

**WHEATLEY HOMES SOUTH LIMITED
BOARD MEETING**

**Wednesday 29 May 2024
Brasswell Dumfries**

AGENDA

1. Apologies for absence
2. Declarations of interest
3. a) Minute of meeting held on 13 March 2024 and matters arising
b) Action list
4. Chair and Managing Director update

Main business and approvals

5. 2023/24 Year-end performance and Annual Return on Charter
6. 2024/25 Delivery plan and performance measures
7. [redacted]
8. [redacted]
9. Fire prevention and mitigation: year-end performance report
10. Health and safety: year-end performance report
11. [redacted]

Other business

12. Finance report
13. Group Assurance update
14. Governance update (including acquisitions and disposals)
15. AOCB

Date of next meeting – 21 August 2024

Report

To: Wheatley Homes South Board

Report by: Alex Lamb, Managing Director

Approved by: Pauline Turnock, Group Director of Finance

Subject: 2023/24 year-end performance and Annual Return on the Charter

Date of Meeting: 29 May 2024

1. Purpose

- 1.1 This report presents year-end performance for 2023/24, including:
- Draft Annual Return on Charter results (and seeks approval for submission to the Scottish Housing Regulator);
 - Non-Charter strategic results and performance measures; and
 - Delivery Plan strategic projects.

2. Authorising and strategic context

- 2.1 The Group Board agreed the 2023/24 programme of strategic projects and performance measures and targets in April 2023. This Board subsequently agreed our own specific measures and targets in May 2023.
- 2.2 The figures reported for the Charter are subject to further validation and checks, including by the Scottish Housing Regulator.

3. Background

- 3.1 We are responsible for meeting the standards and outcomes set out in the Scottish Social Housing Charter and are accountable to our tenants and customers for how well we do so. The Charter is part of the Scottish Housing Regulator's (SHR's) assessment of how these outcomes are being met. All RSLs and Local Authority housing services are required to complete the Charter indicators and submit these by 31 May each year. The SHR publishes results for all organisations at the end of August each year.
- 3.2 The SHR uses the Charter results to focus attention on important risks and key aspects of landlord performance. The outcomes apply to all social landlords, with the exception of those relating to Local Authorities for their homeless duties and to councils and registered social landlords that manage sites for Gypsies / Travellers.

3.3 There are 30 Charter measures, of which 7 have been collected and updated for our 2023/24 submissions through comprehensive customer satisfaction surveys (6 tenant indicators and 1 factored owner indicator).

4. Discussion

4.1 This report outlines our performance against targets and strategic projects for 2023/24. Unless stated, measures are reported for the year. Draft Annual Charter return measures will firstly be discussed, followed by progress against other Board measures shown by strategic theme. Thereafter, an update will be provided on the year end position with strategic projects.

Charter Returns

4.2 This section presents a summary of key draft Charter measures, highlighting where they are also a strategic result. A full set of draft Charter results against targets is provided in **Appendix 1**.

Tenant Satisfaction

4.3 The Board discussed in detail at its November 2023 meeting, the results of our tenant satisfaction survey. The Board reflected that we are on track to achieve 90% overall tenant satisfaction by 2025/26 with a current figure of 88%, which was underpinned by very high satisfaction levels in specific areas including:

- 96% of tenants surveyed said we were good at keeping them informed about services and decisions;
- 97% were satisfied with the opportunities we provide to them to participate in our decision making processes;
- 95% were satisfied with our contribution to the management of neighbourhoods; and
- 95% feel that the rent for their property represents good value for money.

Gross Rent Arrears

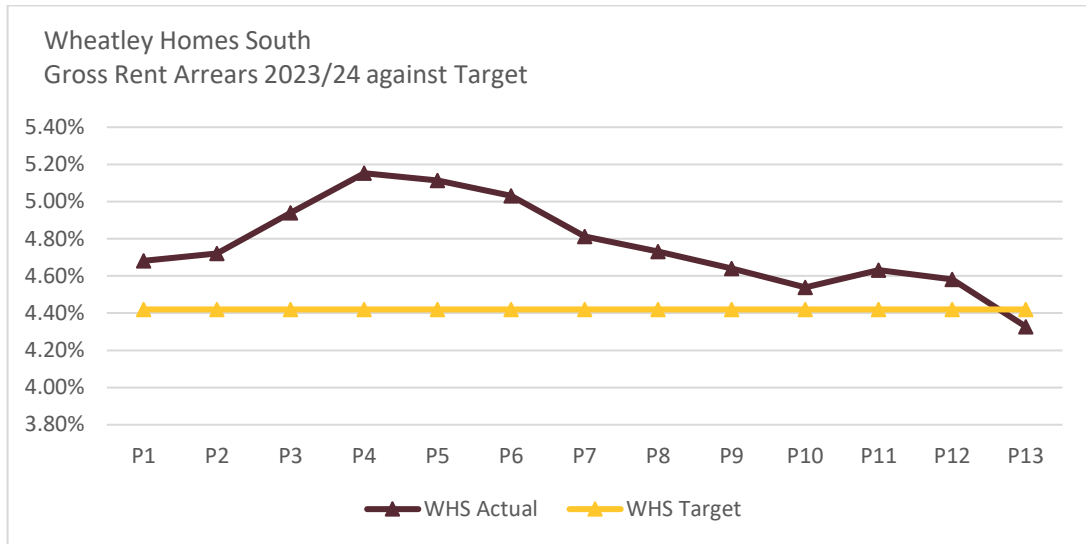
4.4 Our gross rent arrears for 2023/24 was 4.33%, better than our 4.42% target and an improvement on 4.62% from last year.

Table 1

Gross Rent Arrears (Charter)	2023/24 Results	2023/24 target	2022/23 Result
WH South	4.33%	4.42%	4.62%

4.5 The following chart shows the trend in our gross rent arrears against target throughout the year.

Chart 1



Average Days to Re-Let

4.6 Our average days to re-let properties for 2023/24 was 11.01 days, well within the 16-day target and an improvement on the 12.31 days average from last year. This is set within the context of the Scottish Housing Regulator publishing a sector average of 55.6 days for 2022/23.

Table 2

Average days to re-let (Charter)	2023/24	Target	2022/23
WH South	11.01	16	12.31

4.7 It should be noted that our performance in 2023/24 takes into account days lost to health and safety related meter issues where we consider the property unsafe/unfit to occupy. Without these days amended, our average days to re-let increases to 12.1. This is an area we expect the Regulator to revisit and formally clarify in the forthcoming 2024/25 Charter review.

4.8 We continue to liaise with power companies, in particular Scottish Power, to address existing barriers to energy supply and tampered meter resolution; therefore, ensuring our staff can turn around voids quickly and efficiently, ensuring we can allocate properties and support tenants in need of a home to move in at the earliest opportunity. We are also working to maximise the benefit of our new Utilita contract, which provides a void switching service and smart meter rollout.

Tenancy Sustainment

4.9 We ended the year below our 88% target at 86.1% for the Charter measure, 14 of 712 new lets behind target. Revised tenancy sustainment (excluding deaths and transfers to another home within the Group) was 89.45%, better than our 89% target and an improvement on last year.

