regulator and Care Inspectorate regulations, (ii) Financial Conduct Authority (FCA) regulations, (iii) compliance with Health and Safety Building Regulations, (iv) Freedom of Information (Scotland) Act, <del>and</del> (v) General Data Protection Regulations <del>and</del> (vi) <del>OSCR, the Scottish Charities Regulator</del> resulting in adverse feedback and loss in confidence from <del>Regulator, the Scottish Information Commissioner,</del></p>	 <p data-bbox="770 933 792 997">Impact</p> <p data-bbox="770 1013 875 1034">Likelihood</p>	<p data-bbox="981 850 1736 1347">A Group wide Scottish Housing Charter Assurance process is supported by the Strategic Scrutiny Panel reviewing outcomes. FCA regulations are considered when new products and services are developed. Qualified personnel undertaking capital improvement works as well as suitable sign off and compliance checks of new installations (e.g., external wall coverings), to ensure these meet relevant building standards. New product offerings follow a clear route to governance, with approval required from the Executive Team before formal approval is requested from the Group Board. Legal and financial advice is obtained for all financial offerings to customers. Compliance Plan monitored on an on-going basis and any issues raised to Executive Team and Group Audit Committee on</p>	 <p data-bbox="1785 933 1807 997">Impact</p> <p data-bbox="1785 1013 1890 1034">Likelihood</p>	<p data-bbox="1982 850 2065 871">Averse</p>

Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
	<p>regulators, funders, customers and potential partners, as well as potential fines and penalties.</p>		<p>an exceptions basis. The Group has on-going relationship management with Regulator.</p> <p>Group-wide approach to how the Group manages information.</p> <p>Privacy Impact Statements to be implemented across the Group.</p> <p>Changes to existing legislation are identified and implemented by identified responsible officers across the Group.</p>		
<p>DGHPRR07 Failure to recruit, develop, retain and succession plan</p>	<p>Failure to recruit, develop, retain and succession plan for high quality / qualified staff, resulting in reduced levels of service provision, staff not competent to perform their job to expected standard and achieve strategic objectives.</p>		<p><del>New DGHP leadership team in place and significant progress made to attract and retain current team to new DGHP operating structure.</del></p> <p><del>Personal development plans are in place for all staff.</del></p> <p>Interim Managing Director in place and new Head of Housing and Head of Repairs due to start in January 2022.</p> <p>Recruited to 20 trades posts since June 2021.</p> <p>MyContribution process for all staff and integrated with MyAcademy.</p> <p>Training courses at the Academy and online Leadership Development programme, succession planning and talent management programme.</p> <p>IGNITE Graduate Programme to bring in new talent across Group RSLs and Wheatley Solutions.</p> <p>HR policies on recruitment and selection.</p> <p>Employee satisfaction surveys.</p> <p>Any jobs shared with local networks / ask staff to share with their networks / use agencies for specialised roles.</p>		<p>Open</p>

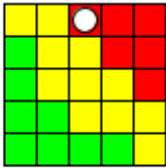
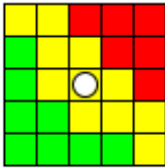
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DGHPRR08 <del>Board Governance</del> Governance Structure	<p><del>DGHP Board members or Senior Officers leave and cannot be replaced leading to:</del></p> <ul style="list-style-type: none"> <li><del>• Loss of knowledge, experience and reduced effectiveness of Board.</del></li> <li><del>• Potential Notifiable Event to the Scottish Housing Regulator if membership falls under 7.</del></li> <li><del>• Lack of effective Governance</del></li> </ul> <p>The governance structure is not clearly defined, is overly complex and lacks appropriate skills at Board and Committee levels to govern the Group effectively. Failure of corporate governance arrangements could lead to serious service and financial failures.</p>	 <p>Impact</p> <p>Likelihood</p>	<p><del>DGHP Board recruitment and succession plan in place.</del></p> <p><del>Reputational improvement at DGHP attracting applicants to join vacant posts and Board positions through last advert cycle.</del></p> <p><del>Advertise to attract appropriate skills</del></p> <p><del>Skills mix updated through recent recruitment</del></p> <p><del>Group approach to induction and refresher training for Board members</del></p> <p><del>New agile working model extends opportunity for remote working and increases available talent pool for DGHP.</del></p> <p>The Group's authorising environment has been agreed. The Corporate Strategy highlights the importance of the need for continual Board development enabling the Board and Committee members to remain strategically focused. Governance training is provided as appropriate. Formal succession planning for Board members is in place. Governance arrangements regularly reviewed by the Scottish Housing Regulator, external consultants, internal and external audit functions. Subsidiary Board structures may be rationalised from time to time to reduce complexity, e.g., as has been done with Wheatley Care and Lowther/YourPlace.</p>	 <p>Impact</p> <p>Likelihood</p>	Cautious
DGHPRR09 Property Services	<p>Failure to effectively manage <b>supply chain</b>, repairs service and contractors results in interruption of services to customers with potential consequences as follows:</p> <ul style="list-style-type: none"> <li>• Loss of key personnel;</li> <li>• Financial objectives are not achieved;</li> <li>• Reduced customer satisfaction;</li> <li>• <b>Reputational damage;</b></li> </ul>	 <p>Impact</p> <p>Likelihood</p>	<p>DGHP repairs service now delivered in house.</p> <p><del>Plans to transfer</del> Heating servicing and maintenance <b>now delivered in house from April 2024.</b></p> <p><del>Succession plan being prepared</del></p> <p>Apprenticeship programme being developed</p> <p><del>Revised business model</del> Annual business planning</p> <p>Monitoring performance internally with partners</p> <p>Focussed activity for materials supply chain with detailed action plans in place.</p> <p>Review of IT systems for repairs</p>	 <p>Impact</p> <p>Likelihood</p>	Open

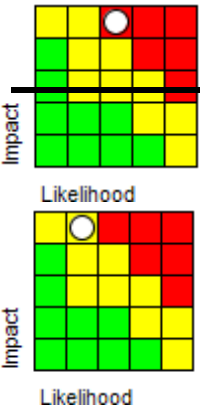
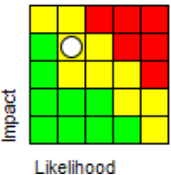
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
	<ul style="list-style-type: none"> <li>Lack of ability to attract and retain skilled workforce;</li> <li>Lack of opportunity to plan for succession;</li> <li>Inability to maintain stock.</li> </ul>		Procurement strategy Third party contractor framework Support from Group Health and Safety Management support from Wheatley Director of Investment, Repairs and Compliance	 Likelihood	
DGHPRR10 <del>Building safety</del> Fire Safety	<p><del>The risk that the health and safety of our customers and staff is put at risk through failure to comply with all relevant building health and safety rules.</del></p> <p><del>The continuously changing nature of regulations and guidance in this area, for example in relation to fire safety, elevates the risks in relation to continuing compliance.</del></p> <p>There is a risk that a failure to comply with relevant fire safety standards for our buildings results in harm to the health or safety of our customers and/or staff, leading to injuries or fatalities, enforcement action and reputational damage.</p>	 Likelihood  Likelihood	<p><del>DGHP's Head of Investment and Compliance ensures focus on health and safety building compliance.</del></p> <p><del>Community Improvement Partnership focused on fire prevention and education.</del></p> <p><del>Business Continuity Plans.</del></p> <p>Group Fire Safety Team focuses on identification of fire prevention actions for implementation by MDs in relation to DGHP's 18 relevant premises.</p> <p>Quarterly reporting of implementation of actions to Group Audit Committee.</p> <p>Outwith relevant premises, Fire Prevention and Mitigation Framework and Fire Risk Assessments.</p> <p>Extensive compliance and investment regime to achieve compliance with building safety regulations (as required) and best practice guidance.</p> <p><del>Regular updates on performance against compliance delivery delivered to DGHP Board.</del></p>	 Likelihood  Likelihood	Averse
DGHPRR11 Care and Support Services	<p>A failure in the care of an individual could result in serious personal harm, leading to risk to life and limb, financial liability and loss of future work due to reputational damage.</p> <p>The commissioning environment relating to care and support</p>	 Likelihood	<p>Care and support services governance arrangements, including the authorising environment, are clear and have been approved. These include regular reviews of service financial positions and processes to hand back services which cannot be delivered in a financially viable manner.</p> <p>Care Assurance Framework (which includes monitoring the results from Care Inspectorate service visits and Group Assurance inspections) in place which assesses the quality of</p>	 Likelihood	Cautious

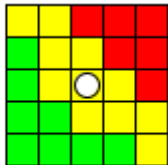
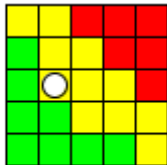
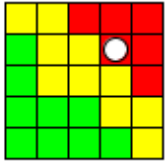
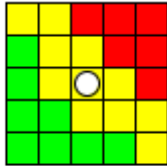
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
	<p>services creates risks that funding is insufficient to allow services to break-even while paying staff fair wages.</p>		<p>care and adherence to Care policies and procedures across Group.</p> <p>There are also regular formal calls between inspection officers and registered managers</p> <p>Regular management review of service users' care packages to monitor where people are leaving the services and how to redeploy resources or attract new users.</p> <p>The Protecting People Policy Framework sets out arrangement for protecting the People We Work For, including those considered to be vulnerable. Work to deliver against the Framework is reported to the Wheatley Care Board.</p> <p><del>Future mitigation will be the alignment of DGHP and Wheatley Care policy and practice, along with Wheatley Care providing management of care activities.</del></p>		
<p>DGHPRR12</p> <p><del>Brexit trade deal</del></p> <p>Supply chain disruption</p>	<p><del>The impact of the Brexit trade deal may mean some delays in sourcing materials and goods, whether directly or indirectly via our supply chain. Wheatley Care may also face workforce challenges.</del></p> <p><del>This could result in increased costs for new build and property investment and repair works, or negatively impact on the wellbeing and satisfaction of People We Work For.</del></p> <p>There is a risk of delays in the sourcing of goods and materials, or of Wheatley Care workforce challenges arising from the impact of macroeconomic events</p>		<p><b>General</b></p> <p>Procurement procedures include assessment of suppliers' financial health. Proactive monitoring of supply chains by Operational leads with regular contract management meetings.</p> <p>Regular engagement with Scottish Government on cost or delay impact potential as issues emerge. In the event of supplier insolvency, procurement frameworks / approved supplier listings would be used to identify alternative suppliers.</p> <p><b>Repairs Service</b></p> <p>Manage stock levels <del>including, where possible, advance purchase</del> of components and materials <del>via St. Gobain.</del></p> <p>Engagement with key suppliers.</p> <p>Specific contingency plans for key services e.g., lifts.</p> <p>Local staff directly employed by DGHP repairs team.</p> <p><b>Investment Programme.</b></p>		<p>Cautious</p>

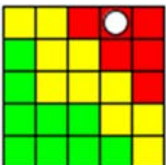
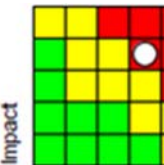
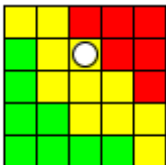
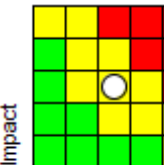
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
	<p>such as the post-Brexit trade deal, Covid manufacturing productivity challenges and global purchasing behaviours such as US/Asia mega-purchasing; resulting in increased costs and / or delays for new build and property investment and repairs works, or negative impacts on the wellbeing and satisfaction of People We Work For.</p>		<p>Manage stock levels of components and materials. Engagement with key suppliers.</p> <p><b><u>New Build</u></b></p> <p>Regular engagement with new build contractors where the Group's financial exposure is greatest to test financial standing. Monitor on a site basis the availability and adequacy of contractor's resource on site – consider increased clerk of works site monitoring to ensure quality of workmanship.</p> <p><b><u>Operational Supplies</u></b></p> <p>Utilisation of Group and 3rd party frameworks to minimise price increase risk. Engagement with key suppliers on stock levels.</p> <p><b><u>Wheatley Care</u></b></p> <p>Working with SG via membership organisations to understand potential level of risk. Contingency plans to mitigate locally and maintaining a 16-week stock of PPE.</p>		
<p>DGHPRR13 Securing future funding and adverse market changes</p>	<p><del>Wider economic and/or political conditions could cause deterioration in the funding market, for example another banking crisis or constitutional changes causing investor uncertainty. This could limit our ability to raise borrowing at cost-effective rates or raise the required funds to meet our liquidity Golden Rules, thereby increasing the risk that we do not have enough available cash to meet our commitments or achieve our business plan objectives.</del></p> <p>There is a risk that the Group's ability to raise borrowing at cost-</p>	 <p>A 4x4 grid with Impact on the y-axis and Likelihood on the x-axis. The grid is color-coded: Green (Low), Yellow (Medium), and Red (High). A white circle is placed in the cell corresponding to Medium Impact and Medium-Likelihood.</p>	<p>Our strategy is to diversify funding sources and relationships, providing a range of options for future funding in the event of adverse funding market changes.</p> <p>Our liquidity Golden Rules are designed to ensure that we have sufficient cash available for two years+ 25% contingency, and this rule is re-assessed annually by the Group Board. Compliance with these is reported to the Group and WFL Boards quarterly. <b>We also review our approach to hedging in respect of interest rate risk on a quarterly basis.</b></p> <p>We do not borrow in currencies other than sterling to reduce exchange rate risks, including in the event of a potential future change in currency, nor do we borrow from non-UK domiciled investors (with the exception of the EIB).</p> <p>The Group's Internal Rate of Return (for appraising and approving projects) will be revised when finance costs increase to ensure new build projects do not become loss-making.</p>	 <p>A 4x4 grid with Impact on the y-axis and Likelihood on the x-axis. The grid is color-coded: Green (Low), Yellow (Medium), and Red (High). A white circle is placed in the cell corresponding to Medium Impact and Medium-Likelihood.</p>	<p>Open</p>

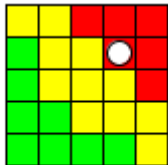
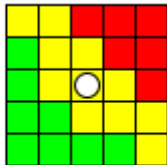
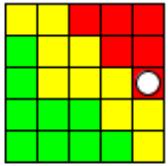
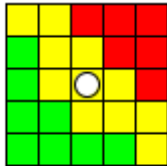


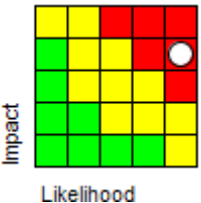
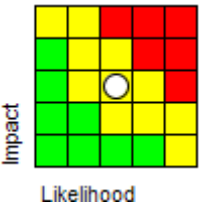
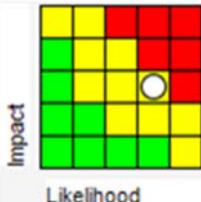
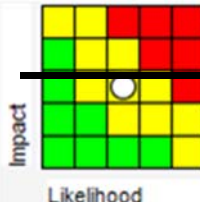
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
	<p>effective rates or raise the funds required to meet our liquidity Golden Rules is limited by wider economic or political conditions such as another banking crisis, rising interest rates, default in the sector, increasing focus on ESG credentials or constitutional changes; resulting in an inability to hold enough cash to meet our commitments or achieve our business objectives.</p>		<p>Annual ESG reporting in place with reports issued alongside the statutory accounts. A Sustainability Financing Framework will be issued in Q3 2021/22, which will be accredited by S&amp;P.</p>		
<p>DGHPRR14 Compliance with funders' requirements</p>	<p><del>Failure to meet/maintain the requirements of funders and investors could have a range of impacts, from default on loan agreements (i.e. covenants) to general loss of confidence. This could adversely impact on our ability to raise new funding to deliver strategic objectives.</del></p> <p>There is a risk of defaulting on loan agreements as a result of failing to meet or maintain compliance with loan agreements. This would result resulting in withdrawal of the funding, potential for cross-default on other facilities, and difficulty in obtaining future funding from other funders, and would likely result in higher cost of funding.</p>	 <p>Impact</p> <p>Likelihood</p>	<p>Regular meetings with funders and investor representatives to update on financial status of the Group.</p> <p>Financial performance monitored monthly and covenant compliance reviewed quarterly by the Group Board, before being submitted externally to funders.</p> <p>Covenant compliance monitoring tool introduced by Finance.</p> <p><del>Funder requirements document identifies key dates and requirements.</del></p> <p>Financial performance is monitored on an ongoing basis through monthly reporting cycle and Group/subsidiary Board review of management accounts.</p> <p>Subsidiary and Group Business Plans are subject to annual updates and review by respective Boards.</p> <p><del>DGHP is not subject to a credit rating on a stand-alone basis, but our Parent, Wheatley Housing Group Limited is rated by Standard &amp; Poors (S&amp;P). S&amp;P include the financial position of DGHP in their overall assessment of the Group, despite the distinct funding arrangements.</del></p>	 <p>Impact</p> <p>Likelihood</p>	<p>Cautious</p>

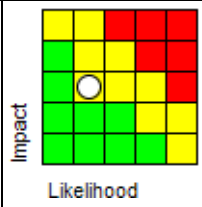
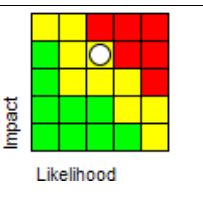
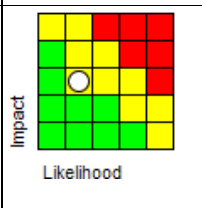
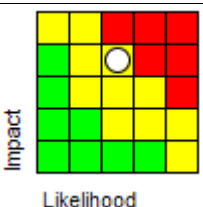
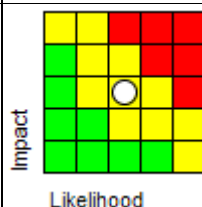
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
			<p>In addition, <del>we maintain an</del> ongoing dialogue <del>is maintained with</del> the relevant credit rating agencies in order to mitigate the risks of unexpected rating changes.</p> <p><del>DGHP currently has £147.04m of unsecured assets on a EUV-SH basis, which is available to charge as additional security (which will take up to 9 months to legally secure).</del></p>		
DGHPRR15 Group Credit Rating	<p><del>The Group's credit rating is downgraded, adversely impacting our ability to raise funds on the capital markets or potentially impacting on the cost of debt to the Group.</del></p> <p><del>External factors such as the UK's credit rating downgrade could lead to a down grade in the Group's credit rating. This could trigger potential prepayment of our European Investment Bank loans if the rating falls to BBB+ or below.</del></p> <p>There is a risk that external factors such as a downgrade of the UK's credit rating or a default by another organisation within the social housing sector results in a downgrading of the Group's credit rating to BBB+ or below, resulting in a potential requirement to repay our European Investment Bank loans, a reduction in the availability of future borrowing, and/ or an increase in the cost of current debt.</p>		<p>The Group's business plan is designed to maintain a strong credit rating, for example by excluding build for sale activity. Our Board-approved financial Golden Rules include maintaining strong levels of liquidity to mitigate refinance risks.</p> <p>Ongoing dialogue is maintained with relevant credit rating agencies in order to mitigate the risk of unexpected rating changes which are controllable.</p> <p><i>Mitigation drafting used in legal clauses</i> - in the event the rating fell to BBB+, the legal clauses are specific that this is not an event of default (thereby avoiding cross-default).</p> <p><i>Negotiation period</i> – the legal clauses provide for a period to negotiate with EIB on mitigating measures, such as revisions to covenants or posting of increased security/collateral.</p> <p><i>Standby funders to replace EIB if necessary</i> - A strong relationship is maintained with EIB to mitigate future risk from external factors causing a credit rating downgrade. Strong investor/lender relationships are maintained with a number of other organisations at all times in case of unanticipated funding need.</p>		Cautious

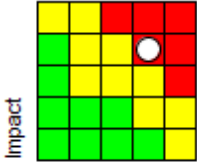
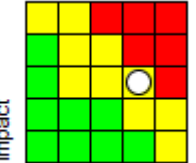
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
DGHPRR16 Pension contributions	Increases in the <b>required</b> pension contributions for all <b>Group</b> pension funds <b>may leads</b> to potential cost pressures for <b>DGHP if additional contributions to these funds are required the Group.</b>	 <p>Impact</p> <p>Likelihood</p>	<p>The Group's Pensions Policy sets out a range of measures to manage pension costs. We have established a <b>Wheatley Group</b> defined contribution scheme which <b>will be</b> is the default arrangement for new joiners and auto-enrolment <b>in future</b> for most subsidiaries, <b>received.</b></p> <p>We are also consolidating SHAPS and LGPS schemes where possible to reduce the risk of cessation liabilities being triggered.</p>	 <p>Impact</p> <p>Likelihood</p>	Averse
DGHPRR17 Cyber Security	<p><del>The Group's approach to cyber security is not robust and staff are not actively engaged due to culture or poor staff understanding; or knowledge of the subject, the Group's response to it or their individual role. This is particularly important with increased home working across the Group.</del></p> <p><del>A lack of compliance with the approach and arrangements made could lead to greater opportunity for cyber attack, resulting in unplanned system downtime, data loss, reputational damage, customer dissatisfaction and potential legislative or regulatory breach.</del></p> <p>There is a risk that the Group is subject to a cyber attack due to a failure of the Group's cyber security arrangements such as:</p> <ul style="list-style-type: none"> <li>- staff not aware of policies and procedures</li> </ul>	 <p>Impact</p> <p>Likelihood</p>	<p>IT cyber security live tests undertaken, and results reported to ET and Group Board.</p> <p>Group IT has an information and cyber security approach that covers: i) Overall Information security policy for Group and ii) staff engagement and training across 5 key learning themes.</p> <p>Established processes across key risk areas: information security response / access controls / secure disposal / Group Data Protection Policy / IT Cloud Services Policy / Vendor Security Assessments.</p> <p>Group IT is externally assessed annually on information security and IT general controls via 3<sup>rd</sup> party auditors.</p> <p>A Bi-Annual cyber security assessment is conducted by NCC across 20 key control areas.</p> <p>An internal Information Security Working Group has been established within technical teams across Group IT.</p> <p><b>Biannual cyber security update reported to the Group Audit Committee.</b></p>	 <p>Impact</p> <p>Likelihood</p>	Minimal

Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
	- technology is out of date - inadequate management of end of life services resulting in an inability to deliver services, and potential financial loss.				
DGHP18 Post-2021 Housing Policy and Grant availability	There is a risk that without sufficient Scottish Government financial support we may be unable to deliver some of the <del>objectives in our 2021—2026 Strategy</del> Scottish Government and EESSH2 targets in relation to energy efficiency.	 <p>Impact</p> <p>Likelihood</p>	<p>Wheatley Group staff are meeting with Scottish Government representatives regularly to proactively present the case for housing investment to Ministers and senior officials directly and through our representative bodies SFHA and CIH. <del>This includes participating in the Scottish Government review of grant availability.</del></p> <p>A Green Investment Plan proposal has been developed and will form the basis of direct discussions with the Scottish Government. Financial scenario planning in place to understand potential impact on our investment programme under a variety of grant scenarios.</p>	 <p>Impact</p> <p>Likelihood</p>	Cautious
DGHPRR19 Customer satisfaction	Customers do not feel our homes and services meet their needs and/or the standards they expect, leading to declining customer satisfaction.	 <p>Impact</p> <p>Likelihood</p>	<p>Customer service excellence is a key element of DGHPs objectives and the 2021-26 strategy. We use a variety of methods to collect customer feedback, both during the year and annually. This information helps us understand customer views and informs our delivery and investment plans every year. This will be augmented by a range of new approaches to improve satisfaction among particular target groups such as young families. The new performance management framework will also include a stronger focus on measuring drivers of customer value in our key services.</p> <p>Small housing officer patch sizes of 1:200 allow housing staff to deliver personalised services under the Think Yes approach.</p> <p><del>The partnership promises will help deliver significant investment in homes and communities at DGHP over the next 5 years.</del></p>	 <p>Impact</p> <p>Likelihood</p>	Hungry

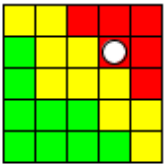
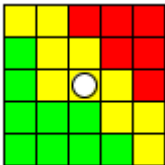
Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
<p>DGHPRR20 Service remobilisation post Covid-19</p>	<p>A lack of clear planning, coherence and communication with staff and customers in our service remobilisation planning as we move through the Scottish Government's Covid recovery phases could lead to:</p> <ul style="list-style-type: none"> <li>poor or inconsistent service outcomes;</li> <li>customer and staff confusion and frustration, including an increase in complaints;</li> <li>risks to customer and staff health and safety (for example if PPE requirements are not properly understood and delivered);</li> <li>deterioration in trade union and stakeholder relationships.</li> </ul>		<p>Service remobilisation plans must meet strict criteria and be approved by the Exec Team. Governance oversight is provided by all Boards. Services cannot move between different stages of remobilisation without a full review of lessons learned from the previous stage and a further gateway approval from the Exec Team.</p> <p>The following are key components of each service's remobilisation plans and must be approved by the Exec Team at each stage:</p> <ul style="list-style-type: none"> <li>Health and safety implications/forecast requirements of PPE can be met;</li> <li>Furloughing implications are agreed and understood;</li> <li>Customer views from the previous stage service model have been assessed and any lessons learned understood;</li> <li>Trade union partners have endorsed the proposals for remobilisation.</li> </ul>		Cautious
<p>DGHPRR21 Ongoing threat of future waves of Covid-19 and/or another pandemic</p>	<p>The risk of a future waves of Covid-19 and / or another pandemic along with the risk of further periods of lockdown (either Scotland wide or by geographical area) may result in previously remobilised services being paused.</p>		<p>Through lessons learnt from previous lockdown and remobilisation, services now have contingency plans (both Group wide and at a local level) in place for future waves and/ or another pandemic.</p> <p>Housing officers can now deliver services from home. Targeted visits to hard-to-engage customers when allowed by Government guidelines. Housing officers can now take payments in Orchard, without need to engage CSC colleagues.</p> <p>These include protocols for different grades of service model depending on the level of government restrictions (according with the levels system), Operational Safety Manual amendments which can be reinstated at short notice depending on the situation</p>		Cautious

Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
			<p>and 16-week PPE forward supply stocks being maintained at all times.</p> <p>We have a clear set of links with Scottish Government and other stakeholders through our standing place on the sector resilience group which allows us to quickly input to and understand Scottish Government responses and guidance.</p>		
<p>DGHPRR22 New operating model implementation</p>	<p>The implementation of a new operating model as we emerge from the Covid-19 crisis, including changing staff patterns/places of work, reducing the number of offices and placing greater reliance on technology could be poorly implemented and communicated, leading to staff disengagement and lack of support from our trade union partners.</p>		<p><del>A clear strategy is in place for consultation with all relevant staff, including through our Trade Union partners, who are supportive of the new model.</del></p> <p><del>Detailed guidance has been provided to all staff on the health &amp; safety aspects of home working.</del></p> <p><del>There will be clear communication of the protocols for accessing new staff hubs and what they should be used for once Scottish Government guidance allows use of non-essential offices once again.</del></p> <p>The Customer Consultation on the new operating model continues, and results of the completed consultation will be reported to Boards for consideration.</p> <p>Operational planning for implementation is in progress, including the delivery of the Customer First Centre. A New Business Model Steering Group meets fortnightly to facilitate this planning.</p> <p>Executive team receives regular reporting of plans and has oversight of plans, including for the Customer First Centre.</p>		<p>Open</p>
<p>DGHPRR23 Implementation of Partnership Promises</p>	<p><del>Failure to deliver Partnership promises set out with Partners and Customers on joining Wheatley Group.</del></p> <p>We may fail to deliver the tenant promises made in the DGHP ballot, including achieving compliance with regulatory standards (such as the Scottish Housing Quality Standard). This</p>		<p>The DGHP implementation plan has now been mainstreamed into the Group's strategy and are included with the Group's performance framework.</p> <p>DGHP Strategic Projects are reported quarterly to Board.</p> <p>Biannual reporting of progress against Partnership Promises to Board.</p> <p><del>Detailed Transformation Plan in place.</del></p> <p><del>Support from Group Partners to support successful transformation and capacity to deliver against the plan.</del></p>		<p>Minimal</p>

Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
	could lead to increased regulatory scrutiny, as well as falling customer satisfaction due to failure to deliver on promises made.		<p><del>Quarterly updates against transformation plan provided to DGHP Board.</del></p> <p><del>Partnership promises being incorporated into new DGHP Strategy 2021-26, including key performance indicators against the partnership promises.</del></p>		
DGHPRR24 Covid-19 vaccination roll-out <b>Risk Owner: Group CEO (Martin Armstrong)</b>	There is a risk that a lack of clarity over employers' responsibilities in relation to the Covid-19 vaccine, including employment law and data protection implications of requiring staff to notify their employer and / or the vaccine being made mandatory for certain roles, results in reputational damage and / or potential breach of employment law or data protection regulations.		<p>The Employee Relations team continues to consult with employment law advisers to obtain ongoing legal advice.</p> <p>The Group continues to liaise closely with trades unions and staff to develop its approach.</p> <p>Data privacy notices for Care staff have been updated to allow the Group to keep a record of which staff have received the vaccine, and work to updated privacy notices for all Group staff continues. <b>Care management is monitoring uptake levels as part of a local risk assessment approach.</b></p> <p><del>Where Care staff have not received a vaccine, or unable to wear full PPE, the Group's interim approach is to reassign employees to non-customer facing roles, to safeguard both customers and the employee.</del></p>		Averse
DGHPRR25 Climate change	<del>Climate change poses a number of risks to the Group, including: Regulatory and legislative compliance—that the scale of cost and/or nature of available technology may not allow us to improve the energy efficiency of our properties to required regulatory standards such as EESSH 2.</del>		<p><del>Our strategy includes an objective to reduce emissions from our corporate activities to net zero by 2026.</del></p> <p><del>We have detailed asset information and baseline data, an EESSH 2 plan is under development, and we are in discussions with the Scottish Government about funding to accelerate investment in our properties through a Wheatley Green Investment Plan.</del></p> <p><del>Business continuity plans (both at Group and local level) provide for operational responses to extreme weather events such as flooding and severe winter snow (e.g., "Beast from the East" type events).</del></p>		Cautious

Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
	<p>Asset resilience—more frequent flooding, seasonal temperature variation or extreme climate events could negatively impact our infrastructure, properties, and operations.</p> <p>Funding and investment—without a clear plan for how we reduce our carbon and energy use, as part of a wider sustainability strategy, our ability to access institutional investment may become restricted.</p> <p>Communication—our organisational commitment to contributing to the climate change/sustainability is not sufficiently publicised and could impact external perceptions of our commitment in this area.</p>		<p>We produce an annual ESG report for investors setting out our progress on the environmental agenda and will produce a sustainability framework for investors to support the raising of sustainability linked finance in future.</p> <p>In addition to ESG reporting, increased public messaging around our work in relation to climate change.</p>		
<p>DGHPRR25 Climate Change impact on Group assets and services</p>	<p>There is a risk that the Group's inability to adapt to results of climate change results in damage to the value of our assets and our ability to deliver services.</p>		<p>Business continuity plans (both at Group and local level) provide for operational responses to extreme weather events such as flooding and severe winter snow (e.g., “Beast from the East” type events).</p> <p>Climate Impact Assessment report commissioned from external consultants (Foresight report).</p> <p>Performance Reporting team has commissioned report to overlay climate change impacts on Group's geographic locations.</p>		<p>Cautious</p>



Code & Title	Description	Inherent risk score	Existing Controls / Monitoring & Check	Residual Risk score	Risk Appetite
<p>DGHPRR26 Meeting stakeholder expectations on climate change</p>	<p>The Group is not able to deliver climate-change mitigation activities that meet the expectations of key stakeholder requirements and regulatory requirements.</p>	 <p>Impact</p> <p>Likelihood</p>	<p>Our strategy includes an objective to reduce emissions from our corporate activities to be <b>carbon neutral net zero</b> by 2026. We have detailed asset information and baseline data, an EESSH 2 plan is under development, and we are in discussions with the Scottish Government about funding to accelerate investment in our properties through a Wheatley Green Investment Plan.</p> <p>We produce an annual ESG report for investors setting out our progress on the environmental agenda and will produce a sustainability framework for investors to support the raising of sustainability-linked finance in future.</p> <p>In addition to ESG reporting, increased public messaging around our work in relation to climate change.</p>	 <p>Impact</p> <p>Likelihood</p>	<p>Cautious</p>

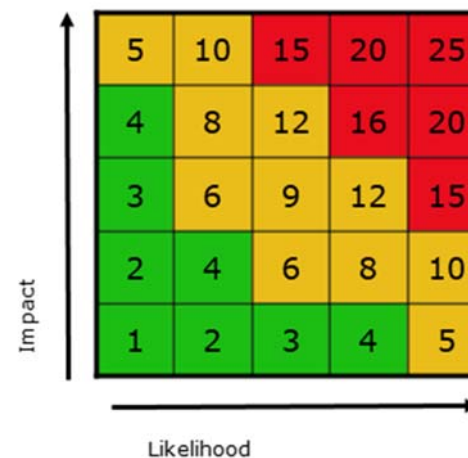
## Appendix 2 - Risk Scoring Definitions

### Impact scoring for strategic risks

Risk Rating Score	Impact Classification	Reputation	Health, Safety and Welfare	Finance
1	Insignificant	Managed/reported to Business Unit Local media (short term duration)	Minor injury cleared with first aid treatment	Up to £100,000
2	Minor	Managed/reported to Departmental Management Team Local media (short/medium term duration)	Reportable dangerous occurrence (near misses)	£100,001 to £500,000
3	Moderate	Managed/reported to Team and Board Members Regional media (short/medium term duration)	Reportable over three-day injuries or reportable diseases	£100,001 to £500,000
4	Significant	Regional/National media coverage (medium/long term duration)	Major reportable injury or injuries	£500,001 to £1M
5	Catastrophic	Third Party Intervention Public Interest Group National/international media (long term duration)	Fatality or permanent disability	Over £1M

### Likelihood scoring

Risk Rating Score	Likelihood Classification	Risk Description
1	Remote	Likely to occur greater than 10 years
2	Unlikely	Likely to occur within 5 to 10 years
3	Possible	Likely to occur within 3 to 5 years
4	Likely	Likely to occur within 1 to 3 years
5	Very Likely	Likely to occur within 1 year



### Appendix 3 - Risk Appetite Definitions

	1 Averse	2 Minimal	3 Cautious	4 Open	5 Hungry
	Avoidance of risk and uncertainty is a key Organisational objective.	Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.	Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.	Willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.).	Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk).
<b>Risk Category</b>	<b>Example behaviours when taking key decisions....</b>				
<b>Reputation and credibility</b>	<ul style="list-style-type: none"> <li>Minimal tolerance for any decisions that could lead to external scrutiny.</li> </ul>	<ul style="list-style-type: none"> <li>Tolerance for risk taking limited to those events where there is no chance of significant repercussion.</li> </ul>	<ul style="list-style-type: none"> <li>Tolerance for risk taking limited those events where there is little chance of any significant repercussion should there be a failure.</li> </ul>	<ul style="list-style-type: none"> <li>Appetite to take decisions with potential to expose us to additional scrutiny but only when appropriate steps have been taken to minimise any exposure.</li> </ul>	<ul style="list-style-type: none"> <li>Appetite to take decisions that are likely to bring external scrutiny but where potential benefits outweigh the risks.</li> </ul>
<b>Operational and Policy delivery</b>	<ul style="list-style-type: none"> <li>Defensive approach to objectives – aim to maintain or protect, rather than to create or innovate.</li> <li>Priority for tight management controls and oversight with limited devolved decision-making authority.</li> <li>General avoidance of systems / technology developments.</li> </ul>	<ul style="list-style-type: none"> <li>Innovations always avoided unless essential.</li> <li>Decision making authority held by senior management.</li> <li>Only essential systems /technology developments to protect current operations.</li> </ul>	<ul style="list-style-type: none"> <li>Tendency to stick to the status quo, innovations generally avoided unless necessary.</li> <li>Decision making authority generally held by senior management.</li> <li>Systems / technology developments limited to improvements to protection of current operations.</li> </ul>	<ul style="list-style-type: none"> <li>Innovation supported, with demonstration of commensurate improvements in management control.</li> <li>Systems / technology developments considered to enable operational delivery.</li> <li>Responsibility for non-critical decisions may be devolved.</li> </ul>	<ul style="list-style-type: none"> <li>Innovation pursued – desire to ‘break the mould’ and challenge current working practices.</li> <li>New technologies viewed as a key enabler of operational activity.</li> </ul>
<b>Financial / VFM</b>	<ul style="list-style-type: none"> <li>Avoidance of financial loss is a key objective.</li> <li>Only willing to accept the low-cost option.</li> <li>Resources withdrawn from non-essential activities.</li> </ul>	<ul style="list-style-type: none"> <li>Only prepared to accept the possibility of very limited financial loss if essential.</li> <li>VFM is primary concern.</li> </ul>	<ul style="list-style-type: none"> <li>Prepared to accept the possibility of some limited financial loss.</li> <li>VFM still the primary concern but willing to also consider the benefits.</li> <li>Resources generally restricted to core operational targets.</li> </ul>	<ul style="list-style-type: none"> <li>Prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level.</li> <li>Value and benefits considered (not just cheapest price).</li> <li>Resources allocated in order to capitalise on potential opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Prepared to invest for the best possible reward and accept the possibility of financial loss (although controls may be in place).</li> <li>Resources allocated without firm guarantee of return – ‘investment capital’ type approach.</li> </ul>
<b>Compliance – legal / Regulatory</b>	<ul style="list-style-type: none"> <li>Avoid anything which could be challenged, even unsuccessfully.</li> <li>Play safe.</li> </ul>	<ul style="list-style-type: none"> <li>Want to be very sure we would win any challenge.</li> </ul>	<ul style="list-style-type: none"> <li>Limited tolerance for “sticking our neck out”. Want to be reasonably sure we would win any challenge.</li> </ul>	<ul style="list-style-type: none"> <li>Challenge will be problematic, but we are likely to win it and the gain will outweigh the adverse consequences.</li> </ul>	<ul style="list-style-type: none"> <li>Chances or losing are high and consequences serious. But a win would be seen as a great coup.</li> </ul>



## Report

**To:** DGHP Board

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

**Subject:** Assurance update

**Date of Meeting:** 10 November 2021

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### 1. Purpose

1.1 This paper provides the DGHP Board (the Board) with an update for noting on the results of Internal Audit work completed in Quarter 1 and Quarter 2 2021/22.

### 2. Authorising and strategic context

2.1 Under the Group Authorising Framework, 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. Risk appetite and assessment

3.1 The Board's risk appetite in relation to Governance is deemed "cautious" meaning that there is a preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.

3.2 This report is designed to inform the Board members of specific risks arising from internal audit reviews, in order that members can make informed governance decisions.

### 4. Background

4.1 In May 2021 and August 2021, the Group Audit Committee approved internal audit quarterly workplans that included completion of the following reviews:

- Furlough Scheme
- ESG Baseline
- Annual SHR Assurance Statement
- Complaints Handling
- Voids Management
- Payroll data analytics
- Equalities and Human Rights
- Digital Strategy Follow Up
- Strategic Projects oversight arrangements
- Wheatley Care Financial Management
- Accounts Payable data analytics review

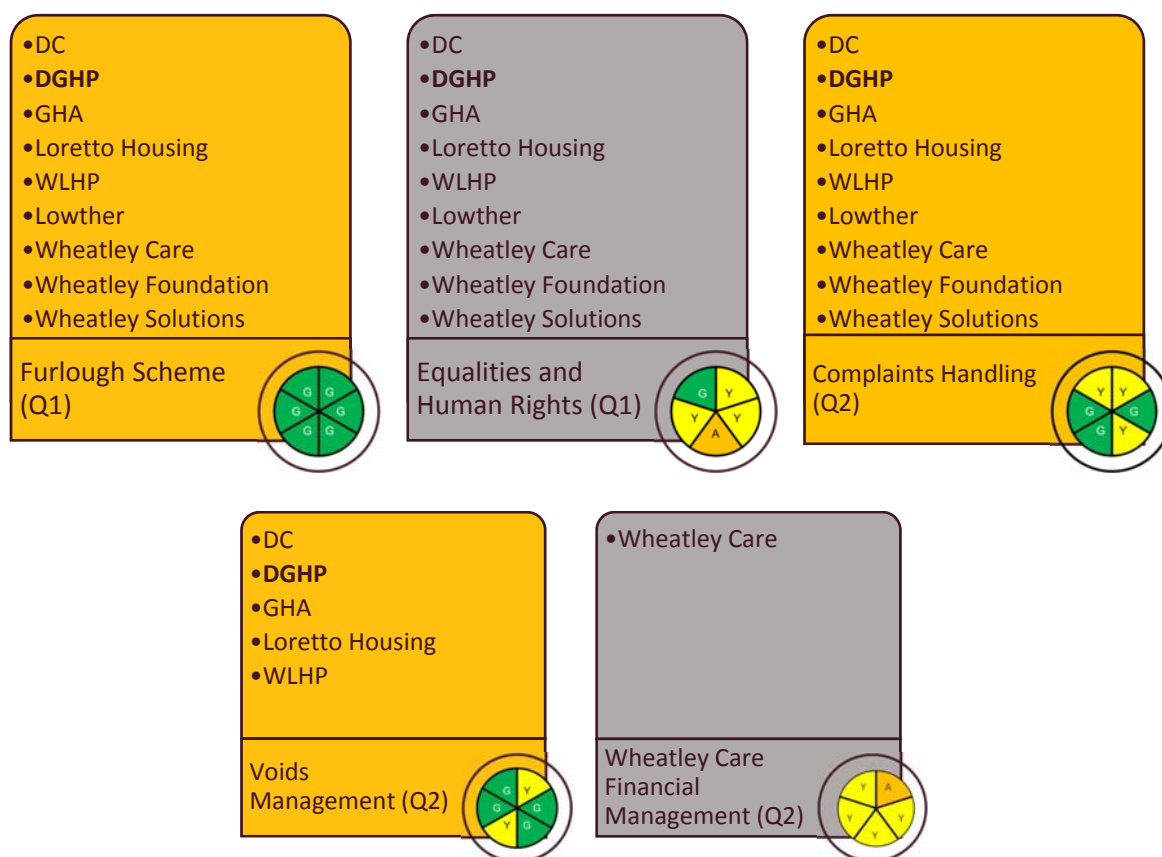
4.2 Apart from the review of Wheatley Care Financial Management, all of these reviews covered controls operating within DGHP.