- 4.10 Our access to group data for this indicator allows us to examine the impacts on our performance in tenancy sustainment. Our data shows that tenancies being given up within 1 year can be attributed to customers taking up a tenancy in areas that they have chosen to settle, however then subsequently becoming aware that familiar social networks and support links are inhibited by the need for additional travel or being unaware of how to make new appropriate connections.
- 4.11 Our recent partnership arrangement with the Independent Living Support Organisation, established at the beginning of the year, will enhance our approach to tenancy sustainment. The 'My Great Start' programme in Dumfries and Galloway offers customers practical and emotional support as well as signposting to local community groups and services to prevent social isolation, helping them make a success of their tenancy and improve our performance in this area.
- 4.12 As defined by the Regulator, Charter tenancy sustainment relates to new lets made in the previous year and requires these lets to be sustained for more than one year.

Table 3

RSL Tenancy Sustainment	Charter 2023/24	Target	Charter 2022/23	Revised 2023/24	Target	Revised 2022/23
WH South	86.10%	88%	86.83%	89.45%	89%	89.16%

Repairs

- 4.13 The average time taken to complete emergency and non-emergency repairs for the full year is detailed in the table below. The average length of time taken to complete emergency repairs is within the target time of three hours at 2.7 hours, an improvement on 2.91 hours last year.

Table 4

Average time to complete repairs (Charter)	Emergency (hours)		Non-emergency (days)	
	Target	2023/24	Target	2023/24
WH South	3.00	2.70	7.00	8.58


- 4.14 Our average time to complete non-emergency repairs is however outwith target, at 8.58 days, and is an increase on last year when 7.02 days. As the following table shows, our repairs right first time has correspondingly reduced to 87.71%, below the 90% target and a reduction compared to 91.09% last year.

Table 5

Percentage of repairs completed right first time (Charter)	2022/23	2023/24	Target
WH South	91.09%	87.71%	90%

- 4.15 In terms of satisfaction with repairs, we ended the year just short of our 90% target at 89.17% satisfaction over the year. This is an improvement from 83.15% last year and is based on 2,253 completed surveys, which is a very high proportion, 22.4%, of our occupied tenancies.

Table 6

Satisfaction with repairs (Charter, rolling survey)	2022/23	2023/24	Target
WH South	83.15%	89.17%	90% 

Gas Safety

- 4.16 We continue to be in a 100% compliant position for gas safety, with 0 expired gas certificates.

SHQS

- 4.17 Our Charter 2023/24 results for SHQS and EESSH are shown in the table below, alongside figures for the previous year. They reflect the most recent guidance from the SHR in relation to electrical testing. The compliance levels reflect the number of exemptions and abeyances shown in the subsequent table, Table 8.

Table 7

RSL	% of properties meeting the SHQS		% of properties meeting the EESSH	
	2022/23	2023/24	2022/23	2022/24
WH South	86.25%	87.79%	90.55%	91.36%

- 4.18 Properties which do not meet SHQS and/or EESSH can be either because they fail the criteria or are subject to exemption or abeyance. We have 0 SHQS or EESSH failures in 2023/24. Exemptions and Abeyances for SHQS and EESSH are detailed in the table below:

Table 8

RSL	SHQS Exemption 2023/24	SHQS Abeyance 2023/24	% of total stock with SHQS Exemption or Abeyance 2023/24	EESSH Exemption 2023/24	% of total stock with EESSH Exemption 2023/24
WH South	941	312	12.21%	886	8.64%

- 4.19 Of the 312 properties in Abeyance, 310 properties are where we have been unable to complete controlled entry works due to non-participation of owners. In addition, we have one property where we have been unable to gain access, following multiple visits, to carry out electrical fixed installation testing and one property with structural issues and non-participation of an owner.
- 4.20 The Regulator now asks that landlords include contextual details of how many incidences occurred throughout the year where the five year EICR was renewed after the five year anniversary date of the previous one, even where they have subsequently been completed during the reporting year.

Medical Adaptations

- 4.21 During 2023/24, we have completed 529 adaptations, less than the 622 that we completed in 2022/23. We delivered an improvement in average days, which reduced to 24.57 days compared 32.87 days last year. The table below shows the number of households waiting which has reduced significantly from last year, completions and the average time to complete adaptations:

Table 9

Medical Adaptations	Households Waiting 2022/23	Households Waiting 2023/24	Number Completed	Average Days to Complete	Target
WH South	32	0	529	24.57	25 

Summary Charter Performance

- 4.22 Within the context of a challenging, ever evolving environment we have achieved 15 of 24 targeted measures (63%), a breakdown is provided in Appendix 1.

Other Key Performance Measures

- 4.23 The following section presents draft year-end performance against non-Charter strategic and compliance measures by strategic theme. The dashboard for Board level measures is shown at Appendix 2.







Delivering Exceptional Customer Experience

Customer First Centre

- 4.24 CFC is firmly established as a core part of our operating model, with the key measure for the CFC recognised as the recently introduced CSAT score. Our overall CFC CSAT score for WHS is 4.5 and meeting target at the end of 2023/24 with performance improving from quarter 3. when it was 4.4/5. It is important to note that this performance was achieved during a period when we delivered the largest technology change in the CFC in a decade, ahead of schedule and with no disruption to service. The wider year-end results to the end of March - presented in the table below – show the CFC met two of four key targeted measures for 2023/24.

Table 10





Measure	2022/23	2023/24		Status
	Value	Value	Target	
CFC CSAT	NEW	4.5/5	4.5/5	
WH South - % calls answered <30 seconds (Grade of Service)	75.43%	73.97%	Contextual	
WH South - Average waiting time (seconds)	97.5	62.27	Contextual	
WH South - Call abandonment rate	7.70%	5.89%%	5%	
Group - % first contact resolution at CFC (Customer Service Advisors)	88.99%	86.41%	90%	
Group – Percentage of CFC customer interactions that are passed to Housing and Lowther staff for resolution	6.15%	6.92%	<10%	

- 4.25 The CFC aim is to provide quality solutions for our customers, negating the need for them to call again or for enquiries to have to be dealt with elsewhere. We are mindful that a balance has to be struck between our ability to provide a first contact resolution through an appropriate length of call and the time customers are waiting for their call to be answered.
- 4.26 For 2023/24, 74% of our customers waited less than 30 seconds to have their call answered (Grade of Service) and the average wait time (“AWT”) was only 62.3 seconds, an improvement from the 73.9% and 64.5 seconds reported at the end of quarter 3. For quarter 4 alone, Grade of Service was 74.11% and AWT 56 seconds. Overall, the call abandonment rate for our customers at 5.9% is not meeting the 5% target this year and performance has remained static since quarter 3 when it was 5.9%.
- 4.27 Our CFC Customer Service Advisors (“CSAs”) resolved 86.41% of Group-wide calls handled at first contact, a reduction from the 90% last year. In addition, the CFC continue to support Lowther staff with only 6.92% of customer interactions passed to them for resolution, better than the 10% target.

Complaints Handling

- 4.28 Our complaints handling timescale performance has continued to improve over 2023/24 as shown in the table below. Our Stage 1 complaints are now responded to in less than 4 days on average while Stage 2 complaints take almost 5 days less on average than last year at 12.60 days.

Table 11

Charter - average time for a full response to complaints (working days)				
Subsidiary	2022/23		2023/24 – Stage 1 - 5-day target, Stage 2 – 20-day target	
	Stage 1	Stage 2	Stage 1	Stage 2
WH South	3.84 	17.96 	3.48 	12.60 

- 4.29 Our full complaints Charter measures are included alongside other Charter measures in Appendix 1.

- 4.30 In addition to the Charter measures, we also report SPSO measures. The key complaints performance measures to the end of 2023/24 for SPSO are summarised below, with Stage 1 and escalated complaints improving since last year and Stage 2 remaining at 100%. Further detail on SPSO measures is included in Appendix 3, alongside a Charter complaints summary.

Table 12

SPSO Indicator 2 - number and % of complaints at each stage that were fully closed within timescales of 5 and 20 working days			
Subsidiary	Stage 1 - responded to within 5 working days	Stage 2 - responded to within 20 working days	Escalated complaints - responded to within 20 working days
WH South	95.62%	100.00%	100.00%

- 4.31 This strong performance in complaint handling – across both Charter and SPSO measures – is despite an increase in the volume of complaints. Our contact with the SPSO confirms that most organisations within their remit have seen a similar trend of increasing complaints. Housemark – the UK benchmarking body – has also recently reported a significant increase has been recorded in 2023/24.
- 4.32 Repairs, as our highest volume service, continues to result in the most complaints (41%). Last year we carried out well over 33,000 reactive repairs, however complaints amount to only 0.65% of the volume of repairs. We continue to improve our repairs service and our investment planning. Complaints analysis is informing this wider customer insight driven approach to service delivery.
- 4.33 An immediate focus during 2023/24 has been to improve the customer experience and quality of responses for stage 2 complaints. Only 6 cases were concluded by the SPSO in the year. 4 were not accepted for investigation and 2 were not upheld. These had recommendations for us – in one case to provide a more detailed stage 2 response and in the second to provide an apology for not following process in an attempt to access the property and to respond quickly to the SPSO. All of these recommendations have now been dealt with.
- 4.34 This action will support further improvements in Charter and SPSO measures in the future.



Making the Most of Our Homes and Assets

New Build Programme

- 4.35 We completed 35 social handovers within the financial year against a business plan target of 31. This included the successful handovers at Curries Yard.

Table 13

Sites	Handovers 23/24	Target 23/24	Diff.
WHS	35	31	+4
Curries Yard	35	31	+4

- 4.36 As our commitment to progressing our new build pipeline and regeneration work progresses, prominent updates are summarised below:
- A funding application for Johnstonebridge (35 units) was submitted to the Scottish Government in March 2024 and is undergoing assessment; and
 - Site start was achieved for 47 units at Ewert Place in Springholm.

Investment in Improvement, Modernising and Maintaining Homes

- 4.37 This year we have completed a total of 281 investment projects covering new kitchens, bathrooms, windows, and heating, exceeding the target of 250. Actual capital core programme total spend was over £17m against a budget of £19.5m. When considering repairs spend, total investment in improving, modernising and maintaining homes is even higher.

Volume of Emergency Repairs

- 4.38 The table below shows our position against the strategic result to reduce the volume of emergency repairs by 10% by 2026, with a target of 3.34% in 2023/24. We are meeting this target with a reduction of 12.42% less emergency repairs than last year.

Table 14

Area	Completed Emergency Repairs		
	2022/23	2023/24	Variance to 2022/23
WH South	14,860	13,015	-12.42%

Rate It

- 4.39 'Book It, Track It, Rate It' aims to improve visibility and communication during the repair journey. The Rate It element was launched in November providing an opportunity for customer feedback on repair appointments.
- 4.40 Following the launch, the Rate It score is 4.7/5 (from 2,737 responses, representing 17.75% of the feedback links generated to all customers with contact information).

Responsive repairs: Mould

- 4.41 We continue to monitor repairs related to mould, with updates provided to help facilitate greater scrutiny over these types of repairs. The CFC raises every job related to damp, mould, condensation or rot as a mould inspection line.
- 4.42 Since introducing our refreshed process and implementing system recording enhancements during 2023/24, to the 31 March 2024 89.5% of mould inspections in our tenants' homes were attended within 2 working days and 96.7% completed within 15 days. In 19.9% of inspections no mould was found. Where mould was present, 85.35% were categorised as mild, 14.4% as moderate (172) and 0.25% as severe (3).

- 4.43 Mild cases reflect a small area of mould spores, such as around a window ledge or bath, and require a fungicidal wash down and decoration (completed in one appointment). Moderate cases cover a larger physical area and therefore a longer appointment to complete (albeit still completed in one appointment). Severe cases reflect more extensive mould with an underlying issue which will require more than one appointment or a more structural fix following the treatment of the mould.



Changing Lives and Communities

Peaceful Neighbourhoods

- 4.44 The Group five-year strategic target is that 70% or more of our Group tenancies should be classified as “Peaceful” by 2026. Peaceful communities are defined as communities where customer reported incidents of anti-social behaviour to Police Scotland are reducing.
- 4.45 The proven most effective way to achieve this target is by reducing the incidence of customer reported anti-social behaviour by our customers to Police Scotland.
- 4.46 As the table below shows, the Group achieved the 2023/24 strategic objective of 76.16% of tenancies classified as ‘Peaceful’, an increase from 68.50% from last year.

Table 15

Percentage of Wheatley Group tenancies classified as:	2022/23	2023/24	
	Percentage	Number	Percentage
Safe	11.6%	3,559	5.98%
Calm	19.9%	9,706	17.83%
Peaceful	68.5%	47,956	76.16%

- 4.47 Overall, the number of Anti-Social Behaviour (“ASB”) incidents decreased from 1,228 last year to 927 this year, with 100% resolution.
- 4.48 During 2023/2024 we reviewed our approach towards safer communities, including the:
- Review of our ASB Framework;
 - Creation of RSL specific ASB and Neighbourhood Management Policies;
 - Introduction of our new improved ASB recording system, Safer Communities Antisocial Behaviour Intervention and Prevention Officers and CIP Police Officers are now aligned to a geographical area; and
 - Enhanced ASB training for frontline housing officers, shaped by staff feedback.

Accidental Dwelling Fires

- 4.49 We have recorded 12 accidental dwelling fires in 2023/24, an decrease from 19 last year. The profile of the 12 fires during 2023/24 is set out in the table below.

Table 16

Number of recorded accidental dwelling fires	2023/24			
	Q1	Q2	Q3	Q4
WH South	1	2	3	6

- 4.50 This reduction contributes towards the Group strategic result to reduce RSL accidental dwelling fires by 10% by 2025/26. As of the end of March 2024, 120 accidental dwelling fires have been recorded across the Group RSLs against the upper limit for this year of 200 to be on-track to achieve the strategic result. During the first three years of the strategy period accidental dwelling fires have reduced by 44%.