## 5. Customer engagement

5.1 There are no customer engagement implications arising directly from this report.

## 6. Discussion

6.1 This section of the report summarises the results of the reviews listed at paragraph 4.1, as reported to the Group Audit Committee in August and November 2021. The coloured pie-charts represent our assessment of the extent to which the control objectives we audited were achieved.



6.2 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 would 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 would have a significant 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 would have some 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 would have limited impact on the risks to the achievement of the organisation's objectives.</li> </ul>

6.3 The findings in the following reviews were not assessed against control objectives. We can confirm there were no significant issues arising in these reports that we would need to highlight to the Board.



6.4 More detail on the key findings for each review are set out in the *Group Assurance Update* at **Appendix 1**. Full reports are available to all Board members upon request.

## 7. Digital transformation alignment

7.1 The agreed actions within the Strategic Projects oversight arrangements review will help management to confirm that ongoing work to complete strategic projects continues to be aligned with the Group’s digital transformation plans.

## 8. Financial and value for money implications

8.1 There are no financial or value for money implications arising directly from this report.

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

9.1 There are no legal, regulatory or charitable implications arising directly from this report.

## **10. Equalities implications**

10.1 This report does not require an equalities impact assessment.

## **11. Environmental and sustainability implications**

11.1 There are no environmental or sustainability implications arising directly from this report.

## **12. Recommendation**

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

## **List of Appendices**

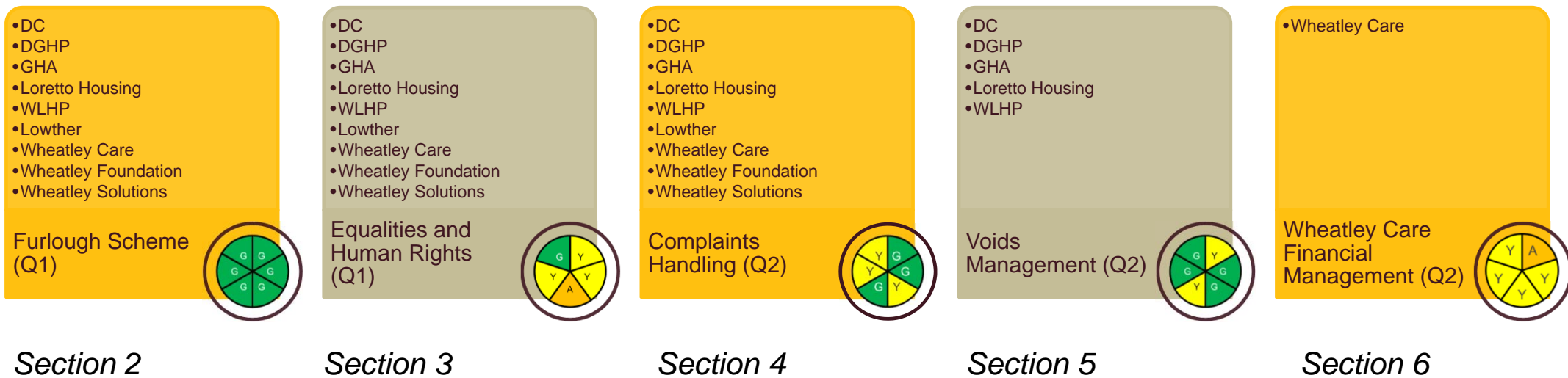
Appendix 1 – Group Assurance Update November 2021

# Appendix 1 - Group Assurance Update November 2021



# 1. Summary of Work Performed

This section summarises the results of Internal Audit activity completed during Q1 and Q2 2021/22. Each of these reviews included an assessment of the extent to which the control objectives set out in the Terms of Reference were achieved, as reflected in the charts below.



# 1. Summary of work performed

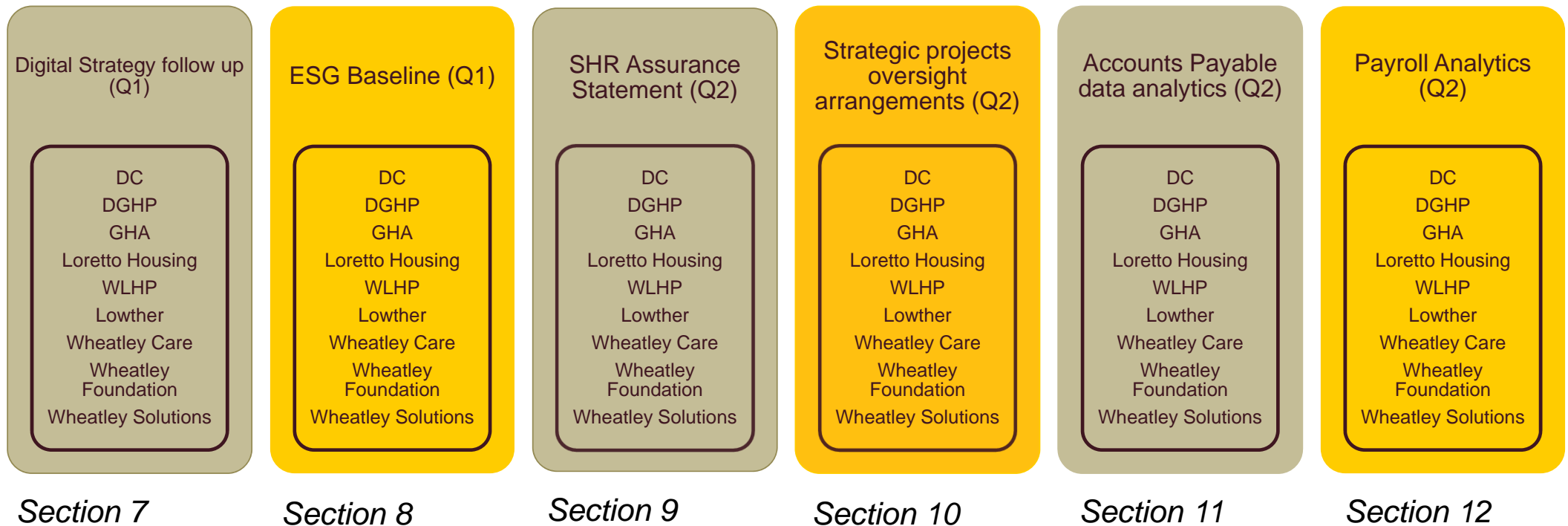
## Control Objective Classification:

Each control objective is assigned a classification based on an assessment of the impact of individual findings within the report, as follows:

<b>Red</b>	<b>Amber</b>	<b>Yellow</b>	<b>Green</b>
<ul style="list-style-type: none"><li>• Control objective not achieved.</li><li>• Control weaknesses identified would 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 would have a significant 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 would have some 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 would have limited impact on the risks to the achievement of the organisation's objectives.</li></ul>

# 1. Summary of work performed

The Internal Audit team has also completed the following advisory and consultancy reviews, which did not include an assessment of the achievement of control objectives, due to the nature of the work performed.



## 2. Furlough Scheme







### Report Conclusion

This review has assessed the adequacy and effectiveness of controls used by the Group to manage the Coronavirus Job Retention Scheme. The processes in place were subject to change in line with the issue of revised Government guidance at what was a crisis time across the UK. We confirmed that the Employee Relations Team put strong controls in place to manage the furlough scheme; with regular review to confirm the arrangements continued to be aligned with the Government guidance. We tested a sample of 50 furloughed employees and verified that all the controls in place were operating effectively.

We evidenced staff and managers have been provided with support and guidance throughout the pandemic and regular updates on the use of the Scheme have been provided to the Executive Team and all Boards.

We have identified one minor housekeeping issue that relates to the permanent storage of furlough correspondence with employees.

### Control Objective Classification

-  There was an agreed process in place to identify staff who were eligible for the furlough scheme.
-  Decisions to furlough staff were subject to review and approval in line with business needs.
-  All furlough claims have been made in line with Government guidelines, including within required timescales.
-  Records of furlough agreements and claims made for each employee have been kept in line with furlough scheme requirements.
-  Employees affected by furlough received clear communication about the conditions of their furlough and support available.
-  Senior Management and the Board received regular updates on the use of the furlough scheme across the Group.

## 2. Furlough Scheme

### Areas of Good Practice

- ✓ The arrangements for the management of the furlough scheme were updated timeously as guidance changed.
- ✓ The Senior HR Advisor reviewed the information on the furlough master control sheet monthly for accuracy and completeness.
- ✓ The Executive Team was provided with daily reports from Employee Relations to allow it to make decisions about the remobilisation of furloughed staff as the Government lockdown rules changed.
- ✓ The Senior HR Advisor reviewed all previous months' claims in August 2020, following the issue of clearer HMRC guidance about application of the furlough scheme rules, in order to identify any over- or under-claims for the preceding periods. This provided the Group with assurance about the correct application of the scheme methodology following the changes in the guidance.
- ✓ Staff have been well supported by Employee Relations with information on WE Connect in relation to advice and support available to manage through the pandemic.
- ✓ The Employee Relations Team and Directors from across the Group conducted coffee mornings to catch up with furloughed staff. This included sessions to prepare staff before their return to work.
- ✓ Senior Management and Boards received regular updates on the use of the furlough scheme throughout the scheme period.

## 2. Furlough Scheme

### Opportunity to Improve (*housekeeping*)

- To ensure compliance with the furlough scheme rules and the Data Protection Act, the correspondence with employees on the furlough scheme, including notification of furlough and confirmation from the employee of receipt of that notice, should be renamed to include the employee name in the file path. This will make identification of such information easier in the future, for example if requested as part of an audit by HMRC or a subject access request.

### Other observation

We noted that the Senior HR Advisor has been the lead officer in the Employee Relations Team completing the furlough returns. This Officer now has a detailed understanding of the HRMC's process. We have been advised that the Peoples Service Lead is also able to complete the returns if required.

### 3. Equalities, Diversity and Human Rights

#### Report Conclusion

The Scottish Housing Regulator’s (SHR) Regulatory Framework, contains two key requirements in relation to equalities and human rights. The Group is required to:

- have assurance and evidence that it considers equality and human rights issues properly when making its decisions; in the design and review of internal and external policies; and in its day-to-day service delivery; and
- collect data relating to each of the protected characteristics for their existing tenants, new tenants, people on waiting lists, governing body members and staff.

The SHR planned to publish guidance to assist RSLs in complying with these requirements. However, the publication of the guidance has been delayed due to COVID-19. Until the guidance is published, the Group cannot fully assess the adequacy of the processes in place to meet these requirements. This is reflected in the control objective gradings.

In the interim, management have developed and piloted an Equalities Impact Assessment (EIA) approach which has been approved by the Executive Team. When fully implemented, this would provide some evidence towards the first requirement.

Management is also aware that work is required to further develop collection of protected characteristics data within the Group, so that it complies with both SHR regulatory requirements and Data Protection legislation. However, the progression of this area is dependent on the publication of the planned SHR guidance.

#### Control Objective Classification

Yellow

The Group can demonstrate it considers equality and human rights issues properly when making decisions, designing and reviewing internal and external policies, and in its day-to-day service delivery.

Yellow

The Group has guidance and training materials in place for staff and Board members responsible for considering equality and human rights issues.

Amber

The Group collects accurate data relating to each of the protected characteristics for existing tenants, new tenants and people on waiting lists.

Yellow

The Group collects accurate data relating to each of the protected characteristics for governing body members and staff.

Green

The Group has adequate plans in place to address any gaps in equalities and human rights reporting requirements to allow an update to be provided to the SHR in October 2021.

## 3. Equalities, Diversity and Human Rights



### Areas of Good Practice

- ✓ The Group is committed to enhancing its focus on Equality, Diversity and Inclusion (EDI) and is working with an external Equalities expert to improve existing arrangements and raise awareness of EDI across all staff.
- ✓ An EDI e-learning module was launched to all staff in May 2021 and forms part of a suite of EDI learning resources available on MyAcademy. Blogs and videos were also published on W.E.Connect to highlight what EDI means to Wheatley and the role all staff can play to tackle unfairness at work and in their own lives.
- ✓ A revised Equalities Impact Assessment (EIA) process, with supporting training and guidance, has been approved by the Executive Team. An external review of all the existing Group HR policies is also underway to ensure these are fully EDI compliant.
- ✓ The authority to collect protected characteristic data is included in the Group's Privacy Notices (Employee and Tenants) which specifically refers to categories of personal data and highlights its use for equalities monitoring.
- ✓ The Board paper template contains a mandatory section to report any equalities implications and set out how any proposals made ensure we continue to comply with equalities legislation.
- ✓ The Group is aware of the Scottish Housing Regulator's plans to issue guidance relating to the requirement to collect information on protected characteristics and has put arrangements in place to develop plans in response to the guidance when it is issued.
- ✓ Pending the issue of planned guidance by the SHR, the arrangements the Group has in place will allow it to confirm within the 2020/21 Annual Assurance Statement that there are "*appropriate plans to implement an effective approach to the collection of equalities information and that they have started to consider how they can adopt a human rights approach in their work*", in line with a letter issued by the SHR in June 2021.



## 3. Equalities, Diversity and Human Rights

### Opportunities to Improve

Management is aware that the Group's equalities and human rights arrangements can be strengthened. The following improvement opportunities either represent the next steps in work that was already underway or planned work that is dependent on the publication of SHR guidance on how it expects landlords to meet the equalities and human rights requirements within the Regulatory Framework.

- A timetable for publication of the Group's draft Equalities Impact Assessment (EIA) guidance and roll-out of the associated training should be developed following its approval by the Executive Team.
- Following the publication of delayed SHR equalities and human rights (E&HR) guidance, the Governance team should coordinate the development of a proposed Group approach to E&HR data collection for approval by the Executive Team and Group Board. This will determine which protected characteristics data we will collect as a Group, who we will ask for such data, and how we will use the data to inform our decision making and demonstrate our commitment to Equalities and Human Rights.
- The Governance team should also coordinate the identification of Group IT systems which currently hold E&HR data, and work with the Business Owners of those systems to develop plans to collect data in line with the Group's approved E&HR data collection approach. This will include identification of data already collected, cleansing of that data where required, working with suppliers to collect additional data if required, and introducing arrangements for regular updates of the information held to confirm its continuing accuracy.
- The roll-out of the new E&HR data collection approach will be supplemented by e-learning and guidance for staff to ensure they are aware of the Group's approach to collecting protected characteristic data and can explain to customers how we will use the data.

# 4. Complaints Handling







## Report Conclusion

The Group's arrangements for handling complaints are aligned to the Scottish Public Sector Ombudsman's (SPSO) Model Complaints Handling Procedures (MCHP). The SPSO published a revised MCHP in January 2020, for implementation by April 2021. The revised MCHP includes a 'Resolved' category which allows simple complaints that require little or no investigation to be resolved quickly via an 'on-the-spot' apology, explanation or action to put the matter right. In October 2020, the Group introduced a pilot 'dissatisfaction with service' code in ASTRA to understand more about the nature of complaints and service requests from customers in advance of implementation of the revised SPSO procedures in April 2021.

As lockdown ended and Group services resumed, the Customer First Centre (CFC) has received a greater number of customers requesting backlogged matters are dealt with. In common with calls to many service organisations in current times, these customers are often frustrated, making it hard to distinguish between complaints and first time service requests. This has impacted on the balance and nature of items recorded against this code. Management has advised that lessons learned from this pilot are being incorporated within the new CFC model and the introduction of dedicated Housing Specialist and Commercial Specialist Teams may mean the 'dissatisfaction' code is no longer required.

Work is also required to improve the extent to which the Group identifies and analyses root cause issues and uses learning from complaints and 'dissatisfaction' cases to improve service delivery. Improvement in this area, in addition to a planned increase in proactive customer contact and the introduction of a new Customer Experience Team within the Customer First Centre, will support the Group's strategic aim to deliver exceptional customer experience.

## Control Objective Classification

-  The Group's Complaints Policy and procedures are in line with the revised SPSO Model Complaints Handling Procedures for RSLs;
-  Customers have access to clear information about how to complain, what to expect during the process and what to do if they are unsatisfied with the outcomes of the Group's complaint handling process;
-  Staff who deal with complaints understand their role in complaints handling and the actions they should take to resolve issues in line with the Group Complaints policy;
-  Complaints are handled in line with the timescales and required actions set out in the Group Complaints Policy;
-  The Group reviews individual complaints to identify improvement opportunities for Group processes and/or areas where further training or development is required; and
-  Themes and trends in complaints data are identified and shared with business leads to help identify recurring complaint topics and target root cause issues.

## 4. Complaints Handling

### Areas of Good Practice

- ✓ The Group Complaints Handling Policy and Procedure was reviewed in April 2021 to ensure it remains aligned to the updated SPSO Model Complaints Handling Procedure for RSLs. A 'Resolved' category has been added to the Group complaints process to enable staff to 'Think Yes' and take quick action to resolve complaints to the customer's satisfaction, without the need for a full investigation to conclude whether the complaint is upheld.
- ✓ All Group and Subsidiary websites contain clear information on how to complain and what to expect from the Group's complaints process. Customer leaflets are being refreshed for use in our new customer facing office spaces.
- ✓ The Complaints team manages all Stage 2 complaints and provides oversight of the resolution of Stage 1 complaints within policy timescales. Reminder emails are sent to staff and managers receive reports of complaint handling times and detail around the key reasons for complaints arising e.g. repairs, allocations, staff attitude, etc.
- ✓ The Complaints team prepares performance data for subsidiary leads on a monthly basis and meets with subsidiary staff as needed to discuss emerging trends and good practice. Power BI complaints dashboards are being developed to provide better oversight and monitoring of complaints performance and trends.
- ✓ The Group is represented at the SPSO Complaints Handler Network which supports the development and sharing of good practice and benchmarking information across the sector.
- ✓ The new Customer First Centre model includes Housing Specialist and Commercial Specialist Teams which will be tasked with addressing customer complaints. These teams will resolve complex enquiries with a target of 95% first contact resolution. Where first contact resolution is not possible, the teams will liaise with colleagues across Group and, if required arrange follow on work items such as a home visit by a Housing Officer, a follow up repair, etc.
- ✓ The Complaints Team will also become the Customer Insight Team and will be a key component part of the new Customer Experience Team within the Customer First Centre, with more focus on the effective use of customer insight and sentiment to drive continuous improvement and demonstrate learning from complaints and dissatisfaction. A target for the team will be to embed the use of customer insight data across the Group to inform and support decision-making and promote continuous improvement.

## 4. Complaints Handling

### Opportunities to Improve

- As the revised Customer First Centre model is embedded, management should consider whether the 'pilot dissatisfaction with service' code in ASTRA is still required. The introduction of the SPSO 'Resolved' complaint category and creation of dedicated Housing Specialist and Commercial Specialist Teams may remove the need for this specific ASTRA service code. If the code is retained, management should consider renaming it to remove confusion.
- If the dissatisfaction code is retained, formal guidance is needed to clarify the difference between a complaint (*'any expression of dissatisfaction' – SPSO definition*) and a 'dissatisfaction with service' case. It must be very clear when the 'dissatisfaction' code in ASTRA can be used and when a complaint must still be logged.
- Management has agreed to review all 'pilot dissatisfaction with service' cases to determine whether there are any matters that should have been recorded as complaints, and therefore included in the performance figures reported to the Scottish Housing Regulator.
- Customer service excellence training aligned to the new CFC model is in development. This training, and the existing complaints e-learning module should be mandatory for all staff with a role in complaints handling. This will help the Group to meet the SPSO expectation that *'refresher training will be provided for current staff on a regular basis'*.
- Once the revised SPSO performance indicators are published, the Group should review its arrangements for capturing and reporting complaints handling performance data to confirm these are efficient and continue to meet the reporting needs of ET and Board.
- The review of reporting requirements should include an assessment of how additional information about trends and root cause analysis can be built into reports. This would improve the Group's learning from complaints and provide an opportunity to better understand our customers' needs and expectations and identify the root cause issues which affect customer satisfaction.

# 5. Voids Management

## Report Conclusion







This review assessed the operation of Voids procedures introduced at the start of the COVID-19 pandemic. The revised procedures included use of a Voids Tracker spreadsheet, revised arrangements for property inspections and Group-wide use of weekly voids team meetings to review progress against current voids. Overall, we found voids procedures were applied and controls were operating effectively.

As the Group moves towards full implementation of its new operating model, management continues to look for improvement opportunities within the voids process. The continuous improvement opportunities we have identified can therefore be addressed through process developments already being trialed.

In particular, the Group's desire to move to electronic records where possible provides an opportunity to review voids documentation such as letting packs, to improve efficiency and accuracy of data by entering information directly into digital records and the iWorld system.

The updated procedures introduced by management should be supported by updated guidance within W.E.Connect, mandatory attendance at weekly voids team meetings, and enhanced use of groups such as CoEs to further sharing of good practice across the Group.

## Control Objective Classification

-  Housing Officers understand and apply the policies and procedures in place for the management of void properties;
-  All voids are identified, and notifications of termination are actioned on Group housing systems promptly, in accordance with the relevant procedure;
-  Void properties are subject to timely inspections, with all required works formally agreed by the Housing Officer and raised on the Group's housing systems;
-  Voids works are subject to agreed oversight with any issues such as delays being escalated for resolution where required;
-  Housing Officers liaise with prospective tenant to progress new tenancy arrangements in line with expected completion dates;
-  Void performance across all subsidiaries is monitored and reported to senior management to allow for effective and timely decision-making.

## 5. Voids Management

### Areas of Good Practice

- ✓ There are Subsidiary-specific flowcharts that clearly outline each step of the void process, with assigned responsibility, available on W.E. Connect.
- ✓ There is evidence of strong team communication at a local level, with weekly meetings taking place between Housing Officers and Repairs teams to discuss void progress and identify any issues.
- ✓ During COVID-19, Managers have been proactive and innovative in designing methods to help them better manage void performance and progress, such as void trackers, Teams sites and weekly performance slide decks.
- ✓ Senior management proactively review void performance at four-weekly allocations meetings. There is also a fortnightly meeting with the Lettings and Homelessness Lead.
- ✓ An improved iWorld structure that would reduce the need for use of manual Voids Trackers is being trialled across 4 Locality Areas. If successful, the updated iWorld Voids tracking will be rolled-out across all Group RSLs.
- ✓ Voids leads are contributing to work across the Group to understand the extent to which additional use of digital technology to make processes more efficient, for example with plans to introduce digital missives, which would reduce the requirement for paper-based lettings packs.

# 5. Voids Management

## Opportunities to Improve

### Continuous improvement opportunities

- As voids guidance is updated to reflect recent and planned changes to voids processes, there is an opportunity to standardise the way in which guidance is documented (while retaining RSL-specific variances to the content), so that good practice guidance is available to all teams.
- The planned pilot of new Voids information within iWorld provides an opportunity to review what information is required for the voids process, where it is held and how such information can be recorded once and then used to auto-populate subsequent forms requiring the same data.
- Meetings of housing officers and repairs teams are a strong control in the voids management process. The practice of some teams is to hold these meetings every week and to mandate attendance; this should be adopted across all teams as it has been shown to be effective.
- There is an opportunity to increase knowledge-sharing around voids processes by creating a cross-Group voids working group to improve void performance.

*Note: This Internal Audit team included high-level consideration of the completion of any required repairs but did not include detailed testing of this part of the voids process because a separate review of end-to-end Repairs is planned.*

## 6. Wheatley Care Financial Management

### Report Conclusion

Since the outset of the COVID-19 pandemic in April 2020, staff in Wheatley Care have provided services to 8,830 individuals. This was a “life and limb” service during the lockdown period, as prescribed by Scottish Government but has since returned to a full service. Provision of services during this period has been challenging, as service managers managed additional COVID-19 health & safety requirements, often with fewer staff due to shielding, sickness, and furlough.

We visited a sample of 10 services during this review and our work found that these COVID-19 challenges have had an impact on the administration and management oversight of Wheatley Care’s local financial processes. This was the case for management of appointee accounts, other financially supported and financially independent people we work for, and petty cash. In each of these areas we found low-level inconsistencies in the application of procedures. We found no evidence of fraud or misappropriation during our review. We also identified local areas of good practice which could be shared across Wheatley Care Services which are detailed in the ‘Good Practice Slide’.

As Wheatley Care moves back to pre-pandemic service levels, there is an opportunity to revise the Wheatley Care Financial Policy and supporting procedures, making use of identified good practice, and with an emphasis on the development of standard electronic templates and the introduction of electronic banking arrangements where possible. This should be undertaken as an overall review of how financial controls are delivered within Wheatley Care, taking into consideration emerging service requirements.

### Wheatley Care Services



Provide services across 11 Local Authorities in Scotland



Since April 2020, supported over 8,830 individuals



Care Services include Care Homes, Care at Home, Housing Support Services



Livingwell (active ageing for older customers)



Day Centres (for people experiencing mental health concerns)



Houses of Multiple Occupancy, visiting centres and core and cluster models



## 6. Wheatley Care Financial Management

### Areas of Good Practice

- ✓ Some services have implemented improved local procedures which should be rolled out across all services.
- ✓ At four services, we noted formal monthly audit checklists were completed by Service Managers or Team Leaders for all the service's people we work for, not just for those with appointee accounts.
- ✓ Formal daily balance checks to reconcile monies held for people we work for against the budget recording sheets and monies retained in the office safe.
- ✓ The retention of a blank budget recording sheet in all support folders in case 'emergency' financial support must be provided to a financially independent person we work for, who has fallen ill.
- ✓ All petty cash tins were held securely in services' safes.
- ✓ Dual sign-off of petty cash withdrawals, by both the recipient and Team Leader.

### Control Objective Classification

Amber

Wheatley Care has financial management policies and procedures that are aligned to Scotland's Health and Social Care Standards and staff confirm they have read, understood and will apply these policies and procedures.

Yellow

People we work for have formally agreed to financial support arrangements that are documented within care plans and subject to regular management review.

Yellow

Service management complete financial checks and audits to confirm agreed financial support arrangements are delivered as described and evidenced through clear records.

Yellow

All petty cash and purchase card transactions are formally documented, with appropriate receipts, and subject to management review as per Group procedures and HMRC's rules.

Yellow

Management investigates, reports and escalates any financial support anomalies identified within Wheatley Care, including reporting of any confirmed breaches of financial management protocols in line with Group, regulatory and contractual requirements.

## 6. Wheatley Care Financial Management

### Opportunities to Improve

#### Priority actions

- The Wheatley Care Financial Policy should be updated to incorporate some of the detailed local procedures we identified as good practice. The rollout of the updated policy should be supported by training sessions for Service Managers and Team Leaders, and the Policy should be an annual mandatory read for all Wheatley Care staff. This should be undertaken as an overall review of how financial controls are delivered within Wheatley Care, taking into consideration emerging service requirements.
- Our review of the operation of financial controls over appointee accounts found they were not operating as prescribed on all occasions. We identified weaknesses in relation to budget recording sheets, monthly reconciliations and supporting financial risk assessments. There is an opportunity to improve the effectiveness of these controls through digital record-keeping to allow more central oversight. We also recommend management investigates whether electronic banking can be introduced for appointee accounts.
- Similar weaknesses in controls were identified for other people we work for, including those assessed as financially independent. In particular, there were instances when expected financial risk assessments were not available.

#### Continuous Improvement actions

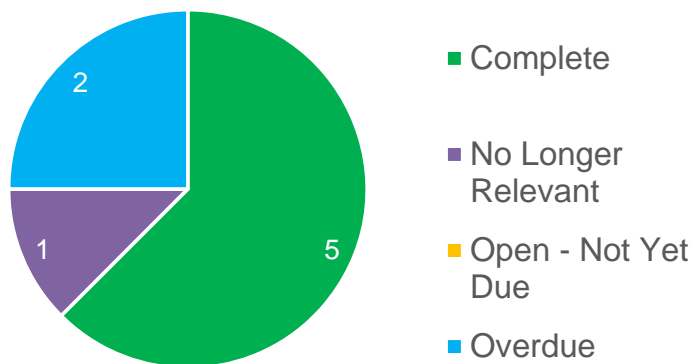
- Management should investigate opportunities to use electronic Purchase Cards in place of petty cash floats. Where this is not possible, services should develop electronic petty cash ledgers and reconciliation processes. The Wheatley Care Financial Policy should include procedures for management oversight of petty cash and detailed guidance on the purposes for which petty cash can be used. This should include the procedures to follow in the event that it is necessary to use Wheatley Care funds to provide temporary support to a person we work for.
- The Financial Policy should also include guidance on the escalation of exceptions noted during routine monthly checks, such as the petty cash anomaly identified at one service, which was resolved following our visit but had not previously been identified during management review of the monthly reconciliation.

# 7. Digital Strategy Follow Up

## Digital Strategy and Working from Home Follow Up Review:

Azets conducted a follow up review in quarter 1 to determine the current status of actions arising from their interim Digital Strategy and Working from Home readiness reviews. All management actions arising from both reviews had due dates of 30 June 2021 or earlier. The areas that have been completed relate to finalisation of the year one digital programme, creation of project scoping documents, finalisation of road maps, creation of a communications plan and developed a role-based user entitlement for IT equipment. A further follow up review is planned for later in the year and a further update will be provided.

### Status of Actions at 16 July 2021



The two overdue actions relate to:

- 1) The development and approval of a new internal management oversight and reporting approach for delivery of the digital implementation plan. A proposed structure has been developed and will be approved and implemented. Revised due date: 31/08/21
- 2) Creation of a Working from Home (WFH) culture, including a WFH Policy. Work has been progressed and the WFH Policy is in advanced draft with a small number of matters to agree before it is presented to ET for approval. Revised due date: 31/08/21

## 8. ESG Baseline

### Report Conclusion

Environmental, Social and Governance (ESG) reporting is an increasingly important way for organisations to demonstrate how they are considering the challenges of corporate social responsibility and climate change. There are currently no regulatory standards the Group must follow in relation to ESG reporting, although there are several ESG frameworks against which performance can be measured.

The Group prepares an annual ESG report that meets our funders' requirements, which uses the data currently available within the Group to show performance against a range of ESG criteria. For this review, we have used the voluntary Sustainability Reporting Standard (SRS) for Social Housing in the UK.

While the SRS provides a good baseline for ESG reporting in the housing sector, it may not be the most appropriate framework for the Group to demonstrate all it is achieving around ESG. The Group's various stakeholders may also have differing ESG priorities, and the concerns of these stakeholders may also impact on identification of the most appropriate ESG reporting framework for the Group. The Group should determine which framework will best allow it to demonstrate how it addresses the ESG concerns of the Board, customers and stakeholders.

The Group should also consider how the potential risks of climate change may impact on the achievement of its strategic objectives. This would assist management in prioritising future ESG investment decisions.

This review did not assess the completeness and accuracy of any existing reporting. In addition, management had already identified the need to develop the Group's arrangements for ESG reporting, and so we have not graded the control objectives for this advisory review.

### Control Objectives

There is clear ownership and accountability for ESG reporting across the Group;

There is a plan in place to identify and develop ESG reporting requirements across the whole Group;

Gaps in existing ESG reporting information have been considered, and actions developed to gather this information in an agreed format;

Areas to further develop or improve ESG related activity across the Group have been identified by management, with actions developed to progress these; and

There are controls in place to confirm the integrity of ESG reporting data, data owners are aware that the data is being used for this purpose, and that it will be required on at least an annual basis for ongoing ESG reporting.

## 8. ESG Baseline

### Areas of Good Practice

- ✓ The Group publishes an annual report on the Environmental, Social and Governance (ESG) metrics it considers vital for the long-term operational, financial and strategic performance of Wheatley Group. In 2019/20 this reporting was guided by the new Sustainability Reporting Standard (SRS) for Social Housing in the UK.
- Sustainability is a key focus of the Group's 2021-26 strategy with a specific strategic theme of 'setting the benchmark for sustainability and reducing carbon footprint'. Evidence of environmental, social and governance considerations can be tracked through to the Group's strategic projects.
- The Group is working in partnership with other leading businesses and employers to deliver the Sustainable Glasgow Charter, which aims to contribute to green recovery and radically reduce the city's carbon emissions.
- The Group has submitted a 5-year Green Investment Plan bid to the Scottish Government. If the Group is successful in obtaining funding, the Plan will contribute to ESG through deliverables such as job creation, zero carbon construction, a carbon neutral corporate estate and an estimated £272 million social return on investment.
- ✓ The Group is accredited by Planet Mark for carbon reporting, demonstrating its commitment to improving energy efficiency and sustainability. A wide range of data is required to support this certification including information about utility use, fleet mileage and fuel, business travel types and mileage, waste disposal methods and tonnage, and paper use.
- ✓ Board papers now require environmental and sustainability implications to be considered and reported to inform decision making.

## 8. ESG Baseline

### Opportunities to Improve

Recognising that we are at the start of a medium-term exercise to develop the Group's response to climate change and associated ESG reporting, we have identified three key pieces of work to be completed in stages over the next 12 – 18 months. These are summarised in the diagram below. In addition, we would expect to see the development of regular reporting to management and Boards about the progress of these 3 stages as they become embedded in business as usual.

1. Consider how we can best “tell our story” within ESG reporting

2. Consider the risks climate change brings to the Group and how we will mitigate those risks

3. Consider the data we need in order to monitor and report progress in delivering outcomes identified from stages 1 and 2

We have discussed the areas highlighted above during our review and the Director of Assets and Sustainability has agreed they will be progressed as described, with a first paper to the Group Board on progress to date by December 2021. The following slides set out some detail of the background to ESG reporting, and the Group's current performance against the voluntary Sustainability Reporting Standard for Housing.

# 8. ESG Baseline - Context of Group ESG reporting

*This slide provides a high-level summary of the context in which the Group's ESG reporting activity sits at the centre.*

*It demonstrates that there are a wide range of interlinked factors which must be considered as the Group develops its approach to ESG reporting.*

*The following slide summarises how the new Group Strategy 2021-26 is aligned to the achievement of national climate change goals and sets out some of the existing ESG reporting standards and frameworks for consideration.*



# 8. ESG Baseline - Group alignment to national climate change goals and reporting standards



<b>Wheatley Group Strategy</b>	We will seek to partner with the Scottish Government to achieve our common climate change goals ensuring we play our part in the transition to a low carbon economy.										
<b>Scottish Government National Plans, policies &amp; strategies</b>	<b>Government Economic Strategy</b>										
	<b>Infrastructure Investment Plan</b>										
	<i>Scotland's Digital Future</i>	<i>Electricity &amp; Heat Generation Policy Statements</i>	<i>2020 Challenge for Scotland's Biodiversity</i>	<i>Scottish Historic Environment Strategy and Policy</i>	<i>Housing Strategy</i>	<i>National Planning Framework &amp; Scottish Planning Policy</i>	<i>Land Use Strategy</i>	<i>Low Carbon Scotland: Report of Proposals and Policies</i>	<i>National Marine Plan</i>	<i>Regeneration Strategy</i>	<i>National Transport Strategy</i>
<b>Scottish Government Planning vision</b>	We live in a Scotland with a growing, low carbon economy with progressively narrowing disparities in well-being and opportunity. It is growth that can be achieved whilst reducing emissions and which respects the quality of environment, place and life which makes our country so special. It is growth which increases solidarity – reducing inequalities between our regions. We live in sustainable, well-designed places and homes which meet our needs.										
<b>Scottish Government Planning outcomes</b>	Planning makes Scotland a successful, sustainable place – supporting sustainable economic growth and regeneration, and the creation of well-designed places.			Planning makes Scotland a low carbon place – reducing our carbon emissions and adapting to climate change.			Planning makes Scotland a natural, resilient place – helping to protect and enhance our natural and cultural assets, and facilitating their sustainable use.			Planning makes Scotland a connected place – supporting better transport and digital connectivity.	
<b>WG Strategic Outcomes</b>	2.2.1 Invest £360 million in improving, modernising and maintaining homes  3.3.5 10% Reduction in the cost of running a home by 2026			2.3.1 Reduce the output of CO2 emissions from our homes by at least 4,000 tonnes per year  2.3.2 Reduce our corporate carbon footprint to net-zero by 2026			3.2.2 Achieve 85% satisfaction with Wheatley Environmental Services  3.2.1 Over 70% of our customers live in neighbourhoods categorised as peaceful			5.3.3 Achieve our targets across the 7 domains of our digital maturity assessment	
<b>ESG Standards/ Frameworks WG currently uses</b>	Planet Mark Certified Year 1 Sustainable Glasgow Partner			Wheatley Group Climate Foresight Report SHR Regulatory Framework			Green Investment Plan Sustainability Reporting Standard (SRS) for Social Housing in the UK				
<b>Other frameworks/ standards to consider</b>	Sustainability Reporting Standard Update to climate change plan 2018-2032: Securing a green recovery on the path to net zero World Economic Forum ESG Approach			Task Force on Climate-Related Financial Disclosures (TCFD) SASB-Infrastructure Sector			Dow Jones Sustainability Indexes Sustainable Development Goals Global Reporting Initiative UN Global Compact CDP				



## 8. ESG Baseline - Environmental criteria assessment

The following table provides a high-level overview of our baseline assessment of the Group's current ESG reporting and activity against the Environmental SRS criteria.

Key SRS criteria	Strengths	Opportunities	Risks
<ul style="list-style-type: none"> <li>• <i>Climate change</i>: Impact on climate change (EPC ratings, emissions data, climate risk mitigation plan and environmental strategy).</li> <li>• <i>Ecology</i>: Local environment and ecology (managing pollutants, increasing biodiversity).</li> <li>• <i>Resource Management</i>: Sustainable approach to materials in the construction and management of properties.</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability is a key focus of the Group's 2021-26 strategy with a strategic outcome of '<i>Setting the benchmark for sustainability and reducing carbon footprint</i>'.</li> <li>• 5-year Green Investment Plan with deliverables including zero carbon construction and a carbon neutral corporate estate.</li> <li>• Accredited by Planet Mark for carbon reporting.</li> </ul>	<ul style="list-style-type: none"> <li>• The Group can demonstrate a significant amount of activity in this area, but it requires focus to confirm resource is directed to those activities which will provide the most valuable outcomes for the Group, its customers, and stakeholders.</li> <li>• Data is held across Group systems and teams in a variety of formats. These are currently not sufficiently developed to allow routine reporting and monitoring of all potential ESG criteria.</li> <li>• Develop metrics to demonstrate responsibly sourced procurement.</li> </ul>	<ul style="list-style-type: none"> <li>• Investment to achieve EESSH2 compliance is not aligned to the Group's long term sustainability goals, resulting in additional future spend.</li> <li>• Focus is on the impact the Group can make on climate change, rather than the potential impact of climate change on the Group in future (e.g. increasing occurrence of flood risk / new locations for flood risk).</li> </ul>

## 8. ESG Baseline - Social criteria assessment

The following table provides an overview of our baseline assessment of the Group's current ESG reporting and activity against the Social SRS criteria.

Key SRS criteria	Strengths	Opportunities	Risks
<ul style="list-style-type: none"> <li>• <i>Affordability and security:</i> Provision of long-term homes that are genuinely affordable to those on low incomes.</li> <li>• <i>Building safety and quality:</i> Meeting legal responsibilities to protect residents and keep buildings safe.</li> <li>• <i>Customer voice and support:</i> Listening to, empowering and supporting residents.</li> <li>• <i>Place-making:</i> Well-designed homes and places that meet local needs and provide great places for people to live and enjoy.</li> </ul>	<ul style="list-style-type: none"> <li>• Primary purpose of the Group is to provide affordable social housing.</li> <li>• Largest social housing provider/ scale of new build activity in the UK.</li> <li>• Well-established Gas and Fire Safety arrangements in place.</li> <li>• New Stronger Voices approach to customer engagement is being developed.</li> </ul>	<ul style="list-style-type: none"> <li>• Projects to identify DGHP and Lowther new build growth opportunities should consider the potential impact on the Group's stock by tenure type.</li> <li>• If the Group decides to pursue further Planet Mark accreditation, additional data will be required to meet the social aspects of these.</li> <li>• The planned development of customer engagement technology may allow opportunities for customers to be more involved in placemaking.</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable investment options (e.g. alternatives to gas boilers) introduce new Health and Safety obligations on the Group which cannot be met with our existing skills set or processes.</li> <li>• Decisions taken to support the achievement of environmental goals and commitments are detrimental to the Group's key social purpose.</li> </ul>

## 8. ESG Baseline - Governance criteria assessment

The following table provides an overview of our baseline assessment of the Group's current ESG reporting and activity against the Governance SRS criteria.