Reducing Homelessness

- 4.51 We made 393 lets to homeless applicants in 2023/24. We provided 47.57% of relevant lets to homeless applicants (this non-Charter measure excludes lets such as mutual exchanges where we have limited control on the source of tenancy).



Table 17

RSL	2023/24 Number of lets to homeless applicants (ARC)	% relevant lets made to homeless applicants	2022/23 Number of lets to homeless applicants (ARC)
WHS	393	47.57%	409

Jobs and Opportunities

- 4.52 Foundation programmes focus on supporting our customers and those in our communities, accessing jobs, training, and apprenticeship opportunities, support vulnerable children, and alleviate poverty. Overall, we have exceeded the 2023/24 targets for all three foundation measures.
- 4.53 The Group Welfare Benefits Advice and Fuel Advice service also supported over 13,000 group customers this year with an overall financial gain of around £14m.

Table 18

Strategic Results	2023/24 Target	Year-end performance 2023/24	
4,000 jobs, training and apprenticeship opportunities delivered for customers and communities	96 – WH South	117 – WH South	
10,000 vulnerable children benefit from targeted Foundation programmes in Wheatley communities	53 – WH South	124 – WH South	
20,000 Wheatley Customers accessing services which help alleviate poverty in Wheatley communities	1125 – WH South	1514 – WH South	





Developing our Shared Capability

Sickness Absence

- 4.54 We lost 2.52% of working time due to staff sickness absence in the year 2023/24, well within the target of 3%.

Table 191

Sickness Rate	Target	2023/24	2022/23
WH South	3%	2.52% 	2.19% 

- 4.55 Minor Illness was the dominant reason for absence in Q4 accounting for 53% of total absence during this period.
- 4.56 Further assistance for staff members experiencing issues and managers supporting staff members was provided in Q4 via a variety of new workshops including Supporting Staff Through Bereavement, Financial Wellbeing and Stress & Anxiety workshops.
- 4.57 These workshops will run throughout 2024 and will complement existing support services for stress and anxiety offered through our Employee Assistance Provider, our bespoke counselling services and through e-learning modules.



Summary of Strategic Project Delivery

- 4.58 The full list of our strategic projects is attached to this report as Appendix 4. Six projects completed during quarter 4 of 2023/24:
- Repairs technical enhancement programme;
 - My Voice – real time customer feedback reporting;
 - Migration to new cloud telephony platform;
 - Lochside regeneration;
 - Implement Group sustainability framework; and
 - Develop a new, integrated Neighbourhood Planning Approach
- 4.59 While most of our strategic projects have now concluded, one did not fully conclude within the anticipated milestones. More information on this project can be found below:
- **Interest cover covenant revision** - EIB credit approval now in place. Legal documentation now underway (estimated completion end-May 2024).

5. Customer Engagement

- 5.1 We have several strategic projects that facilitate opportunities for customer engagement, as do new customer feedback channels such as MyVoice and Book It, Track It, Rate It. This will directly impact the way we deliver services, the way they can be drawn down by customers and how customers can share their views on these services.

6. Environmental and sustainability implications

- 6.1 One of our strategic projects for 2023/24 focused on the implementation of the Group sustainability framework. This included a refined sustainability performance framework and delivery plan which is overseen by the Wheatley Solutions Board.

7. Digital transformation alignment

- 7.1 Our strategy is underpinned by digital transformation. The strategic projects for 2023/24 have been developed and prioritised with IT, digital and data interdependencies a key factor.

8. Financial and value for money implications

- 8.1 There are no direct financial implications arising from this report. Any financial requirements related to actions and projects within the report are subject to separate reporting and agreement.

9. Legal, regulatory and charitable implications

- 9.1 The Scottish Housing Regulator requires an Annual Return on the Charter from each RSL. Key indicators within this return are also included in quarterly performance reporting.
- 9.2 We are also required to involve tenants in the scrutiny of performance, which we do through the Group Scrutiny Panel, and to report to tenants on performance by the end of October each year.

10. Risk Appetite and assessment

- 10.1 This report covers performance across each of our strategic themes and as such there is no single agreed risk appetite. Having a strong performance management culture will in particular support our progression from excellence to outstanding for which we have an open risk appetite in relation to operational delivery with a cautious appetite in relation to compliance with law and regulation.

11. Equalities implications

- 11.1 Project monitoring and evaluations consider equalities information and Equalities Impact Assessments are undertaken at the outset of new programmes to ensure compliance with equality legislation, where applicable.

12. Key issues and conclusions

- 12.1 Despite an ever-evolving landscape, we continue to perform strongly in a wide range of areas, including relative to wider sector benchmarking. This includes areas such as keeping tenants informed, satisfaction with opportunities provided to participate, views that rent represents value for money, emergency repairs timescales, gas safety checks, turnover, void lost rent, average days to re-let, time to complete medical adaptations, time to respond to complaints and sickness absence.
- 12.2 Areas we continue to focus on improving include overall tenant and factored owner satisfaction, satisfaction with the quality of home, tenancy sustainment, non-emergency repairs timescales and the percentage of complaints responded to in full at stage 2.

13. Recommendations









- 13.1 The Board is asked to:
- 1) Approve the draft Annual Return on the Charter results for submission to the Scottish Housing Regulator;
 - 2) Delegate authority to the Group Managing Director of RSLs, or in their absence another member of the Group Executive Team, to make any non-material updates to finalise the results before submission; and
 - 3) Note the outturn year-end performance against non-Charter measures and strategic projects.

LIST OF APPENDICES:














- Appendix 1: Draft Annual Return on the Charter 2023/24
Appendix 2: Board Measures Dashboard 2023/24
Appendix 3: Complaints, ARC and SPSO measures 2023/24
Appendix 4: Strategic Projects Dashboard 2023/24

Appendix 1		Wheatley Homes South			SHR Scottish Average
Charter Indicators		2022/23 Results	2023/24 Draft Results	2023/24 Target	2022/23
Annual survey questions - results pre 2023/24 are from 2019/20.					
01	Percentage of annual tenants satisfied with the overall service	94.83%	87.84%	>90%	86.70%
02	Percentage of annual tenants who feel their landlord is good at keeping them informed about their services and decisions	95.93%	96.49%	90%	89.70%
03a	Percentage of complaints responded to in full at Stage 1	95.33%	96.57%	95%	95.30%
03b	Percentage of complaints responded to in full at Stage 2	92.98%	96.30%	100%	92.50%
04a	Average time in working days for a full response at Stage 1	3.84	3.48	5	5.80
04b	Average time in working days for a full response at Stage 2	17.96	12.60	20	19.30
05	Percentage of annual tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes	94.75%	97.30%	90%	85.90%
06	Percentage of stock meeting the Scottish Housing Quality Standard (SHQS)	86.25%	87.79%	89.29%	79.00%
07	Percentage of annual existing tenants satisfied with the quality of their home	92.68%	88.65%	>90%	84.20%
08	Average time to complete emergency repairs (hours)	2.91	2.70	3	4.20
09	Average time to complete non-emergency repairs (working days)	7.02	8.58	7.0	8.70
10	Percentage of reactive repairs completed right first time	91.09%	87.71%	90%	87.80%
11	Number of times in the reporting year that you did not meet your statutory obligation to complete a gas safety check within 12 months of a gas appliance being fitted or its last check.	0	0	0	N/A
12	Percentage of tenants satisfied with repairs or maintenance carried out in last 12 months	83.15%	89.17%	90%	88.00%
13	Percentage of annual tenants satisfied with the landlord's contribution to the management of the neighbourhood they live in	92.83%	94.86%	90%	84.30%
14	Percentage of tenancy offers refused during the year	9.64%	16.37%	Contextual	30.90%
15	Percentage of anti-social behaviour cases reported in the last year which were resolved	100%	100%	98%	94.20%
16	Percentage of new tenancies sustained for more than a year - overall	86.83%	86.10%	88%	91.20%
17	Percentage of lettable houses that became vacant	7.91%	7.92%	8%	7.40%
18	Percentage of rent due lost through properties being empty	0.51%	0.20%	0.6%	1.40%
19	Number of households currently waiting for adaptations to their home	32	0	Contextual	N/A
20	Total cost of adaptations completed in the year by source of funding (£)	£2,100,593	£944,887	Contextual	N/A
21	Average time to complete approved applications for medical adaptations (calendar days)	32.87	24.57	25	46.80
22	Percentage of court actions initiated which resulted in eviction - overall	17.07%	42.86%	Contextual	17.20%
23a	Percentage of referrals under Section 5, and other referrals for homeless households made by the local authority, that resulted in an offer	56.88%	81.44%	Contextual	37.80%
23b	Percentage of offers made to LA Section 5 and other referrals for homeless households that result in a let	86.84%	66.23%	Contextual	82.50%
25	Percentage of annual tenants who feel that the rent for their property represents good value for money	90.32%	95.14%	85%	81.80%
26	Rent collected as % of total rent due	99.30%	99.53%	Contextual	99.00%
27	Gross rent arrears (%)	4.62%	4.33%	4.42%	6.90%
28	Average annual management fee per factored property.	£108.16	£116.48	Contextual	£107.59
29	Percentage of annual owners satisfied with the factoring service	67.12%	24.63%	60%	61.80%
30	Average length of time taken to re-let properties (calendar days)	12.31	11.01	16.00	55.60







Appendix 2 - WHS Board - Delivery Plan 23/24 - Strategic Measures

1. Delivering Exceptional Customer Experience				
Measure	2022/23	2023.24		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) – overall	5.27	4.75		
Average time for full response to all complaints (working days) - Stage 1	3.84	3.48	5	
Average time for full response to all complaints (working days) - Stage 2	17.96	12.60	20	
CFC CSAT	NEW	4.5	4.5/5	
Group - % of first contact resolution at CFC	88.99%	86.41%	90%	
Group - Call abandonment rate	4.72%	5.45%	5%	
WHS - Call abandonment rate	7.7%	5.89%	5%	
Group - Percentage of CFC customer interactions that are passed to Housing and Lowther staff for resolution	6.15%	6.92%	10%	
Group - % calls answered <30 seconds (Grade of Service)	76.79%	69.35%	Contextual	
WHS - % calls answered <30 seconds (Grade of Service)	75.43%	73.97%	Contextual	
Group - Average waiting time (seconds)	57.64	59.33	Contextual	
WHS - Average Wait Time (seconds)	97.5	62.27	Contextual	
% new tenancies sustained for more than a year - overall	86.83%	86.10%	88%	


2. Making the Most of Our Homes and Assets

Measure	2022/23	2023.24		
	Value	Value	Target	Status
Reduce the volume of emergency repairs by 10% by 2025/26 26 (target -3.34% for 2023/24)	22/23 – 14,860	13,015	-12.42%	
Reduce the volume of emergency repairs to less than 30% of overall reactive repairs	43.89%	39.14%	35%	
Average time taken to complete emergency repairs (hours) – make safe	2.91	2.70	3	
Average time taken to complete non-emergency repairs (working days)	7.02	8.58	7	
% reactive repairs completed right first time	91.09%	87.71%	90%	
Number of gas safety checks not met	0	0	0	
% of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the R&M service	83.15%	89.17%	90%	
Average time to complete approved applications for medical adaptations (calendar days)	32.87	24.57	25	
% Planned repair spending	41.30%	45.6%	60%	
% Reactive repair spending	58.7%	54.4%	40%	
New build completions - Social Housing	37	35	31	
Number of HSE or LA environmental team interventions	1	0	0	
Group - Number of open employee liability claims	13	13	Contextual	
Group - Number of days lost due to work related accidents	464	649	Contextual	
Number of new employee liability claims received	0	0	0	




3. Changing Lives and Communities

Measure	2022/23	2023/24		
	Value	Value	Target	Status
% ASB resolved	100%	100%	98%	
% Lets Homeless Applicants - overall (ARC)	57.44%	47.52%	Contextual	
% Relevant lets to Homeless Applicants	58.14%	47.57%	Contextual	
Number of lets to homeless applicants (10,000 for Group by 2025/26)	409	393	Contextual	
WHS - Total number of jobs, training places or apprenticeships created including Wheatley Pledge	128	117	96	
Group - % of Group tenancies in neighbourhoods categorised as peaceful	68.50%	76.16%	69%	
Group - 100% of relevant properties have a current fire risk assessment in place	100%	100%	100%	
Group - The percentage of non-relevant properties that have a current fire risk assessment in place	100%	100%	100%	
Number of accidental fires in workplace	0	0	0	
Number of accidental dwelling recorded by Scottish Fire and Rescue	19	12	Contextual	

4. Developing Our Shared Capacity

Measure	2022/23	2023/24		
	Value	Value	Target	Status
% Sickness rate	2.19%	2.52%	3%	

5. Enabling Our Ambitions





Measure	2022/23	2023/24		
	Value	Value	Target	Status
% lettable houses that became vacant	7.91%	7.92%	8%	
% court actions initiated which resulted in eviction - overall	17.07%	42.86%	Contextual	
Average time to re-let properties	12.31	11.01	16	
Gross rent arrears (all tenants) as a % of rent due	4.62%	4.33%	4.42%	

Appendix 3 – Q4 2023/24 - ARC and SPSO measures


- 1.1 This appendix provides ARC and SPSO measures for Q4 2023/34.
- 1.2 For Group RSLs, ARC measures include complaints received from all customers who receive a service provided by the Group RSL or on their behalf. This includes factoring services delivered by Lowther Homes on behalf of WHS.
- 1.3 For Group RSLs, SPSO measures include all complaints relating to the RSL, irrespective of the source of the complaint.

Charter (ARC) Measures

- 1.4 ARC measures are reported to SHR for each Registered Social Landlord (RSLs) in the Group. Performance is for all RSL customers, including those factored owners who receive a service from Lowther Homes on behalf of WHS.
- 1.5 The table below outlines the average time for a full response (working days) for Stage 1 and Stage 2 complaints. All targets are being met for this measure. This is a significant improvement from 2022/23.





Charter - average time for a full response to complaints (working days)				
Subsidiary	2022/23		2023/24	
	Stage 1	Stage 2	Stage 1 (5-day target)	Stage 2 (20-day target)
WHS	3.84 	17.96 	3.48 	12.60 



- 1.6 The table below outlines the average time for a full response to complaints (working days) overall, for Stage 1 and Stage 2 combined.