Key SRS criteria	Strengths	Opportunities	Risks
<ul style="list-style-type: none"> <li>• <i>Structure and Governance:</i> Overall structure and approach to Governance.</li> <li>• <i>Board and Trustees:</i> Quality, suitability and performance of the board and trustees.</li> <li>• <i>Staff wellbeing:</i> Staff wellbeing and support measures such as salary, additional support, average sick days.</li> <li>• <i>Supply chain management:</i> Responsible procurement which includes social value and environmental impact considerations.</li> </ul>	<ul style="list-style-type: none"> <li>• Governance arrangements are robust and reviewed within the Annual Assurance Statement to the Scottish Housing Regulator.</li> <li>• Clear commitment to staff wellbeing with numerous resources and support available to all staff.</li> <li>• 5-year Green Investment Plan will deliver an estimated £272 million social return on investment.</li> </ul>	<ul style="list-style-type: none"> <li>• Any opportunities for improvement identified through the planned external review of strategic governance should be considered in future ESG reporting.</li> <li>• Clarify ESG objectives to ensure staff buy-in to strategic priorities.</li> </ul>	<ul style="list-style-type: none"> <li>• The Group's sustainable procurement requirements are not delivered by our suppliers.</li> <li>• The Group is unable to attract future applicants for Board memberships with the required skills and experience.</li> </ul>

## 9. SHR Annual Assurance Statement Self-assessment



**Work Performed:** In preparation for the submission of the Group's Annual Assurance Statement to the Scottish Housing Regulator (SHR), the Internal Audit team has worked with Campbell Tickell to review of the Governance team's self-assessment of the Group's compliance with the Scottish Housing Regulator's (SHR) requirements. We reviewed the Governance team's self-assessment commentary and the supporting evidence provided to conclude on the extent to which:

- The commentary adequately addresses the SHR requirement;
- The evidence provided supports the commentary; and
- The Governance team's compliance conclusion is supported by the commentary and the evidence provided.

Campbell Tickell was asked to provide an analysis of good practice used by other organisations in relation to Equalities and Human Rights. In addition, the matters covered by Campbell Tickell's recent Governance review were cross-referenced to the findings arising from that review.

Any queries arising from our review were raised with the Governance team during the review for discussion and resolution.

**Findings:** We found that the commentary provided by the Governance team addressed the SHR requirements and that, following resolution of our queries, the evidence provided supported the commentary. We also found that the Governance team's compliance conclusions were supported by the commentary and evidence provided. We also confirmed that actions arising from our previous review of the Governance team's self-assessment have been completed or superseded by the recent review of Equalities and Human Rights.

Recorded areas of non-compliance within the self-assessment are: DGHP compliance with SHQS and EESSH1 standards, and full compliance with Equalities and Human Rights regulatory requirements. We agreed with management's assessment of the DGHP non-compliance as not material to the Group and therefore not requiring disclosure within the annual Assurance Statement. We also noted that management has followed SHR guidance in disclosing within the annual statement that it has "*appropriate plans to implement an effective approach to the collection of equalities information and human rights*".

Campbell Tickell has provided a report summarising areas in which the Group can further develop existing arrangements around Equalities and Human Rights. These recommendations will be incorporated into the Governance team's workplan.

**Next Steps:** The Assurance Statement and supporting documentation will be presented to the Board for approval in October 2021, before submission to the SHR in line with the regulatory deadline of 30 October 2021.

# 10. Strategic projects oversight arrangements

## Report Conclusion

Overall, the arrangements in place for oversight of strategic projects are sufficient to allow management and Boards to track the delivery of strategic projects against annual plans. The revised approach to the development of the Group's Strategy and the associated Delivery plans for 2021/22 has allowed the Group to demonstrate a clear link between the Group's **Direction**, plans for **Execution** of that **Direction** and the monitoring of the **Results**, as set out in the EFQM model opposite.

The additional time spent on project initiation, including the identification of project interdependencies, has facilitated joint working on linked projects. The plans in place for Leadership Business Group meetings to facilitate more cross-Group working to deliver projects have also been welcomed by project leads.

There is an opportunity to further develop the strategic project oversight arrangements by refining the progress reporting for projects, reviewing the documentation and measurement of expected benefits and putting in place arrangements for management of day-to-day project interdependencies. This will support the ongoing delivery of the Group's strategic outcomes as delivery moves into Year 2 of the Strategic Plan.



Source: *The EFQM Model*, EFQM 2021

## 10. Strategic projects oversight arrangements

### Areas of Good Practice

- ✓ Strategic Projects, as identified within the Group's Delivery Plans, are clearly aligned to the Strategic Themes and Strategic Outcomes within the Group's Strategy.
- ✓ The Delivery Plans set out how the achievement of Strategic Outcomes will be measured through completion of aligned strategic projects and achievement of target performance for identified strategic Key Performance Indicators. This allows the Group to demonstrate how it applies the EFQM Model.
- ✓ Each strategic project has identified milestones towards completion, and performance against the milestones is reported to senior management and Boards on a regular basis.
- ✓ Work to identify interdependencies between projects has been used to assist in scheduling projects across the five-year period of the Strategy. Similarly, the Strategy Lead and the Director of IT and Digital Services have worked closely together to align strategic project timescales with planned technology developments.
- ✓ The plans for the Leadership Business Group to have a role in oversight of the delivery of the annual programme of strategic projects will provide a useful forum for leaders across the Group to discuss progress and identify any barriers to the progression of projects.

# 10. Strategic projects oversight arrangements

## Opportunities to Improve

### Priority actions

- The development of the 2022/23 Delivery Plans (Year 2 of the Strategy) provides an opportunity to introduce more detailed project status reporting for those projects identified by the Executive Team as requiring a business case that covers project finance, interdependencies, stakeholder consultation and resourcing. Such projects should be subject to more detailed monthly exception reporting through DMTs. Existing reporting on progress against milestones should also be refined to include status updates for all milestones each month for all strategic projects.
- The arrangements for recording expected project benefits at the project planning stage, along with measurement of the achievement of those benefits following project completion, should be refined. Those projects identified by the Executive Team as requiring a business case should capture expected benefits and project evaluation arrangements within the business case, while the project scoping documentation piloted during the development of the 2021/22 Delivery Plans, could capture expected benefits for other strategic projects.

### Continuous Improvement actions

- The Leadership Business Group should consider more formally aligning the role of groups such as the New Business Model Steering Group (set up as a mechanism to facilitate joint working between leads of a number of projects that contribute to the implementation of the Group's new operating model) with the Group's strategic projects oversight arrangements to clarify responsibilities and avoid duplication. This should include inviting representatives to provide updates to the Leadership Business Group meetings.
- Management discussions on the possible introduction of a group to assess the technology and business model coordination and integration requirements of proposed new services are progressing. If implemented, this group's relationship with other groups in the oversight structure should be clearly defined.
- As part of the bi-annual review of Delivery Plans, the arrangements for reporting the status of projects with final milestones due on 31 March 2022 should be reviewed to confirm that the volume of reporting at that time is manageable at both ET and Board level.

# 11. Accounts Payable

## Planned work:

The Group uses three payment processes for purchasing across the business. For largescale or frequent expenditure, the Group uses procurement procedures to appoint suppliers, who are paid using the purchase-to-pay process captured within the IPOS system. Where expenditure is below procurement limits and for a one-off purchase, the Faster Payments process can be used. The Group also issues purchase cards to approved individuals, and these cards can be used to pay for low value, one-off items that might previously have been paid for through a petty cash float.

This review used data analytics to analyse payments through each payment process. It also considered whether there are any additional controls that could be introduced to direct staff to the most appropriate expenditure process when incurring expenditure. Where appropriate, we supplemented our data analytics with controls testing to verify our conclusions.

## Next Steps:

As part of the second stage of this review, we will investigate potential exceptions with management and use the results to agree any required improvement actions. We found no evidence of fraud or misappropriation of funds. The results of this investigation will be reported to the Group Audit Committee in February.

We will also work with management to develop continuous auditing of these payment streams to provide regular assessment of the operation of these key expenditure controls. The results of the continuous audit testing will be reported to each meeting of the Group Audit Committee.

Improved management information is also required to enable better oversight and challenge of the payment methods used. We will work with the Finance team to determine the extent to which IDEA reporting can be used to enhance available management information.



## 12. Data Analytics- Payroll Review

### Summary of work performed

There are no exceptions to highlight to the Group Audit Committee. The Internal Audit team has developed a planned approach to payroll testing that identifies those controls to be tested through development of continuous auditing and those where a periodic testing approach remains more appropriate. We have confirmed the operation of the controls through a walkthrough test and have started development of the continuous audit testing scripts.

Using the data available for Q2 2021/22 we have used IDEA to confirm:

1. There are ***no duplicate employee numbers being used*** (across all payrolls)
2. We identified ***15 duplicate bank account numbers in use during Q2*** (across all payrolls). These were matched to the annual remuneration reports and HR spreadsheet of changes and most are clearly joint accounts, with the remainder relating to a change in role or employment status.
3. Our testing confirmed that ***none of the duplicate bank accounts belong to Payroll staff.***
4. There were 21 employees who received no Gross Pay in a payroll run during Q2. These relate to leavers, staff on maternity leave, and some Wheatley Care staff. We have confirmed with the payroll team that this is due to the nature of the contracts in place for these staff members.





## Report

**To:** DGHP Board

**By:** Alan Glasgow, DGHP Interim Managing Director

**Approved by:** Olga Clayton, Group Director of Housing and Care

**Subject:** Independent review of Pandemic response

**Date of Meeting:** 10 November 2021

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### 1. Purpose

1.1 To provide the Board with the independent review of the overall Group response to the pandemic, including the strong recognition of the DGHP contribution and transformation.

### 2. Authorising and strategic context

2.1 The pandemic struck as we were preparing to develop our 2020-2025 strategy and launching our DGHP transformation programme, Time to Excel. The Board spent considerable time discussing the implications of the pandemic for our strategy and subsequently agreed our 2021-26 strategy and a revised Time to Excel programme that accelerated some of the Partnership promises to customers.

2.2 In addition to this, the Group Board agreed to commission an independent report on the Group's response to the pandemic.

### 3. Risk appetite and assessment

3.1 Our strategic risk register contains the risk of the "Ongoing threat of future waves of COVID-19 and / or another pandemic". Our mitigation to this risk is that we learn lessons from the Covid pandemic and factor these into our future strategy.

3.2 We have already updated our strategy to factor in lessons learned from the pandemic as well as accelerate a range of activities. Our annual renew/refresh strategy process embeds the flexibility to continue to take into account the future impact of the pandemic, for example on the economy.

### 4. Background

4.1 We have regularly updated all Boards throughout the Group on the impact of the pandemic.

4.2 As the report recognises, we had only just joined the Group when the pandemic struck and were in the early phases of implementing our Transformation Programme.

## 5. Customer engagement

5.1 As part of the review, Campbell Tickell both engaged directly with customers from across the Group as well as directly reviewed customer feedback we have received during the pandemic.

## 6. Discussion

6.1 Group commissioned Campbell Tickell to both independently review our group response to and throughout the pandemic and capture our organisational journey.

6.2 Campbell Tickell's methodology incorporated a combination of the following:

- Group Covid data (non-personal data) including reporting and dashboards;
- Desktop document review of a wide range of documents including Board papers and staff briefings and communications;
- Interviews with a wide range of Board members, staff, Trade Unions and customers; and
- Engagement with key stakeholders such as Local Authorities and the Scottish Government.

6.3 The methodology was designed to capture as wide a range of views and perspectives on our response and experience as possible. The Board received some initial feedback from Campbell Tickell on the review at its strategy workshop on 26 August, with James's concluding remarks being:

*"The culture was strong, the leadership effective, the systems worked, focus on customers and their needs was real*

*A success story – pride is in order"*

6.4 The draft Campbell Tickell report is attached at Appendix 1. The report draws heavily on the feedback from interviews to tell our story through the words of our Boards, staff – including DGHP, Solutions staff who provide services to us and on our behalf in DGHP and the Foundation who deliver vital services to our tenants, trade unions and customers. It should be noted that the feedback was corroborated and reinforced by the extensive documents review.

6.5 The sections below draw out some of the key parts of the report and changes we already have or plan to make.

### Initial response and operating context

6.6 The report, as expected, reiterates that the pandemic was unprecedented and as such organisations and Governments did not have ready-made business continuity plans.

- 6.7 It also frames the additional context of us, then an organisation requiring significant transformation, having just joined the Group, who had also just completed the creation of a single care vehicle in Wheatley Care.
- 6.8 The report acknowledges that we “*recognised in covid-19 a clear risk that business might not continue as usual*” and that as a result of this when the lockdown was announced “*the Wheatley Group was several steps ahead*”.

#### Lockdown preparations

- 6.9 The early recognition of the risk, immediate and thorough contingency planning and our decisive organisational response are recognised throughout the report. In terms of our lockdown preparations specifically, the report notes that “*In every corner of the Wheatley Group detailed planning began in earnest in February*” and that “*an air of urgency had already overtaken Wheatley*”. The first lockdown was announced in late March.
- 6.10 Our early preparations were critical in allowing us to establish supply chains for essential supplies, such as laptops and Personal Protective Equipment (“PPE”). This is recognised in the characterisation of our shift to home working as a “smooth transition”. This included the establishment of a Virtual Call Centre in a very short space of time.
- 6.11 In addition to this, our established Business Continuity Planning arrangements meant that we had an existing structure and hierarchy which we were able to quickly mobilise.

#### *Lessons learned and business changes*

- 6.12 We have taken the lessons learned and our experience of working in lockdown to make important business changes. Having proven that our IT platforms can robustly support it and heard from our staff they want to retain an element of home working the Board agreed that our 2021-26 strategy would accelerate our new operating model.
- 6.13 Our first new Centre of Excellence, Wheatley House, is now operational and staff, including DGHP housing staff, are currently being introduced to it through our Wheatley Way sessions.
- 6.14 We never faced any shortages of PPE throughout the pandemic due to our robust oversight of supply levels and strong supply chain relationships. A key element of our success was establishing our supply chains very early and keeping high levels of stock on hand. We have further extended our stock levels of PPE from 16 weeks’ worth of supply to 36 weeks’ worth. This ensures that we continue to reduce any risk associated with supply chain issues and provide reassurance to staff. This approach will remain for the foreseeable future.
- 6.15 Similarly, we did not experience any shortage of core IT equipment during the pandemic. As with PPE, we have created forward stocks of key IT equipment. We have also more fundamentally redesigned our IT support model to reflect our new hybrid working model. This includes: additional resources in the IT help desk in terms of both numbers and skills and expertise; and changes to operating hours to reflect staff working more flexible hours.

## Protecting our customers

- 6.16 Our organisational ethos and values have always focussed on delivering for our customers. Our size and scale are a means to do more for our customers, with the introduction of patch sizes at 1-200 amongst the very lowest in the UK. We pride ourselves on our high customer satisfaction levels in housing and care.
- 6.17 The review corroborates that our values remained evident during the pandemic, stating that “*Wheatley’s service is anything but impersonal*”. This is underlined by the report identifying that ‘*Communicating with customers came first*’.
- 6.18 The Group CEO letter to every tenant and the fact it was our early focus on outbound welfare calls that identified hardship in our communities are referenced as key examples of our focus on communicating with customers.
- 6.19 The importance of the proactive welfare calls, in excess of 69,800, cannot be understated. It was through these calls that we uncovered the scale of the issue in relation to access to food, with some customers having not eaten for days. The importance of these calls in maintaining a direct, personal engagement with our customers and communities is reiterated throughout the report.
- 6.20 The sheer scale of the challenge in terms of hunger is captured in the report, noting that demand quadrupled from 1,000 in the first three weeks to 4,000 at the peak. This was through a combination of financial hardship, the requirement to shield and customers, understandably, being very hesitant to risk their personal safety going to shops. For DGHP customers the Eat well service launched from a standing start and we have delivered thousands of urgently needed food parcels and vouchers to customers in our first year as part of the group.
- 6.21 As is recognised, we redeployed our NETs and Repairs staff to create the infrastructure needed to handle this volume whilst securing, very publicly announced by the First Minister, £350,000 in matched funding from the Scottish Government. A further £100,000 was also secured from Barclays.
- 6.22 Whilst food poverty was a significant challenge, the report recognises that for many of our customers “*lockdown was piling on their deprivations*”. Our response to this was the creation of an Emergency Response Fund as well as, again, leveraging in Scottish Government funding of some £330,000.
- 6.23 As is narrated in the report, the use of the Emergency Response Fund ranged widely. From making sure that customers had gas and electricity, to nappies for new born children, to our Christmas voucher for every child. Although of themselves small things, within the context of the pandemic we know for our customers these were the difference between attending the funerals of loved ones and having cooking facilities.

### *Lessons learned and business changes*

- 6.24 As indicated, being close to our customers and understanding the key issues in communities was our ethos pre-pandemic. The pandemic reiterated the value of this. The pandemic did however highlight the issue of social isolation, the networks people have in times of crisis and resilience in our communities more generally.
- 6.25 As part of our 2021-26 strategy, we prioritised the implementation of our new engagement framework. A key element of this will be Digital Neighbourhoods, which will allow customers, who are increasingly open to digital engagement, to support each other and their community more widely. This will support enhanced community resilience.
- 6.26 We have also now consulted our tenants on our new engagement approach and our plans for having more actively engaged tenants which received very high levels of support.

### Homelessness

- 6.27 The report narrates the “*widespread public concern early in lockdown over the plight of Scotland’s homeless people*”. Our organisational response was immediate, in late March offering empty homes to Local Authorities.
- 6.28 The report also recognises the joint working in place within the Group, particularly the expertise of Wheatley Care who “*rose to the challenge*”. DGHP provided 73 homes directly to Dumfries and Galloway Council for use as temporary accommodation at the start of the pandemic. We have also let 395, 50.25%, homes last financial year to homeless households as part of our ongoing support.

### *Lessons learned and business changes*

- 6.29 Our contribution to homelessness has always been very high. The Board recognised the pandemic provided a once in a lifetime opportunity to end rough sleeping in Scotland.
- 6.30 In response to this, we further strengthened our commitment to being a key national partner in our 2021-26 strategy. This included a new commitment to house 10,000 households over the life of the strategy.
- 6.31 This commitment was codified through our new Group homelessness policy which increased the proportion of lets to homelessness. DGHP previously had a target of 40% let to homelessness and this has increased to 45%.

### Staff wellbeing and morale

- 6.32 Along with protecting our customers, our staff wellbeing was a key priority throughout the pandemic. The report sets out in further detail the challenges we faced in terms of health and safety protocols and securing PPE in a rapidly changing operating environment.

- 6.33 Our response reiterates the importance of our organisational foresight, agility and early planning. Examples include:
- Changing our finance procedures to ensure we secured rare PPE equipment;
  - Repurposing our offices to act as storage and distribution facilities for PPE; and
  - 14 week supply lines for PPE.
- 6.34 Our support for staff went significantly beyond the physical. The pandemic has impacted the mental health and wellbeing of individual's, ranging from social isolation to the devastating loss of loved ones.
- 6.35 We rapidly expanded our range of wellbeing support. The welfare calls so vital with our customers were replicated with staff. This meant that we were able to offer support to staff in acute, and at the time immediate need.
- 6.36 The pivotal role of the Family Hub in not just supporting staff but retaining our connection with furloughed staff is highlighted in the report. Engagement through the Family Hub was high throughout the pandemic.
- 6.37 Our wellbeing activity was supported by the deployment of a bespoke communications strategy, including a significant increase in the level of communication as well as a whole new type of content. This included a host of new features, including:
- Weekly update to all staff and Boards from the Group Chief Executive;
  - 'A day in the life of' blogs;
  - A weekly Managing Director video blog to all DGHP staff;
  - '15 minutes with' blogs; and
  - Daily Uplifts.
- 6.38 The report observes that *"the response from frontline and support staff was unprecedented.....knowing they were not alone helped, but so too discharging their small successes"*.
- 6.39 As part of the process, Campbell Tickell interviewed our two main Trade Union Branch Secretary's about our response to the pandemic and support for staff. The Trade Unions were not only very positive about our response, but offer a sharp parallel about the response outwith the Group.

#### *Lessons learned and business changes*

- 6.40 As we transition to our new operating model, we are or have already mainstreamed many of the internal communication and wellbeing approaches that have proven so popular.
- 6.41 Our new Operating Model reflects staff feedback that flexibility in our blended working model allows them to achieve a better work life balance. This will also be reflected in the creation of our new Centres of Excellence in Dumfries and Stranraer. We also continue to heavily promote our wellbeing support to staff.



- 6.42 We recognised from the pandemic that different styles of leadership are required in a home and blended working environment. We have already developed a new Leadership Development programme that will focus on equipping staff to lead in a blended model. We have also expanded the number of staff who will participate in our Leading in a Digital Era programme.
- 6.43 As already indicated, we have expanded our stock levels of PPE from 16 to 36 weeks.

#### Against all odds

##### *DGHP*

- 6.44 The significance of our work integrating to the Group during a pandemic is acknowledged within the report. Having only joined in December 2019 we had only just agreed a transformation programme when it was overtaken by the pandemic.
- 6.45 The report sets out the scale of the challenge:
- A new Managing Director who had three weeks of business as normal;
  - Only 28 of the 52 Housing Officer posts in the new operating model filled;
  - Bringing a repairs service in house; and
  - Reassuring staff during a period of change exacerbated by the pandemic.
- 6.46 Just some of what has been achieved are captured in the report, including our first 5-year strategy and completing our first new builds. More pertinent is the testimony of a DGHP tenant Board member and the Leader of the Dumfries and Galloway Council:

*“We’re getting a lot of refurbishment done to our properties and they need it badly and the Wheatley Foundation is doing a great job. We advertised jobs ..... there are two or three from around my area who’ve been taken on.”*  
*DGHP tenant Board member*

*“Since the start of the coronavirus pandemic, the support provided by DGHP has been vital and we welcome the increased resources they have channelled into schemes to help vulnerable residents..... As Council Leader, I look forward to continuing this strong partnership working, particularly projects like Lochside Collaborative Regeneration, to achieve shared priorities and deliver positive outcomes for local people.”*

*Cllr Elaine Murray, leader of Dumfries & Galloway Council*

#### Welfare support

- 6.47 At the start of the pandemic, a major risk identified was an increase in rent arrears as customers faced unprecedented financial challenges. This included a huge increase in customers having to access Universal Credit, many for the first time.
- 6.48 Our existing infrastructure, including a dedicated Universal Credit team, a secondment from the DWP and data management and reporting, were in place well before the pandemic struck.

- 6.49 The value of this support to senior staff and their staff supporting our customers is evident in their accounts in the report. This translates into what is described as “*At a more fundamental level, Wheatley housing officers are all now experts in helping tenants newly unemployed or in changed circumstances to claim universal credit*”.

*Lessons learned and business changes*

- 6.50 We recognise that supporting our customers back into work will be increasingly important, with the labour market also likely to change post pandemic. As part of our 2021-26 strategy we have committed to increasing the level of support for customers, including employment support and the expansion of Wheatley Works.

New ways of working

- 6.51 As the report concludes in recognising we are already well advanced in grasping the lessons learned from the pandemic. This ranges from mainstreaming innovations such as virtual lettings to our new Ways of Working.
- 6.52 The opening of our new Centres of Excellence will underpin the transition to our hybrid working model. We have also now concluded formally consulting tenants on our new ways of working which include significant changes to the Customer First Centre and the way we engage.

**7. Digital transformation alignment**

- 7.1 As is recognised in the report, our digital transformation programme has played an important role in our response to the pandemic.

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

- 8.1 There are no financial or value for money implications associated with this report.

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

- 9.1 There are no legal or regulatory implications associated with this report.

**10. Equalities implications**

- 10.1 There are no equalities implications associated with this report.

**11. Environmental and sustainability implications**

- 11.1 As is recognised in the report, our new ways of working and increased use of technology will support us reducing our carbon footprint, particularly in relation to travel.

## **12. Recommendation**

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

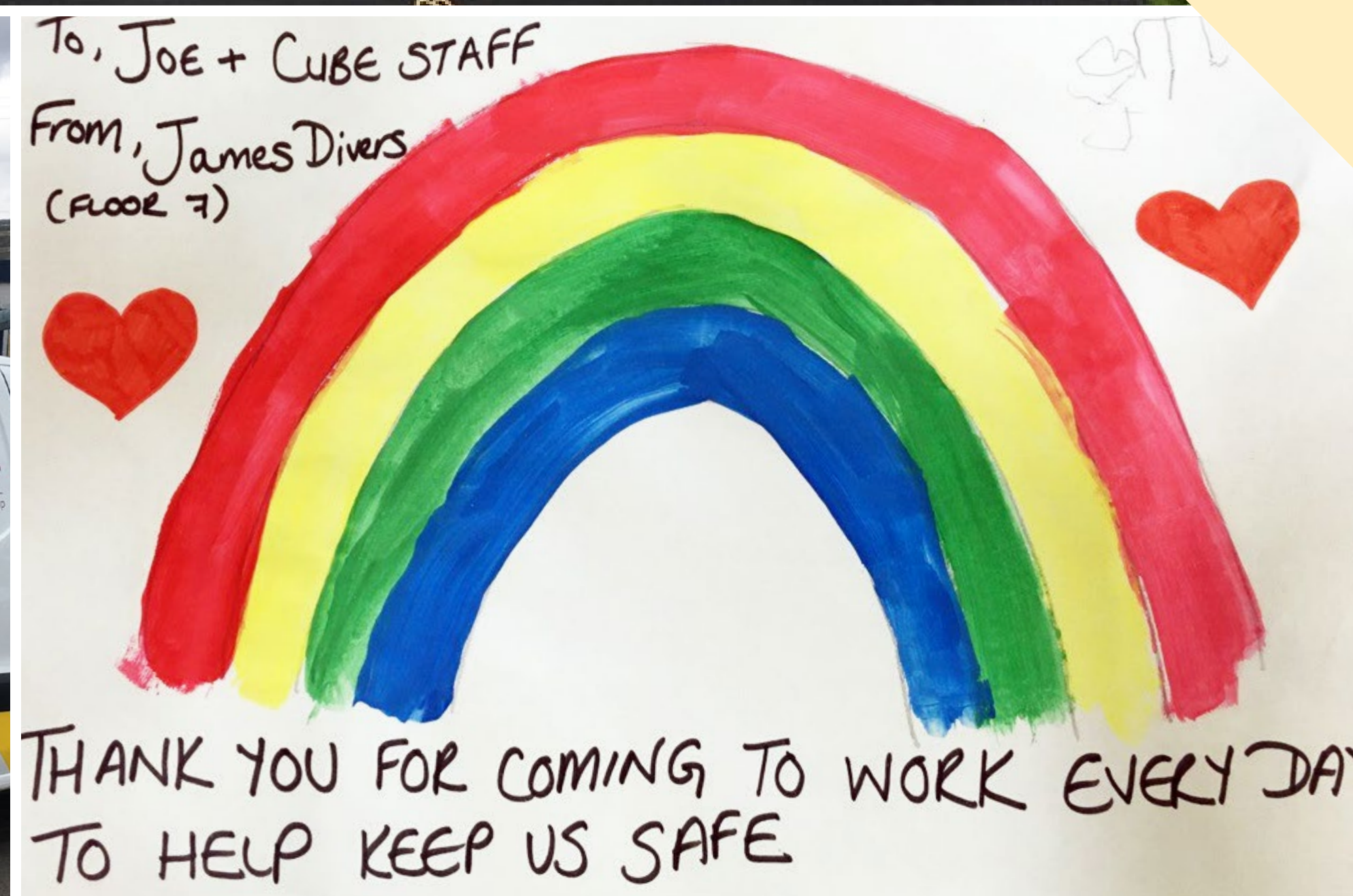
### **List of Appendices**

Appendix 1 - Nobody Left behind – Wheatley through the pandemic and beyond

## Nobody left behind

Wheatley through the pandemic and beyond

Dedicated to the memory of those tenants and customers of Wheatley Group who passed away from Covid



*'What I'll remember most is the calls I made in the early days, to people who had nothing, being able to say I can fix this for you, and get someone to them within the hour. In those early days people were hopeless, they were hungry. They had nowhere to turn and we really saved lives. I am so proud to work for an organisation that was able to do that for so many vulnerable customers.'*

Lorraine McLaren, director of Wheatley Foundation





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# Our thanks

Our sincere thanks to all those whose generous donations, cash or in-kind, helped fund our work to help vulnerable people in Scotland during the pandemic. Please turn to page 75 for the full list.

This report was written for Wheatley Group by Lisa Thompson and James Tickell of Campbell Tickell. Our sources were Wheatley staff from executive level to frontline staff and some of the many volunteers who serve on Wheatley Group's boards. We thank all those who spoke to us for their time and openness.

Wheatley gives special thanks to staff who worked for the group in the run-up to and during the pandemic, but have since left, for their immense contribution. Among them are:

**Alex Adrain** Managing director of Wheatley 360

**Yvonne Flynn** Director of marketing and communications

**Jackie McIntosh** Director of property development and initiatives

**Elaine Melrose** Group director of resources

**Pauline Thomson** Furnishing services manager

**Catherine Wilkie** Housing advice, homelessness and customer support lead



# Introduction by Sir Harry Burns

## *Chair of the Wheatley Foundation*

Many charitable organisations focus on only one aspect – whether that’s homelessness, drugs or alcohol. Wheatley has shown it will support people in a whole range of ways, as was shown – and needed – during the pandemic.

Whether it be the impact of poverty through people losing their jobs or supporting children who weren’t able to go to school, Wheatley was there to help.

COVID 19 had and continues to have a huge impact on people at the lower end of the socioeconomic spectrum. They’ve been more likely to get the virus, more likely to get severely ill and more likely to die of it. Our poorer communities suffered financially through the impact on the job market with many high-street shops closing or reducing staffing levels. At the same time, people who had to stay at home struggled with mental health issues.

The pandemic has turned our lives upside down. It has transformed the way we live our lives and that lack of routine, that change to routine, can be very disturbing for people.

It’s important we have people at Wheatley who can knock on doors or pick up the phone and ask, ‘Can we help you?’ Wheatley staff are trained to do so and want to help people.

I’m immensely proud of the support we were able to offer our customers. The 30,000 emergency food parcels supplied by the EatWell programme, which was supported by funding from the Scottish Government, was life-changing for many people. Wheatley did this at a time when the House of Commons was voting not to give food vouchers to families for their children because they would spend it on the ‘wrong’ things.

At Wheatley and at the Foundation if we hear stories of people needing food then we get it to them quickly. We act while others debate.

During the early stages of the pandemic we provided technology and equipment for children to learn. We also provided books and puzzles. We supported the young, the old, those living alone and the families struggling to put food on the table.



What I expect to see from now is that Wheatley residents we supported will do better as a result of the Foundation's investment in them, whether that be in time, effort, supplies and so on.

People in our communities know we care about them – and we have the financial and wraparound support services to make a difference to their lives.

We made sure homes were warm. We handed out activities to keep kids from getting bored and depressed when they were in lockdown. We helped older people with phone top-up cards to prevent isolation. We put food on the table.

That's what makes the difference - and that's the culture of the Wheatley Foundation.

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Sir Harry Burns has - since 2014 - been chair of our charitable arm, the Wheatley Foundation. He is currently president of the British Medical Association and has since 2014 been professor of global public health at the University of Strathclyde. From 1994 to 2005 he was chief medical officer for Scotland and earlier, from 1994 to 2005, was director of public health at the Greater Glasgow Health Board and from 1974 to 1994 at the Glasgow Royal Infirmary, initially as a surgeon but for the last five years as medical director.

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*'Throughout and prior to the pandemic, organisations such as Wheatley have made a real difference to people and communities. The Scottish Government's view is no one should go hungry or have to rely on charitable food provision in a country as prosperous as Scotland. We recognise that food insecurity is primarily driven by insufficient and insecure incomes which is why we take a human rights approach and prioritise action that prevents food insecurity through social security, fair work and reducing the cost of living. The coronavirus pandemic has exacerbated many of the financial pressures on households but our response and the new ways of working between sectors and services has also accelerated action toward our national mission to eradicate poverty. We know more must be done, and will bring forward a national plan outlining the steps we will take to end the need for food banks as a primary response to food insecurity, listening to people with direct experience.'*

*Anyone who is worried about affording essentials like food or fuel should contact the national helpline on 0800 111 4000 where they will be put in contact with local advice and support, including the Scottish Welfare Fund.'*

**Scottish Government**





**The new coronavirus arrived in Scotland as it had elsewhere, without an operating manual. Its first host, a holiday maker from Tayside, had recently returned from northern Italy. But long before his case was diagnosed, on 1 March, the World Health Organization had declared the virus a global health emergency.**

Covid 19 first surfaced in Wuhan, China, in late December 2019, formally identified as a new virus by Chinese researchers on 2 January 2020. Within three weeks it had infected people in South Korea, Japan, Thailand and the USA. By the end of the month 213 – at least – had died.

The scale and reach of global trade and tourism fueled its journey. The UK confirmed its first two diagnoses on 28 January 2020. Both were safely contained. But elsewhere in Britain, case numbers doubled, then tripled. By mid-March 55 were dead and 10,000 infected.

Laboratory testing linked most cases to holiday makers returning from Spain, Italy and Austria. By late February Italy had imposed its first local lockdowns. On 9 March the entire country shut down. Spain followed a week later. Health services in both countries were soon overwhelmed.

Through that first year we had little understanding of how the virus spread. Testing was sparse, often primitive, and diagnoses slow. Medical treatment was experimental and rarely effective. We had no cure. Conjecture and conspiracy theories were rife. Proven ways to protect ourselves less so.

Not everyone infected by the virus fell ill. Researchers in Italy were early to note that people infected but with no symptoms had passed the virus onto others. But where people did fall ill, Covid 19 attacked multiple organs, mainly the lungs. People fought to breathe and of those hospitalised or seriously ill at home, many lost that struggle.

To many in the UK, the response of our governments felt painfully slow. Others felt the risks overblown and the virus was likely to do just that – blow over.

In Scotland one organisation had already recognised Covid 19 for what it was and remains - a very serious danger to health and to life. When on 23 March the UK and its devolved governments announced a nationwide lockdown, the Wheatley Group was several steps ahead.

*‘Social landlords played a vital role during the pandemic, with a flexible and innovative approach to supporting tenants experiencing difficulties. The Scottish Government is grateful to the Wheatley Group and its staff for their excellent work, in particular the outstanding efforts to help those experiencing homelessness, with a large number of empty homes being provided for temporary accommodation.’*

*‘We provided Wheatley with £350,000 to help tenants access food and other essentials, as part of our package of more than £140 million to tackle food insecurity during the pandemic. In total we invested more than £1 billion last year to help people affected by COVID 19 and to build resilience in public services. We are now providing £39 million worth of housing support to ensure those experiencing financial difficulties as a result of COVID 19 are able to keep their homes.’*

*‘We look forward to working with the Wheatley Group and the wider social rent sector as we continue our recovery from this pandemic.’*

Shona Robison, Cabinet Secretary for Social Justice, Housing and Local Government



# 3 Strategy and leadership



## ***Testing the wind***

**Wheatley had begun the new year with a demanding schedule. Just weeks earlier it had taken on a new partner in Dumfries & Galloway Housing Partnership, one in pressing need of a root and branch overhaul. It was reorganising its housing support and care services after merging substantial sections of two subsidiaries. And chief executive Martin Armstrong had for some time flagged up his plan to move on that year, leaving Wheatley in new hands.**

Only that last plan was delayed. No one at Wheatley would claim to have a crystal ball. But they recognised in Covid 19 a clear risk that business might not continue as usual. ‘The country took a real and concentrated hammering from the Beast from the East storm in March 2018,’ recalls Tom Barclay, group director of property and asset management.

The upside of lessons learned from that and from earlier crises including swine flu, he says, was a sharper, stronger business continuity management plan. ‘We could see what was happening in Italy and Spain and knew it was only a matter of time for the UK.’

The virus had already attracted the attention of Wheatley’s health and safety team. ‘I talked to my then group director [Elaine Melrose] in February saying we really should get arrangements in place,’ says health and safety lead John Crooks.

Elaine Melrose and John Crooks quickly pulled together a presentation for senior colleagues on what was then known about the new virus. ‘It raised the prospect of difficult decisions ahead, including scaling back some services.’

The next step was preparing a business continuity risk management matrix. That informed a consensus view that the risk was real and, despite confusing signals from government, lockdown inevitable. If the timing was vague, Wheatley’s preparations were anything but.

Crucially, chief executive Martin Armstrong agreed to stay in post for another year. He was not alone. Nine board members had been nearing the end of their terms of service, Wheatley Group chair Alastair MacNish among them. ‘I and every one of our board members agreed to an extra year,’ says Alastair MacNish. ‘We understood that continuity through this pandemic was vitally important.’



‘Decision-making had to be rapid so it was absolutely vital that people of the highest quality stayed on. But the real talent and skill was identifying so early on that the country was facing a very, very serious situation because of Covid.’

‘Martin galvanised the organisation from day one,’ says group director of corporate affairs Graham Isdale. ‘He showed leadership of the highest standard. He understood clearly that in every part of the organisation people needed to understand how we were going to respond and what that meant for them personally.’

John Crooks also vividly recalls Martin Armstrong as the driving force: ‘In meetings well before lockdown he was urging managers to accelerate their thinking around home-working and IT and to programme for it.’

‘I think he realised very early on we were going into lockdown and the thinking was: We’ve got vulnerable customers out there. What services do we need to maintain? What can we maintain?’

‘The executive team made an early call, quicker than anybody else,’ says Lorraine McLaren, director of the Wheatley Foundation, the group’s charity. ‘So we had the infrastructure, we had bold leadership and we had financial backing. That made us move quickly and I will be forever grateful.’

## **Lockdown preparations**

Crucial to Wheatley's plans were comprehensive advance planning, a sophisticated and expertly supported digital technology network, fast and effective communications, and a skilled, motivated and valued workforce.

In every corner of the Wheatley Group detailed planning began in earnest in February. 'When we discussed what was primary, humanitarian aid came to the fore,' adds Tom Barclay. 'In the absence of clear direction from government, as an executive team we knew we had to be clear and decisive. The focus was on keeping staff safe so they could keep our customers safe.'



A date was set for a newly reconvened business continuity management team to meet. But an air of urgency had already overtaken Wheatley. In advance of that first meeting the managing directors of every Wheatley subsidiary and service had drawn up detailed plans showing down to the smallest detail how their reshaped services would run.

Underpinning the move to home-working demanded rapid acceleration of one strand of Wheatley's five-year business strategy. 'It had been planned for about 2024/25,' says group finance director Steven Henderson. 'Among other things we had to buy laptops in quantity and get those out very quickly to critical users such as our new call centre operatives.'

Tom Barclay adds: 'There was a huge logistical and frankly heroic effort by the IT team to get a business of our size all home-working within a very short window. It wasn't just moving the housing teams but all the back office services too, from treasury and litigation to the communications team and People Services.'

'Before we even knew how the coronavirus would affect us we were having briefings and conversations about how we keep ourselves, our staff and our customers safe,' says Laura Henderson, then head of Loretto Housing. 'We moved to weekly and then quickly to daily meetings. We prepared for every eventuality.'

Staff were part and parcel of that. 'We'd take a key member of staff to our academy and take them through how the home-working model would look,' Laura Henderson said. 'We put in place guidance documents and changed our processes so staff knew what to do and how to work safely.'

'It was such a smooth transition,' she says. 'We were in a very strong position from day one. We had a call centre, our IT was all in place and all housing officers had, at the very least, a phone and an iPad, and access to all our systems.'

In common with all housing providers, repairs were to take a back seat, reduced to emergencies only. The risk of cross-infection to staff and customers was too high, and a government ban on entering properties would in any case rule out even vital safety checks for some months.

It was a brutal introduction to a new job for Matt Foreman, Dumfries & Galloway Housing Partnership's new managing director. 'The one memory I go back to is of the first two days in my third week working on the emergency plan.'

'It was the only week I got to meet all my senior team – flipcharts everywhere, lists of things to do, priorities, keeping their teams updated. It was frenzied, almost like a war room. We'd disappear for three hours and then it was, "Right, back here at 2 o'clock."

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*'I felt sorry for certain higher management because they wanted to make decisions that were right for the workers, for the manual workers. That wasn't easy. It was about people's health.'*

Douglas Wilson, factored owner with Lowther and member of Wheatley's scrutiny panel

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'After three days all the staff and the senior team left. Having been so excited about the new job I was the last person to walk out of the building. It felt like I was shutting everything down although I was doing the opposite. It was surreal. I thought, bloody hell, this is real.'

'We'd decided we were going to shut down and send everyone home far before Boris Johnson called the shutdown,' recalls group director of housing and care Olga Clayton. 'A lot of people were still very complacent but I remember Martin walking into my office and we could see directly into the council building across the way. Everyone there was still working.'

In their own office the IT staff were packing at speed equipment to be shipped to staff at home.

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*'You can have as many leaders as you like but if they're not leading there's no use being in that position. Martin has been terrific in my opinion. Had Martin Armstrong not been in the position he was, I'd have worried. Martin has been a leader throughout this and he's about the positives. As soon as a leader is negative, the whole workforce is negative.'*

Mick Keeney, GMB branch secretary at Wheatley Group

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*'Critically for customers they set up what they called the virtual call centre, and in about three weeks. But even before that a letter from the chief executive had gone to every single tenant in the group explaining, "This is different for us all, here's what we're doing. If you need us here's the freephone number."*

Bernadette Hewitt, GHA tenant board chair, Wheatley Group board member

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*‘Our first focus for housing officers wasn’t business. It was relationships. They phoned every customer individually just to say, “How are you?” and “Do you need anything?”. That was very deliberate. Sometimes all they needed was a chat. Their housing officer became the link that kept them out of isolation.’*

Olga Clayton, group director of housing and care

Wheatley’s size is not universally admired. Seen from the outside the organisation is slick, business-like, corporate. But Wheatley’s service is anything but impersonal.

‘Martin started his career as a housing officer and that seeps through all decisions,’ GHA managing director Jehan Weerasinghe says. ‘He has instilled in the organisation a “think yes” ethos, so it may not be GHA policy but is it right for the customer?’

Underpinning that ethos in housing and care services is a notably small housing officer patch size, with 200 properties to every housing officer.

‘You really do own that patch. It’s yours, and that one-to-200 means you get to know and understand your customers,’ Olga Clayton says. ‘You can draw on support from other parts of Wheatley but you are empowered to do a lot and we expect you to do a lot: design services, engage with the repairs service, engage with outside agencies.’

With a phone and iPad linking them to Wheatley’s systems, housing officers set about phoning customers. ‘They went straight into calling the most vulnerable customers first,’ says Hazel Young, Dunedin Canmore’s managing director. “Are you OK, have you got food, what’s your situation?”.’

The calls found good reason to justify rapidly scaling up some budgets and services. ‘They exposed a lot of hardship,’ says Lorraine McLaren, ‘often from people who had just lost low entry jobs. It wasn’t people already out of work, who probably knew where to get help, that were struggling.’

‘We heard some awful stories from customers,’ says Laura Henderson. ‘Some will stick with me forever. I can’t imagine what it would have been like for those customers if we hadn’t been able to be there for them, and I don’t think we’d have been able to do that if we weren’t part of the group.’



*‘The patch size is phenomenal. You’d know your customers’ shoe size. That starting point held us together as a business - no two ways about it. Knowing where your vulnerable customers are right from day one, whether it’s medical needs or struggling with addictions or domestic violence.’*

Bernadette Hewitt, GHA tenant board chair,  
Wheatley Group board member

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*‘We know our customers and they know us. We’re not some faceless organisation so we knew who had lost their job. They needed help and we knew how to help them. Then there were others who didn’t have family to turn to or whose family lived too far away and we understood the stresses for those who were having to look after others in the same home.’*

Lynsey Fotheringham, head of housing,  
West Lothian Housing Partnership

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## “We’re here for you”

*‘I remember getting a letter from Martin Armstrong and in it he said: “Although things will change, and we’ll only be able to do essential repairs we’ll be putting in place things available to all tenants and all customers. Nobody will be left behind.” I thought that was an honest, genuine letter.’*

Douglas Wilson, factored owner with Lowther

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Communicating with customers came first. A personal letter from the chief executive went to every single household. Its message was simple: we’re here for you.

‘We’d been weeks in the planning for the moment we had to close the doors. Our IT was all in place, all the housing officers had access from home to all our systems and we had a call centre. Nothing stopped but face to face contact,’ says Loretto managing director Laura Henderson.

‘We got a call from our call centre,’ says John McCraw, a tenant board member at Dumfries & Galloway Housing Partnership. ‘We were told what was happening and were we okay, did we need anything. They were very good, the call centre, pretty sharp about calling. I don’t think we’d have got that before we transferred to Wheatley.’

‘It was a crisis so we went into command and control mode,’ says Dunedin Canmore managing director Hazel Young. ‘Our aim was pushing out messages consistently about safety.’ The communications team, she adds, were always on the ball, updating all of the housing association websites daily. With safety advice from the Scottish government and Public Health Scotland changing daily, an early attempt to explain it on each website was soon replaced with links to government and NHS advice lines.

‘The number of customers going online to shop, bank and contact us rose significantly through the pandemic, driven by the lack of an alternative,’ says communications manager Stuart Darroch. ‘But for those without digital tools we produced A4 newsletters that could be printed out on any standard printer.’

For almost all tenants the phone remained the lifeline so Wheatley paid for phone top-ups for customers unable to pay themselves and even bought smart phones for vulnerable customers to enable video talks with Wheatley staff.

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*‘I had people shout across the street when we first went into lockdown: “I got my letter from Martin Armstrong today!” And you know they’re being told it’s not business as usual and here’s the reason. We’re not able to do this and this is why but what we are doing is this, and if you need x, y or z, we’re here for you.’*

Bernadette Hewitt, GHA tenant board chair and Wheatley Group board member

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## Hunger

*‘Even before lockdown we were hearing rumblings from our frontline staff about people having to shield or self-isolate, having no money and no food. I started to think something here was about to go massive.’*

Wheatley Foundation director Lorraine McLaren.

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Rumblings quickly became alarm bells. ‘Welfare calls by our housing officers were exposing widespread hardship,’ Lorraine McLaren says, ‘often from people who’d had a part-time job in a bar, a part-time cleaning job and another part-time job, earning just enough to pay the rent. All those jobs went overnight and they had no savings and no family to fall back on.’

‘This was no less than a battle for survival, getting food out to people who suddenly found themselves with little or no money to buy food and often with their power cut off so they couldn’t cook or keep their families warm,’ Tom Barclay says.

‘It was the big thing coming back from customers,’ agrees Matt Foreman in Dumfries & Galloway. ‘As people went into lockdown or isolation it was, “How do I get food? I’m scared to go to the shops,” or “I’m shielding and haven’t been picked up for support.”’

Welfare calls by housing officers were finding cases of tenants who had not eaten for days. ‘The executive team made a couple of very bold decisions,’ says Lorraine McLaren. ‘One was to buy food so we could control what we had and not be dependent on donations. The other was to close some of the charity’s programmes and ringfence the money for food.’

Could the statutory authorities step in? Government and local authorities were struggling with the twin challenges of multiple statutory priorities and moving their own vast operations to home-working.

‘Foodbanks had people self-isolating or volunteers with covid,’ Lorraine McLaren says. ‘Even in the fortnight running up to lockdown FareShare, which relies heavily on donations, was warning us it couldn’t guarantee a food supply because supermarket shelves were being emptied by panicky over-buying. It was a perfect storm.’

FareShare had long been Wheatley’s partner in small food poverty operation EatWell. But the service was tiny. ‘FareShare donated the food and we provided trainees and premises. We’d deliver maybe 100 food parcels a week to people who’d been sanctioned as a temporary measure to get them back on their feet.’

With most of the Wheatley Foundation staff furloughed it was all hands on deck. Crucial to the effort were staff redeployed from the neighbourhood environmental teams (NETs).

‘I’m so proud of my colleagues because it was scary. Nobody knew how this virus was spreading and the number of deaths was spiralling out of control,’ Lorraine McLaren says. ‘But here they were making up and delivering food parcels. They wanted to help and we couldn’t have done it without them.’

Not everything worked. ‘We tried some bizarre ways to get food early on. I called restaurants asking if we could buy surplus food. Eventually we found a supplier to restaurants and hotels and negotiated trade prices with them.’

Budgeting £30 for a single household, a typical parcel contained pasta, tins, bread, milk, fresh eggs and meat, fresh fruit and vegetables from a different supplier, along with toilet and kitchen rolls and cleaning materials.

At one point the tins served another purpose. 'I ended up in A&E because I dropped a supermarket trolley full of tins on my foot and fractured it,' Lorraine McLaren says. 'They did ask why I'd bought 50 tins of carrots.'



Demand for the parcels rose sharply. 'For the first three weeks we delivered 1,000 parcels a week rising to 4,000 at the peak.' Seven days a week Wheatley vans were despatched from Stranraer to Fife, some delivering a parcel within hours of a distress call.

A network of Glasgow hubs, where need was highest, was supplemented by two refrigerated trucks donated by Braehead Foods in Kilmarnock, to serve Edinburgh and Dumfries as mini-hubs.

Lorraine McLaren calculates the cost of the service at over £1m - 'all on food'. An initial £350,000 from Wheatley was soon very publicly matched by the Scottish government, announced live on TV by First Minister Nicola Sturgeon during her daily Covid briefing.

'Within days of close down we'd made a bid to government to support the work the foundation was already doing to provide food because we knew the need was greater than the resources we'd then committed to it,' Tom Barclay says.

Wheatley contractors and suppliers also donated, with Barclays Bank boosting the coffers by £100,000. When Scotland returned to a second lockdown, Wheatley's subsidiary housing associations raided their budgets.

While demand for food parcels has dropped, food poverty remains widespread and acute. But Lorraine McLaren says they now instead send out supermarket vouchers. 'It's about food dignity. I was very mindful that some people felt it was a handout and we were choosing what food they would have.'

'We lived up to our buzzwords agile and nimble' says group director of corporate affairs and Wheatley Foundation Graham Isdale. 'In the hubs there were staff assembling food packs who in normal times would have been mowing lawns, cleaning closes, and cleaning empty properties for reletting.'

'I drove a van delivering parcels because I wanted to experience it myself. Knocking on the doors of people who were anxious or ill really drove home to me the importance of what we were doing.'

*'I didn't want preferential treatment but we didn't have the extra £5 to order deliveries from Asda or Tesco and it was very hard to get a slot to buy online. I phoned up to explain that I was self-isolating and my mum has major health problems. Within five hours I had a package delivered of basic necessities to last four or five days. More came in the following weeks. My mum had worked in foodbanks but we'd never been on the opposite side. It was very humbling - at times I was crying. I am so grateful for that from Wheatley Group.'*

Douglas Wilson, factored owner with Lowther and member of Wheatley's scrutiny panel

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*'We've been funded by GHA for a number of years to put on community activities to divert young people away from a negative lifestyle. But early in lockdown a lot of people across north Glasgow were struggling badly so Wheatley Group funded our drop-in centre food parcels and we gave out thousands between mid-March and the end of August.'*

*It was also a way for us to engage with people. A lot were suffering from isolation so it was just having a friendly face to talk to. We also did deliveries because some, if they were older pensioners or young mothers or families at risk shielding, couldn't get out at all.'*

*There was very little in the shops so we might turn up and find 50 or 60 people already queueing. It was very depressing but we got a lot of support from our young volunteers. They couldn't play football so viewed running up and down the high-rise block stairs with parcels as their daily exercise.'*

Paul Fletcher, chief operating officer, Achieve More Scotland

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*'I've just had my first meal in three days - scrambled eggs on toast. It's all thanks to Sharlene from Mosspark housing officer who arranged for a gentleman to deliver food supplies to me. I'm housebound and as a rule get food deliveries weekly from Asda. I've followed the rules and not bought extra so when on 20 March I only received a third of my order I knew I would struggle. I put in another order but the first available date was 7 April. I know it's not a normal GHA service but I am very very grateful.'*

Posted on GHA's Facebook page

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*‘Wheatley Group were at the forefront of the response across Glasgow. Initially they gave Fare £10,000 and we in turn spent £1.5m on food parcels. But Wheatley Group was dishing parcels out across the city during the first lockdown. They were heavy duty involved. Their response was very quick off the ground, supporting some of the most vulnerable people with food, cleaning materials and assistance with their mental health. I’d say Wheatley Group were pretty on the money, pretty sharp.’*

Jimmy Wilson, chief executive of Fare Scotland

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*‘I have heard compelling stories of how well we have responded to the challenges we faced. While I am sure we made some mistakes along the way, in the grand scheme of things, responding as fast as we could to the pandemic, I hope they have been minor.’*

*‘Wheatley Group has in my view come out of this a better organisation. We have delivered services to thousands of vulnerable and often frightened people without needless trauma. We have kept staff safe with PPE and with good, informed precautions. That in turn protected tenants and allowed crucial services to continue.’*

Jo Armstrong, incoming Wheatley Group chair

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## Poverty

**Sheer pressure of poverty triggered the adaptation of a second Wheatley Foundation programme. Home Comforts had long given donated furniture a dash of spit and polish before passing it onto to people newly housed after being homeless. Covid safety rules made the service unviable. It was given a new role: that of emergency response fund.**

The number of Wheatley customers found to be lacking even basic household items was rising fast. Lockdown was piling on their deprivations.

‘Most of our work was around poverty,’ Lorraine McLaren says. ‘Housing officers needed help quickly for the homeless people we were housing so we paid for white goods, carpets, and beds for them. We also paid for mobile phone top-ups because they couldn’t call the universal credit line to lodge a claim.’

Both the foundation and the housing associations made successful bids to the Scottish government’s wellbeing fund, adding £330,000 to the emergency response fund.

‘Some of our customers were in a terrible position early on,’ says Dunedin Canmore managing director Hazel Young. ‘We stepped in to help anyway, hoping we’d get grant money but at the time we did it at risk.’

The government top-up was welcome, Lorraine McLaren says: ‘We were able to send out knitting packs, puzzles and quite a lot of gardening tools and equipment. We were very proactive around high rise flats and older people’s housing – anything that would improve wellbeing and stop isolation.’

She recalls paying for a lot of fuel, gas and electricity top-ups. ‘Fuel prices were rising so people were sitting at home with no heating and no way to cook.’

‘We found families struggling because they didn’t have devices for children to do schoolwork, so we provided a lot of tablets,’ says Laura Henderson. ‘They were also struggling to find ways to keep their kids occupied so we provided activity packs.’

‘We paid for white goods. People whose washing machine had broken had been taking washing to a relative’s house and now couldn’t. Some had no cooking facilities. All these stories we were only hearing now.’

Staff were encouraged to think outside the box, even hungry cats and dogs were fed. Nappy wipes, nappies and baby grows were sent out to parents with new-borns and in the run-up to Christmas staff sent supermarket vouchers worth £20 for each child.

There was a very human element to what we did says West Lothian Housing Partnership head of housing Lynsey Fotheringham. ‘People suffered significant losses or were bereaved for other reasons so we’d call just to say, “How are you?”’

‘We sent hampers to customers who had a particularly difficult year. But there were also happy events. One couple had their 60th wedding anniversary. We had flowers delivered and they were quite shocked that we remembered.’

‘People had funerals but couldn’t afford to attend them,’ Olga Clayton adds. ‘We bought them clothes and gave them money and vouchers so they could. Within safety guidelines, staff even arranged family reunions.’

‘The absolute agility of our people,’ says Jehan Weerasinghe at GHA. ‘Even staff who wouldn’t have credited themselves as being digitally savvy were leading customers with smart phones through Zoom or Teams sessions.’

## **Smart phones for virtual support**

Smart phones became a vital part of Wheatley Care's armoury. In the run up to lockdown Wheatley invested £0.5 million in Android phones for Wheatley Care's 700 staff as part of its digital upgrade. They could now, like their colleagues, connect with other staff and with Wheatley's systems.

They also had a new, safer way to engage with customers. Wheatley's emergency response fund paid for smart phones for many of its most vulnerable customers so they could hold audio and video conversations with staff.

The staff phones were not, says Wheatley Care managing director Laura Pluck, costed into any contract. 'Those budgets are so tight. There are no margins.'

But she hints at possible change to come. 'Now we've gone down the technology track we're starting to hear commissioners talk in quite different ways about what we've learned from the pandemic.'

'There are other ways you can provide support – you don't always need to be face-to-face. It is not for everybody and would never replace in-person contact but some people are more receptive to that approach.'

The most noticeable interest, she says, came from outreach customers. 'Where we moved to virtual support our engagement increased quite significantly. Historically it has been very difficult to engage with some homeless individuals.'

'We found engagement went up. We've tracked the evidence but need to understand whether that was the result of people feeling vulnerable because of the pandemic or because we worked with them in a different way. A phone call or WhatsApp video call is much less intrusive than someone on your doorstep.'

'We think it's a bit of both but definitely when you first start to engage with someone after they've been referred, doing the virtual bit lets you build up the relationship in a different way to chapping their door.'

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***Very early in the pandemic, maybe week two, we recognised that people were working in quite different ways so invested £0.5m in Android phones for 700 care staff. It meant they could be connected wherever they were and do video calls. It made a huge difference.'***

Laura Pluck, managing director of Wheatley Care

## Homelessness

*‘On average we let 3,500 homes in Glasgow every year. All that had to stop. The only lettings we did in the first lockdown were 439 temporary furnished lets to Glasgow City Council to tackle homelessness. Part of our intervention was flipping tenancies to permanent under the Housing First model. We committed to a further 100 to 300 during lockdown and have done by far the most Housing First cases in Scotland.’*

Jehan Weerasinghe, GHA managing director

Within days of the first lockdown, Wheatley Group made a very public offer of shelter for homeless people. ‘We said to local authorities, “Have all our empties.”,’ says Olga Clayton, director of housing and care. ‘That wasn’t the government asking us.’

There was widespread public concern early in lockdown over the plight of Scotland’s homeless people. While few enjoyed the order from above to stay at home, the situation for people with no adequate shelter, from the virus or the elements, was fraught.

‘The housing minister said at the time he wanted to see 90% of all lets going to homeless people,’ Olga Clayton says. ‘But that wasn’t because of the pandemic, it was the issue of homelessness in Scotland generally and the very high number in temporary accommodation.’

It also had a flaw. ‘We said homeless people tend to be single people or a parent with one child. They’ll need one or two bedroom properties so if they’ve got three or four

bedrooms they’re not suitable and some are for wheelchair users.’

Within two months 304 Wheatley homes had been made available to local authorities, including 232 in Glasgow and 61 in Dumfries & Galloway. In Edinburgh, where empty homes are in shorter supply, they came up with another 10 and in West Lothian, Lowther offered one of its rental flats.

Since the start of the pandemic, GHA alone has made 1,659 homes available for people who were homeless. Of these, just 31 tenancies have ended. Across Wheatley Group, the number of homeless people housed rises to nearly 2,500.

Wheatley also had to prepare for much greater call on its ‘wraparound’ support. This is offered, almost as a blanket, to especially vulnerable customers. ‘It has an impact on your services when 60 to 65% of your new customers are coming through the homeless route,’ Olga Clayton notes.

The Scottish government had at the start of lockdown resorted to emergency measures for homeless people. Hotels and bed and breakfasts had in great numbers been signed up to take them in. The plan was now starting to unravel.

Hotel rooms are neither designed nor appropriate for extended stays, lacking privacy and basic living facilities. And the new guests had multiple vulnerabilities and support needs. So a temporary move to homes like those on offer from Wheatley was one solution.

Wheatley Care was one of those which rose to the challenge of helping organise the onward move. ‘In Glasgow we redesigned one of our biggest outreach services so we could work with Glasgow City Council staff in hotels being used for people experiencing homelessness,’ says managing director Laura Pluck.



‘These teams had never worked in a hotel as a care service so really had to think outside the box about how to support and care for people but in a regulated way. They worked with them 24-hours-a-day in two hotels so we could move people on to separate accommodation and close the hotels.’

The team, she says, excelled themselves. ‘They just rolled up their sleeves, doing 12-hour shifts, night shifts. Really just over and above, routinely administering antidotes for drug overdoses. They’d never done that in their job before. They were just fabulous.’



Of the 600 homeless people then in Glasgow hotels, Wheatley Care’s outreach team supported 120 in one hotel and 60 in another. Both hotels were emptied, allowing the council to decommission them.

Was it a uniform success? ‘The majority went to homes,’ Pluck says but notes that helping people who have become homeless is fraught with complexities. ‘It’s not always a straightforward fix, so some didn’t.’

Elsewhere in Glasgow, Wheatley Care had another task on its hands. ‘In February this year we bought the Belgrove Hotel, right in the middle of a pandemic,’ Laura Pluck says. The hotel is little short of notorious. ‘It was being used as a homeless hostel and we have supported all of those people to move on, with just 10 now still there.’

All Wheatley subsidiaries prioritised homeless people during the pandemic. ‘For homeless people that could mean they got anything from temporary furnished flats to Housing First tenancies,’ Jehan Weerasinghe says.

With Housing First, tenants gained security of tenure from day one. With it comes an offer of intensive ‘wraparound’ from Wheatley Care or another specialist service.

‘If they take up the support package great but if they don’t it has no bearing on their tenancy.’ Most of those moving from the Belgrove did. A second measure was flipping to permanent the temporary tenancies given to homeless people in furnished flats under the agreement with Glasgow City Council.

The now well established online Choice-Based Lettings service in part had to be bypassed ‘We found homeless customers were very poor at bidding for properties this way,’ says Olga Clayton. ‘It meant they were staying longer than needed in temporary accommodation so we agreed with the council that we would just match them to suitable homes directly.’

Since the lifting of a government ban on lettings to all but the most needy cases, GHA has carried on putting homeless households front of the queue. ‘We have now let close to 3,000 homes overall,’ says Jehan Weerasinghe, ‘and have exceeded the target agreed with the Scottish government of letting 65% to people who are homeless.’

### Home after Belgrove

**16** moved to a supported tenancy commissioned from another provider

**14** given a Wheatley tenancy with support package

**13** given a Wheatley Housing First tenancy

**4** moved to Wheatley LivingWell home

**4** given a Wheatley tenancy

**2** moved into a Wheatley care home

**2** moved back in with family

**1** moved to England

**1** housed by Trust Housing

### From homelessness to security

126 flats to homeless tenants on temporary lets were ‘flipped’ to give the tenant permanent security of tenure

### Wheatley properties offered as a temporary home between 17 March 20 and 31 March. 21

Local authority	Total properties accepted and tenancy created for use as a temporary furnished home
Glasgow (* includes one Lowther flat)	397
Dumfries and Galloway	73
Edinburgh	12
South Lanarkshire Council (*all Lowther)	5
West Lothian Council	8
TOTAL	496

## High-rise safety

Immediately after lockdown, former Cube Housing tenant board member Robert Keir got a letter explaining a new rule for tenants in multi-storey blocks: only one person in the lift at any one time.

‘I thought it would be a problem. People would object. But it’s been amazing. For the last 18 months the discipline of the lift has been maintained.’

His building has a second lift, which makes the rule a little less inconvenient. The early, and generally better observed, lockdown rule of only one outing for exercise daily will also have lessened numbers using the lift.

But with six flats on every one of the 17 floors in his multi-storey block, Robert’s account suggests a healthy awareness among his neighbours of the danger of air-borne viral transmission. ‘People still do it,’ he says. ‘They stand back and say, “On you go.”’

One in five of GHA’s tenants live in multi-storey blocks, a legacy of the rush by Glasgow’s earlier planners to build cities in the sky. GHA has, collectively, the largest number of high-rise tower blocks in all Scotland.

The rule on lift use was one of several early Covid safety measures for all blocks of flats. In lifts but also in enclosed stairwells, the risk of inhaling droplets breathed out by someone carrying Covid 19 was magnified.

‘We really stepped up the frequency of cleaning in communal spaces so they, and especially lifts and lift buttons, were getting disinfected every couple of hours,’ health and safety lead John Crooks says. ‘In many we also put hand sanitiser in the reception area for customers to use.’

Though none of Wheatley Group’s multi-storey blocks have the cladding that proved viciously fatal at Grenfell, a fire at any level is a sobering thought. ‘We sat and watched Grenfell on the television here,’ Robert Keir says. ‘You can imagine how we felt.’

Preventive measures are an over-riding priority for GHA managing director Jehan Weerasinghe. He lived, he says, just a five-minute walk away in west London when horror descended on Grenfell.

‘Our concierge services, including regular fire safety patrols, have never stopped. We also had an intensive fire risk assessment right through lockdown for all our multi-storey flats,’ he says.

Other measures during lockdown have included fitting 5,000 new high grade doors that block the spread of fire and smoke. Also ongoing has been work with the Scottish Fire and Rescue Service and community investment partnership. Even before lockdown this had cut the number of accidental fires in homes by 10%.

‘Though it’s not yet the norm, I’m starting to see an incidence of barbecues in multi-storeys,’ Jehan Weerasinghe adds. ‘We always take fast and very firm action and have very robust procedures for dealing with any accidental fire.’

Wheatley Group’s GMB branch secretary Mick Keenan was personally proud of the enhanced hygiene and other safety measures brought in for high-rise residents. ‘I’ve been a multi-storey concierge for 22 years. I worked out there so I know my stuff.’

‘I got calls from some of my members saying: “This housing association’s sending the men away home.” I said what about the health and safety of the tenants in the multi-storey flats if no one is inspecting the buildings all the time? This is not just about a virus, we’ve also got to look after our customers’ health and safety.’



## Protected

*'At no time was any employee not properly suited and booted. This was understanding that the best quality PPE was essential for our staff, but not just keeping them well equipped but also trained and guided to operate safely in the community and in homes, without endangering the people living them.'*

Graham Isdale, group director of corporate affairs and Wheatley Foundation

Between health and safety lead John Crooks and his counterpart in procurement Laurie Carberry, it's a tough call to decide whose team did more to keep staff and customers safe during the deadliest pandemic in 100 years.

'I never even contemplated a pandemic like this in my risk management thinking,' John Crooks says. 'In February we tried to gear up so that managers were aware of coronavirus, how you prevent it and what was good practice. Within four weeks we were in lockdown.'

Laurie Carberry says one of her team, later crowned Wheatley PPE Queen, had early on warned her colleagues something was up: ‘Carol Ballingal was one for watching world news and she’s very socially aware.

‘She came back after Christmas and said, “Something’s happening in the Far East. I think we’re in for something.” She was stocking up herself and I thought, what are you doing? But we took a punt. We genuinely took a punt.

‘We looked at Italy and there was an incident very early on in Edinburgh involving a sportswear shop that was kept quiet. Carol caught wind of it and said, “It’s here now.” I said go for it.’

The upshot was Wheatley being among the first to start bulk-buying hand sanitiser. ‘We got a good head start,’ Laurie Carberry says. ‘We bought five-litre tubs, pump dispensers and little bottles and started decanting.’

The health and safety team meanwhile was undertaking the head-spinning task of trying to follow emerging guidance from the Scottish government and Public Health Scotland. ‘Our priorities changed sharply as we went into lockdown,’ John Crooks says. ‘Everything became reactive but our focus was on essential services.’

His team, which includes 18 health and safety advisers overseen by two managers, had its work cut out. ‘We created the business continuity management team to steer us through the pandemic so it had people with authority in the organisation. It was a tight team and it made decisions locally but also strategically. That fed up to the executive team and chief executive.’

Each Wheatley business has its own operational safety manual (OSM) covering work procedures, and risk assessments. ‘We updated all our procedures and the OSMs giving advice, information and guidance on how to reduce risk, like socially distanced workplaces, using PPE, wearing face masks,’ John Crooks says.

Very early use of face masks followed a risk assessment. ‘We knew of the two ways you could become infected, one was through droplets and close proximity so we wanted to protect staff from inhaling them,’ John Crooks says, adding: ‘We were using them in care settings long before they became compulsory.’

One early mistake, he says, was trying to turn official guidance into a managers’ guide. ‘It was pointless. You were constantly updating it.’ Instead they added a link for information for care premises and work settings to the staff intranet, WeConnect, so managers could direct their staff to the latest guidance.



Home working safety was a challenge given how little was known of each employee's home set-up. Some had appropriate space and furnishings, others had to improvise. Some also had children home-schooling or had parents or children also newly working from home.

The health and safety team shipped out furniture and equipment from the now empty offices, including chairs, desks, document holders and keyboards. 'If they needed kit they could ask for it through their manager on WeConnect,' John Crooks says. 'We got about 300 requests.'

They also had to complete a mandatory e-learning course then a home-working self assessment, which would be added to their file by their manager. 'Anyone having any difficulty with their set-up could flag it up with my team.'

Another e-learning course based on Scottish government guidelines was a coronavirus awareness course on risks, spread, preventive measures and sensible precautions. All staff have to do the course.

Perhaps most critical to the team's work has been PPE, once an acronym known only to a few but now familiar to us all. 'We already had a few supplies we used anyway, so disposable gloves, masks and overalls for Wheatley Care,' John Crooks says. Also in the store was protective gear for the environmental teams and leftovers from swine flu.

Anticipating a huge increase in demand, he drafted a specification for materials and products and set up an audit track and trace. The finance team changed its procedures to help secure rare shipments of products with upfront payments.

Over in the procurement team, it was Operation PPE. 'All hands on deck now,' Laurie Carberry says. 'We took it very seriously knowing this was for essential services for our colleagues and friends on the frontline, in housing, the NETs services but especially care services.'

Audit, Laurie Carberry says, became vital. 'It became shark-infested water. There was a quick buck to be made selling counterfeit goods, out-of-date materials or products with no certification.' Other organisations, she said, were hit by scams like crates of out-of-date sanitiser and containers filled with gloves with counterfeit British kitemarks.

Six hubs in Glasgow used by frontline staff, became Wheatley's storage and distribution centres. Meanwhile the team's search for the right products was taking them world-wide.

When the USA swallowed up the entire yearly output of a leading Thai supplier of nitrile gloves, they tracked down new supplies in the Philippines and Vietnam. 'They're an organic product made of rubber and all the plantations are in the Far East,' Laurie Carberry says.

A long-standing supplier of specialist workforce clothing in Bristol was and remains a highly trusted source of PPE. 'They were delivering van loads of PPE to us overnight,' she says.

Despite stocking up on hand sanitiser early, with the population of the entire UK soon competing, the resilience of stocks at one point looked shaky. 'We started running dry,' recalls Laurie Carberry. Gin rode to the rescue.

'We got a new supply free from a gin distillery in Dumfries and Galloway, where we've got a good name. And the Edinburgh Gin Company donated materials. There was a nice spirit in that and it really gave us a lift.'

As a precaution, all PPE stock levels were raised so even if deliveries slowed or stopped there would be sufficient for all Wheatley staff for at least 14 weeks. Laurie Carberry says Wheatley's size proved an advantage for both price and continuity. 'Our stock came from wholesalers and manufacturers, not smaller distributors.'

'The procurement team were fantastic,' says Dunedin Canmore's Hazel Young. It is a tribute all of her colleagues echo. 'They've got supplies to us right the way through and very quickly. The supply chain has never stopped.'

It's no surprise that spending on PPE skyrocketed, from £35,000 a year pre-pandemic to £800,000 from March to December 2020 alone, though in that figure are also other health and safety measures including signage for offices once those reopen.

After the first lockdown eased, John Crooks was one of the first to return to a now spooky head office to set up signage. 'It was a wee bit like Armageddon. There was nobody there until we started to work up some of the remobilisation plans and even then it was more like a touchdown base for staff to use in an emergency,' he recalls.

Offices were reorganised to allow for socially distanced seating, signposted one-way systems put in place, chairs removed, desks sterilised and sanitiser stations set up. In a small number of offices, too small for one way systems, a new 'Working Safely' guide explains the options. All staff have been sent information prepping them for what to expect and how to behave in a Wheatley 'hub'.

How effective have the combined measures been? Wheatley People Services has closely monitored staff infection rates, in part to identify riskier work areas.

'It has shown that all of the PPE and health and safety practices have been spot on,' says wellbeing lead Gillian McLaughlin. 'We haven't had a single case where you could say that a staff member contracted Covid at work.'

It feels safe to say Wheatley's health and safety and PPE teams have done themselves proud. 'The guys worked flat out,' says John Crooks of his team. 'It would have been so easy for them to point to what someone else is doing and say follow them but no, they were working hard at their computers every day. They've done really really well.'

For Laurie Carberry thanks from colleagues say it all. 'Personal messages from people who don't know us from Adam. We were the back office function. We've had flowers, cards. It was lovely and that to me meant the most. For people to sit down and write an email no one asked for or pushed for, that's just lovely.'

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***'As a trade union member you're always looking for fault. The standard of the health and safety team was so much higher than in other companies. The only thing you could pick out was: you've made a spelling mistake. They did what was expected and that wee bit more.'***

Paul Stuart, Unison branch secretary

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## Visiting customers: the protocol

Can you engage with them by phone or video call so you don't have to meet face to face?

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If you need to visit the property can you talk from outwith?

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If you have to go in, wear full PPE, maintain your 2m distance and sanitise your hands. Then dispose of your PPE after you come out.

## Carrying out emergency repairs: the protocol

Only enter wearing full PPE (mask, gloves, shoe covers etc).

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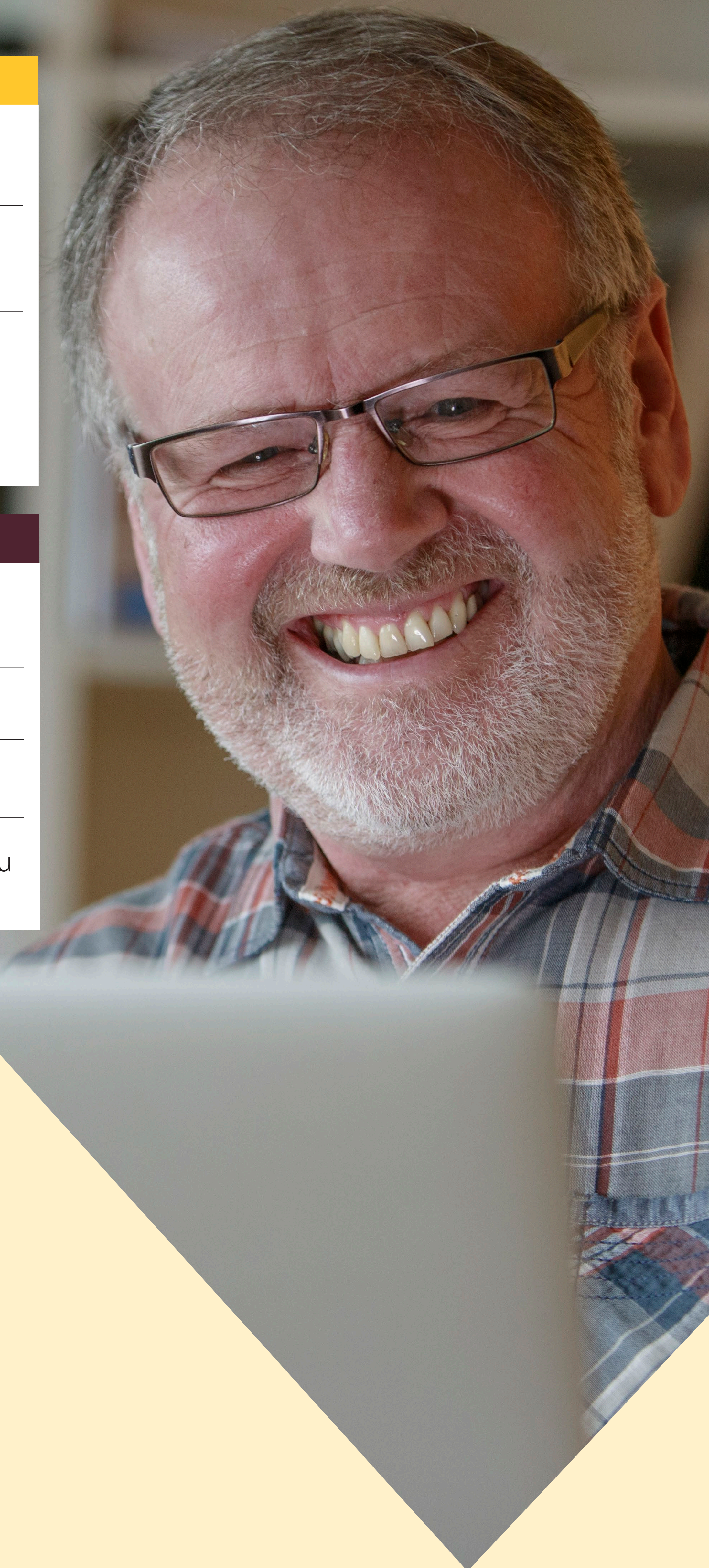
Ask the customer to go to another room.

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Open windows and doors.

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Sanitise your hands and dispose of PPE after you come out.





## **The union assessment**

The two unions representing Wheatley Group employees in trade roles, care and office functions, are unusually willing to praise the group's approach.

'I don't think they could have done much more at the beginning,' says Unison branch secretary Paul Stuart. 'We really were winging it. Management was talking to us but there was also the question of how we keep the business running. We've got vulnerable people in our homes and we may be the only contact for some of them.'

Even long working hours gets a pass. 'Carol in PPE was one of our stewards. She was doing some 14-hour days, starting at 11pm if she knew suppliers were getting stock in so she could be first in the queue.'

'Morally it's the right thing to do. No one at Wheatley has the nine-to-five mindset. It's whatever we need to do to get this right.'

GMB branch secretary Mick Keeney concurs: 'There's a balance between health and safety and saving jobs and looking after the very vulnerable.'

Some solutions he says were sensible. 'Martin Armstrong had us delivering food parcels but it was put it on the doorstep and walk away. No contact – that was very clever.'

'I think Martin, Lesley [Wilkinson, director of employee relations] and the unions got a good balance. We looked after people's health and safety without losing any jobs. We actually gained staff because we're doing interviews the now.'

Wilson says union members he represents in other housing associations tell horror stories. He reels off: 'PPE held in a cupboard under lock and key or being told to wear a mask twice. That's like turning your dirty socks inside out.'

Some have underlying health conditions, he adds, and were told to go back into an office where there is no distancing and without a Covid risk assessment. 'It's not hard to find that. It's on the Scottish government website.'

Wheatley, he says, has shown no inclination to push staff back into offices – and positively encourages staff to wear PPE for personal safety outside work. 'If you're going to the supermarket, wear this mask. Stay safe.'

He has minor gripes but adds that hindsight is a wonderful thing. One is inconsistent people management. 'Managers were told to keep in contact with furloughed staff on a weekly basis. Not all did but, on the flip side, what were the staff doing about it?'

Some managers, he said, were not always emotionally aware and failed to pick up when staff were struggling under pressure or sick. 'If we find ourselves in a situation like this again, the message has to come from the top that you must make sure your staff are getting sufficient time off.'

His last observation is the slow rollout of display screen equipment assessments. 'There's a lot of folk now with musculo-skeletal issues or back and hip problems. We had a lot of other things going on as well but maybe could have been quicker off the blocks.'

## Round the clock support

*‘We knew at the outset that if we were going to manage this pandemic in a way that protected staff we had to absolutely know inside out our 3,000 people and how they were being affected. We did not wait until our door was chapped. Right at the start we put in a 24-hour service so staff could contact us with any question.’*

Lesley Wilkinson, director of employee relations

‘Staff were panicking, staff were struggling to adapt to working at home, some felt isolated. We had staff extremely worried about their own relatives. And we had some who absolutely started to enjoy the new working model,’ Wilkinson says. ‘They could make their kids dinner.’

She admits she was one of the latter, working for the first time alongside her daughter, employed in another part of the Wheatley Group. ‘A mother who’s worked since her baby was born and I’ve never spoken to her about my job in all my years. That was fantastic for me.’

For those who weren’t absolutely enjoying it, the 24-hour phone service was there for them, with calls answered by usefully married team members Gillian and Paddy McLaughlin.

In preparation Lesley Wilkinson and her team had allocated themselves clearly distinct functions. ‘One was recording from day one information on who was furloughed, who was shielding, who had Covid, who could work from home with Covid, who was dealing with sick relatives and so on,’ she says.

‘That information allowed us to shape services to support and protect staff so they could carry on serving customers. Priorities changed continually so it did feel as if our heads were spinning.’ But it quickly became apparent what staff needed, and why.

‘It was really tough at the beginning,’ says wellbeing lead Gillian McLaughlin, ‘especially before they brought in Covid testing. But people were suffering anxiety, more than ever.’

The virus has always behaved unpredictably but accounts from hospital intensive care workers throughout the pandemic have been chilling.

‘We had harrowing calls from some who lived alone and had tested positive,’ Gillian McLaughlin says. ‘Which was why the director of employee relations was in Tesco at six in the morning, doing a big food shop for staff,’ adds Lesley Wilkinson

Some staff, they say, have suffered devastating loss. In response the team adapted an existing service, one they expect will stay in demand as hybrid working becomes the norm.

‘We put together a bank of specialist therapists so we can signpost staff if they need that little bit of extra help,’ Gillian McLaughlin says. It was, she says, for staff whose circumstances wouldn’t normally justify an EAP (employee assistance programme).

‘It has helped staff with problems that were deep-rooted or had just come to the forefront, from relationship matters to eating disorders or trauma in childhood.’