Charter - average time for a full response to complaints (working days)		
Subsidiary	2022/23 – Target 6 days	2023/24 – Not Targeted
WHS	5.27 	*4.75

*Not targeted for this measure

- 1.7 The table below displays the annual Charter measure for the percentage of additional ARC complaints measures – The percentage of all complaints responded to in full at Stage 1, Stage 2 and overall – are calculated at year end and the results for 2023/24 are displayed below. This simply shows the number that were still in the process of being responded to at the end of the year (i.e., they came in during March and were still within timescale rolling over into April)..

Charter – percentage of complaints responded to in full				
Subsidiary			Stage 1	Stage 2
	Stage 1	Stage 2	(95% target)	(100% target)
WHS	95.33% 	92.98% 	96.57% 	96.30% 

Charter – percentage of complaints responded to in full		
Subsidiary	2022/23 – Target 96%	2023/24 - Target 96%
WHS	95.08% 	96.53% 

SPSO Measures

- 1.8 We are required to record our performance against the SPSO indicators and report these to the board and senior managers. On request the SPSO can ask that we provide them with details of our complaint handling performance in line with their indicators.
- 1.9 For Group RSLs, SPSO measures include all complaints relating to the RSL, irrespective of the source of the complaint.
- 1.10 Stages of complaints are defined as:
- *Stage 1 complaints* – are first time reports of dissatisfaction with services.
 - *Stage 2 complaints* – directly received as Stage 2, i.e. not escalated from Stage 1. This can be cases which are considered a risk to reputation or requires investigation due to the number of issues raised that could not have been reasonably resolved at Stage 1 as part of a frontline resolution.
 - *Escalated complaints* – complaints that were received into the organisation at Stage 1 and later escalated to Stage 2.
- 1.11 A summary of the year-to date figures for each of the indicators are included below.

Indicator 1 - total number of complaints received.

- 1.12 Complaints numbers have increased from 2022/23. At the end of Q4 2023/24 WHS had received 486 Stage 1 and four Stage 2 complaints. In the year-to-date, compared to the same period in 2022/23, complaints numbers for WHG have increased by just over 1%.

SPSO Indicator 1 - total number of complaints received - YTD		
Subsidiary	Stage 1 (this includes escalated complaints as they were first received at Stage 1)	Stage 2 (directly received as Stage 2, i.e. not escalated from Stage 1)
WHS	486	4

Indicator 2 - number and % of complaints at each stage that were fully closed within timescales of 5 and 20 working days. Full response has been given to customer/resolution has been reached, including those with outstanding actions. Extensions of time to a complaint will be included in the total count and will be considered "late".

SPSO Indicator 2 - number and % of complaints at each stage that were fully closed within timescales of 5 and 20 working days – YTD 2023/24			
Subsidiary	Stage 1 - responded to within 5 working days	Stage 2 - responded to within 20 working days	Escalated complaints - responded to within 20 working days
WHS	95.62%	100.00%	100.00%





Indicator 3 - the average time in working days for a full response to the complaints at each stage.







SPSO Indicator 3 - the average time in working days for a full response to the complaints at each stage – YTD 2023/24			
Subsidiary	Stage 1 - responded to within 5 working days	Stage 2 - average time in working days to respond to complaint	Escalated complaints - Average time to respond to complaints after escalation from Stage 1 to Stage 2
WHS	3.48	14.50	12.50


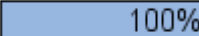


Indicator 4 - the outcome of complaints as a % of overall complaints.

SPSO Indicator 4 - the outcome of complaints as a % of overall complaints				
Subsidiary	Stage 1 - upheld	Stage 1 - partially upheld	Stage 1 - not upheld	Stage 1 - resolved
WHS	20.04%	11.69%	44.05%	24.22%
	Stage 2 - upheld	Stage 2 - partially upheld	Stage 2 - not upheld	Stage 2 - resolved
WHS	25.00%	0.00%	50.00%	25.00%
	Escalated complaints - upheld	Escalated complaints - partially upheld	Escalated complaints - not upheld	Escalated complaints - resolved
WHS	32.43%	13.51%	54.05%	0.00%

Appendix 4 - WHS Board - Delivery Plan 23/24 - Strategic Projects

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Repairs technical enhancement programme (b)	31-Mar-2024			01. Programme of research and engagement with customers on online repairs service to further refine functionality and usability	30-Sep-2023	Yes	DRS updates now implemented in both CBG and WHE. This project is now complete.
				02. CBG IT integration – Boxi reporting system implementation	31-Oct-2023	Yes	
				03. WHS DRS upgrade	31-Oct-2023	Yes	
				04. CBG DRS upgrade	31-Oct-2023	Yes	
				05. Servitor and DRS fully implemented in WHE	31-Mar-2024	Yes	
Group wide implementation of Roll out Book it, Track it, Rate it (b)	31-Aug-2023			01. Pilot commencement in Wheatley Homes East	30-Apr-2023	Yes	Project complete as previously reported
				02. Pilot finalised in with City Building delivered repairs	31-May-2023	Yes	
				03. Pilot commencement in Wheatley Homes South	31-May-2023	Yes	
				04. Pilot evaluation, including customer feedback, and agreement to go live - City Building	30-Jun-2023	Yes	
				05. Pilot evaluation, including customer feedback, and agreement to go live - Wheatley Homes East	31-Jul-2023	Yes	
				06. Pilot evaluation, including customer feedback, and	31-Aug-2023	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				agreement to go live - Wheatley Homes South			
My Voice – real time customer feedback reporting (b)	31-Mar-2024			01. MY Voice CFC pilot concluded	30-Apr-2023	Yes	All milestones now met - this project is now concluded
				02. CFC customer insight operational framework implemented	31-May-2023	Yes	
				03. Implementation plan for key service pillars developed and approved by ET	31-May-2023	Yes	
				04. On-board key service pillars to MY Voice customer insight platform	30-Nov-2023	Yes	
				05. Implement operational frameworks	31-Mar-2024	Yes	
Migration to new cloud telephony platform (b)	31-Mar-2024			01. Group Board approval of contract award	30-Apr-2023	Yes	Project now complete
				02. Vendor Contract Award	31-May-2023	Yes	
				03. Full project delivery plan developed and commenced	31-Jul-2023	Yes	
				04. Phase 1 launch	31-Dec-2023	Yes	
				05. Phase 2 launch	31-Mar-2024	Yes	
Lochside regeneration (b)	31-Mar-2024			01. Community engagement on Masterplan	31-Oct-2023	Yes	Progress against programme remains on track at Lochside. Community Engagement will continue throughout the masterplan and planning process and through the local delivery group.
				02. Draft Masterplan revised following community engagement	28-Feb-2024	Yes	
				03. Masterplan update to WHS and WDSL Board	31-Mar-2024	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
							<p>The Masterplan has reached RIBA stage 1 with Proposal of Application Notice launch publicly</p> <p>Negotiations with DGC to acquire a former school site with potential for 100-200 homes are progressing.</p>
Implement Group sustainability framework (b)	31-Dec-2023			01. Sustainability delivery workshop with nominated group leads	30-Apr-2023	Yes	Group Board agreed to remove the final milestone from this project (Annual sustainability progress report via PNAG to Group Board). As a result, this project has now completed.
				02. Refine sustainability performance monitoring framework	31-May-2023	Yes	
				03. Develop sustainability delivery plan	30-Jun-2023	Yes	
				04. Quarterly sustainability updates to ET	30-Jun-2023	Yes	
Develop a new, integrated Neighbourhood Planning Approach (b)	28-Feb-2024			01. Deliver workshop with key people involved in Neighbourhood tools and scoring mechanisms to map out roles and remit	31-May-2023	Yes	All RSL Boards presented with neighbourhood approach at February Boards. Final milestone completed.
				02. Develop a technical guidance document around application of tools and the scoring mechanisms within the neighbourhood assessment	30-Jun-2023	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				03. Trial and test the neighbourhood assessment, including customer engagement, in one neighbourhood within WHG	31-Jul-2023	Yes	
				04. Based on the neighbourhood assessment, propose an example neighbourhood plan	30-Sep-2023	Yes	
				05. Provide worked example to WHG Board to review and agree as a model going forward	30-Sep-2023	Yes	
				06. Draft Neighbourhood approach for wider group to RSL Boards	28-Feb-2024	Yes	
[redacted]							