In extreme cases, she said, they were able to rapidly set up counselling, on one occasion after emergency calls from a colleague alerted them to a suicidal colleague.

Staff can self-refer to the EAP, she says. 'When they come through our counselling and support line they just say whether it's therapy for themselves or as a couple or a family.'

Gillian McLaughlin says they've also been able to persuade NHS bereavement therapists to accept as clients staff who weren't able to be with their parents at the end of life.

'The NHS doesn't offer therapy until six months after a death,' Gillian McLaughlin says. 'We argued that where a parent had been in a care home they'd already been kept apart for six months or longer.'

Another phone service newly set up takes callers through to an occupational health nurse. It has proved especially helpful for staff self-isolating after an alert from Test and Trace, their child's school or more.

*'Our employee relations team was able to provide free confidential care for staff and our people were brilliant about asking for help when they needed it. What's different about Wheatley is there are no layers of management in the housing teams: you've got housing officers and the locality housing director. No team leaders, no area housing manager, so they were able to keep a close eye on the welfare of those teams. And occasionally they got calls from the chief executive or senior managers like myself to let them know we were for them during periods of bereavement or crisis, whatever the cause.'*

Jehan Weerasinghe, managing director of GHA

Line managers across Wheatley Group are expected to check on their own staff but People Services, again in the form of the McLaughlins, were early on supplementing this with their own welfare calls.

'You didn't know what you were calling into,' Gillian McLaughlin says. 'On numerous occasions we'd get through to someone who'd just lost a family member or they'd had a call from a hospital. We've been able to keep them on our radar.'

Furlough, she says, has been useful for helping staff in crisis. Wheatley was unusual in the sector for using furlough but it has been vital given the size of the workforce, many in front-facing roles with a high risk of cross-infection.

At its peak some 750 staff were furloughed, some for roles not needed with the offices closed but also for staff suffering crisis or extreme stress. Wheatley supplements the furlough payment so no staff lose out.



## Family Hub: the lighter side of lockdown

Shortly into lockdown Wheatley's People Services team asked their communications team colleagues for help setting up a brand new feature on the staff intranet. Family Hub was born.

'We wanted to engage with people but we'd never done anything like this,' says Lesley Wilkinson. 'Our plan was activities for families but we also knew some staff were living and working alone.'

They wanted it to be all singing and all dancing. 'We came up with all sorts of things to bring people together, to make them feel they were still in touch with colleagues, and with their families,' says wellbeing lead Gillian McLaughlin.

'A lot of staff had kids at home so we gave them a platform. They hosted *Wheatley Young Stars* every Tuesday morning. "This morning we're gonnae make banana bread!" So we novices would be in our kitchens making banana bread along with them. It was fantastic.

'We did Bingo, *Play Your Cards Right*, *Catchphrase* - anything to bring people together. We had knitting club, book club, walking, running and cycling clubs, yoga.'

'TikTok for families,' adds Lesley Wilkinson. 'The kids would put you to shame. Everything short of a drinking club though on the Friday night quiz you could spot the odd glass of wine. That was okay!'

'FamilyHub was just fantastic - there was so much in there,' says Lynsey Fotheringham at West Lothian Housing Partnership. 'It was people bringing their news to 3,000 colleagues and we've probably gotten to know each other so much more. It's so nice that we still feel connected when we probably haven't seen them for 16 months.'

Family Hub was also a way to connect with staff on furlough through the Reconnect programme. All furloughed staff were encouraged to continue training and learning during the pandemic. But this eight-week bespoke programme took them through the new working environment, with information, training and advice specific to what they would find. 'We ran it continuously so they didn't feel like new starters,' Lesley Wilkinson says. 'It all ran very smoothly.'



## Morale

*‘Martin has since the start of lockdown put out a weekly message to all staff and that continues to this day. He recognised from the start that it was not just letting people know what was happening in all parts of the group, but keeping the organisation together and keeping morale high. He understood that furloughed staff as much if not more than other staff needed to know what was happening and feel reassured that they were still valued by Wheatley.’*

Graham Isdale, group director of corporate affairs and Wheatley Foundation

When on Monday 23 March thousands of Wheatley staff woke up to find they were already at their new home office, first class communication became essential. The communications team had a strategy and it had a plan. Now these were being tested in real time.

The strategy had four prongs. First was getting staff engaging with colleagues, with internal and outside systems and, vitally, with their customers. Second was letting customers know what was happening, why, when and where, and what help was available and how to get it.

Linked to that was support for those among the customer group who were in any way vulnerable. Staff were still there for them but their methods of contact might have changed to protect customers and staff against the virus. Then there was Wheatley’s reputation.

The starting point for staff was and still is WeConnect, Wheatley’s intranet service, and email. ‘Our internal communications turned on its head overnight,’ says communications manager Stuart Darroch.

‘We had to make sure they were getting all the information they needed to do their job well, we had to keep morale high and we had to keep the workforce together.’

On a near daily basis an update was emailed to all staff, alerting them to important news and changes to services. Once a week, chief executive Martin Armstrong sent out his own ‘herogram’ message.



The response from frontline and support staff was unprecedented. Housing officers and call centre staff calling customers were coming across some very distressing situations. Knowing they were not alone helped, but so too did sharing their small successes.

‘Over the first few weeks something changed,’ Darroch says. ‘Our staff have a tendency to not blow their own trumpet. You know what you do but telling other people feels like bragging. But they do good for people every day. It’s their job.’

‘They started sharing good news stories and posting photos. The message that sent out was: “look what a difference we can make”. Having a job with a purpose, a value that makes a genuine difference to the lives of others is hugely under-valued.’

New features on WeConnect like *The Daily Uplift* gave staff a way to share with colleagues all manner of things, from accounts of their work to demonstrations of their more creative side.

*A Day in the Life* sparked discussions about what staff were doing at work and in their own time. A blog by care worker and keen runner Caroline from Wheatley Care’s homeless outreach group in Glasgow even encouraged other staff to start running for better health.

‘They updated WeConnect weekly,’ says Laura Henderson. ‘So we had direct contact and weekly updates from the chief executive. You name it, it was there because the role staff played was key but they were going through the stresses of the pandemic too.’

Even the leaders had their spot in the limelight. Retiring Pollok locality housing director Joanne Diamond used her feature to reveal an enduring love of lemon drizzle cake, making as well as eating it.

‘A lot of people agreed there was more communication and it was better,’ says group director of housing and care Olga Clayton. ‘We’re also hearing a lot that they felt closer to other members of the group.’

‘It’s interesting the assumption that if you work in the same building you communicate with colleagues when your contact might be limited to passing on the steps. When you have to put in a little effort it becomes more purposeful.’

‘Some of the best things went right across Wheatley Group,’ Lynsey Fotheringham adds. ‘The news updates on the intranet and weekly messages from Martin really made us feel united. We’re a huge beast with so many staff you never normally come across but you could read what they were doing in *A Day in the Life* or *The Daily Uplift*.’

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*The Daily Uplift is brilliant and I like getting communications from the CEO. It makes you feel you are part of something bigger.’*

*‘The support has been fantastic, with regular communication from the chief executive, weekly updates on Covid, updates from the unions, Daily Uplift stories and videos that bring teams together and the Family Hub offers something for everyone.’*

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### **The new partner: Dumfries & Galloway HP**

*'The organisation needed lots of change, lots of leadership and investment and it had the support and dynamic of Wheatley Group so I could draw that down too. The job sounded great. I thought I'll go for it. After I joined we had three weeks of business as normal.'*

Matt Foreman, managing director of Dumfries & Galloway Housing Partnership

Maureen Dowden retired from her job as Wheatley's director of governance on a Friday in April 2018. On the Monday the Scottish Housing Regulator called her at home. Could they chat about Dumfries & Galloway Housing Partnership?

DGHP was, like GHA, created by transferring council homes to a new non-profit organisation. The regulator suspected some problems. There had been a whistleblower. So maybe quite a lot of problems. Would Maureen take a look? There was also the small matter of outstanding loans of £160m and, with 11,000 homes, DGHP being Scotland's second largest housing association.

Co-opted within weeks onto DGHP's board, and quickly labelled the 'chief investigator', Maureen Dowden found little of comfort for the regulator. There were major flaws in governance, alarmingly low levels of compliance with safety law and staff 'in a state of civil war'.

'My view is the problems had been there for years,' Maureen Dowden says. 'If DGHP failed the fallout would have been huge. But more to the point: this is about people's lives, what's important to them, and their living conditions.'

Over the next year Maureen Dowden, backed by the regulator, removed five board members and the chair and a new interim chief executive was appointed to knock into shape investment in DGHP's properties.

DGHP, remarkably, had £18m earmarked for the latter, £50m sitting in the bank, an untouched landbank, and hadn't built a new home in years. So Maureen Dowden set off on a road trip of the two counties' patchwork of small towns.

'I wanted to see what had worked well for investment or development and what had not.' It was sobering and at times shaming. Wigtown, famous for its book festival, had 'just behind the main street void properties and horrible grey houses – all ours'. It was a pattern repeated elsewhere, with few exceptions.

Strategic options review by an outside company confirmed Maureen Dowden's assessment and, with the regulator's backing, a partnership proposal was put together.

Maureen Dowden had from the outset declared her personal links to Wheatley. She made it clear again to tenants when she set about asking what, if in her shoes, they would ask of the organisations now bidding to be the new landlord. She says: 'What struck me most, and I'm paraphrasing, was they wanted: job opportunities, decent wages and to see our towns thrive again.'

In the October 2019 ballot, Wheatley's bid got 95.5% of tenants' votes, boosted by a promise of 500 new jobs, capped rent increases and a substantial investment in new and better homes.

In December, DGHP transferred to Wheatley Group. The board, now chaired by Maureen Dowden, appointed in late January a new managing director. 'Matt came to his first board meeting at the end of February,' she recalls. 'That was the last time we physically saw him.'

What Matt Foreman has achieved since has almost all been done at one remove, initially from Newcastle after lockdown made impossible a move to a caravan on the coast he'd bought for that very purpose.

Under the interim leadership of Alex McGuire, a new transformation programme had been drawn up and Wheatley's finance team had renegotiated the £160m in loans, having done the preparatory work even before the vote.

It made £99.8m available to be invested in new and improved homes and services across the two counties. 'All' that was left for Matt Foreman to do was set the programme in motion and start investing. Well almost.

'The finance director left, followed by Alex after a one-week handover. Then a week before lockdown I recruited new heads of investment and repairs, because that part of our business needed people quickly. I met them once.' Matt Foreman was also thrown head first into planning for lockdown, with critical posts still to be filled and only 28 housing officers for 52 posts. 'Communication became incredibly important,' he said. In part it was for reassurance. 'The pandemic had become very scary. They needed solid and visible leadership, even though I couldn't physically see them.'



By week two of lockdown, the transformation programme was halted to focus on a new priority: getting staff at home connected and supported, and calling customers. 'We did have phone numbers for pretty much every tenant because it's predominantly rural here and our contact centre was good.'

'At that point it was a matter of making best use of our skills and resources. We needed people with empathy who could talk to customers and use the IT.' Engagement officers and members of the assets team now twiddling their thumbs were among those who got dialling.

'I think they enjoyed the slightly different roles,' Matt Foreman says. The new teams were divided into clusters, each headed by an experienced housing manager and including some housing officers, with support from finance and assets. 'We had capacity, and enough checks and balances.'

The benefits of being part of Wheatley Group rapidly became evident. 'Staff got instant access to EatWell and a wellbeing fund because people were struggling with energy costs,' Matt Foreman says. 'We thought demand for EatWell would be about 20 people a year. In the first year alone we delivered 4,000 parcels.'

By June, when Scotland emerged blinking from the first lockdown, matters had calmed somewhat. Matt Foreman also had a new team (virtually) around him, recruited via Zoom with added due diligence. He was now the longest serving member of the management team. 'It made all the baggage historical.'

Wheatley's proudest achievement under lockdown has been completing the first new DGHP homes in more than four years, including five houses for farm workers in the tiny rural hamlet of Monreith. Two more schemes are in hand, one in Stranraer and one outside Dumfries.



Matt Foreman also now has a full complement of staff. The board has approved a new Dumfries hub and DGHP's new in-house repairs service is to be the model for all Wheatley's repairs services. 'We inherited a huge amount of problems,' he says. 'We haven't solved them all but we're a long way down the road.'

Delivering on the jobs pledges is critical, he says, but also well in hand. 'The Wheatley Foundation is working with and sponsoring people to get jobs with local employers and we've got bursaries for local people in higher education. We will outdo the promised 500 jobs and training opportunities over five years.'

Maureen as chair, he says, has been a huge asset. 'She's very clear, straightforward and also very supportive because she knows the journey DGHP has been on and knows we have some way to go.'

‘It’s falling into place despite lockdown,’ says Maureen Dowden. ‘What Matt has achieved has been remarkable. From the start, taking it down to what is important for customers – and our tenants’ feedback has been so positive.’

Maureen Dowden adds: ‘We never wanted to win that ballot marginally – we wanted to win it significantly. It gave our tenants promises and our transformation programme sets out how we’ll deliver each promise.’

But she adds: ‘We could not have done this without Wheatley. When lockdown happened, Wheatley engulfed us – wraparound services, delivering food parcels, and other help to tenants. Tenants knew they were not on their own. We might have attempted that, but we could never have done it by ourselves.’

Tenant John McCraw, recruited to the board in late 2019, says new jobs are being found for local people, calls to DGHP are handled faster and calls back are speedy. ‘So we are getting the promises they made. It’s looking pretty good,’ He stops and laughs. ‘I say that as a tenant but as a board member too. We’ll get it in the neck if they don’t come through.’

***‘We’re getting a lot of refurbishment done to our properties and they need it badly and the Wheatley Foundation is doing a great job. We advertised jobs with the environmental teams on our Facebook page and other social media and the housing manager says there are two or three from around my area who’ve been taken on.’***

John McCraw, tenant board member of DGHP and the Wheatley Foundation

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### **The new team’s achievements in lockdown include, but are not limited to:**

- agreeing with a new board line up DGHP’s first ever five-year strategy, backed by the investment plan, for honouring promises to tenants
- launching a high tech new repairs service in a deal with City Building
- vastly improved relationships with the local authority, police and health services with managers now on forums covering drug and alcohol addiction, homelessness, domestic abuse and crime, and carrying out targeted interventions
- delivering the first of the promises decently paid, secure jobs and training for tenants including a first modern apprentices scheme and training and starter jobs for people referred through probation services
- hugely increasing compliance on gas and other safety measures, with 100% likely by August and starting works to comply with the Scottish Housing Quality Standard.
- buying new offices in central Dumfries, now being converted into a hub to support hybrid and collaborative working
- completing a systematic review of the landbank, and finding few sites had been assessed for viability, demand or value for money or given adequate board oversight
- starting a strategic stock review to inform future investment and regeneration.

*Dumfries and Galloway Council relies on close working relationships with our community planning partners to ensure vital services are effectively delivered to residents and their local communities. Since the start of the coronavirus pandemic, the support provided by DGHP has been vital and we welcome the increased resources they have channelled into schemes to help vulnerable residents. Many local people have experienced reduced incomes during this time, and project initiatives replicated from the Wheatley Group like EatWell have meant families were able to put food on the table. The council's Housing Options welfare services are also working closely with DGHP to support tenants struggling to pay rent so they can sustain their tenancies.*

*During the strictest lockdown measures, when house moves were heavily restricted, the additional prioritisation of homeless applicants and safe working procedures provided secure homes for people and families in need. Delivering new homes has also been a significant challenge, however the development of five new homes in rural Monreith, supported by additional funds from the council, and 12 accessible homes in Sanquhar show DGHP is committed to building high quality accommodation, even in difficult circumstances. As Council Leader, I look forward to continuing this strong partnership working, particularly projects like Lochside Collaborative Regeneration, to achieve shared priorities and deliver positive outcomes for local people.'*

*Cllr Elaine Murray, leader of  
Dumfries & Galloway Council*



## ***Ahead of the curve: care and support***

***‘We were ahead of the curve most of the time. Our care workers were already wearing masks all of the time and socially distancing two months before the Scottish government ordered it.’***

Laura Pluck, managing director of Wheatley Care

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Wheatley Care was set up just weeks before the pandemic hit, formed by uniting in one body the care arm of Loretto Housing and Barony Housing. ‘It’s a very small part of our turnover but employs around 800 staff,’ says housing and care director Olga Clayton.

***‘We had a stock transfer in the first year of the pandemic, taking on Barony’s non-care properties between May and October. It was a change in all but name – customers had a new landlord but were dealing with the same staff. We used to joke about which jacket we were putting on, the Barony or the WLHP jacket.’***

Lynsey Fotheringham, head of housing, West Lothian Housing Partnership

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The very nature of Wheatley Care’s work means all of its customers are especially vulnerable. ‘We’re a little bit different to other parts of the group,’ explains managing director Laura Pluck. ‘We have 30 contracts across 11 local authority areas and all are different. There is no one-size-fits-all in care.

‘With Covid it wasn’t let’s just find a fix and roll with that. It was what’s effective for all these different parts of the business but also what the local authority or health and district partnership wants. A huge amount of work was done.’

To the fore came patient safety and, given in many cases unavoidably close contact with staff, protection for them too. ‘All our buildings are different so even reducing footfall, still meeting fire regulations and social distancing, it was a mine field. And every three, four, five days the guidance changed.’

Most services, says Laura Pluck, were reduced to life and limb. ‘For a lot of our customers though that meant more face-to-face support rather than less. The other thing was staff anxiety, worried they might pass on the virus as much as contract it.’

Some staff had underlying health conditions themselves and/or family shielding, she says. ‘We flexed as much as we could, and moved those staff to roles where they could work from home but we had staff who were seeing their children far less to protect customers. I heard that a lot – staff responsible for people’s personal or intimate care terrified they would bring something in.’

The willingness of staff to adapt to totally new roles, she says, continues to amaze her. ‘We couldn’t get cleaning staff for our care homes in the first few months for love nor money.’ Support workers took on infection control.

Of all Wheatley Group's services the need for faultless and reliable supplies of PPE was vital. 'The sheer quantity the guys in care were going through was staggering,' says Laurie Carberry, procurement lead at Wheatley Solutions.

'But if you think, every time you administer care to a customer, you might go through 10 pairs of gloves. You're dealing with all sorts of ailments and people need to be cleaned.'

Securing the specialist PPE care staff needed was a struggle early on but the bar was set high. 'John Crooks in health and safety wrote up what we could and couldn't accept for each social care role,' Laurie Carberry says.

'Science was limited in the first lockdown,' she adds, 'but care staff got the absolute best and that correlated with a low sickness absence. There were very few incidences of them contracting Covid. We also had to be strict so if you saw someone cutting grass wearing very expensive nitrile gloves, they're not for you! They're for care staff.'

The FFP3 masks ordered for care staff caused at least one local authority to object. 'We'd spent £30,000 on them and they're vital when you're working with people overdosing,' Laura Pluck says. 'People need to be safe so we pay it. We manage our finances very robustly but having Wheatley Group behind you is definitely a cushion.'

Helped in part by Covid sustainability payments from the Scottish government, every regulated care service from Fife down to Dumfries and Galloway was staffed throughout. 'Where people were shielding or unwell their colleagues got on with it. There was lots of innovation: how do I make this right for this person?'

Among the many inconveniences staff bore with stoicism was travelling to and from work with minimal public transport available and the added risks of night journeys. 'People were working to 10, 11 at night and had to get home. We flexed: they got taxis and we hired cars.'

Not all Wheatley Care services were able to stay open so staff came up with new ways to help those customers. In Fife and Edinburgh three mental health day care centres were deemed non-essential.

'We have three contact points that aren't regulated in the way of formal care and support. Up to 200 people use them weekly just to drop in or for therapeutic activities,' Laura Pluck says. 'And they're critical for the people who use them.'

Unable to help people in person, contact point staff turned to their new smart phones. 'They're used to going out and giving people food parcels. Instead they called everyone who uses the service two, three, five times a week using Zoom or Teams.'

Customers were triaged according to levels of concern and, where warranted, local mental health teams alerted.

'They had to work in a very different way but they really felt responsibility for people, some of them suicidal, some self-harming. They were incredibly isolated and our staff were sometimes the only people they spoke to.'

Both Olga Clayton and Laura Pluck mention feedback from the Fife services. 'These are people with quite serious mental health problems,' Olga Clayton says. 'We've been supporting them remotely but the letters are fantastic.'

‘I got a lovely letter from one three weeks ago,’ Laura Pluck says. ‘She said she’d moved to Fife just before the pandemic. She had no family and should have been picked up by statutory services because she really struggles at times. Her letter really made me emotional, saying we’d saved her life. You can’t overstate that.’

Perhaps the bottom line for Wheatley Care is: were customers protected? After a very sad early start, three frail older Living Well customers were lost to Covid, including two already in hospital when they were diagnosed. Since then, rates have been notably low, at just 0.64% from March 2020 to May 2021, with not one death in regulated care.

In large part she says that was down to care home managers standing their ground very firmly. ‘They were fighting a battle with commissioners and local authorities because they were trying to discharge people from hospitals. Our managers said absolutely not. Give us a Covid test that’s negative.’

One commissioner, she said, even threatened to stop payments. ‘We said negative test and they self-isolate for 14 days or we don’t take them. We kept that up until the instruction came through that people had to self-isolate.’

‘It’s not my job to be proud of my staff,’ says Laura Pluck, ‘but they absolutely blow my mind. Every team has responded in a way that works for their people when they’ve also personally felt isolated, under pressure - all the things we’ve all experienced, and wearing PPE all day.’



## **Balancing the books: the welfare experts**

One of the big surprises for Wheatley Group during the pandemic has been a drop in rent arrears. It was not expected. One factor, managers say, is the proactive work by frontline staff early in the pandemic that has greatly strengthened customer and staff relations.

At a more fundamental level, Wheatley housing officers are all now experts in helping tenants newly unemployed or in changed circumstances to claim universal credit. For that thanks must go to Wheatley's universal credit team, headed by Kirsty Ward.

'That team has been absolutely fantastic during the pandemic,' says Olga Clayton. Loretto's Laura Henderson concurs: 'The universal credit team has provided so much support and guidance to frontline staff that universal credit is now seen as just another payment method.'

'Every single housing officer knows how to help and support a customer moving onto universal credit for the first time and in Wheatley 360 we also have welfare benefits advisers to help customers who aren't able to make the claim themselves.'

Kirsty Ward, the universal credit team lead, was herself once a housing officer. 'When I took on the job I started by admitting I'm not an expert in universal credit,' she says. 'But we've got a team of highly, highly skilled benefit advisers who know it inside out.'

'Secondly, we wanted to up-skill the housing officers so they'd know exactly what to do to support their customers. Our role is strategic so we support the housing officers but also customers directly.'

Kirsty Ward's team is made up of a mix of Wheatley's tenancy 'wraparound' services and a universal credit solutions coordinator/data analyst.

The team was set up nearly one year before the UK went into lockdown, motivated by Department of Work and Pension plans to migrate all Glasgow residents still claiming housing benefit onto universal credit.

Their efforts got a very welcome lift when the DWP agreed to an invitation from Wheatley to second to the team one of its own managers.

'Wheatley is the biggest housing provider in Glasgow and our rental income was taking a hit,' Kirsty Ward says. 'We and the DWP have a shared customer group. If the customer gets what they need quickly and easily it saves a lot of back and forth so it works for them and it works for us too.'

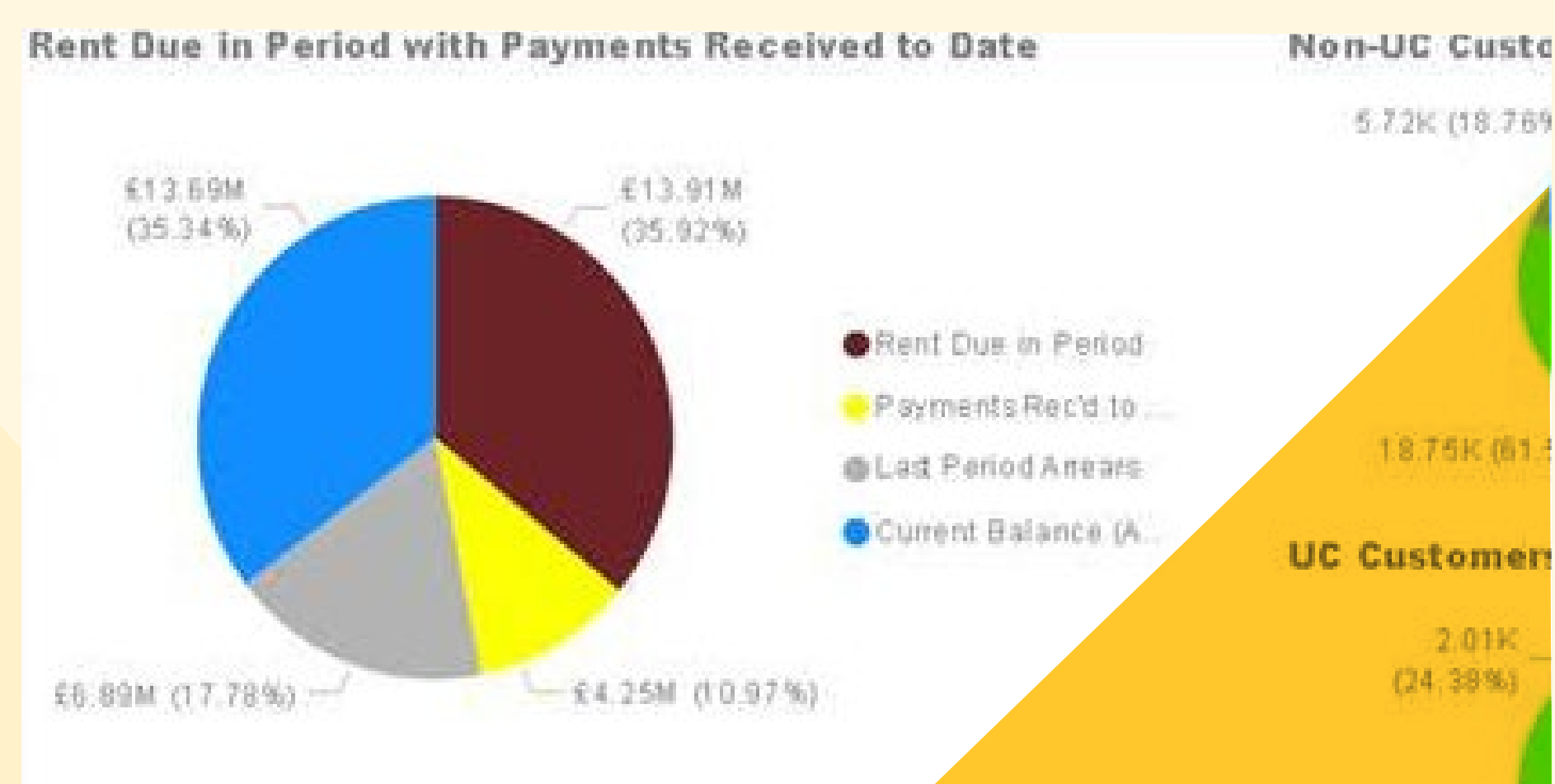
Having Andrew Weir on board has given her team a better insight into the workings of the DWP, Kirsty Ward says. The DWP has also, in response to a suggestion by her team, modified its portal, easing the process for claimants.

It has not been able to remove easily the most punitive aspect: the five-week wait before a payment is made.

'Where necessary we refer customers to our welfare benefits advisers or to Tenancy Support Service Plus, which was set up for customers who need a bit more hand-holding, like helping them set up a bank account,' Kirsty Ward says.

'We also have Helping Hand,' says GHA managing director Jehan Weerasinghe, 'and that's money we can give to customers who are struggling to pay the rent.'

But perhaps the biggest tool in the universal credit kitbox, developed and refined by Kirsty Ward's team, is data. Remarkably, it is given to housing officers in a format with striking visual appeal.



'We take reports from our housing management systems and transfer them to Microsoft PowerBI to make visual tools and reports for housing officers,' Kirsty Ward says. 'So we get the data, crunch the numbers and produce dashboards.'

'They show housing officers payments coming in, payment types and methods, who is on universal credit, who is in arrears and which universal credit customers are in arrears.'

'It's broken down to patch level. So as a housing officer I can see I have x number of customers on universal credit at the touch of a button. I can see the impact on rental income in my patch and I can easily manipulate it using filters and PowerBI.'

'The key to data management is how you present it,' says finance director Steven Henderson. 'Can we give something to staff that is intuitive to interpret and use? The universal credit dashboard is a good example. It is really useful and a credit to Kirsty and her team.'

'It's been a slog but we've worked hard to get to the point where we now see universal credit as just another method for customers to pay their rent,' Kirsty Ward says. 'It's been a journey but we've done it pretty well so far.'

'As restrictions ease and the government winds up its managed migration to universal credit it will give us a different angle to work from but we'll have a back-up plan money-wise and we'll adapt. We'll get benefits maximised as well. Hopefully the virus won't get bad again but if it does and people need our support, we're here.'

'When universal credit first came in it was a big mind shift, really difficult for us and our customers,' says Olga Clayton, 'and the five-week wait is horrendous but is it now the problem we thought it was going to be?'

'There are still problems but it's a much slicker process. Our customers have become slicker and we've become much slicker and we understand more about the portal.'

'My team have been absolute superstars,' Kirsty Ward adds. 'They took to home-working like ducks to water so we were well-placed to help customers when they really needed it. It still feels a bit odd sitting in a room talking virtually but we had the tools and adapted accordingly.'

During lockdown, she adds, her team also attended 160 tribunals for customers, all virtually. 'Most succeeded and there was no drop in our success rate. My team get screeds of praise from the people they help but they don't seek it out. They just get on with doing the job for our customers.'



## ***Job-losses fuelled welfare claims***

The number of people claiming universal credit rose sharply at the start of the pandemic due to widespread job losses in retail, hospitality, personal services, cleaning and more. The caseload in Glasgow alone, says GHA managing director Jehan Weerasinge, is now 11,400.

In Edinburgh Hazel Young says her housing officers resorted to talking through new claims with customers using Zoom. ‘But we also got such a lot of help from the DWP. That was totally unexpected.’

‘Going into the pandemic we probably had the highest proportion across the group of customers whose rent was paid by direct debit,’ says West Lothian Housing Partnership’s Lynsey Fotheringham.

‘So a high percentage were in retail or hairdressing or self-employed plumbers, commercial cleaners or carpet fitters whose jobs meant going into homes. All those jobs went overnight leaving them with absolutely no income. They’d never claimed universal credit and had no idea how to do it.’

New claims also for the first time came from Lowther customers, though the percentage is relatively low. ‘Maybe 30 to 50 have gone onto universal credit,’ says Lowther Homes Managing Director Heather Voisey.

‘Our tenants are middle income, on £21-40,000 a year, but all would have been working beforehand and a lot lost jobs in retail or hospitality. Some were self-employed hairdressers or beauticians who could no longer work and didn’t have recourse to furlough.’

Kirsty Ward says the move to home-working in fact freed up some time for her team. ‘So we were able to quickly step into help Lowther customers. We’d never had demand from Lowther before because their customers had always been able to work to pay their rent.’

‘A few we were able to help claim benefits they’d had no idea they were eligible for as salaried workers, such as disability support.’



## ***Signed, sealed, delivered: new homes, safer homes***

***‘It has been an almost unbelievable achievement for us: new housing supply, a new repairs service and compliance with the Scottish Housing Quality Standard. How did the men and women who work for us manage to keep services going and at a very high level during the pandemic?’***

Tom Barclay, group director of property and development

Wheatley put the finishing touches to 420 new homes in the first year of the pandemic. It was, says Tom Barclay, achieved despite construction being massively disrupted. ‘The industry closed down for five months at government direction but came back in a way that was planned, safe and structured. Our people hit the ground running.

‘Our hope this year is to deliver the best part of 670 homes for people who need them, right across Scotland. That is no small order in the middle of a pandemic but it’s a business focus – coming back strong.’

‘We were supposed to complete the last property at our Whitburn development in the week we went into lockdown,’ says Lynsey Fotheringham. ‘They’d all been allocated so as soon as we were allowed to let homes again we really went for it. Our new tenants were delighted when they finally moved in in July.’

The first new homes built in Dumfries and Galloway were, says DGHP chair Maureen Dowden, remarkable. ‘It was small but so symbolic for tenants, for Dumfries & Galloway Council, and for the government.’

The council and regulator, she adds, had long given up on DGHP’s ability to develop. ‘Our credibility was non-existent. Repairs, investment in housing stock and development were the three big things DGHP had failed in.

‘We had a landbank and they had spent literally nothing. I had no confidence in what the board had been told on compliance. Asbestos, gas safety, electrical checks – all fundamental. And we needed a new repairs service.’

DGHP set up with City Building a new in-house repairs service at the heart of the pandemic. ‘They’ve now got the group’s best system,’ says group finance director Steven Henderson. ‘We’re having to replicate it for the others.’

DGHP managing director Matt Foreman credits interim MD Alex McGuire for during his brief tenure quickly identifying how far off DGHP was from compliance. ‘It picked up everything from gas servicing to play park inspections – the cycle, the amount, the frequency and checks and balances in reporting to the board.’

New head of investment and compliance Lorna McCubbin, he says, is very technically focused and driven to make sure those programmes now happen. Doing this as and when restrictions happened, he adds, was awkward.

‘There were a few moments where Lorna and I would spend the first five minutes of a call cursing. You’d just got the contractors in place, got the plan mobilised and new restrictions would be announced.’

Procedures were changed to work as safely as possible for customers and contractors. ‘In one case a shielding customer didn’t trust us to come into the house so we asked if they’d trust someone locally who was Gas Safe registered. But generally access was easier than we expected because we were talking about safety rather than compliance.’

Paring back all of Wheatley's repairs services to life and limb while access to people's homes was restricted has had some knock-on effects for all group members. The effect was probably most painful for Lowther, whose clients are largely home owners, many retired, and middle or full market renters.

'Around 25,000 of our customers are factored owners,' says Lowther Homes Managing Director Heather Voisey. 'These are mostly people who brought a flat through right to buy so you might get a block with two private owners and the rest are GHA tenants. You need a factor to help organise and negotiate splitting the cost of repairs and insurance.'

During the pandemic, that gave rise to widespread dissatisfaction. 'We couldn't cut the grass or do stair cleaning for long periods so had to refund money paid in advance or people just didn't pay. To a lot of people paying their factor isn't as important as paying the mortgage.' Some, she says, were understanding, others less so.

A new challenge for Lowther, which like Wheatley's other subsidiaries also has new building plans underway, is a shortage of building materials for those and for upgrading and repairing properties.

The shortage, now even the cause of empty shelves in DIY stores, is the combined result of Covid affecting manufacturers world-wide, Brexit hitting imports from Europe and a US drive to build its way out of Covid. Building materials world-wide have been snapped up by the USA in bulk, says Tom Barclay.

New building is however still forging ahead. 'We've got about 24 sites live now,' Tom Barclay says, 'with 1,200 homes in some stage of construction. Again, in a pandemic.'

The cost of works to improve existing stock will in part be offset by a restructured loans portfolio. 'We took advantage of underspend in the first year of the pandemic to fund this,' group director of finance Steven Henderson says, 'and it has reduced our interest payments. It gives us more latitude to do catch-up investment and means we can and will keep a lid on future rent increases.'

Looking ahead, Steven Henderson says, the biggest financial impacts will be two-fold. The Scottish Housing Regulator has set an ambitious target for greening homes. 'The regulatory standard says all of our properties have to be zero carbon by 2032. We can't afford that. We'll need a lot of grant.'

On a more optimistic note he adds that Scotland's government has listened to representations by, among others, Shelter and the Scottish Federation of Housing Associations.

'Earlier this year the Scottish government announced a target of 100,000 affordable new homes and 70% are to be social rent. They've also put their financial might behind that. It will mean a big increase in our new build programme. The most we've built in anyone year has been 900. It'll go up to 15,000.'

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***'Our first new build scheme was in Winchburgh in 2018 and we've been growing at a rate of knots ever since. We've another two developments on site now to be handed over in autumn. The largest is on the site of the old police station in Livingston, right in the centre. We're also just starting our first homes in Linlithgow.'***

Lynsey Fotheringham, head of housing,  
West Lothian Housing Partnership

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### All hands on deck

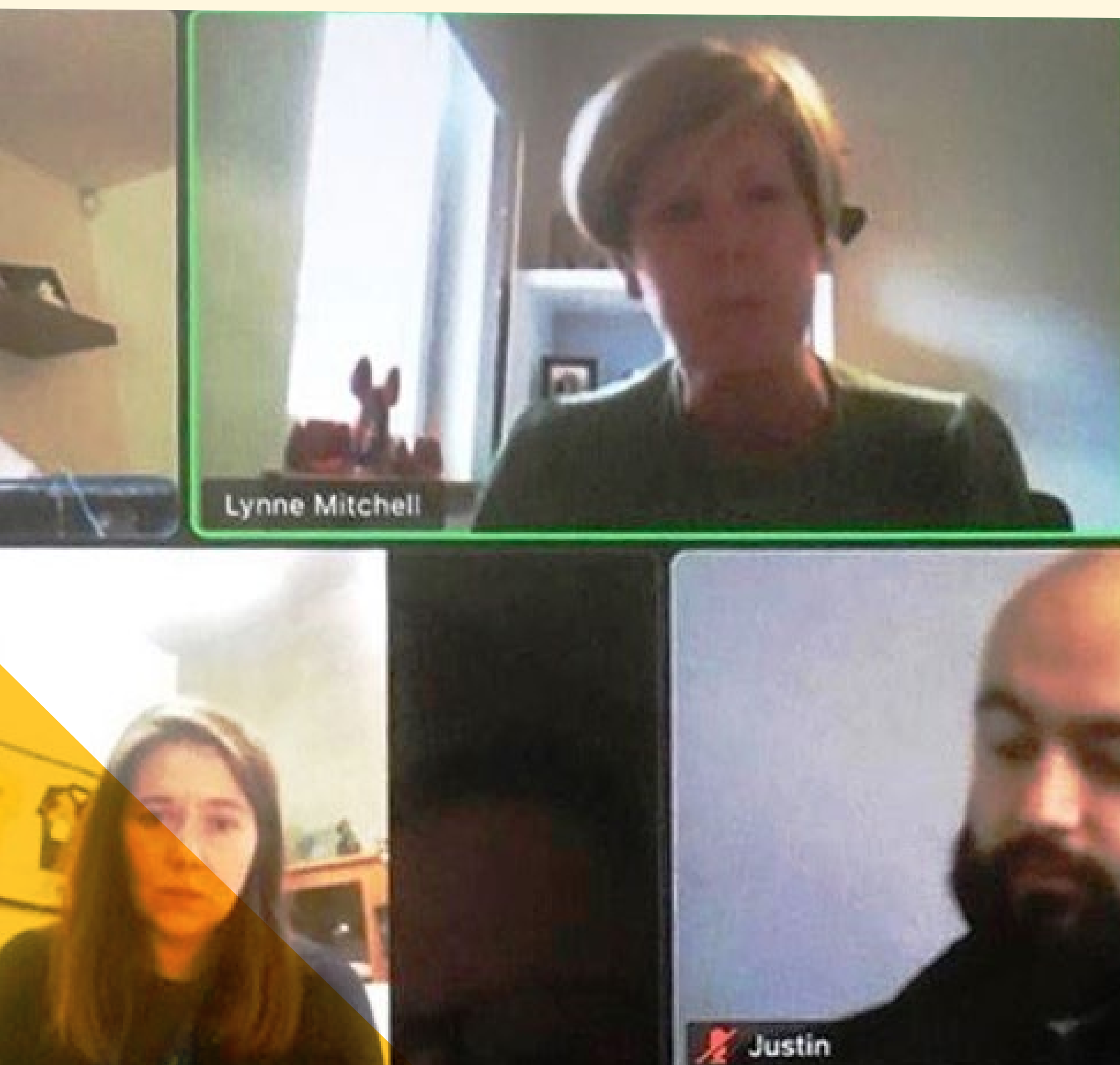
*‘Wheatley’s board takes group-wide responsibility, looking at the financial health of the organisation as a whole. That includes governance, risk, compliance, financial health and funding arrangements for the whole group. The subsidiaries are about that front-facing part of the organisation – the customer – and seeing that all the subsidiary services are delivered for tenants. It has worked exceptionally well over the years.’*

Maureen Dowden, chair of Dumfries & Galloway Housing Partnership and Wheatley Group board member

Wheatley entered the pandemic having of necessity cancelled its March and April board meeting cycles. The Scottish Housing Regulator was quick to see that board decision-making could not continue as normal.

But the need to make decisions, and be accountable for them, was urgent. ‘Huge amounts of money needed to be moved around very quickly into areas we’d never have contemplated two years ago,’ says Wheatley Group board chair Alastair MacNish.

But how to meet? First came the conference call. ‘That was a laugh!’ recalls Bernadette Hewitt, tenant chair of GHA’s board and a group board member. ‘You can’t see anyone so there’s no signal. You don’t know when to speak. We were grateful but it was terrible.’



Though at first resisted, fearing board members might lack the technology or willingness to download apps, the move to Teams and Zoom followed rapidly. ‘It was a bit hand-knitted at the start but we had brilliant training and it allowed us to carry on all that important business,’ Bernadette Hewitt says.

‘There’s been an efficiency from Teams and Zoom,’ says board member Jo Armstrong, who in September will take over as chair from Alastair MacNish. ‘We’re much more focused and much more respectful of not butting in, but you don’t get to read the room.’

The board also agreed to a division of board roles, with a whittled down board with a narrower set of skills relevant to the lockdown operation deciding essential matters.

The same papers would go to their fellow board members for discussion at a separate meeting. Alastair MacNish would chair both meetings, and both would be attended by the executive team. Sixteen months of pandemic later, it was only ever intended as a temporary fix.

The new model has proved functional. And it was backed up by a comprehensive plan for communicating. ‘This was identified as a main focus very quickly by Martin and the executive team,’ says Bernadette Hewitt. ‘What’s the message and how will people who need to know the message hear it?’

‘I think we’ve kept our boards up to speed with very good, very regular communication through the chief executive and the executive team and that has paid off dividends because we’ve had very, very good support back from them,’ says Tom Barclay. ‘It’s also been very difficult for them, making sure we do the right things at the right time.’

‘From the start Martin has been sending out a weekly board update and, separately, a weekly staff update so staff and board members at every level know what the issues are and what is being done with them,’ Alastair MacNish says.

Also put on ice were plans to recruit replacement members to boards where members were due to stand down, most having served their maximum nine-years of service. Continuity, members agreed, was instead more important.

Of Wheatley Group’s board, Alastair MacNish says he has not one criticism. ‘They have been way ahead of what I would expect and have given their commitment at the drop of a hat.’

He has high praise in particular for subsidiary group chairs. ‘Bernadette has been sensational and the changes at Dumfries & Galloway have been unbelievable.’

‘We have strong chairs at subsidiary level,’ agrees Jo Armstrong. ‘They make sure they’re doing the best for their tenants but equally they understand it’s a group decision-making process so ultimately the group decides.’

She has no plans to alter the current structure. ‘It’s an evolving process so will probably continue to evolve,’ Jo Armstrong says. ‘But when we started off with subsidiaries it was clear there had to be a dividing line between what the group decides and subsidiaries decide.’

‘We have individual business plans for each subsidiary, we monitor against that at subsidiary level and decisions made at group level are first taken up at subsidiary board level. That gives a clear understanding that our subsidiaries, the tenants and the people we care for have a serious input and a real voice in what’s happening.’

The system, she says, offers a mix of insight and oversight. ‘The way the executive team manages that process is a really strong way of us having that local connection while also having scrutiny at group level.’

‘My input during the pandemic has been far greater than at any time in the past five years,’ says Alastair MacNish. ‘I speak to Martin by phone every working day and have met by Zoom every week for the past year, just to go over things with him checking that I am happy with them.’

‘He has never made a decision without clearing it with me,’ Alastair MacNish adds, ‘though he knows far better than me what would be good and what bad.’

Jo takes over the Wheatley Group chair in September 2021. ‘I take over from Alastair, which means big shoes to fill, both metaphorically and physically,’ says Jo Armstrong. ‘I will be aiming to build on what he has done and use his approach to help the new Wheatley strategy.’

‘I have no doubt behind the scenes things have been hard. Alastair and Martin have had difficult decisions to make but reinforcing each other to do the right thing has been fundamental to taking Wheatley through the pandemic.’

‘In Martin we have someone who is driven by the ethos of helping tenants. What he has delivered, considering the state of the organisation when he took over, is amazing. He will be hard to replace.’

‘My priority as chair will be building on its success and that is down to its chief executive and executive team giving staff the power and drive to do the right thing.’

## Customer voice

Tenants have long influenced Wheatley's work. Bernadette Hewitt has chaired the board of GHA, Scotland's largest housing association, since 2016 but is also vice chair of City Building and sits on committees overseeing other areas of Wheatley's operation including audit.

'The core values are very simple but keep us grounded, on track and authentic,' Bernadette Hewitt says. 'There's a singular focus on customers and I've always been struck by the pace, the speed at which things are tackled and delivered. It is super impressive and super important. I love it.'

She enjoys the strategic aspect of being on the board. 'I try to reflect what it is to be a customer and bring that to discussions at the top table and to decision-making, to make sure they get the bigger picture.'

Collectively she says Wheatley represents a phenomenal group of people: 'The staff, the board members and those who dwell in their houses – that's a great untapped resource.'

Loretto tenant board member Allan McGinness is one of many whose involvement at board level was a progression via the tenant scrutiny panel. He returned to Glasgow to be closer to his elderly mother some years back after a career in finance that took him as far afield as Singapore, Europe, the USA and Dublin and now also chairs a local charity.

'I was first involved in the scrutiny panel but was invited to join Loretto's board,' says Allan McGinness. 'I've always felt I could ask senior management anything and they'd reply. I've never found them not willing to answer questions and Martin is very approachable. He's solid, a good leader.'

Allan McGinness was also one of the panel that presented Wheatley's case to the Dumfries & Galloway HP panel that saw DGHP join the group even as the pandemic began to unfold.

'That was an amazing experience. Myself and other tenant board members from other subsidiary boards doing something together at a strategic level for the group.'

'The attraction of Wheatley for DGHP and, indeed back in the day Loretto,' he says, 'was you have all this infrastructure that very quickly you can tap into but there is also this absolute commitment to the brand and the moral ethos.'

In West Lothian joining the board of Dunedin Canmore followed an earlier role on the complaints panel for Jane Menzies. A tenant of seven years, she is now retired.

'The service tenants get from Canmore is way above what most other social landlords get but, during lockdown, well I'm friends with some on the board and we kept in touch. So it was like, "What's it like over there?" to see if you've got the same, not issues but silly things like the stairs,' Jane Menzies says.

'Obviously they weren't getting cleaned because of the pandemic but that really riled people. I actually said to my housing officer I'll clean them myself but was told someone might slip after I washed the floor.'

Her Livingston home is a little removed from Dunedin Canmore's core Edinburgh stock but that, she adds, had benefits. 'There were no empty shelves in the local wee shops. The only difference at first really was you looked out the window and there were no people, no traffic.'

Factored owner Douglas Wilson has been a member of the scrutiny panel for 11 years. He lives with his mother in a flat they bought under right to buy from Glasgow City Council and pay Lowther to handle repairs and shared services.

‘They take the burden off us. I’ve always felt secure and safe with a factor like Lowther.’ Douglas Wilson has also been deeply touched by the help given him and his very ill mother in lockdown. ‘I didn’t want to ask for help but when I did it was there – no questions asked.’

He brings to his role on the panel a long-held belief in the value of social housing. ‘We look at particular aspects of the work like repairs, estate management and antisocial behaviour. We’ve had a lot of training and support and we are valued and listened to.’

Antisocial behaviour reports did rise during the pandemic, in part due to fewer staff being out and about. ‘We had a few calls from customers clyping on neighbours for breaking Covid rules in the first lockdown,’ says Hazel Young, ‘and complaints about antisocial behaviour went up but people were at home a lot more than they’d normally be. It made them much more stressed.’

‘There were times when there was antisocial behaviour, addiction problems or young people thinking I’ll have a few friends around,’ Douglas Wilson says. ‘But overall the housing officers were there, with police back up, to say, “You really need to consider everyone in your building.”’

‘Our tenants will continue to have a strong voice at the centre of whatever we do,’ says Jo Armstrong. ‘We’re here to make sure our tenants are looked after when they need looking after, that they are facilitated when they are more able to look after themselves and they have a home that is affordable but fit for purpose in this world.’

‘Affordability remains absolutely crucial in all we do and making sure the services we offer are what tenants want. We need to communicate with our tenants and listen to them. We must give them what they want in a way that makes our business plan affordable and keeps our funders content with us.’

‘We have a tried and tested process,’ she adds. ‘We build on it, we do not revolutionise it but we do not stand still. Opportunities will arise, as will problems so we will need the right staff to cope and our tenants will continue to need to have a strong voice at the centre.’





*'We've had the ability to flex between remobilisation and demobilisation based on pockets of rising infection rates. We're encouraging our people to be more visible in communities, out and about more often so customers may see housing officers on their doorstep but not in their home unless the circumstances warrant.'*

Jehan Weerasinghe, managing director of GHA

By mid-July 2021 the promise of a return to 'freedom' was gaining traction. All the Covid safety measures of the past 16 months would be lifted, Westminster promised.

Scotland has been a little less gung-ho, bruised by soaring infection rates, driven by the Delta variant. On 2 July, Covid infections were confirmed in close to 2,000 of the football fans who two weeks earlier had travelled mask-free by coach and train to cheer on the Scottish team's Euro2020 match against England at Wembley Stadium.

A count by Wheatley Group that same day showed of all infections over the past 16 months rates had been highest in staff working in the neighbourhood environmental teams, with 56 cases over 16 months. Wheatley Care staff followed at 52, and there had been 41 cases in the more back office functions of Wheatley Solutions.

Infection rates are rising again, health and safety lead John Crooks says, but 80% are now in people aged 44 or younger, and most are male. 'Those that were in the highest risk group have probably had their two vaccinations now.'

GMB branch secretary Mick Keeney says he's not surprised by the overall figures. 'We're dealing with the public after all.' He cautions against linking cases to exposure at work. 'I could phone up and say I caught Covid at GHA but how can you prove it? A lot of my men have second jobs and some are out and about at the weekend.'

John Crooks fell ill after catching it from a family member. The same even befell Wheatley Group chief executive Martin Armstrong. John Crooks says he had one week he would rather not remember but Armstrong was fortunate in avoiding serious illness.

Unison branch secretary Paul Stuart says, with mock outrage, that having avoided the virus right through all the earlier lockdowns he caught it at the gym in May 2021. A little regretfully, he concedes he'd been a bit blasé.

Gillian McLaughlin, wellbeing lead in People Services, said she had been ultra cautious. 'I'd had the first vaccination, but started to feel unwell a few days after I'd been out. No one else around me tested positive.'

Scotland's Covid rates have continued to rise, with the Office for National Statistics estimating 117,300 people infected in the week ending 3 September alone. It was, said ONS, the highest of the UK nations and the most ever recorded.

'The number of people who've come to me in the last four weeks and said, 'I was at a family funeral and I've got Covid,' Gillian McLaughlin says. 'Or they've been to a wedding. And you think that'll be you and every other guest who was there.'

Hope that the vaccination programme will help Scotland's people evade the worst persists, though the percentage of adults given both jags in Glasgow and Edinburgh, the two most densely populated cities, was by late July well below 70%. Hospital admissions have also risen again, as have deaths in younger groups.

Wheatley has declined to insist staff be vaccinated, though refusals are low in number and the reasons mainly religion or wanting to get pregnant. 'We've only really tracked it in care, where it matters,' says Olga Clayton. Some of those staff, she adds, have been shifted to new roles.

'Some of our outreach services have moved to a blended model using more digital interaction as well. Customers liked it so we're keeping it. I think we will still be wearing PPE for some time and safe working will be in place,' Olga Clayton says. 'It will also be interesting if customers start to ask if our staff are vaccinated.'

GHA tenant board member Robert Keir says he and his other retired mates will probably err on the side of caution. 'We're trying to pluck up the courage to go to the pub.' In the meantime they're sticking with Zoom. 'We all used to go to the pub on a Friday night. My brother set us up on Zoom so we sit in our homes with a glass at our side and shout at each other.'

'None of us have liked living under restrictions,' says Dunedin Canmore tenant board member Jane Menzies. 'But you do it not just to keep yourself safe but everybody else safe. You've got to remember, what if it was my brother or sister who was immuno-compromised?'

Loretto tenant board member Alan McGinness, who is immuno-compromised, says of his neighbourhood: 'There is a real nervousness around lifting restrictions but I can detect a real desire to take back some of the more social aspects.' Housing officers he adds, 'need to have early doors some form of visibility'.

His chief dread, though, is Wheatley holding AGMs via Zoom. 'Having organised my own organisation's AGM that way, it really doesn't work. You can't see people's reactions and faces like you can in real life.'

'Listening to me droning on for 20 minutes was hellish for me so imagine how it was for everyone else? If it hadn't been for the charity requirements I would have waited.'

Covid has not departed, points out DGHP tenant board member John McCraw from his home in Dumfries. 'The workmen can now come into our homes more easily but it's got to work both ways. Do what you promised but do it safely.'





*Going into lockdown Wheatley suspended some services, rapidly reworked others and fast-forwarded operations long in the planning. Long-missed services are now catching up but the pandemic has done much to change attitudes to technology.*

‘Right through the pandemic we have tried new things. We have said ‘yes’ rather than ‘can we?’,’ says incoming chair Jo Armstrong. ‘We have delivered and delivered well because our street credibility in helping those in need is paramount and our finances are strong. It’s what we do.’

‘Our staff have gone far beyond what might have been expected. They have a passion for the organisation and they have a passion for their tenants, the people they care for and those they facilitate in the private rented sector. I think we’ve done well.’

‘Just before the pandemic we were looking at many new things and digital was always in our strategy,’ says Lowther Homes Managing Director Heather Voisey. ‘But now we’ve got acceptance where before there was resistance. It’s not just Lowther – the whole group is moving in that direction.’

Wheatley says its business plan has always been driven getting the right model for customer service and keeping costs down. Bringing in new staff with fresh ideas and experience, it says, has always worked well and will continue.

‘We’re a big outcomes-focused business,’ Tom Barclay says. ‘We start from a focus on the business outcome then work back. That tells you the destination we want to get to and whether it’s fast change or a bigger strategic change.’

Lockdown he says forced them to change at speed and on a scale it would never in normal circumstances have tried. ‘If before the pandemic we’d seen what we were going to have to do in a couple of months we’d have gone, “My god!” but we were in the heat of it,’ Tom Barclay says ‘It was about intervening for people who were terribly vulnerable. That was right at the heart of it.’

‘We’re now in a period of adjustment, looking back on how we coped through the pandemic and what was effective,’ says Lynsey Fotheringham. ‘Covid did give us the freedom to find different ways of working to make things better for our customers and staff. If something didn’t work we changed it but we couldn’t go back to the old way.’

The new working model will be hybrid working, with home-based staff meeting colleagues weekly for collaboration and training in one of Wheatley’s new hubs. Use of digital technology and in-house expertise and technical support will expand massively. ‘We doubled our IT budget when we took it to the board in February,’ finance group director Steven Henderson says. ‘It’s here to stay.’

One of the biggest work streams for IT, he says, is ITHome, making sure all staff have the kit to work well wherever they are. Without it we will lose staff goodwill.’ For customers without the technology or the ability or inclination to use it, he adds: ‘We’ll always keep in person, we’ll always keep phones and we’re expanding our call centre.’

### **Hybrid working**

Wheatley’s future operating model will see staff working from home or out and about in their neighbourhoods for most of the working week, visiting hub offices as and when needed or for creative, collaborative meetings with colleagues and training.

### **The package will come with perks and benefits fine-tuned during the pandemic:**

- flexible home-working, so staff can plan their day around children, dependent relatives and other domestic responsibilities
- in-house IT expertise given by phone or video-conferencing
- realigning housing officer patches so they work closer to home, cutting journey times and Wheatley’s carbon footprint
- an annual payment for furniture and other items needed for a home workstation
- a monthly payment to cover bills pushed up by more intensive use of the home
- bespoke e-learning and health and safety advice and support.

*‘People will come together for collaboration only, for meetings and innovation. We recognise that it is a giant experiment. Nobody knows where this is going to go and we have to be careful of some of the things we might be losing and some of the challenges that come from it as well.’*

Olga Clayton

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*‘We’ve told them this is not our operating model. It is lockdown and there are things that will change and things we’ve learnt that we can take through to the new world. There will be time in the hubs for colleague collaboration and it is down to people like myself to engender team spirit in that environment once it is safe to do so.’*

Jehan Weerasinghe, GHA managing director

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*‘We have effectively accelerated our use of digital solutions and communications by three years. We have also discovered how we could accommodate a hybrid way of working. Both will have to be monitored, tested and amended but that is part and parcel of our ‘think yes’ approach.’*

Jo Armstrong, incoming chair

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*‘The Loretto team are really excited about it because they can really see the benefits of homeworking. They’ll be able to get out into their communities, have a place where they can come together as a team but also have the flexibility of working from home. Our office was in Glasgow but most of our properties are outwith the city. Not having that long commute into Glasgow is probably the biggest benefit.’*

Laura Henderson, Loretto managing director

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*‘I’ve got the smallest team of all the Wheatley subsidiaries and we are very sociable in work and outside. We really missed ribbing each other but we had online morning meetings three times a week so we could catch up with all the banter. Some staff would even set up Zoom or Teams for no reason other than to have someone working alongside you – just the normal things you miss about the office, like bouncing ideas off each other.’*

Lynsey Fotheringham, head of housing,  
West Lothian Housing Partnership

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## Wheatley hubs

Before lockdown Wheatley had 25 Glasgow offices. ‘Most were tiny with little footfall,’ Steven Henderson says. ‘We had long planned three offices in Glasgow supporting agile working. In our minds it was probably going to happen in the mid-2020s. But why go back to offices for two years then return to home-working?’

In Dumfries Wheatley inherited offices in a location near impossible for customers to reach and with a floor layout it says actively hindered collaborative working. That office has been disposed of and a new one in the centre of Dumfries is being transformed into a modern workhub.

Wheatley House in central Glasgow is likewise being extensively remodelled and will remain the group’s flagship. Two other offices in the city and another in Edinburgh will be rebuilt along the lines of the Dumfries hub.

### The Wheatley hubs will feature:

- collaborative spaces for creative and innovative thinking
- meeting and training rooms for staff and tenants
- booths for housing officers to meet in privacy with customers for any reason, from explaining how to use an app to discussing a tenancy or support matter
- an IT support and repairs service modelled on Apple bars.



## Rethinking services

### In-house IT expertise

In-house expertise is being substantially increased, with staff recruitment already underway. Half of the team will give support and advice on technical matters to home-based staff via phone or video-conferencing. A core element will be developing sophisticated new applications to enhance Wheatley's housing, care and repairs services.

### Remodelled, IT-enhanced repairs service

The new repairs service launched in Dumfries & Galloway is to be the model for repairs services across the group. City Building, Wheatley's joint venture with Glasgow City Council, runs the Dumfries & Galloway service under a new contract. All services will be further enhanced by apps developed in-house. One being planned will track in real time the location of the tradesperson coming to do repairs.

### Resolution hub

Wheatley has long had a 24-hour, seven-day-a-week call centre. The resolution hub will take this one giant step further, by taking on staff with highly specialist skills using sophisticated data information systems.

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*'The focus will be resolving problems. If you call us at 3am our ambition is you will get your answer. Part of that is making sure you have the right expertise, not generic call-handling skills.'*

Tom Barclay

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### Virtual lettings model

Lowther Homes staff are fine-tuning plans for a new service that will let them show properties for middle or full market rent to prospective

customers without the need for an escort from Lowther. The advantages include Covid-safety, better time management and less car travel.

*'Getting instant feedback from our customers has long been part of our strategy and it will now happen, but at an accelerated pace. The tenant part of my client base is much more tuned into digital but I have older factored owners who want more digital services too. The pandemic forced so many older customers to do more things on line so it has allowed us to do things like this at a faster pace.'*

Heather Voisey, Lowther Homes  
Managing Director

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### Making data management intuitive

Building on work done by the universal credit team, data-based and information systems will be made simpler to use, more intuitive and better presented. Performance data will be available at the touch of a button and easy to use and understand. Spreadsheets will be relegated to the back seat.

*'Under lockdown we have of necessity had a much greater focus on information technology and digital access. It has really made us sharpen up how we think about data and information management. We've made good progress much faster than we would have done otherwise.'*

Steven Henderson, group finance director  
**Wraparound services**



Wheatley has a menu of service options to help make each tenancy a success. The menu changes regularly, with some options replaced and others refined. The starting point is the factors that lead to people ending a tenancy. A new area of work will use predictive analytics to try to anticipate what forms of support, help and guidance someone may need before they take on a Wheatley tenancy.

### **Focused skills training for frontline staff**

Wheatley housing officers are expected to think on their feet, deciding what they feel is best for each customer. Recent training reflected the substantial rise in customers housed after being street homeless. It explained the damage caused by trauma and first childhood experience, how to communicate sensitively and the principles of evidence-informed practice.

### **An app for care leavers**

Work is in progress on a new app for young people called *The virtual home through care*. The app is a game designed to give a better understanding of what it is like to be a tenant, supporting them through potential pitfalls.

### **New model homes**

Even pre-pandemic Wheatley was working on a new model smart home – Wheatley 2024. Many of the features proposed will stay: independent living in older age, energy efficiency, and smart technology. The challenge will be trying to accommodate likely changes to the way people now use their homes, notably home-working and, if future outbreaks of Covid or new viruses demand, home-schooling.

*‘New housing models had been on our agenda for quite some time pre-pandemic. Ideally you wouldn’t want people living in high-rise but in Glasgow we’re pretty landlocked, despite being agile when land becomes available. We’ve looked at tenure types, to make communities are blended and not ghettos. We’ve demolished a lot and invested in low rise but the truth is you can’t build as many houses. Over the stresses and strains of the pandemic antisocial behaviour in high rise was noticeable. Tempers fray, people unravel – you can’t get away from it. If you have no environment conducive to learning, how does that work? If governments really want to do the best for future generations, if you don’t get the housing part right I don’t think you can genuinely talk about attainment and achievement.’*

Bernadette Hewitt, tenant chair of GHA and Wheatley Group board member



*'We kept new housing supply coming, we kept compliance going, we kept a massive focus on health and safety and we did the humanitarian thing. I'd like to find another organisation that has hit so many touch points during a crisis.'*

Tom Barclay, group director of property and development

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*'By far the worst has been people suffering or struggling with bereavement, not just related to Covid. And the isolation - we are social animals. My much happier memory is of our team Zoom meetings. The way we've been able to work together visually has been such a good thing and their team spirit is absolutely going to be my abiding memory. I'm not usually one for corporate videos but the one our communications team made has really captured how we've felt.'*

Hazel Young, managing director of Dunedin Canmore

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*'Getting the money from the Scottish government was quite a milestone but it was a collective effort. What I'll remember most is calls I made in the early days, to people who had nothing. Being able to say I can fix this for you, and getting someone to them within the hour. In those early days people were hopeless, they were hungry. They had nowhere to turn and we really saved lives. I am so proud to work for an organisation that was able to do that for so many vulnerable customers.'*

Lorraine McLaren, director of Wheatley Foundation

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*'I think considering how quickly the government changed the rules and regulations, Dunedin Canmore absolutely stepped right up there, quickly changing things to adhere to the new guidelines for tenants and staff and making sure you had what you needed.'*

Jane Menzies, tenant board member at Dunedin Canmore

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*‘My team were outstanding. The pandemic was difficult for everyone but we rallied and kept each other’s spirits up and it kept us together as a team. But what I’ll remember most was the response from right across the Wheatley Group to the floods in the Broxburn last August and our ability to step in quickly to help customers who had to leave their homes. It wasn’t just my team but staff from Dunedin Canmore, from customer services in Glasgow, the Wheatley Foundation and more. They helped in so many practical ways, from booking hotel rooms to taking sodden belongings to the dump. Our customers weren’t just coping with the pandemic they had a devastating disaster as well.’*

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Lynsey Fotheringham, head of housing,  
West Lothian Housing Partnership

*‘I remember how intense it was at the beginning, just working out what was needed then getting it done and even just making sure we remobilised when the Scottish government’s route map changed our way of working. But the biggest thing for me was what we were able to do for our customers.’*

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Laura Henderson, managing director of Loretto  
(now managing Wheatley 360)

*‘Through very terrible times there was a can-do attitude. I would say to everyone in Wheatley Group, thank you very much. You really did do great work. The majority of tenants in my area knew where the help was coming from and were really grateful. Wheatley staff had a very very difficult time but went, not the extra mile, but the extra 100 miles.’*

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Douglas Wilson, Lowther factored owner  
and scrutiny panel chair

*‘I don’t think any of us could foresee how devastating it was going to be. We know some providers just downed tools, not very many because the sector is pretty special in my opinion but some couldn’t get their workforce mobilised because people were terrified. We heard from staff who friends or family working in other care services that they were being sent out without the right PPE especially in the first four months. We never had an issue with PPE and the standards were over and above what we asked for. It meant staff could do their job but we were also able to make sure they were fed properly, took time out when needed. But people needed our support and Wheatley Care’s 796 social care workers did an absolutely phenomenal job. Phenomenal.’*

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Laura Pluck, managing director of  
Wheatley Care

*'I've heard cries, and from myself included, for Wheatley to provide free or low cost broadband going forward, and that's a must-have across the group. I know how much I'm paying and what my mum's paying and we can afford it there are people who can't afford £40 or £50 a month. It's got to be a basic utility, like water and electricity and if Wheatley continues its massive drive to get more things done on-line, they have to provide the tools.*

Allan McGinness, tenant board member at Loretto

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*'I was very glad they didn't flap. It was, "Let's get ready for this." instead of going into a tailspin. And what I loved? Our NETs staff on duty right from the very first day. They weren't cutting the grass or washing the close steps but delivering enormous numbers of food parcels right across the country.'*

Bernadette Hewitt, GHA chair and Wheatley Group board member

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*The pandemic brought people right across Wheatley much closer. There was a strong spirit of mucking in together.*

Steven Henderson, group finance director

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## Afterwords

***Alastair MacNish, chair of the board***

I will leave Wheatley Group this year proud of what has been achieved over the past decade and particularly the way the group came together so superbly well in its response to a pandemic that shook the world.

Nobody knew Covid would wreak such havoc, have such devastating consequences and last so long. It is to the eternal credit of staff and board members, several of whom agreed to stay on an additional year as a result of the pandemic, that Wheatley customers and communities have been so comprehensively and consistently supported.

At a sector level too, as integral members of Scottish Government's Housing Resilience Group, Wheatley made its presence count, using its size, scale and determination to act swiftly and efficiently, to such positive effect.

It is remarkable how well the group retained its shape in the most daunting of circumstances. What was evident from the beginning was that strong, decisive and proactive leadership was needed to confront the challenges presented by Covid. I am pleased to report that Martin Armstrong, his executive and leadership teams rose to that challenge and went above and beyond to support and protect the physical and mental wellbeing and safety of customers and frontline, support and furloughed staff alike.

As we look to the future, I have no doubt Wheatley and all its component parts will go on being the tremendous force for good it has shown to be since it came into being. Scotland and the social housing, care and property management sectors will continue to be much better for its presence and outstanding efforts on behalf of the quarter of a million people plus it works for across Scotland.

Our new five-year strategy sets a whole series of ambitious targets and objectives, from being carbon neutral by 2026 to making a huge contribution to Scottish Government's plans to build the affordable homes so badly needed in all parts of the country. The dedication and incredible outcomes delivered by the group over the past year and a half give me complete confidence Wheatley will again rise to all of the many the challenges it faces.

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Alastair MacNish joined the board of the Wheatley Group board in 2012, shortly after standing down as chairman of the Accounts Commission and Audit Scotland. He was appointed Wheatley Group board chair in 2015. His service as a board member was extended by one year in 2020 in response to the pandemic.



# Afterwords

**Martin Armstrong, Wheatley  
chief executive**

Team Wheatley's response to and performance through the pandemic has been truly inspirational. Also inspiring has been the support, oversight and guidance provided by board members and all other parts of group governance.

In crisis, an organisation's true colours are there for all to see. The way in which Wheatley reacted to the most difficult of circumstances has been quite exceptional. From the outset, we came together to protect colleagues, the people we work for and the business itself – and stayed together, despite all of the enormous challenges posed by Covid. I firmly believe we are emerging stronger and even more resilient.

As everyone knows and accepts, nothing stands still at Wheatley and that ingrained agility and adaptability have served us well over the past year and a half. Covid has put us to the test as never before, and continues to do so. We have not been found wanting.

The Wheatley way is to trust staff – frontline, support and management – to do the right thing, knowing change is the only constant on our 'Journey to Excellence', and beyond. Instinctively, when the crisis struck we recognised action – not fine words and good intentions – was needed, and needed urgently.

Thousands of households in Wheatley communities, some facing adversity for the first time, became vulnerable overnight – through illness, isolation and anxiety, reduced finances or no money at all, without support or food. Our response was instantaneous in the face of government guidance and instructions that closed housing offices, depots and some care facilities. A new service model with a restricted range of emergency and essential services was designed and launched within a couple of weeks.

This led to over 800 employees being equipped to work from home, supported by an IT team, with other colleagues working around the clock and hundreds more supplied with all the PPE necessary to continue working in our communities. A virtual call centre was created, with advisers at home – including a specialist team helping customers manage all impacts of the crisis – providing a 24/7 service.

Wheatley Foundation stepped up too, notably through its hugely-expanded EatWell service and emergency response fund. The former supported no fewer than 11,325 vulnerable households in the first 12 months, delivering more than 33,000 emergency food packages or supermarket vouchers. The latter provided essential household items to over 6,750 homes in need.

As Alastair MacNish said at the height of the pandemic: 'What should define us is not the pandemic, but how we responded to the extreme challenges it posed.' I couldn't agree more.

**2019****20 December**

Chinese Center for Disease Control and Prevention publishes article announcing discovery of ‘pneumonia of an unknown cause’.

**31 December**

China is now treating ‘dozens’.

**2020****2 January**

Confirmed that Chinese researchers have identified a new virus. Central hospital of Wuhan bans staff from talking about or using technology to record evidence.

**8 January**

China agrees to work with World Health Organization scientific team.

**11 January**

China reports ‘first’ known death.

**20 January**

Virus confirmed in cases in South Korea, Japan and Thailand.

**21 January**

First case in the US is a man in his 30s recently returned from Wuhan

**23 January**

Wuhan is isolated in China as 17 now dead. Taiwan is added to the list with known cases.

**24 Jan**

In Scotland five people are tested and an incident team set up. All test negative.

**30 January**

WHO declares global health emergency.

**First confirmed cases in UK diagnosed by Hull hospital.** One who returned from Hubei in China developed symptoms on 26 January. Her son had returned on 6 January. Both recover quickly and infection is contained.

**31 January**

First two cases identified in Italy. Globally 213 now known to have died and 9,800 infected.

**1 February**

First diagnosis in Spain’s Canary Islands.

**11 February**

Virus officially named Covid 19

**14 February**

France confirms its first death and Egypt its first case.

**21 February**

First cases are reported in Iran.

**22 February**

Covid is made a notifiable disease

**23 February**

Italy lockdowns part of north as cases rise to 150.

**24 February**

In Iran, 12 are known to have died and 61 infected.

**26 February**

Brazil confirms its first case is a traveller returned from Italy.



**26-27 Feb**

US delegate at a Nike conference in Edinburgh hotel tests positive on return to USA. Officials deny any onward transmission occurred.

**28 February**

First British death is a passenger on a cruise liner, one of two now badly hit by infections. UK confirms first known case where patient contracted Covid in-country. WHO world alert upgraded to highest level.

**1 March**

**First confirmed case of Covid of an adult male resident in Tayside, recently returned from northern Italy.**

**4 March**

Biggest one-day jump in cases across UK, up from 34 to 87. Two more cases in Scotland, one returned from Italy and second after contact with known carrier.

**5-6 March**

Scottish cases double to 11.

**9 March**

Scotland cases rise to 23, after 2101 tests.

**10 March**

UK deaths rise to 6.

**11 March**

First known case of community transmission in Scotland, not linked to travel or a confirmed case.

**13 March**

**First death in Scotland. Confirmed cases rise to 85.**

**16 March**

Prime minister holds first daily Covid briefing, recommending home-working and avoiding pubs and restaurants.

UK now has 55 dead and estimated 10,000 infected. NHS Scotland health boards report 171 cases.

**18 March**

Devolved governments in Scotland, Wales and Northern Ireland announce schools to close from Friday 20 March

**20 March**

Scotland closes cafes, pubs and restaurants. Chancellor announces furlough scheme, paying 80% of salary of workers at risk of being laid off.

**23 March**

**Westminster announces UK lockdown, with just one hour permitted exercise per day.**

Worldwide, 11,000 people are now known to have died, 14 in Scotland and 335 across UK. CMO Catherine Calderwood says: 'This is no longer a rehearsal for something that might happen.'

**25 March**

Scotgov sets up Covid-19 advisory group to supplement Sage.

**1 April**

Scotland's infection rate tops 2,000 and 76 have died in hospital.

**9 April**

Death rate in UK hits 938 in 24 hours.

**5 June**

Calderwood resigns after twice breaking lockdown rules travelling to second home in Fife.

**6 April**

Coronavirus (Scotland) Act 2020 introduced as an emergency bill on 31 March gets Royal Assent.

**20 April**

Scotland cases reach 8,400 with 915 deaths in hospitals.

**25 April**

Cases of Covid in Scotland pass 10,000.

**28 April**

Sturgeon advises voluntary use of non-medical cloth face masks in shops and public transport, but not elsewhere.

**1 May**

More than 11,500 cases now diagnosed in Scotland. In hospitals 1,515 have died. Goal of carrying out 3,500 tests daily is reached and new target set of 80,00 by mid-May

**9 May**

Scottish Ambulance Service reports that of 242 call-outs, 157 are taken to hospital with suspected Covid.

**10 May**

Westminster government raises possibility of lockdown lifting. Scottish government takes more cautious approach but loosens one-hour/once a day rule on outdoor exercise, but still with social distancing.

**11 May**

England lifts lockdown. Devolved governments stick with it.

**18 May**

Anosmia is added to list of Covid symptoms. Anyone in Scotland aged five or over with symptoms can now get tested.

**21 May**

Scottish government publishes its roadmap out of lockdown.

**28 May**

First easing of lockdown in Scotland. People can meet outside socially distanced in groups of up to eight.

**19 June**

Bubbles announced in Scotland: single people can now meet another household indoors, without social distancing. Face coverings made mandatory on public transport and travelling further than five miles from home for exercise is banned.

**29 June**

Indoor workplaces reopen, street-access shops and outdoor markets, outdoor sports and playgrounds, zoos and parks. People are allowed to move house. Social distancing is still in place.

**3 July**

Five-mile rule lifted and some holiday homes allowed. Visits to care homes of one key visitor are permitted but outdoors and at a 2m distance. Social distancing is dropped for under 12s.

**6 July**

Beer gardens and outdoor cafes reopen.

**10 July**

Face coverings in Scottish shops are made compulsory. Air travel reopens. Outdoor meeting rules are further relaxed.

**11 August**

Scottish pupils returning to school not made to wear masks or socially distance. Teachers must if close to others and they are expected to socially distance.

**31 August**

Guidance changes so school pupils must wear masks in corridors, canteens and shared areas.

**1 September**

Restrictions reimposed on Glasgow, East Renfrewshire, West Dunbartonshire as infections rise.

**11 Sept**

NHS Protect Scotland launches app for iOS and Android enabling contact tracing.

**22 September**

First minister warns new restrictions to start on 25 September.

**23 September**

New cases rise to 486 in 24 hours, the highest daily total ever. Glasgow University puts 600 students in isolation after 124 test positive, warning actual cases will be higher.

**1 October**

MP Margaret Ferrier is suspended after travelling symptomatic from Scotland to Westminster while waiting for test results. After test proves positive returns home by train.

**5 October**

Scotland reports another 697 positive cases, with hospitals treating 218 as in-patients and 22 in intensive care. First minister raises prospect of two-week circuit breaker.

**2 November**

New five-level tier system introduced with different restrictions across Scotland. Senior school pupils told to wear face masks in classrooms and shared areas in level 3/4 areas.

**9 November**

Pfizer and BioNTech announce new vaccine is proven 90% effective against Covid-19.

**19 November**

Jeanne Freeman announces vaccine programme, with frontline health and social care staff first, followed by older care home residents, care home staff, people aged 80 plus and unpaid carers and personal assistants plus vaccinators.

**20 November**

Eleven Scottish councils move up to level 4 and non-essential cross-border travel is banned.

**24 November**

Four nations declare coordinated Christmas plan. Three households can meet indoors, at a place of worship or outdoors over 23 to 27 Dec.

**19 December**

Spread of new Kent variant sees plan cancelled. Already 17 cases of new strain have been detected in Scotland. First minister bans travel outwith Scotland except on Xmas Day

**26 December**

Level four restrictions imposed across Scotland and school reopenings are delayed to 11 January.

**2021****5 January**

Return to lockdown. Travellers to Scotland must self isolate for 10 days.

**10 February**

Press reports that 1 million Scots have now had at least one jab.

**24 June**

After steady rise in case numbers over May, most new infections reported to be males aged 15 to 44, with 21918 diagnosed in June to date. Figure for women is 426. The May ration was 50:50.

**11 July**

Scottish health minister announces Scotland is 'past the worst'.

source: British Foreign Policy Group, The Scotsman, The Herald, BBC, Scottish Financial Review, Public Health Scotland dashboard

## 10 facts about Wheatley during the pandemic

- We delivered 33,000 food parcels or supermarket vouchers to 11,325 households, from Dumfries to Fife
- 6,751 customers got a one-off essential purchase like a fridge or mobile phone
- 77 bursaries of up to £1,500 went to Wheatley customers at college or university
- Wheatley provided a home for 2,500 people who were homeless
- Wheatley's welfare benefits advisers helped customers claim more than £9m in benefits and tax credits
- Advice to customers from Wheatley fuel advisers together saved them £1m on gas and electricity bills
- We sent close to 5,800 books to 619 children under five through our partnership with the Dolly Parton Imagination Library
- Almost 15,800 supermarket vouchers worth £30 were sent to 8,260 households with children in the run-up to Christmas
- 1,690 people got advice on their finances through My Great Start
- Our Home Comforts service gave 440 households free upcycled furniture and white goods.

## 10 facts about Wheatley Group

- Wheatley Group's mission is to make homes and lives better for customers
- Wheatley owns or manages more than 94,600 homes
- Wheatley Group provides homes and services to over 210,000 people in 19 local authority areas across Scotland
- Wheatley Group was the UK's biggest builder of social homes for four consecutive years (*Inside Housing*, July 2017 to July 2020)
- GHA is the biggest social landlord in Scotland, with 43,000 affordable homes in Glasgow
- Wheatley has around 2,700 staff working across central and southern Scotland
- Since 2015, Wheatley has built more than 4,300 homes, with another 5,500 to be built by 2026
- In one decade, Wheatley's social landlords, with their partners, have created more than 11,000 jobs and 2,000 training places
- Wheatley is one of only of six organisations globally to hold the European Foundation for Quality Management (EFQM) 7-Star status award
- GHA's transformation of social housing in Glasgow has boosted the Scottish economy by £2 billion and supported thousands of jobs.

Our sincere thanks to all those whose generous donations, cash or in-kind, helped fund our work to help vulnerable people in Scotland during the pandemic.

Ofgem Redress fund (Covid-19)	Fuel poverty	£900,000**
Scottish Federation of Housing Associations fuel top-ups	Fuel poverty	£500,000*
Scottish Government Food Fund (Covid-19)	Eatwell	£350,000
Scottish Government Wellbeing Fund (Covid-19)	Emergency response fund	£330,000
Scottish Government strategic agreement	MyGreatStart/Wheatley Works	£250,000*
Glasgow City Council COVID fuel top-ups	Fuel poverty	£160,000*
Barclays (COVID 19)	Emergency response fund	£100,000
Dunedin Canmore Foundation (Covid-19)	Emergency response fund	£56,000**
Dumfries & Galloway Council (Covid-19)	Fuel poverty	£45,000
Covid-19 donations	Eatwell	£34,775
Community Recovery Fund	Homelessness	£23,062
Contractors' Christmas donations	Emergency response fund	£12,715
Morrisons Foundation (Covid-19)	Emergency response fund	£10,000
Lintel Trust	Emergency response fund	£10,000
Foundation Scotland (Covid-19)	Emergency response fund	£9,800
Cash for Kids (Covid-19)	Emergency response fund	£735
Groundwork UK -Tesco bags (Covid-19)	Eatwell	£500
Braehead Foods, Kilmarnock	loan of two refrigerated trucks for EatWell project	
	** 2019/2022	* 2021/22



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## Report

**To:** DGHP Board

**By:** Anthony Allison, Director of Governance

**Approved by:** Martin Armstrong, Group Chief Executive

**Subject:** 2021 Group Annual Assurance Statement

**Date of Meeting:** 10 November 2021

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### 1. Purpose

1.1 To update the Board on the Annual Assurance Statement to the Scottish Housing Regulator.

### 2. Authorising and strategic context

2.1 Under the Group Standing Orders, the Group Board is responsible for agreeing the overall governance Framework for the Group. This is reflected in the requirement for the Annual Assurance Statement (“AAS”) to be submitted to the Scottish Housing Regulator (“SHR”) at Group level. As such, the statement is reserved to the Group Board for approval.