Report

To: Wheatley Homes South Board

By: Alex Lamb, Managing Director

Approved by: Pauline Turnock, Group Director of Finance

Subject: 2024/25 Delivery Plan and performance measures

Date of Meeting: 29 May 2024

1. Purpose

- 1.1 This report sets out for Board approval the draft 2024/25 Delivery Plan, comprising:
- Strategic projects to be reported to the Board during 2024/25; and
 - Board-level performance measures and corresponding targets.

2. Authorising and strategic context

- 2.1 The Group Board approved the approach to monitoring the implementation of our strategy via our Group Performance Management Framework (“PMF”) at its meeting in June 2021. In August 2023, the Group Board agreed amendments to the original strategy, reflecting that our strategic context has changed since the strategy was first agreed. The Group Board recently agreed the Group level strategic projects and performance measures and targets for 2024/25, which reflect those strategy updates.
- 2.2 Under the Group Standing Orders the Group Board has an ongoing role in monitoring the performance of subsidiaries across the Group against the agreed measures. Individual RSL Boards are responsible for approving their Annual Return on the Charter (“Charter”) returns and we are also responsible for monitoring our performance against agreed targets.
- 2.3 We last approved our strategic projects and measures and targets in May 2023, and approved our own renewed strategy in August 2023.

3. Background

- 3.1 As part of agreeing the original PMF in June 2021 the Board recognised that the strategic projects, strategic measures and targets would evolve throughout the life of our strategy as we refreshed and renewed it.
- 3.2 As such, strategic projects and our measures and targets are subject to annual review to take into account what has been delivered to date, our business operating context and the external operating environment.

- 3.3 For the same reasons, we also review and update our 5-year strategy each year. As part of this process, each partner Board within the Group considers its 5-year strategy and what refinements are appropriate within this context.

4. Discussion

Strategic and business context

- 4.1 The Board reflected on the changes in our operating environment during the May 2023 strategy workshop and when subsequently approving our renewed strategy in August 2023. This included the much-changed economic operating environment and customer priorities since the original version of our strategy was approved and implemented in 2021.
- 4.2 This impacted several areas of our strategy and our plans between now and 2026, including keeping the right balance between rent increases and service delivery, the delivery of repairs, maintenance and capital investment in existing homes and our continued focus on delivering value for money within our operating model.
- 4.3 Over the last twelve months in particular, our strategic and business context has continued to evolve, including:
- Consumer Price Index inflation rates fell from over 10% to under 3.5% while inflation in areas of large spending for us such as repairs and maintenance and construction did not fall at a corresponding rate;
 - Further increases in the Bank of England Interest rates to over 5% for the first time in over 15 years;
 - A significant reduction in the Scottish Government budget for the Affordable Housing Supply Programme;
 - The Scottish Government's consultation for the Social Housing Net Zero Standard to replace the requirement for existing homes to reach EESSH2 was published, however with no certainty on how achieving it will be funded;
 - High demand for repairs persisted for all RSLs across the Group, a situation mirrored across the wider UK sector; and
 - The implications of the Cost of Living (Tenant) Protection (Scotland) Act 2022 for our rent setting across all tenures.
- 4.4 Our achievements over the last 12 months represented another significant step towards delivering the key elements of our five-year strategy as we concluded Year 3. We delivered or commenced a wide number of major strategic projects and activities linked to key themes and targets within our strategy, including:
- Independent tenant satisfaction surveys with Wheatley Homes South **on track to achieve 90%** by 2026;
 - **Successfully migrated to a cloud telephony platform** within our CFC **ahead of schedule and on budget**. The platform has enhanced our ability to communicate with tenants in responding to events such as severe weather, increased our business continuity and resilience and provides the potential for major service refinements;
 - **Continued to refine our repairs service**, including introducing better customer insight and scrutiny through implementing the Book It, Track It, Rate It real-time customer feedback and a Group Scrutiny Panel thematic review, and upgrades to the scheduling system;

- **Significantly expanding the level of real-time customer feedback** through our My Voice and Localz platforms to provide instant customer satisfaction ratings within the CFC, NETs and Allocations and repairs. As a Group, these tools have enabled the collection of over 40,000 feedback responses during 2023/24 which are now regularly reviewed by frontline teams and managers to drive continuous improvement in service delivery;
- Developed a **new, integrated Neighbourhood management approach** to allow us to get even closer to our communities;
- Working alongside tenants, communities and partners **progressed major regeneration projects** at Lochside; and
- Continued to lead the way nationally in alleviating homelessness, exceeding our Group target by **providing homes to 2000+ homeless households**.

4.5 Reflecting on the achievements over the last 12 months, in terms of delivering the key priorities of our five-year strategy we are well placed as we conclude year three and enter the penultimate year of our strategy. We have delivered or significantly progressed the majority of the major elements of our strategy such as our Stronger Voices, Stronger Communities Engagement Framework, transformational regeneration project at Lochside, well-advanced homelessness and sustainability strategic frameworks in place, and significant investment in our technology platforms.

4.6 As we and our partner Boards across the Group hold their strategy workshops in May and June, we will each reflect on progress to date and the key priorities for the remainder of our strategies. The proposed priorities for 2024/25 are set out in further detail below; this includes proposals for the strategic projects the Board will be updated on through the quarterly performance paper strategic project dashboards.

Delivery Plan 2024/25

4.7 As we build the progress over the first three years of the strategy, with many key priorities well advanced or already delivered, the focus for the year ahead is on the areas that will enable us to complete the delivery of our strategy over the next two years.