2.2 The Group Board approved the statement for submission at its meeting on 27 October 2021.

### 3. Risk appetite and assessment

3.1 Our agreed risk appetite for governance is “cautious”. This level of risk tolerance is defined as a “preference for safe delivery options that have a low degree of inherent risk and have only limited potential for reward”. This reflects our risk appetite in relation to laws and regulation, which is “averse”, with the avoidance of risk and uncertainty is a key organisational objective and a priority for tight management controls and oversight.

3.2 Our strategic risk register contains the risk *“The governance structure is not clearly defined, is overly complex and lacks appropriate skills at Board and Committee levels to govern the Group effectively. Failure of corporate governance arrangements could lead to serious service and financial failures”*.

3.3 We mitigate this risk through having clearly defined roles and responsibilities across our governance framework and regularly updating the Board on governance related matters.

3.4 Our Internal Audit team, working with independent experts, have undertaken a review of our AAS self-assessment. This includes reviewing the evidence which supported the self - assessment.



## 4. Background

- 4.1 Each year we are required to review and provide a statement about our compliance with the SHR's regulatory standards and requirements of its Regulatory Framework ("the Framework").

## 5. Customer engagement

- 5.1 As a corporate governance related matter, there has been no direct engagement with customers.

## 6. Discussion

### Annual Assurance Statement

- 6.1 As with the previous year's Statement, it covers all RSLs in the Group. It is for the Group Board to determine how to conduct the assurance exercise, but it should enable us to reach an objective and evidence based judgement on compliance, with sufficient evidence, information and independent assurance where necessary.

### Self-Assessment

- 6.2 We undertook a self-assessment of our compliance against the regulatory standards and the requirements set out in the Framework. As part of this process, we develop an evidence base to support the determinations within the self-assessment. In order to provide an additional layer of assurance for the Board, the self-assessment and supporting evidence was subject to an independent review by our Internal Audit Team.
- 6.3 The SHR requires the statement to be short and succinct, either confirming compliance or otherwise. For this year's statement, the SHR also requires RSLs to provide a specific update on Equality and Human Rights to include an assurance that RSLs "*have appropriate plans to implement an effective approach to the collection of equalities information and that they have started to consider how they can adopt a human rights approach in their work*".
- 6.4 The SHR's guidance also explains that it requires areas from improvement to be recorded in the statement, but only where these are of such materiality and significance that we are unable to say confidently that we are complying with a particular requirement. It is for the Group Board to determine whether, under the circumstances, any non-compliance is sufficient to be considered 'material'. In assessing materiality, we have based this on 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.

- 6.5 A copy of the self -assessment and details of the evidence supporting the assessment is attached at Appendix 1.
- 6.6 Following the review, there are no areas of material non-compliance that require to be disclosed in the statement. Internal Audit have also provided assurance that, based on their review of the evidence, they are satisfied there are no areas of material non-compliance.

#### Equalities and Human Rights

- 6.7 The Scottish Federation of Housing Associations published “Collecting Equality Information: National Guidance for Scottish Social Landlords” on 19 August 2021. This was much later than initially planned due to the pandemic.
- 6.8 Prior to this being published, the SHR wrote to all RSLs in June 21 acknowledging this delay and that for RSLs *“it will take time for landlords to consider the guidance when it is published and what changes they may need to make to their approach”*.
- 6.9 Rather than wait for the guidance, we adopted a proactive approach. This included commissioning an Internal Audit advisory review to consider our approach and plans in relation to Equalities and Human Rights. As part of this process we agreed a plan for our approach and associated timescales, which were reviewed by the Group Audit Committee.
- 6.10 To date we have introduced a new Equalities Impact Assessment process and guidance, rolled out Equality, Diversity and Inclusion staff training and reviewed a number of our people related policies. We also plan to bring a refreshed Equality and Human Rights policy to the Board in the first half of the 2022 calendar year and have included Equality and Diversity in our 2022 Board CPD schedule.
- 6.11 We are progressing with the agreed plan, including incorporating the SFHA guidance. In addition to this, as part of the strategic governance review we commissioned Campbell Tickell, working with Internal Audit, to consider our approach and identify good practice which can support our approach. We intend to draw on this good practice as we implement our plan.

#### Social Housing Charter

- 6.12 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 Statement requires us to also include a statement of compliance with the Charter. A copy of the outcomes is attached at Appendix 2.
- 6.13 The SHR sets a wide range of specific performance measures RSLs must collect as part of compliance with the standards in the charter. The measures form what we report to the SHR each year as part of the Annual Return on the Charter.

- 6.14 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. It is not a requirement to conduct this survey annually therefore our approach for this year does not impact our compliance.
- 6.15 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. On issue which remains is DGHP's Scottish Housing Quality Standard ("SHQS") and Energy Efficiency Standard for Social Housing ("EESH") compliance levels.
- 6.16 As noted in last year's statement, the stock numbers not fully compliant represent less than 2.5% of our overall stock. As such, it was agreed this was not 'material'. The pandemic severely impacted our programme in DGHP and full compliance is now expected to be achieved by June 2022.

All relevant legislative duties.

- 6.17 This requirement of the statement is, by its nature, very wide ranging. Our approach to compliance in this area is a combination of the legal framework for our activities and our internal policies, which give substance to the respective laws and regulations. Policies are reviewed by expert internal staff and, where appropriate, by external advisors. We also routinely engage external expertise in complex, non-core areas such as fundraising and FCA related activity.
- 6.18 In order to monitor compliance, we operate a 4 Lines of Defence Model that provides assurance to senior management and Board members about the operation of internal controls in place to confirm the Group's meeting legal obligations.
- 6.19 Beyond our core 4 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.
- 6.20 We have not had any instances where a judgement has gone against the Group that we materially not meeting legislative duties.

2021 Assurance Statement

- 6.21 Based on the above, the Group Board agreed the following Statement:

*The Group Board considered evidence at its meeting on 27 October 2021 and confirmed we have appropriate assurance that all Registered Social Landlords which are part of Wheatley Housing Group Limited (being Wheatley Housing Group, GHA, Dunedin Canmore Housing, Dumfries and Galloway Housing Partnership, Loretto Housing Association, West Lothian Housing Partnership and Cube Housing Association) materially comply with:*

- *all relevant regulatory requirements set out in Chapter 3 of the Regulatory Framework;*
- *all relevant standards in the Scottish Social Housing Charter; and*
- *taking into account the guidance and restrictions relating to the Covid 19 pandemic over the course of the reporting period, all relevant legislative duties.*

*The Group Board confirms that we have appropriate plans to implement an effective approach to the collection of equalities information and human rights.*

## **7. Digital transformation alignment**

7.1 There were no digital transformation alignment implications as part of this report.

## **8. Value for money implications**

8.1 There are no direct value for money implications arising from this report.

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

9.1 The report independently confirms that we have strong governance arrangements and provides evidence to support our compliance with the SHR regulatory framework.

9.2 Our Assurance Statement has been independently reviewed by our Internal Audit team and is supported by detailed evidence of our compliance.

## **10. Equalities implications**

10.1 There are no equalities implications arising from this report.

## **11. Environmental and sustainability implications**

11.1 As set in the report, given the significance of this area it is intended this is reflected in our governance arrangements in future. This includes dedicated focus via the Wheatley Solutions Board coupled with a themed Board meeting during 2022.

## **12. Recommendation**

12.1 The Board is asked to note the 2021 Group Annual Assurance Statement.

### **List of Appendices**

Appendix 1 - Assurance self-assessment

Appendix 2 - Social Housing Charter outcomes

Appendix 1

Requirements for RSLs	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
<b>Assurance &amp; Notification</b>			
Prepare an Annual Assurance Statement in accordance with our published guidance, submit it to us between April and the end of October each year, and make it available to tenants and other service users.	This year's statement takes into account the SHR's Regulatory Framework and associated guidance in relation to the preparation of Annual Assurance Statements. This includes the additional statement required in relation to equalities and human rights. Details are both are clearly set out for the Board in the report seeking approval.	Our existing Assurance statement is published and available to all tenants and other service users via our own and the SHR's website.	Compliant
Notify SHR during the year of any material changes to the assurance in its Assurance Statement.	There were no material changes to the previous statement during the year	Not applicable	Not applicable
Have assurance and evidence that it is meeting all of its legal obligations associated with housing and homelessness services, equality and human rights, and tenant and resident safety.	<p>In practical terms the Group operates a 4 Lines of Defence model that provides assurance to senior management and Board members about the operation of internal controls in place to confirm the Group's meeting legal obligations in these areas. This includes an IA function that delivers risk-based audits that test operation of Line 1 and Line 2 controls in specific areas.</p> <p>In these particular areas where there is defined legislation, we have Group wide policies which codify how we will meet our legislative requirements. Policies are reviewed by expert internal staff and, where appropriate, by external advisors.</p> <p>The Group employs sufficiently qualified individuals to effect the policies, including legal, health and safety and housing.</p> <p>Legal implications set out in all Board reports to ensure any obligations are identified - supported by a team of in house solicitors and external legal advisors.</p> <p>This area has remained under review during the pandemic to take account prevailing legislative requirements and guidance from the UK and/or Scottish Government. All Boards have been provided ongoing updates on these matters.</p> <p>Our Equality, Diversity and Human Rights policy and our Group Equality Impact Assessment (EIA) template ensures that we meet our legal obligations in this area, as does online training modules for staff. We have introduced a new approach to EIAs to ensure we comprehensively assess the potential impact of relevant policies/strategies/projects on the protected characteristic groups in an evidence based manner. Our Group approach to Equality, Diversity and Inclusion was recently reviewed by our Internal Audit team to assess preparations for compliance with the SHR requirements in this area. From this review, areas of good practice were identified and recommendations agreed as a pathway to meeting this requirement, which will be monitored via the Group Audit Committee. Our plans will incorporate, where appropriate, the 'Collecting Equality Information: National Guidance for Scottish Social Landlords' published by the SFHA in mid August.</p>	<p><b>Group policies and associated documents</b></p> <ul style="list-style-type: none"> <li>- Group Board approved Health and Safety Policy detailing legal requirements</li> <li>- Group Policy Framework on Advice and Letting</li> <li>- Group Fire Mitigation Framework</li> <li>- Group Anti Social Behaviour Framework (reviewed in 2021)</li> <li>- Group Homelessness Policy (Reviewed in December 2020)</li> <li>- Group Equality, Diversity and Human Rights Policy</li> </ul> <p><b>Board reporting</b></p> <ul style="list-style-type: none"> <li>- Group Health and Safety policy Board report, followed by update reports and specific reports relating to the pandemic</li> <li>- Board and Group Audit Committee update reports on Fire Safety</li> <li>- Board updates during the pandemic on compliance related activity</li> <li>- Board updates during pandemic on service levels and remobilisation relative to the then prevailing pandemic related legislation and/or restrictions</li> <li>- Risk appetite and analysis sections in Board reports</li> <li>- Strategic risk registers</li> <li>- Equality Implications sections in Board reports (and full EIA carried out if deemed required)</li> </ul> <p><b>Independent assurance</b></p> <ul style="list-style-type: none"> <li>- Internal Audit activity</li> </ul> <p><b>External assurance</b></p> <ul style="list-style-type: none"> <li>- engagement of independent experts on asbestos</li> </ul>	Compliant
Notify SHR of any tenant and resident safety matters which have been reported to, or are being investigated by the Health and Safety Executive, or reports from regulatory or statutory authorities, or insurance providers, relating to safety concerns.	These circumstances have not arisen in year.		Not applicable
Make its Engagement Plan easily available and accessible to its tenants and service users, including online.	Scottish Housing Regulator Engagement Plans are available on each RSL website.	The plan can be accessed via individual RSL websites in the 'about us' and 'get involved' sections.	Compliant
Register all requirements for providing data to us with the Information Commissioner's Office as a purpose for which they are acquiring data under the Data Protection Act 2018.	<p>Privacy Impact Statements confirm the purposes for which we hold and use data, including for regulatory requirements.</p> <p>All RSLs are registered with ICO.</p>	ICO registration is verifiable via its website.	Compliant
<b>Scottish Social Housing Charter Performance</b>			
Submit an Annual Return on the Charter to us each year in accordance with our published guidance.	The Annual Return requires to be submitted via the SHR Portal. The ARC return is reviewed and agreed by relevant Boards and reviewed internally against the SHR technical guidance.	The SHR Portal documents receipt of our ARC return and the SHR also publishes our Charter return on their website.	Compliant

<p>Involve tenants, and where relevant other service users, in the preparation and scrutiny of performance information. It must:</p> <ul style="list-style-type: none"> <li>- agree its approach with tenants</li> <li>- ensure that it is effective and meaningful – that the chosen approach gives tenants a real and demonstrable say in the assessment of performance</li> <li>- publicise the approach to tenants</li> <li>- ensure that it can be verified and be able to show that the agreed approach to involving tenants has happened</li> <li>- involve other service users in an appropriate way, having asked and had regard to their needs and wishes.</li> </ul>	<p>At the most senior level, we have tenants on our Boards.</p> <p>The ongoing level of involvement of our Local Committees, Registered Tenant Organisations, and Communities of Interest has been impacted for part of the year by the pandemic, however the approach itself is established and embedded.</p> <p>We engage with our Tenant Scrutiny Panel on a bi-monthly basis. The Panel was recently involved in the preparation of our Annual Report to Tenants, provided their comments in consultation regarding the Charter 5-year review and provided valuable feedback as we developed our new draft Customer Value performance measures.</p> <p>We have also begun implementation of our new engagement framework which further involves our customers in the scrutiny of our performance and in our decision-making to ensure our services are co-created to truly reflect their needs. This is being enabled through the recruitment of our new Stronger Voices team. Importantly, we are consulting all tenants on our proposed engagement approach.</p>	<p>Governance Framework</p> <ul style="list-style-type: none"> <li>- RSL constitutions reserving Board places to tenant members</li> <li>- Tenant Scrutiny Panel Terms of Reference</li> </ul> <p>Board/Committee/Forum discussions and reporting</p> <ul style="list-style-type: none"> <li>- Group Scrutiny Panel meeting agendas</li> </ul> <p>External</p> <ul style="list-style-type: none"> <li>- Quality Scotland external independent support provided to Group Scrutiny Panel</li> </ul> <p>Other</p> <ul style="list-style-type: none"> <li>- RSL websites publicly set out the report</li> <li>- Stronger Voices, Stronger Communities - Group Engagement Framework</li> </ul>	<p><b>Compliant</b></p>
<p>Report its performance in achieving or progressing towards the Charter outcomes and standards to its tenants and other service users (no later than October each year). It must agree the format of performance reporting with tenants, ensuring that it is accessible for tenants and other service users, with plain and jargon-free language.</p>	<p>We publish an annual report to tenants, the format of which has been agreed by Boards and the Group Scrutiny Panel. This year's report was issued in line with the SHR Regulatory Framework.</p>	<p>Prior year published Annual Report to Tenants in October 2020.</p>	<p><b>Compliant</b></p>
<p>When reporting its performance to tenants and other service users it must:</p> <ul style="list-style-type: none"> <li>- provide them with an assessment of performance in delivering each of the Charter outcomes and standards which are relevant to the landlord</li> <li>- include relevant comparisons – these should include comparisons with previous years, with other landlords and with national performance</li> <li>- set out how and when the landlord intends to address areas for improvement</li> <li>- give tenants and other service users a way to feed back their views on the style and form of the reporting.</li> </ul>	<p>Included in the last Annual Report to Tenants and will be incorporated in this year's, due by the end of October. The relevant comparisons will be dependent on the availability of ARC performance data for the sector.</p>	<p>Annual Report to Tenants issued in December 2020.</p>	<p><b>Compliant</b></p>
<p>Make the SHR report on performance easily available to its tenants, including online.</p>	<p>This is published via our website</p>	<p>Performance published on RSL websites (Home/About us/How we do business/Performance)</p>	<p><b>Compliant</b></p>
<p><b>Whistleblowing</b></p>			
<p>Have effective arrangements and a policy for whistleblowing by staff and governing body/elected members which it makes easily available and which it promotes.</p>	<p>We have a Group Whistleblowing policy in place. The policy is easily available to all staff on our intranet. The review of the policy is reserved to the Group Audit Committee.</p>	<p>Governance Framework</p> <p>Group Whistleblowing Policy</p> <p>Committee reporting</p> <p>Audit Committee report and minute of discussion and approval of whistleblowing policy</p>	<p><b>Compliant</b></p>
<p><b>Tenants and service users redress</b></p>			
<p>Make information on reporting significant performance failures, including our leaflet, available to its tenants.</p>	<p>We have a link to the significant performance failure SHR leaflet available on all RSL websites (contact us/complaints and compliments)</p> <p>The SHR leaflet also available in Local Housing Offices as part of the core leaflet suite</p>	<p>RSL Websites (Contact us/complaints and compliments)</p> <p>Complaints handling procedure on websites (publication scheme)</p> <p>RSL Social Media (Contact us)</p> <p>RSL Complaints Leaflets (make reference to significant performance failures)</p>	<p><b>Compliant</b></p>
<p>Provide tenants and other service users with the information they need to exercise their right to complain and seek redress, and respond to tenants within the timescales outlined in its service standards, in accordance with guidance from the Scottish Public Services Ombudsman (SPSO).</p>	<p>The Group Complaints Policy is based on and complies with SPSO guidance. All Boards are made aware that SPSO guidance applies to the complaints handling.</p> <p>Our complaints procedure is set out on RSL websites, our complaints leaflet is available in Local Housing Offices as part of the suite of core leaflets</p>	<p>Group Complaints Policy Board report and record of Board approval</p> <p>Complaints Leaflets</p> <p>RSL Websites (Contact us/complaints and compliments)</p>	<p><b>Compliant</b></p>

<p>Ensure it has effective arrangements to learn from complaints and from other tenant and service user feedback, in accordance with SPSO guidance.</p>	<p>Our complaints policy builds in requirement to review and Boards routinely updated on this. Boards received bi-annual updates on complaints and what lessons we are learning from them. This performance data and analysis is also published on the website.</p> <p>There is a lessons learned field within ASTRA which should be completed to record lessons learned for every complaint received. New complaints reports will capture lessons learned and allow for further analysis of lessons learned including the information recorded by staff within Astra.</p> <p>The standard Board bi-annual report has been delayed post pandemic as business has focussed on more essential activity however complaints performance has remained under review.</p>	<p>Policy</p> <ul style="list-style-type: none"> <li>- Group Complaints policy</li> </ul> <p>Reporting and monitoring</p> <ul style="list-style-type: none"> <li>- Board performance reports which include measure on complaints handling</li> </ul> <p>Public reporting</p> <ul style="list-style-type: none"> <li>- Complaints data published on RSL Websites - link on performance page to published board reports containing performance information</li> </ul> <p>Other</p> <ul style="list-style-type: none"> <li>- ASTRA</li> </ul>	<b>Compliant</b>
<b>Equality and Human Rights</b>			
<p>Have assurance and evidence that it considers equality and human rights issues properly when making all of its decisions, in the design and review of internal and external policies, and in its day-to-day service delivery.</p>	<p>The SHR has worked with representative bodies, the Equalities and Human Rights Commission, and Scottish Human Rights Commission ("SHRC") to develop a 'guidance framework' for the collection of equality data. The impact of the pandemic led to this guidance being delayed and as was only published on 19 August 2021. We are integrating the recently published guidance with the existing plans already reflected in the recent Internal Audit advisory review.</p> <p>In advance of the guidance, we have already taken a number of steps to strengthen our approach and the implementation of our Equality, Diversity and Human Rights policy. This included engaging external expertise via IoD Scotland to support the robust implementation of this policy.</p> <p>We have taken steps to strengthen our organisational approach towards equality, diversity and inclusion, including a communications campaign to raise staff awareness and highly publicised staff training. We have also implemented a more comprehensive, robust Group-wide approach towards Equality Impact Assessments to ensure we thoroughly consider the impact of our decisions, policies and service on the protected characteristic groups and remain compliant with equalities legislation.</p>	<p>Policy</p> <ul style="list-style-type: none"> <li>- Group Equality, Diversity and Human Rights Policy</li> <li>- Review of all HR policies by Burness-Paul to ensure inclusive content and language</li> </ul> <p>Reporting and monitoring</p> <ul style="list-style-type: none"> <li>- Internal Audit Advisory review of equalities and human rights</li> <li>- Equalities Implications section included in Board reports (And EIA carried out if deemed required, for example the Group Homelessness policy)</li> </ul> <p>Other</p> <ul style="list-style-type: none"> <li>- Comprehensive Equality Impact Assessments, accompanied by training and guidance</li> <li>- Staff Training- Equality, Diversity and Inclusion</li> <li>- Awareness raising through blogs and videos on intranet</li> <li>- Number of Equality, Diversity and Inclusion internal initiatives by People Services Team</li> <li>- Equality, Diversity and Inclusion/EIA training included in our Board CPD Programme, to be delivered by external expert</li> </ul>	<b>Compliant</b>
<p>To comply with these duties, landlords must collect data relating to each of the protected characteristics for their existing tenants, new tenants, people on waiting lists, governing body members and staff. Local authorities must also collect data on protected characteristics for people who apply to them as homeless. Landlords who provide Gypsy/Traveller sites must collect data on protected characteristics for these service users.</p>	<p>Equalities is an area our Boards have indicated a desire for increased visibility. To reflect this it a topic included in our Board CPD Programme for 2022, which was developed based on feedback from Board members across the group.</p> <p>Our People Services Team have progressed with a number of Equality, Diversity and Inclusion initiatives including an external review of all HR policies to ensure these are inclusive in language and content.</p> <p>In addition to this, an Internal Audit Advisory review considered our wider organisational approach to equalities and human rights. This review was an opportunity to consider our plans and preparation, with added value input from Internal Audit.</p>		
<b>Requirements for RSLs Only</b>			
<b>Each RSL Must:</b>			
<p>Comply with the Standards of Governance and Financial Management and associated statutory guidance.</p>	<p>See commentary and evidence provided for each of the seven standards of governance and financial management.</p>		
<p>Comply with, and submit information to us in accordance with, our guidance on:</p> <ul style="list-style-type: none"> <li>- notifiable events</li> <li>- group structures</li> <li>- consulting tenants where tenant consent is required</li> <li>- financial viability of RSLs: information requirements</li> <li>- determination of accounting requirements</li> <li>- preparation of financial statements.</li> </ul>	<p>See commentary and evidence provided for each of the seven standards of governance and financial management.</p>	<p>Landlord Portal</p>	
<p>Keep up to date organisational details in the Register of Social Landlords, by maintaining the information provided through the Landlord Portal.</p>	<p>Organisational details up-to-date and regularly maintained via the SHR Landlord Portal</p> <p>All updates are monitored by Company Secretary and control checks are in place, specifically the portal is reviewed and updated monthly and after every Board cycle</p>	<p>Landlord Portal SHR Website</p>	<b>Compliant</b>



<p>Make publicly available, including online, up to date details of:</p> <ul style="list-style-type: none"> <li>- who is on its governing body</li> <li>- the date when they first became a member/office holder</li> <li>- how to become a member of the RSL and of the governing body, and</li> <li>- minutes of governing body meetings.</li> </ul>	<p>About us section of RSL websites includes information about who is on the governing body and the date they first became an office holder.</p> <p>The 'getting involved' section of each RSL website sets out how to become a member of the RSL (where applicable).</p> <p>The Associations are required to send intimation of the intended date of the Annual General Meeting and information on the nomination procedure for Board Members to all our Members not less than 28 days before the Annual General Meeting.</p>	<p>RSL websites - 'about us' and 'get involved' sections.</p> <p>Published membership policy via website</p> <p>Published minutes via website</p>	<p><b>Compliant</b></p>
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Appendix 2

Regulatory Standards of Governance and Financial Management	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
<b>Standard 1</b> The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.			
1.1 The governing body sets the RSL's strategic direction. It agrees and oversees the organisation's business plan to achieve its purpose and intended outcomes for its tenants and other service users.	<p>The Group Standing Orders formally define the Board's role in this regard, with the approval of the strategy (strategic direction) and business plan reserved to Boards for approval.</p> <p>The business plan is always considered within the context of outcomes it contributes to achieving for tenants and its implementation is overseen by the budget and finance reports monitored thereafter.</p> <p>We have also additionally reflected on our 5 year strategy since the onset of the pandemic over the course of a number of Board workshops, where the impact on tenants has been at the forefront. Following the review and agreement by the Group Board, we have subsequently begun implementation of the revised 5 year strategy, Your Home, Your Community, Your Future.</p>	<p>Governance Framework</p> <ul style="list-style-type: none"> <li>- Group Standing Orders</li> <li>- Governing Body Members Handbook</li> </ul> <p>Board discussions and reporting</p> <ul style="list-style-type: none"> <li>- Board strategy workshop materials</li> <li>- Board reports on strategy development process and associated minutes</li> <li>- Board report on business plan and associated minuted confirming Board approval</li> <li>- Board reports detailing implications for financial projections during pandemic</li> </ul> <p>External validation/corroboration</p> <ul style="list-style-type: none"> <li>- Campbell Tickell 2018 governance review findings</li> <li>- Campbell Tickell 2021 governance review</li> <li>- Campbell Tickell 2021 Pandemic Response review</li> </ul>	<b>Compliant</b>
1.2 The RSL's governance policies and arrangements set out the respective roles, responsibilities and accountabilities of governing body members and senior officers, and the governing body exercises overall responsibility and control of the strategic leadership of the RSL.	<p>The Group Standing Orders detail respective roles and responsibilities of the Group and subsidiary Boards in the Group Authorising Framework (GAF) and the Group Authorise, Manage, Monitor Matrix (GAMM) as well as detailing the Scheme of Financial Delegation and delegations to Group CEO.</p> <p>Board member roles and responsibilities are set out in the Standing Orders and the Governing Body Member Handbook.</p>	<p>Governance Framework</p> <ul style="list-style-type: none"> <li>- Group Standing Orders</li> <li>- Governing Body Members Handbook</li> </ul> <p>External validation</p> <ul style="list-style-type: none"> <li>- Campbell Tickell governance review</li> <li>- IIP Accreditation</li> <li>- Campbell Tickell 2021 governance review</li> <li>- Campbell Tickell 2021 Pandemic Response review</li> </ul>	<b>Compliant</b>
1.3 The governing body ensures the RSL complies with its constitution and its legal obligations. Its constitution adheres to these Standards and the constitutional requirements set out below.	<p>The RSLs are appropriately constituted and the Group Standing Orders set out effective decision making processes.</p> <p>Board minutes and reports will provide details of how constitutional compliance is ensured where applicable.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- Individual entity constitutions</li> <li>- Group Standing Orders</li> <li>- Board report template</li> </ul> <p><b>External validation</b></p> <ul style="list-style-type: none"> <li>- External legal advisor engagement in the process of drafting and revising constitutions</li> </ul>	<b>Compliant</b>
1.4 All governing body members accept collective responsibility for their decisions.	<p>This is enshrined in the Code of Conduct as a requirement and re-emphasised in the governing body member handbook. No governing body members have breached the code of conduct in this regard, as such no action has been taken.</p>	<p>No issues raised or identified during the year of a Board member not accepting collective responsibility</p> <p>Board appraisal forms and interviews - issue not raised</p> <p>Signed Codes of Conduct</p>	<b>Compliant</b>
1.5 All governing body members and senior officers understand their respective roles, and working relationships are constructive, professional and effective.	<p>The respective roles are set out in the Group Standing Orders and reinforced by the Governing Body Members Handbook which sets out roles clearly and is explicit about the distinction between the role of management and the role of the Board.</p> <p>A comprehensive induction programme is in place, with discussion about the role of the Board and Management.</p> <p>This area is also explored and tested as part of the annual appraisal process.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- Recruitment and Selection Process and Induction Programme</li> <li>- Group Standing Orders</li> <li>- Governing Body Members Handbook</li> <li>- Governing Board Members Appraisal Policy</li> </ul> <p><b>External Validation</b></p> <ul style="list-style-type: none"> <li>- Campbell Tickell interviews with Board members as part of previous governance review</li> <li>- IoD interviews as part of Board effectiveness</li> </ul>	<b>Compliant</b>
1.6 Each governing body member always acts in the best interests of the RSL and its tenants and service users, and does not place any personal or other interest ahead of their primary duty to the RSL.	<p>The Standing Orders set out clearly the relationship between the parent Board and subsidiaries and the division of responsibilities.</p> <p>All Board Members are required to sign the Code of Conduct and complete a Governing Body Member Declaration of Interests form which covers this and the organisation maintains a register of interests. There is a standing Board meeting agenda item regarding declaration of interests.</p> <p>Board appraisal has a specific question regarding decision making being in the best interests and no issues have been identified regarding independence of decision making.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>Board Code of Conduct</li> <li>Group Standing Orders</li> <li>Arrangements in place in respect of conflicts and declarations of interest - standard Board agenda item and Register of Interests form</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>Annual Board appraisal - no issues raised by any Chair or Board member</li> </ul>	<b>Compliant</b>

<p>1.7 The RSL maintains its independence by conducting its affairs without control, undue reference to or influence by any other body (unless it is constituted as the subsidiary of another body).</p>	<p>The Group Standing Orders set out clearly the relationship between the parent Board and subsidiaries and the division of responsibilities. The composition of the Board is such that no other body exercises undue control or influence over the group and this is formally documented in Intra Group Agreements</p> <p>The requirement to act in the best interests of the group is reflected in the Group Code of Conduct. All Board Members complete a Governing Body Member Declaration which covers this and the organisation maintains a register of interests.</p>	<p><b>Governance Framework</b>  Group Code of Conduct  Register of Interests form  Group Standing Orders  Arrangements in place in respect of conflicts and declarations of interest  Intra Group Agreement</p> <p><b>External validation</b>  Independent legal advice for RSL subs on Intra Group Agreement with Parent and on relevant transactions eg MMR stock disposal and GHA/Lowther equity</p>	<p><b>Compliant</b></p>
<p><b>Standard 2</b>  The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.  <b>Guidance</b></p>			
<p>2.1 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.</p>	<p>Each RSL within the group has a website which includes an 'Access to Information' section and a Publication Scheme. This explains clearly and comprehensively what information is available (with links ) and how to obtain information which is not published, including fees applicable.</p> <p>Provided via a combination of:</p> <ul style="list-style-type: none"> <li>- Website</li> <li>- annual report to tenants</li> <li>- newsletters</li> <li>- consultations</li> </ul> <p>We ask tenants as part of our Tenant Satisfaction Survey what tenants think about being kept informed.</p>	<p>Publications  Subsidiary and group websites  Tenants newsletters (e.g. The Key)  Information on performance, future plans eg investment and satisfaction results published on websites  Annual Report to Tenants</p> <p>External validation  BMG Tenant Satisfaction survey</p>	<p><b>Compliant</b></p>
<p>2.2 The governing body recognises it is accountable to its tenants, and has a wider public accountability to the taxpayer as a recipient of public funds, and actively manages its accountabilities.</p>	<p>Governing Body Handbook recognise the Group's governing bodies' accountability to tenants and service users (section regarding the role of the Board).</p> <p>Each RSL subsidiary publishes an Annual Report to Tenants, setting out how it has performed.</p> <p>Our Publication Scheme ensures that we provide a significant amount of information , supporting accountability.</p>	<p><b>Governance Framework</b>  Governing Body Members Handbook  Annual Report to Tenants  Wheatley Group Annual Report and Financial Statements  Subsidiary and group websites (investor relations section of website gives information on use of funds, including public funds)  Group Code of Conduct  Group Engagement Framework</p>	<p><b>Compliant</b></p>
<p>2.3 The governing body is open and transparent about what it does, publishes information about its activities and, wherever possible, agrees to requests for information about the work of the governing body and the RSL.</p>	<p>We are committed to being transparent and open about the way we work, the services we provide and the decisions we make. One of the ways we do this is through our publications scheme under The Freedom of Information (Scotland) Act 2002.</p> <p>We are bound by the Environmental Information (Scotland) Regulations 2004 which gives the public the right to access environmental information we hold.</p>	<p><b>EVIDENCE:</b>  Provided via a combination of:</p> <ul style="list-style-type: none"> <li>- Website</li> <li>- Annual Report to Tenants</li> <li>- newsletters</li> </ul>	<p><b>Compliant</b></p>

<p>2.4 The RSL seeks out the needs, priorities, views and aspirations of tenants, service users and stakeholders. The governing body takes account of this information in its strategies, plans and decisions.</p>	<p>We are implementing our new 2021-2026 Group Strategy, as well as our 2021-2026 subsidiary strategies. These seek to give tenants more power and control to effect changes in the organisation directly, and have increased involvement in decision making.</p> <p>As part of our updated Performance Management Framework for our new strategy period, we engaged with our Tenant Scrutiny Panel to seek their feedback on our new Customer Value Measures. These views were then presented to the Board before the initial phase of measures were agreed.</p> <p>Our Engagement Framework incorporates a variety of ways customers are engaged across the group to shape what the group does. We do this via a combination of:</p> <ul style="list-style-type: none"> <li>- Stronger Voices team</li> <li>- community governance structures</li> <li>- locality planning</li> <li>- use of complaints</li> <li>- annual satisfaction surveys</li> <li>- consultations</li> <li>- tenant members on boards representing service user views</li> </ul> <p>Tenant board members bring customer insight to strategic decision making. The Locality Plans have been developed through engagement with customers and stakeholders.</p> <p>The Group operates customer segmentation to understand their customer base and shape services accordingly.</p>	<p>External validation</p> <ul style="list-style-type: none"> <li>- Staff satisfaction surveys and results</li> <li>- Meetings between senior management and stakeholders</li> <li>- Direct Board engagement with key stakeholders eg Housing Minister</li> <li>- BMG independently facilitated rent setting workshops for 2020/21 rent setting process</li> </ul> <p>Decision making</p> <ul style="list-style-type: none"> <li>- Annual Board strategy workshop briefing packs detailing background information</li> <li>- Board composition includes tenants - builds in feedback at decision making point</li> <li>- Board report on rent setting - documents extensive consultation feedback</li> </ul> <p>Board reporting and monitoring</p> <ul style="list-style-type: none"> <li>- ongoing Board reports on key areas of tenant feedback, including complaints</li> <li>-customer engagement section included in Board reports</li> </ul> <p>Engagement Framework</p> <ul style="list-style-type: none"> <li>- Locality plans, including the range of engagement and feedback events facilitated during the process</li> </ul>	<b>Compliant</b>
<p>2.5 The RSL is open, co-operative, and engages effectively with all its regulators and funders, notifying them of anything that may affect its ability to fulfil its obligations. It informs the Scottish Housing Regulator about any significant events such as a major issue, event or change as set out and required in notifiable events guidance.</p>	<p>We have high engagement and as such meet the SHR on a regular basis as well as having an ongoing line of communication. Regular meetings held with Funders. We notify SHR of 'Notifiable Events' in accordance with requirements of SHR Notifiable Events guidance.</p>	<p>SHR Quarterly Meeting agendas Funder meeting agendas Group Engagement Plan - published by WHG and SHR</p>	<b>Compliant</b>
<p><b>Standard 3</b> The RSL manages its resources to ensure its financial well-being while maintaining rents at a level that tenants can afford to pay.</p> <p><b>Guidance</b></p>			
<p>3.1 The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and control costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times.</p>	<p>The Standing Orders set out clear financial delegations and there is an appropriate Treasury Management Policy in place. The Treasury Management policy was reviewed and refined this year and financial information is regularly reported to the Board including compliance with golden rules and covenants.</p> <p>In addition to this we regularly report to Boards and have an extensive discussion each year on financial projections and treasury management, including liquidity. This has been heightened during the pandemic, with scenario testing on potential adverse Covid-19 impacts undertaken and reported to Boards.</p>	<p><b>External validation</b></p> <ul style="list-style-type: none"> <li>- Review by Rathbones of core business planning assumptions</li> <li>- Group Treasury Management Policy was reviewed by our external treasury advisors</li> <li>- External audit process</li> </ul> <p><b>Governance and Policy Framework</b></p> <ul style="list-style-type: none"> <li>- Treasury Management Policy</li> <li>- Group Value for Money framework</li> <li>- Group Whistleblowing Policy</li> <li>- Fraud, Corruption and Bribery Policy</li> <li>- Group Standing Orders including financial delegations</li> </ul> <p><b>Ongoing reporting</b></p> <ul style="list-style-type: none"> <li>- Quarterly treasury report to Group Board on funding requirements and liquidity</li> <li>- Covenant compliance</li> <li>- Internal Audit core programme of auditing key financial controls</li> <li>- Finance reports to Boards</li> </ul>	<b>Compliant</b>

<p>3.2 The governing body fully understands the implications of the treasury management strategy it adopts, ensures this is in the best interests of the RSL and that it understands the associated risks.</p>	<p>There is a suitable treasury management policy in place, which was reviewed by the Board during the last 6 months.</p> <p>The Board skills matrix is takes into account the need for membership to include Non-Executives with relevant skills and experience in this area.</p> <p>Boards routinely seek sufficient external independent guidance to ensure its decisions are in our best interest, with significant input from external legal advisors.</p>	<p><b>Board membership</b></p> <ul style="list-style-type: none"> <li>-The Board succession planning specifically seeks to ensure we have individuals with skills and experience in this area</li> </ul> <p><b>Policy Framework</b></p> <ul style="list-style-type: none"> <li>- Treasury Management Policy</li> <li>- Quarterly treasury update to Wheatley Group Board</li> </ul> <p><b>External validation</b></p> <ul style="list-style-type: none"> <li>-Treasury Management CPD Session (Rathbones) held on 31 October 2018 (slides from session)</li> <li>- Extensive external legal advice on any major funding transactions, specifically in relation to the risks</li> </ul>	<p><b>Compliant</b></p>
<p>3.3 The RSL has a robust business planning and control framework and effective systems to monitor and accurately report delivery of its plans. Risks to the delivery of financial plans are identified and managed effectively. The RSL considers sufficiently the financial implications of risks to the delivery of plans.</p>	<p>Business planning process takes into account a wide range of variables, which are reflected in Board reports eg sensitivity testing, assumptions. These were reviewed and tested during the pandemic to reflect the change in risk profile.</p> <p>Financial performance is reported to Board as a standing item detailing performance relative to business plans and budgets.</p> <p>Reports to the Board on financial projections as part of the business planning process set out comprehensive and clearly explained information including appropriate context, detailed financial projections and details of projected compliance with golden rules and covenants.</p> <p>Minutes demonstrate a good level of Board engagement with financial projection reporting. Regular reporting to Board provides clear information about financial performance across the group including all subsidiaries as well as performance against covenants and golden rules.</p>	<p><b>External validation</b></p> <ul style="list-style-type: none"> <li>- Independent Quality Review of Internal Audit by PwC</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Annual stress testing of business plan as part of Board approval process</li> <li>- Pandemic specific scenario testing on financial projections</li> <li>- Risk register considered by the Group Audit Committee at every meeting and by each Board periodically</li> <li>- Comprehensive review of risk register by Group Audit Committee and Group Board during pandemic - report and associated minutes</li> <li>- Board reports regarding Financial Performance</li> <li>- Treasury management reports</li> </ul>	<p><b>Compliant</b></p>
<p>3.4 The governing body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases.</p>	<p>Our assumptions are validated externally where appropriate and always subject to sensitivity analysis. As part of agreeing our financial projections each year the rent increase is subject to specific separate report which takes into account affordability for tenants.</p>	<p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Board reports regarding Financial Performance and Financial Projections</li> <li>- Report to Group Board on treasury update and policy</li> <li>- Financial performance report to Group Board and Subsidiary Board meeting</li> <li>- Minutes of Group and Subsidiary Board meetings</li> <li>- Risk Registers</li> <li>-Tenant rent setting consultation results</li> </ul>	<p><b>Compliant</b></p>
<p>3.5 The RSL monitors, reports on and complies with any covenants it has agreed with funders. The governing body assesses the risks of these not being complied with and takes appropriate action to mitigate and manage them.</p>	<p>We have an on-going process and report compliance as part of finance report to Group Board in addition to projected compliance being a consideration when assessing and agreeing our financial projections.</p>	<p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Financial performance and treasury reports to Group Board</li> <li>- Report to Boards on financial projections</li> </ul>	<p><b>Compliant</b></p>

<p>3.6 The governing body ensures that employee salaries, benefits and its pension offerings are at a level that is sufficient to ensure the appropriate quality of staff to run the organisation successfully, but which is affordable and not more than is necessary for this purpose.</p>	<p>All staff gradings are subject to an internal assessment using defined criteria by Employee Relations.</p> <p>The pension arrangements are routinely reviewed by the Board/RAAG and this included changes for auto enrolment to not offer SPF to all incoming employees. This was on the basis that it was not necessary to attract employees.</p> <p>Overall staffing costs and their impact are considered as part of the financial projections.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Confidential minute of RAAG report to Board on Chief Executive's remuneration</li> <li>- Financial projections</li> <li>- Dual pension arrangements in place for GHA</li> </ul>	<p><b>Compliant</b></p>
<p>3.7 The governing body ensures the RSL provides accurate and timely statutory and regulatory financial returns to the Scottish Housing Regulator. The governing body assures itself that it has evidence the data is accurate before signing it off.</p>	<p>All returns are submitted to the SHR. Where appropriate, Regulatory returns (such as 5 year financial projections, loan portfolio) are included on the agendas for all RSL Board meetings in May. The same is also true of the Annual Return on the Charter (also May.) Governing Body requires formal Board reports to be provided with clear recommendations about sign-off.</p>	<p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Board papers and agendas</li> </ul>	<p><b>Compliant</b></p>
<p><b>Standard 4</b> The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.</p> <p><b>Guidance</b></p>			
<p>4.1 The governing body ensures it receives good quality information and advice from staff and, where necessary, expert independent advisers, that is timely and appropriate to its strategic role and decisions. The governing body is able to evidence any of its decisions.</p>	<p>Board reports are structured in a Board approved standard format with specific headings to ensure appropriate information is contained in key areas such as finance, risk and legal/regulatory.</p> <p>Board feedback on reports is received during meetings as well as part of the annual Board appraisal.</p>	<p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- <b>Board reporting template</b></li> <li>- Board meeting papers</li> <li>- Board and Committee minutes</li> </ul> <p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders and Scheme of Delegation</li> </ul> <p><b>External Assurance</b></p> <ul style="list-style-type: none"> <li>- Campbell Tickell review of governance arrangements, including the quality of Board papers.</li> </ul>	<p><b>Compliant</b></p>
<p>4.2 The governing body challenges and holds the senior officer to account for their performance in achieving the RSL's purpose and objectives.</p>	<p>This is primarily discharged via Board meetings.</p>	<p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Board Reports and associated minutes</li> </ul>	<p><b>Compliant</b></p>
<p>4.3 The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigation, internal control and audit.</p>	<p>We have a clearly defined risk management framework. This is reviewed on an ongoing basis. Risk analysis is a specific element of all Board papers and therefore embedded in our decision making at Board level.</p> <p>Where there is a particular risk there is an enhanced level of Board reporting on specific risks as has been in place throughout the pandemic.</p>	<p><b>Group policies</b></p> <ul style="list-style-type: none"> <li>- Risk management policy</li> </ul> <p><b>Governance framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders and Audit Committee Terms of Reference</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Reports to Group Audit Committee and all RSL Boards</li> <li>- Minutes relative to the above</li> </ul>	<p><b>Compliant</b></p>

<p>4.4 Where the RSL is the parent within a group structure it fulfils its responsibilities as required in our group structures guidance to: (a) control the activities of, and manage risks arising from, its subsidiaries; (b) ensure appropriate use of funds within the group; (c) manage and mitigate risk to the core business; and (d) uphold strong standards of governance and protect the reputation of the group for investment and other purposes.</p>	<p>The role and controls of the Parent are codified in all subsidiary constitutions, along with the roles and responsibilities set out in Intra Group agreements and the Group Standing Order.</p> <p>Examples of this include Parent approval rights over areas such as Board appointments, constitutional changes, policy and funding.</p> <p>In addition to this, our standard reporting arrangements are such that the Group Board always receives Group wide performance information as well as details of any material issues at individual subsidiary level.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- Constitutions</li> <li>- Group Standing Orders</li> <li>- Intra Group Agreement</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Board packs</li> </ul>	<b>Compliant</b>
<p>4.5 The RSL has an internal audit function. The governing body ensures the effective oversight of the internal audit programme by an audit committee or otherwise. It has arrangements in place to monitor and review the quality and effectiveness of internal audit activity, to ensure that it meets its assurance needs in relation to regulatory requirements and the Standards of Governance and Financial Management. Where the RSL does not have an audit committee, it has alternative arrangements in place to ensure that the functions normally provided by a committee are discharged.</p>	<p>We have a clearly established Group Audit Committee with a remit including oversight of internal audit.</p> <p>The IA team is required to have an External Quality Assessment at least every 5 years to give the AC assurance on the quality and effectiveness of the Internal Audit function. (Last completed in 2015 and 2018)</p>	<p><b>Governance framework</b></p> <ul style="list-style-type: none"> <li>- Audit Committee Terms of Reference</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Assurance Update Board Reports</li> <li>- Group Audit Committee reports</li> </ul> <p><b>External</b></p> <ul style="list-style-type: none"> <li>- IA EQA</li> </ul>	<b>Compliant</b>
<p>4.6 The governing body has formal and transparent arrangements for maintaining an appropriate relationship with the RSL's external auditor and its internal auditor.</p>	<p>This is clearly defined via the Group Standing Orders, mainly within the purview of the Group Audit Committee</p>	<p><b>Governance framework</b></p> <ul style="list-style-type: none"> <li>- Audit Committee Terms of Reference</li> </ul>	<b>Compliant</b>
<p><b>Standard 5</b> The RSL conducts its affairs with honesty and integrity.</p> <p><b>Guidance</b></p>			
<p>5.1 The RSL conducts its affairs with honesty and integrity and, through the actions of the governing body and staff, upholds the good reputation of the RSL and the sector.</p>	<p>The Wheatley Group Code of Conduct sets out expectations.</p> <p>Staff are also bound by the Code of Conduct and HR Policies. We have a Whistleblowing Policy and Anti-fraud, Corruption and Bribery Policy.</p> <p>This has been strengthened for the Group Board via stronger provisions for dealing with any suspected breaches, with the power now in place to enforce vacation of office.</p>	<p>Governance framework</p> <ul style="list-style-type: none"> <li>- Group Standing Orders</li> <li>- Group Code of Conduct (governing body and staff)</li> <li>- Whistleblowing policy</li> </ul>	<b>Compliant</b>
<p>5.2 The RSL upholds and promotes the standards of behaviour and conduct it expects of governing body members and staff through an appropriate code of conduct. It manages governing body members' performance, ensures compliance and has a robust system to deal with any breach of the code.</p>	<p>We operate a Group Code of Conduct which all members are required to sign up to. It includes arrangements to deal with any breach of the code. An appraisal system is in place to manage governing body performance. Similar arrangements are in place for staff via HR policies and the Staff code of conduct.</p>	<p><b>Governance framework</b></p> <ul style="list-style-type: none"> <li>- Group Code of Conduct and Conflicts Policy</li> <li>- Governing Body Appraisal Policy</li> </ul>	<b>Compliant</b>
<p>5.3 The RSL pays due regard to the need to eliminate discrimination, advance equality and human rights, and foster good relations across the range of protected characteristics in all areas of its work, including its governance arrangements.</p>	<p>Our leaders empower all employees to live the Wheatley Group values; Trust, Community, Excellence and Ambition. The values are integrated into the My Contribution appraisal process.</p> <p>This is also embedded in our HR policies and in our governance arrangements through Equality Impact Assessments.</p>	<p><b>Group policies and associated documents</b></p> <ul style="list-style-type: none"> <li>- Wheatley Group Values</li> <li>- HR policies including Dignity at Work and Employee Code of Conduct</li> <li>- Group Governing Body Member Code of Conduct and Conflicts Policy</li> <li>- Group Equality, Diversity and Human Rights policy</li> </ul>	<b>Compliant</b>

5.4 Governing body members and staff declare and manage openly and appropriately any conflicts of interest and ensure they do not benefit improperly from their position.	We operate a register of interests and declarations of interest is a standing item on Board meeting agendas.	<p>Group policies and associated documents</p> <ul style="list-style-type: none"> <li>- Group Code of Conduct</li> <li>- Group Conflicts of Interest Policy</li> <li>- Register of Interests form</li> <li>- Group policy on gifts, hospitality, payments and benefits</li> </ul> <p>Board reporting and monitoring</p> <ul style="list-style-type: none"> <li>- Minutes of Board meetings</li> <li>- Example of standing item on Board meeting agendas</li> </ul>	<b>Compliant</b>
5.5 The governing body is responsible for the management, support, remuneration and appraisal of the RSL's senior officer and obtains independent, professional advice on matters where it would be inappropriate for the senior officer to provide advice.	<p>Group CEO appraisal is undertaken by Group Chairman and remuneration levels are set by the Board based on previous SHR Recommended practice such as relevant benchmarking and metrics such as pay per home.</p> <p>The Board accesses independent professional advice and holds discussions without the Group Chief Executive where appropriate.</p>	<p><b>Group governance framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders</li> </ul> <p>Board reporting</p> <ul style="list-style-type: none"> <li>- Reports to RAAG Committee and Group Board on Group CEO terms and conditions.</li> </ul>	<b>Compliant</b>
5.6 There are clear procedures for employees and governing body members to raise concerns or whistleblow if they believe there has been fraud, corruption or other wrongdoing within the RSL.	We have specific Whistleblowing and Fraud, Bribery and Corruption Policies in place, approved by the Group Audit Committee.	<p><b>Group policies</b></p> <ul style="list-style-type: none"> <li>- Group Whistleblowing policy</li> <li>- Group Fraud, Corruption and Bribery policy</li> </ul>	<b>Compliant</b>
5.7 Severance payments are only made in accordance with a clear policy which is approved by the governing body, is consistently applied and in accordance with contractual obligations. Such payments are monitored by the governing body to ensure the payment represents value for money. Alternatives to severance must be considered including redeployment.	<p>Our existing approach to ER/VR consists of two elements: our individual policies on Early Retirement and Redundancy and affordability criteria we apply agreeing any form of what may be classified as a 'severance payment'.</p> <p>We engage external legal advice in relation to any settlement agreements.</p>	<p>Group policies and associated documents</p> <ul style="list-style-type: none"> <li>- Policies on redeployment, redundancy and early retirement linked to redundancy (GHA, Cube, Loretto, WLHP, and Dunedin Canmore)</li> <li>- Legal Advice regarding severance</li> </ul>	<b>Compliant</b>
5.8 Where a severance payment is accompanied by a settlement agreement this must not be used to limit public accountability or whistleblowing. RSLs must take professional legal advice before entering into a settlement agreement.			<b>Compliant</b>
<b>Standard 6</b> The governing body and senior officers have the skills and knowledge they need to be effective. <b>Guidance</b>			
6.1 The RSL has a formal, rigorous and transparent process for the election, appointment and recruitment of governing body members. The RSL 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 sustainability of the governing body.	<p>We have undertaken a comprehensive review of our succession plans in light of the pandemic to ensure we maintain an appropriate and effective composition.</p> <p>Recruitment vacancies are always advertised and subject to:</p> <ul style="list-style-type: none"> <li>- the process set out in constitutions</li> <li>- recruitment policy</li> <li>- RAAG committee agreement</li> </ul> <p>The Board undertake an annual appraisal process.</p>	<p><b>Group governance framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders Appendix 3A Governing Body Recruitment Policy and Procedures</li> <li>- Group Standing Orders [ Appendix 3B Governing Body Appraisal Policy and Group Succession Planning Policy</li> <li>- Sub Board skills matrices and succession plans</li> </ul>	<b>Compliant</b>



<p>6.2 The governing body annually assesses the skills, knowledge, diversity and objectivity it needs to provide capable leadership, control and constructive challenge to achieve the RSL's purpose, deliver good tenant outcomes, and manage its affairs. It assesses what is contributed by continuing governing body members, and what gaps there are that need to be filled.</p>	<p>Annual appraisal is in place and the policy includes self assessment together with a 1-2-1 review with Chair to evaluate performance. The Group has an appropriate Succession Planning Policy in place.</p>	<p><b>Group governance framework</b></p> <ul style="list-style-type: none"> <li>- Constitutions</li> <li>- Group Standing Orders [1 - Appendix 3B Governing Body Appraisal Policy and Group Succession Planning Policy]</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Board appraisal report to Group Board;</li> <li>- RSL Board Succession Plans</li> <li>- Board induction process</li> <li>- Subsidiary Board reports on appraisal and succession</li> </ul>	<b>Compliant</b>
<p>6.3 The RSL ensures that all governing body members are subject to annual performance reviews to assess their contribution and effectiveness. The governing body takes account of these annual performance reviews and its skills needs in its succession planning and learning and development plans. The governing body ensures that any non-executive member seeking re-election after nine years' continuous service can demonstrate their continued effectiveness.</p>	<p>An annual appraisal process is in place and the policy includes self assessment together with a 1-2-1 review with the Chair to evaluate performance.</p> <p>During last year we reappointed a small number of Non-Executives beyond 9 year's service. In agreeing this the Board specifically gave consideration to the individual's ongoing effectiveness and independence.</p>	<p><b>Group governance framework</b></p> <ul style="list-style-type: none"> <li>- Constitutions</li> <li>- Group Standing Orders [1 - Appendix 3B Governing Body Appraisal Policy and Group Succession Planning Policy]</li> <li>- Board induction process</li> <li>- Board CPD Programme</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Board appraisal report to Group Board;</li> <li>- 3-year Succession Plans including specific agreement to extend beyond 9 years and assessment of continued effectiveness to support this</li> </ul>	<b>Compliant</b>
<p>6.4 The RSL encourages as diverse a membership as is compatible with its constitution and actively engages its membership in the process for filling vacancies on the governing body.</p>	<p>Our approach was reviewed last year and agreed by all relevant Boards taking into account this Regulatory Standard</p>	<p><b>Group policies</b></p> <ul style="list-style-type: none"> <li>- Membership Policies</li> </ul> <p><b>Group governance framework</b></p> <ul style="list-style-type: none"> <li>- Constitutions</li> </ul> <p><b>Board reporting</b></p> <ul style="list-style-type: none"> <li>- reports to individual Boards regarding membership changes and assessing compliance with this standard as part of the changes agreed</li> </ul>	<b>Compliant</b>
<p>6.5 The RSL ensures all new governing body members receive an effective induction programme to enable them to fully understand and exercise their governance responsibilities. Existing governing body members are given ongoing support and training to gain, or refresh, skills and expertise and sustain their continued effectiveness.</p>	<p>We have a structured approach to board induction and CPD. In addition to this, we take into account operating context, with tailored CPD delivered during the pandemic on virtual meetings.</p>	<p><b>Induction and training</b></p> <ul style="list-style-type: none"> <li>- Induction process</li> <li>- CPD programme</li> <li>- Institute of Directors (IoD) induction programme session on the Role of a Non-Exec Director</li> </ul>	<b>Compliant</b>
<p>6.6 If the governing body decides to pay any of its non-executive members then it has a policy framework to demonstrate clearly how paying its members will enhance decision-making, strengthen accountability and ownership of decisions, improve overall the quality of good governance and financial management and deliver value for money.</p>	<p>The Group Governing Body Remuneration Policy sets out the Group's approach to remuneration - which is to remunerate non-executive positions in order to attract and retain those with the right talents, skills and experience. The remuneration is based on a number of principles, which are set out in the Policy.</p>	<p><b>Group policy framework</b></p> <ul style="list-style-type: none"> <li>- Governing Body Remuneration Policy</li> <li>- Governing Body Member Remuneration Benchmarking Report</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Board reports</li> </ul>	<b>Compliant</b>
<p>6.7 The governing body is satisfied that the senior officer has the necessary skills and knowledge to do his/her job. The governing body sets the senior officer's objectives, oversees performance, ensures annual performance appraisal, and requires continuous professional development.</p>	<p>This is overseen via the Group Chair, who undertakes and annual appraisal of the Group Chief Executive and provides feedback to the Group RAAG Committee and Group Board.</p>	<p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Confidential minutes of RAAG report to Group Board.</li> </ul>	<b>Compliant</b>
<p><b>Standard 7</b> The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants. <b>Guidance</b></p>			

7.1 The governing body discusses and scrutinises any proposal for organisational change and ensures that the proposal will benefit current and future tenants.	The Cube transfer was reviewed and approved by the Cube, Loretto Housing, GHA and Group Boards taking into account the implications for tenants.	<b>Board reporting and monitoring</b> - Board reports - Board minutes	<b>Compliant</b>
7.2 The RSL ensures that its governance structures are as simple as possible, clear and allow it to meet the Standards of Governance & Financial Management, Constitutional Requirements, and Group Structures guidance.	We operate a relatively flat and simple corporate structure. Governance Review with advice from Campbell Tickell, supports recent decision to rationalise the Group by dispersing activities of Cube and ultimately winding one entity up. We have now also agreed to consider the Group structure further as part of the governance strategic review.  Intra-group agreements are in place between the parent and each subsidiary.	<b>Group governance framework</b> - Group Standing Orders - Intra-Group Agreements  <b>External validation</b> - Campbell Tickell Governance review  <b>Board reporting and monitoring</b> - Board packs	<b>Compliant</b>
7.3 The RSL ensures adequate consultation with, and support from, key stakeholders including tenants, members, funders (who may need to give specific approval) and local authorities as well as other regulators.	The Cube change involved significant engagement with key stakeholders, including Local Authorities and customers.	<b>Board reporting and monitoring</b> - Board reports  <b>Other</b> - Exchanges with Local Authorities and customers	
7.4 The governing body is satisfied that the new (or changed) organisation will be financially viable, efficient and will provide good outcomes for tenants.	This was assessed fully in relation to Cube, as well as the Barony that occurred last year. In the case of DGHP this was pre Group.	<b>Board reporting and monitoring</b> - Board reports - Board minutes	
7.5 The RSL establishes robust monitoring systems to ensure that delivery of the objective of the change and of commitments made to tenants are achieved (for example in relation to service standards, operating costs and investment levels).	This applies within the Cube, Barony and DGHP context. We have clear monitoring arrangements in place for ensuring commitments to tenants are monitored and delivered. These will also be reported to the relevant Boards on an ongoing basis. As the more significant change, the DGHP commitments are reported at DGHP and Group Board level as part of the Transformation Programme	Board reporting - Reports to DGHP and Group Boards - Repots to WLHP and DCH Boards on Barony tenant commitments such as rent increase levels -Reports to GHA and Loretto Boards on Cube tenant commitments such as rent increase levels	<b>Compliant</b>
7.6 Charitable RSLs seek consent/ notify OSCR of changes to their constitution and other changes as appropriate.	OSCR approval sought prior to Cube Trasfer of Engagements and dissolution	Formal notification documents to OSCR	
7.7 The governing body ensures that disposals, acquisitions and investments fit with the RSL's objectives and business plan, and that its strategy is sustainable. It considers these taking account of appropriate professional advice and a consideration of value for money - whether as part of a broader strategy or on a case by case basis.	This is not an ongoing requirement, rather a requirement to be met if and when such activity happens. Such activities remain reserved to the Board unless otherwise delegated under very clear criteria.	<b>Board reporting and monitoring</b> - Sub Board report	<b>Compliant</b>
7.8 The RSL complies with regulatory guidance on tenant consultation, ballots and authorisation.	This has applied to the Cube reorganisation in year. As part of this process we engaged throughout with the SHR and reviewed the regulatory guidance in advance of agreeing the key milestones.	Board reports relating to the Cube reorganisation and the associated tenant consultation documentation.	
7.9 The RSL notifies the Regulator of disposals in accordance with regulatory guidance.	We have a clear, robust internal process in place for ensuring that all disposals are notified to the SHR. All staff who are potentially involved in disposals are clear on where this triggers a notification requirement.	SHR Portal holds records of all notifiable disposals.	<b>Compliant</b>

<p>7.10 The RSL only agrees fixed or floating charges where the assets are used to support core activities. This should exclude providing security in relation to staff pensions.</p>	<p>The Group funding structure is split between 'RSL' and 'Others.' Wheatley Funding No. 1 Limited (WFL1) was formed as a special purpose vehicle to facilitate funding the Group RSLs from bond issuance and bank lenders. WFL1 borrows funds from the bond issuer and banks and on-lends them to the RSLs within the Group in accordance with the criteria set out in the Intercompany Loan Agreements. The Bond is secured against Group Properties. These Charged Properties are named in the Bond Trust Deed and there are requirements to notify the Trustee if the Group wants to add, substitute, release or dispose of a property charged against the Bond loan value. A Secured stock spreadsheet is maintained by the Treasury Team.</p> <p>Annual Valuations on the Group Assets are undertaken by JLL including separate valuations for each funder against assets. In addition, Prudential Securities provides its own report on funding against the Group Assets which Treasury reconcile quarterly against their own records.</p>	<p><b>Corporate records</b></p> <ul style="list-style-type: none"> <li>- Financial records of RSLs and WFL1</li> <li>- Security spreadsheet</li> </ul>	<p><b>Compliant</b></p>
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Appendix 3

The constitution of the RSL must comply with all legislative requirements under the 2010 Act (which are not replicated here) and the following regulatory requirements:	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
	All RSL rules take into account the SFHA Charitable Model Rules, subject to us ensuring that they reflect our own needs. All constitutions are subject to a) review by individual Boards b) review by our external legal advisors, and c) agreement by members.		<b>Compliant</b>
1. It sets out clearly the RSL's purpose, objects and powers.		All RSL Rules/Articles of Association and supporting Board papers at time of approval.  Harper MacLeod are involved in the preparation of all constitutional changes.	<b>Compliant</b>
2. The RSL is able to fulfil its obligations in terms of its legal status and (if relevant) its obligations as a registered charity. These obligations and how they will be met are set out in the constitution.		All RSL Rules/Articles of Association and supporting Board papers at time of approval.  Harper MacLeod are involved in the preparation of all constitutional changes.	<b>Compliant</b>
3. There is a system for keeping accounts and ensuring an independent audit by an appropriately qualified person. There is a proper procedure for appointing an auditor. The governing body should take whatever measures are necessary to ensure the continuing independence of the auditor including periodic review of the need for audit rotation. The RSL must send a copy of its accounts and the auditor's report to us within six months of the end of the period to which they relate.		All RSL Rules/Articles of Association and supporting Board papers at time of approval.  Harper MacLeod are involved in the preparation of all constitutional changes.	<b>Compliant</b>
4. It is clear what investments and borrowing the governing body can authorise.		All RSL Rules/Articles of Association and supporting Board papers at time of approval.  Harper MacLeod are involved in the preparation of all constitutional changes.	<b>Compliant</b>
5. There is a procedure for dealing with disputes on matters contained within the constitution.		All RSL Rules/Articles of Association and supporting Board papers at time of approval.  Harper MacLeod are involved in the preparation of all constitutional changes.	<b>Compliant</b>
6. It is clear how changes can be made to the constitution.		All RSL Rules/Articles of Association and supporting Board papers at time of approval.  Harper MacLeod are involved in the preparation of all constitutional changes.	<b>Compliant</b>
7. It is clear how the RSL can be closed down.		All RSL Rules/Articles of Association and supporting Board papers at time of approval.  Harper MacLeod are involved in the preparation of all constitutional changes.	

8. The RSL can demonstrate its governance and financial arrangements are such as to allow the Regulator to regulate effectively, and exercise our full regulatory powers.		All RSL Rules/Articles of Association and supporting Board papers at time of approval.  Harper MacLeod are involved in the preparation of all constitutional changes.	<b>Compliant</b>
<b>In relation to an RSL within a group structure:</b>			
9. Each organisation within the group must have a distinct legal identity and separate constitution. The constitutional and financial relationships between all organisations in the group (registered or non-registered) must be documented formally and in terms that are transparent and understandable.		All RSL Rules/Articles of Association	<b>Compliant</b>
10. If any of the organisations within the group are charities, the RSL's role and relationships with other group members are consistent with charity law.		All RSL Rules/Articles of Association	<b>Compliant</b>
11. The constitutions of group members must enable the parent to exercise control and to take corrective action where required.		All RSL Rules/Articles of Association	<b>Compliant</b>
12. There are procedures in place designed to avoid conflicts of interest, particularly where members of the subsidiary's governing body are also members of the parent's governing body.		All RSL Rules/Articles of Association	<b>Compliant</b>
13. Where it is constituted as a subsidiary of another body, the RSL's constitution permits control by the parent but with sufficient independence to carry out its business, within limits set by the parent.		All RSL Rules/Articles of Association	<b>Compliant</b>
<b>With regard to the governing body of the RSL and the members of the governing body:</b>			
14. Recruitment to the governing body is open and transparent. It is clear who is eligible to become a member of the governing body and how to become a member of the governing body whether by election, nomination, selection, etc and how membership is ended. There is a procedure for removing members from the governing body.		All RSL Rules/Articles of Association	<b>Compliant</b>
15. There is a procedure by which members stand down from the governing body to allow for a turnover in membership. Governing body members are appointed for specific terms subject to re-election or re-appointment.		All RSL Rules/Articles of Association	<b>Compliant</b>
16. The membership of the governing body must be no fewer than seven and not normally exceed 15 members, including co-opted members. Names of the governing body members must be accessible to the public.		All RSL Rules/Articles of Association	<b>Compliant</b>
17. The powers and responsibilities of the governing body are clearly set out.		All RSL Rules/Articles of Association	<b>Compliant</b>
18. The roles, powers and responsibilities of governing body office bearers are set out. And any delegation to committees or staff are clearly set out in standing orders and delegated authorities.		All RSL Rules/Articles of Association	<b>Compliant</b>
19. There are provisions for the RSL to remove a governing body member who does not sign up to the code of conduct and to take action against or remove a governing body member in breach of the code.		All RSL Rules/Articles of Association	<b>Compliant</b>
20. Where the constitution allows executive staff on to the governing body, they must be excluded from holding office, and cannot form a quorum or a majority. Executive members of the governing body should not receive any additional payment for their governing body role over and above what they are entitled to under their contract of employment.		All RSL Rules/Articles of Association	<b>Compliant</b>
21. It is clear what types of meetings can and should be held and their purpose. There are clear procedures to call all meetings, and it is clear what the quorum of meetings should be, how resolutions will be passed, and decisions recorded, and how many meetings should take place each year, subject to a minimum of six governing body meetings a year.		All RSL Rules/Articles of Association	<b>Compliant</b>

22. The governing body cannot act for longer than two months if its membership falls below seven. If at the end of that period it has not found new members then the only power it will have is to act to bring the governing body members up to seven.		All RSL Rules/Articles of Association	Compliant
23. There is a clear process to identify and address any conflicts of interest on the governing body.		All RSL Rules/Articles of Association	Compliant
24. The Chairperson's role is set out formally; the Chairperson is responsible for the leadership of the governing body and ensuring its effectiveness in all aspects of its role. There is a clear process to select the Chairperson, who cannot be an executive member, and must not hold office continuously for more than five years.		All RSL Rules/Articles of Association	Compliant
25. If the RSL pays any of its non-executive governing body members then it must ensure that: a) the governing body takes account of independent guidance in setting payment amounts and can demonstrate value for money; b) the payments are linked to specified duties and there is a clear process for assessing performance in carrying out these duties; c) details of governing body payments are published in the RSL's annual accounts; and d) where an RSL has subsidiaries it must ensure any payments and benefits to subsidiary governing body members are included in the policy. Charitable RSLs must comply with the Charities and Trustee Investment (Scotland) Act 2005 and any associated guidance from the charity regulator when considering payments or benefits to charity trustees.		All RSL Rules/Articles of Association	Compliant
26. The role and status of co-optees is set out. Co-optees do not form part of any quorum required for meetings of the governing body and may not vote on matters directly affecting the constitution and membership of the organisation or the election or appointment of its office bearers.		All RSL Rules/Articles of Association	Compliant
<b>With regard to the general membership of the RSL:</b>			
27. It is clear who is eligible to become a member of the RSL and who cannot, and it is clear how to become a member and how membership is ended. Names of the members must be accessible to any other member or anyone with an interest in the RSL's funds.	This is detailed through a combination of constitutions and membership policies	All RSL Rules/Articles of Association - Membership policies	Compliant
28. Membership of the RSL should reflect the purpose and objects of the RSL.	Members for GHA and WHG are the Board, so by definition reflect the purpose and objects as they set them - Other RSLs have membership policy which set out the membership. Membership primarily open to tenants, Board members and the Parent .	All RSL Rules/Articles of Association - Membership policies	Compliant
29. There is a clear procedure, including the quorum and voting procedure, for the membership of the RSL to meet and it is clear what business the membership can discuss and what decisions it can make, subject to a minimum of one annual meeting.	Clearly detailed within each constitution	All RSL Rules/Articles of Association	Compliant



# The Scottish Social Housing Charter

April 2017



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# The Scottish Social Housing Charter

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# 1. Introduction

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## 1 Status of the Charter

1.1 As required by section 31 of the Housing (Scotland) Act 2010, the Scottish Ministers, in this Scottish Social Housing Charter, set the standards and outcomes that all social landlords should aim to achieve when performing their housing activities.

1.2 The first Charter came into effect on 1 April 2012 and was reviewed during 2016. This revised Charter was approved by resolution of the Scottish Parliament on 8th February, has effect from 1 April 2017 and continues to apply until the Parliament approves a further revised Charter.

1.3 Before submitting the revised Charter to the Scottish Parliament for approval, and as required by section 33 of the 2010 Act, the Scottish Ministers consulted the Scottish Housing Regulator; tenants in social housing and their representative bodies; social landlords; homeless people; and other stakeholders about the Charter's contents. They have taken account of all their views to ensure that the outcomes in the Charter:

- describe the results that tenants and other customers expect social landlords to achieve
- cover social landlords' housing activities only
- can be monitored, assessed and reported upon by the Scottish Housing Regulator.

1.4 The Charter does not replace any of the legal duties that apply to social landlords, but in several cases the outcomes describe the results social landlords should achieve in meeting their legal duties.

## 2 Purpose of the Charter

2.1 The Charter helps to improve the quality and value of the services that social landlords provide, and supports the Scottish Government's long-term aim of creating a safer and stronger Scotland. It does so by:

- stating clearly what tenants and other customers can expect from social landlords, and helping them to hold landlords to account
- focusing the efforts of social landlords on achieving outcomes that matter to their customers
- providing the basis for the Scottish Housing Regulator to assess and report on how well landlords are performing. This assessment enables the Regulator, social landlords, tenants and other customers to identify areas of strong performance and areas needing improvement.

2.2 The Regulator's reports also help the Scottish Government to ensure that public investment in new social housing goes only to landlords assessed as performing well.

## 3 Scope and content of the outcomes and standards

3.1 The Charter has seven sections covering: equalities; the customer/landlord relationship; housing quality and maintenance; neighbourhood and community; access to housing and support; getting good value from rents and service charges; and other customers. It contains a total of 16 outcomes and standards that social landlords should aim to achieve. The outcomes and standards apply to all social landlords, except that number 12 applies only to councils in relation to their homelessness duties; and number 16 applies only to councils and registered social landlords that manage sites for Gypsy/Travellers.

3.2 Each section is accompanied by a short description of the context of the outcome or standard, including the areas of activity to which it applies and any relevant legal duties connected with it. The description is not part of the outcome, and does not tell social landlords how to achieve it. That is a matter for each landlord to decide in consultation with its tenants and other customers.

3.3 During the Charter review, many stakeholders said that all the standards and outcomes should be reflected across the whole of a landlord's activities. For example, the communication outcome requires landlords to manage their businesses so that tenants and other customers find it easy to communicate

with their landlord and get the information they need about their landlord. This information would include how and why their landlord makes decisions and provides its services; how it communicates its plans for providing repairs, maintenance and improvements; how it provides information on housing options; and how it helps tenants sustain their tenancy.

## **4 Assessing social landlords' achievement of the outcomes**

4.1 Social landlords are responsible for meeting the standards and outcomes set out in the Charter. They are accountable to their tenants and other customers for how well they do so. They should ensure their performance management and reporting systems show how well they are achieving the outcomes; identify any areas where they need to improve; and enable them to report to their tenants and other customers and the Scottish Housing Regulator.

4.2 Under the 2010 Act, the Scottish Housing Regulator is responsible for monitoring, assessing and reporting on how well social landlords, individually and collectively, achieve the Charter's outcomes.

## **5 Reviewing and revising the Charter**

5.1 Unless stakeholders raise urgent and significant concerns about how the Charter is working in practice, the Charter will apply for five years from 1 April 2017. In consultation with stakeholders, the Ministers will review its effect during 2021 on the quality and value of social landlords' services, and its value to tenants and other customers, social landlords and the Scottish Housing Regulator.

## 2. Charter outcomes and standards

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### The customer/landlord relationship

#### 1: Equalities

Social landlords perform all aspects of their housing services so that:

- *every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.*

This **outcome** describes what social landlords, by complying with equalities legislation, should achieve for all tenants and other customers regardless of age, disability, gender reassignment, marriage and civil partnership, race, religion or belief, sex, or sexual orientation. It includes landlords' responsibility for finding ways of understanding the rights and needs of different customers and delivering services that recognise and meet these.

#### 2: Communication

Social landlords manage their businesses so that:

- *tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides.*

This **outcome** covers all aspects of landlords' communication with tenants and other customers. This could include making use of new technologies such as web-based tenancy management systems and smart-phone applications. It is not just about how clearly and effectively a landlord gives information to those who want it. It also covers making it easy for tenants and other customers to make complaints and provide feedback on services, using that information to improve services and performance, and letting people know what they have done in response to complaints and feedback. It does not require landlords to provide legally protected, personal or commercial information.

### 3: Participation

Social landlords manage their businesses so that:

- *tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with.*

This **outcome** describes what landlords should achieve by meeting their statutory duties on tenant participation. It covers how social landlords gather and take account of the views and priorities of their tenants, other customers, and bodies representing them such as registered tenant organisations; how they shape their services to reflect these views; and how they help tenants, other customers and bodies representing them such as registered tenant organisations to become more capable of involvement – this could include supporting them to scrutinise landlord services.

## Housing quality and maintenance

### 4: Quality of housing

Social landlords manage their businesses so that:

- *tenants' homes, as a minimum, meet the Scottish Housing Quality Standard (SHQS) when they are allocated; are always clean, tidy and in a good state of repair; and also meet the Energy Efficiency Standard for Social Housing (EESH) by December 2020.*

This **standard** describes what landlords should be achieving in all their properties. It covers all properties that social landlords let, unless a particular property does not have to meet part of the standard.

If, for social or technical reasons, landlords cannot meet any part of these standards, they should regularly review the situation and ensure they make improvements as soon as possible.

## 5: Repairs, maintenance and improvements

Social landlords manage their businesses so that:

- *tenants' homes are well maintained, with repairs and improvements carried out when required, and tenants are given reasonable choices about when work is done.*

This **outcome** describes how landlords should meet their statutory duties on repairs and provide repairs, maintenance and improvement services that safeguard the value of their assets and take account of the wishes and preferences of their tenants. This could include setting repair priorities and timescales; setting repair standards such as getting repairs done right, on time, first time; and assessing tenant satisfaction with the quality of the services they receive.

## Neighbourhood and community

### 6: Estate management, anti-social behaviour, neighbour nuisance and tenancy disputes

Social landlords, working in partnership with other agencies, help to ensure as far as reasonably possible that:

- *tenants and other customers live in well-maintained neighbourhoods where they feel safe.*

This **outcome** covers a range of actions that social landlords can take on their own and in partnership with others. It covers action to enforce tenancy conditions on estate management and neighbour nuisance, to resolve neighbour disputes, and to arrange or provide tenancy support where this is needed. It also covers the role of landlords in working with others to tackle anti-social behaviour.

## Access to housing and support

### 7, 8 and 9: Housing options

Social landlords work together to ensure that:

- *people looking for housing get information that helps them make informed choices and decisions about the range of housing options available to them*
- *tenants and people on housing lists can review their housing options.*

Social landlords ensure that:

- *people at risk of losing their homes get advice on preventing homelessness.*

These **outcomes** cover landlords' duties to provide information to people looking for housing and advice for those at risk of becoming homeless. This could include providing housing 'health checks' for tenants and people on housing lists to help them review their options to move within the social housing sector or to another sector.

### 10: Access to social housing

Social landlords ensure that:

- *people looking for housing find it easy to apply for the widest choice of social housing available and get the information they need on how the landlord allocates homes and on their prospects of being housed.*

This **outcome** covers what social landlords can do to make it easy for people to apply for the widest choice of social housing that is available and suitable and that meets their needs. It includes actions that social landlords can take on their own and in partnership with others, for example through Common Housing Registers or mutual exchange schemes, or through local information and advice schemes.

## 11: Tenancy sustainment

Social landlords ensure that:

- *tenants get the information they need on how to obtain support to remain in their home; and ensure suitable support is available, including services provided directly by the landlord and by other organisations.*

This **outcome** covers how landlords on their own, or in partnership with others, can help tenants who may need support to maintain their tenancy. This includes tenants who may be at risk of falling into arrears with their rent, and tenants who may need their home adapted to cope with age, disability, or caring responsibilities.

## 12: Homeless people

Local councils perform their duties on homelessness so that:

- *homeless people get prompt and easy access to help and advice; are provided with suitable, good-quality temporary or emergency accommodation when this is needed; and are offered continuing support to help them get and keep the home they are entitled to.*

This **outcome** describes what councils should achieve by meeting their statutory duties to homeless people.



## Getting good value from rents and service charges

### 13: Value for money

Social landlords manage all aspects of their businesses so that:

- *tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.*

This **standard** covers the efficient and effective management of services. It includes minimising the time houses are empty; managing arrears and all resources effectively; controlling costs; getting value out of contracts; giving better value for money by increasing the quality of services with minimum extra cost to tenants, owners and other customers; and involving tenants and other customers in monitoring and reviewing how landlords give value for money.

### 14 and 15: Rents and service charges

Social landlords set rents and service charges in consultation with their tenants and other customers so that:

- *a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and service users can afford them*
- *tenants get clear information on how rent and other money is spent, including details of any individual items of expenditure above thresholds agreed between landlords and tenants.*

These **outcomes** reflect a landlord's legal duty to consult tenants about rent setting; the importance of taking account of what current and prospective tenants and other customers are likely to be able to afford; and the importance that many tenants place on being able to find out how their money is spent. For local councils, this includes meeting the Scottish Government's guidance on housing revenue accounts. Each landlord must decide, in discussion with tenants and other customers, whether to publish information about expenditure above a particular level, and in what form and detail. What matters is that discussions take place and the decisions made reflect the views of tenants and other customers.

## Other customers

### 16: Gypsy/Travellers

Local councils and social landlords with responsibility for managing sites for Gypsy/Travellers should manage the sites so that:

- *sites are well maintained and managed, and meet the minimum site standards set in Scottish Government guidance.*

This **outcome** includes actions landlords take to ensure that: their sites meet the Scottish Government guidance on minimum standards for Gypsy/Traveller sites, and those living on such sites have occupancy agreements that reflect the rights and responsibilities set out in guidance.

All the standards and outcomes in the Charter apply to Gypsy/Travellers.

## 3. A note about language

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We use some key phrases throughout the Charter, which we explain below.

### **Housing (Scotland) Act 2010, section 31**

Section 31 of the Act says that:

‘Ministers must set out standards and outcomes which social landlords should aim to achieve when performing housing activities.

‘The document in which those standards and outcomes are set out is to be known as the “Scottish Social Housing Charter”.’

### **Long-term aims**

The Scottish Government has five long-term aims, known as the strategic objectives. Everything it does should contribute towards making Scotland:

- wealthier and fairer
- healthier
- safer and stronger
- smarter
- greener.

The Charter supports the aim of creating ‘A safer and stronger Scotland’.

### **Outcome**

- An outcome is a result we want to happen.
- The Charter sets out the results that a social landlord should achieve for its tenants and other customers.
- The Charter is not about what a landlord does or how it does it. It is about the customer’s experience of using a landlord’s services.

## **Scottish Housing Regulator**

The Regulator is the independent body that the Scottish Parliament created to look after the interests of people who are or may become homeless, tenants of social landlords, or users of the services that social landlords provide. The Regulator monitors, assesses, and reports on how landlords are performing against the Charter's outcomes and standards.

## **Scottish Housing Quality Standard (SHQS)**

The SHQS is the Scottish Government's main way of measuring the quality of social housing in Scotland.

## **Energy Efficiency Standard for Social Housing (ESSH)**

The ESSH aims to improve social housing's energy efficiency in Scotland. It will help to reduce energy consumption, fuel poverty and greenhouse gas emissions. The standard will also contribute to reducing carbon emissions by 42% by 2020, and 80% by 2050, in line with what's required by the Climate Change (Scotland) Act 2009.

## **Social housing**

Housing provided by councils and housing associations under a Scottish Secure Tenancy or Short Scottish Secure Tenancy.

## **Social landlord**

- A council landlord.
- A not-for-profit landlord, registered with the Scottish Housing Regulator (for example, a housing association, or co-operative).
- A council that does not own any housing but provides housing services, for example services for homeless people.

## Stakeholder

A person or organisation with an interest in social housing and the way it is regulated. The following are some examples of stakeholders:

- The Scottish Housing Regulator.
- Tenants of social landlords and bodies representing their interests.
- Homeless people and bodies representing their interests.
- Users of housing services provided by social landlords and bodies representing the interests of those users.
- Social landlords and bodies representing their interests.
- Secured creditors of registered social landlords and bodies representing those secured creditors.
- The Accounts Commission for Scotland.
- The Equalities and Human Rights Commissions and other bodies representing equal opportunities interests.

## Standard

A level of quality that every social landlord should achieve.

## Tenants and other customers

- People who are already tenants of a social landlord.
- People who may become tenants in the future – for example, someone who has applied for a tenancy.
- Homeless people.
- People who use the housing services provided by a social landlord – for example, home owners who pay a social landlord to provide a factoring service, or Gypsy/Travellers who use sites provided by a social landlord.



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