4.8 The proposed Delivery Plan strategic projects focus on three key themes:

- **Delivering excellent, personalised services** – through customer insight and enhancing our understanding of customer needs continuing to reshape how we deliver services to make them even more customer-driven and personal and enable us to achieve our tenant satisfaction strategic targets;
- **Investing and regenerating our neighbourhoods and communities** – a continued focus on regenerating, building and maintaining the visual appearance of new and sustainable communities, working in partnership with key partners.
- **Data, automation and self-service** – exploring, enabling and improving our use of new and emerging technology and data to transform how we deliver services, enhance our business efficiency, upskill our staff and, in turn, improve our customer and staff experience;

- 4.9 For completeness, the full list of proposed projects and milestones across Group is set out at **Appendix 1**. For each project, we have also included the specific elements of the strategy that the projects will support or enable the delivery of. There is also one stand-alone project included, a review of defined benefit contribution schemes, based on the pension strategy being a matter reserved to the Group Board.
- 4.10 As with previous years we have identified projects where there are external interdependencies that mean the delivery of those projects is not entirely within our control. A more detailed update on each of the three streams is set out below, including proposals for our key 2024/25 strategic projects and several others anticipated as having a significant benefit. The projects proposed for regular reporting and inclusion in future performance reports are highlighted in Appendix 1 for Board feedback and agreement.

Delivering excellent, personalised services

- 4.11 A key priority in our strategy is the delivery of excellent services with an overarching objective of achieving 90% tenant satisfaction. An important element of how we plan to achieve this is ensuring that our services are personalised to the needs of our customers and driven by engagement with and feedback from our customers.
- 4.12 The first project in this area is focused on defining and agreeing our approach to vulnerability and personalised services. This will focus on developing a **strategy which sets out the type of information we will seek to collect and importantly how we will use it to deliver increasingly personalised services**. For example, what information would a CFC agent or repairs operative benefit from having at their fingertips to deliver a more personalised service.
- 4.13 We will engage customers as part of this process to understand the type of information they would feel comfortable with us holding, the types of information they expect us to know and critically how they would expect us to use it to deliver personalised services.
- 4.14 Following our satisfaction surveys and the expansion of real-time feedback in 2023/24 we will **continue to expand our focus on how customer insight drives our services**. This will include, in collaboration with customers, customer journey mapping. We will identify the areas for customer journey mapping based on analysis of our complaints, My Voice and key satisfaction drivers identified in our satisfaction surveys.
- 4.15 We will also agree and commence a programme of pulse and thematic surveys to ensure we are tracking customer satisfaction on an ongoing basis. This will be a particular focus for us as we continue our path to 90% satisfaction by 2026.

Investing and regenerating our neighbourhoods and communities

- 4.16 Regenerating our communities, building new homes and continuing to invest in the homes of existing customers are central elements in our strategy. Delivering new homes, regenerating communities, making our neighbourhoods places where our customers feel safe and secure and live in desirable and peaceful communities, and making our properties energy efficient remain key elements of our strategy. For instance, we will continue the next phases in the transformational regeneration project at Lochside.
- 4.17 At the Group Board workshop earlier this year the principles for our future Group asset strategy were agreed, with a focus on how we continue to invest in existing tenant's homes. Our Board will have similar discussion at our upcoming strategy workshop and the strategic project sets out the milestones for **the development of an asset strategy**.

Data, automation and self-service

- 4.18 Since we commenced our strategy in 2021 the importance of data alongside the capability automation has increased significantly. The collection and analysis of the right data is also increasingly recognised as an essential element of understanding the experience of customers. The right data is also an essential enabler to being able to take advantage of the capability of AI and automation.
- 4.19 The projects in this stream will focus on **harnessing the potential of our data and automation to redesign our approach to a core business area**, building compliance, **carefully exploring the potential of AI** and automation to deliver increased productivity and enhancing services, and ensuring that **our staff are appropriately skilled for and benefit** from better data and automation.
- 4.20 The first proposed project will see us explore these capabilities in three areas. We will assess the options for these three areas based on criteria such as where there is currently a high level of manual activity e.g. invoice processing, areas where we could extract actionable customer insight e.g. complaints, where we have large data sets e.g. physical assets, or where we currently have a high level of expenditure e.g. repairs. We will inform this decision and it is anticipated the selected areas could positively impact us as a business and/or our customers' experience.
- 4.21 As part of this, we will agree on measures of success that will be monitored throughout the project. Any future investment will require to be supported by a business case which clearly sets out and quantifies the predicted benefits. For example, we could deliver efficiencies that allow money to be reinvested in our communities or customer feedback indicates that it would enhance service delivery.
- 4.22 Our compliance obligations and the associated delivery programme have significantly expanded in recent years and the timing is appropriate to undertake a review of our approach. Distinct from the pilot areas proposed in the project above, this is an area where we have ongoing legal obligations and as such needs a dedicated focus.

- 4.23 The nature of the programme involves a high degree of scheduling, both appointments and trade capacity, managing customer communications, the flow of data from external contractors and a need to have data in a reportable format. Whilst we have managed our programme very well, the nature of the programme means **there is significant potential to use our data and to manage our compliance differently.**
- 4.24 Our Group wide focus in 2023/24 was to go live with our CFC cloud telephony platform and ensure that it was operationally effective and resilient for the core activity of handling customer calls. For 2024/25, having achieved this stability, we now plan to **explore how we can leverage the capabilities of our cloud telephony platform to deliver a better, more efficient service.**
- 4.25 As well as drawing on the platform's capability to smartly automate the routing of calls based on the caller's geographic location we will harness the opportunities of automation and AI in areas such as call transcription. This will create the potential to undertake analysis of calls significantly beyond what is viable through call listening, and support quality assurance by, for example, identifying calls with trigger words, such as damp and mould, where we want to target quality checks. There is also potential to automate elements of our call handling, such as security checks, and basic enquiries such as when is my repair appointment.
- 4.26 In order for us to realise the potential of data and automation we know that our staff need to be appropriately skilled and engaged. Staff engagement, skills and culture are areas the Wheatley Solutions Board has consistently identified as an essential element of becoming a data-enabled organisation.
- 4.27 In recognition of this, a specific project will focus on how we engage and upskill our staff to support building a culture where staff understand and value the importance of data.

Measures and Targets 2024/25

- 4.28 When initially agreeing measures and targets in June 2021, it was recognised these would be subject to ongoing review as well as formal review annually. Despite the continuing business and strategic change during 2023/24, we have once again made significant progress in this period and remain on track to deliver the vast majority of key outcomes and performance measures in our strategy.
- 4.29 Particular highlights include:
- Wheatley Homes South **providing homes to homeless households, contributing nearly 1,300 to the over 7,000 during the first three years** of our strategy. Our contribution will be pivotal in the overall Group target of providing a home to 10,000 homeless people or households by 2026;
 - **Handed over 35 new and affordable social homes**, against a target of 31 demonstrating our commitment to progressing our new build pipeline to contribute to housing supply against increasing demand;
 - **Efficiently managing properties** which became empty, making these available for those waiting on a home, and also minimising void loss, with days to let performance further improving across in year three; and

- **On track to reduce the number of accidental dwelling fires by 10%**, being significantly under our upper limit profile in years one, two and now three to be in a position to achieve this, and potentially to far exceed it by 2025/26.
- 4.30 The list of proposed measures and targets to be reported to the Board quarterly and bi-annually from Year 4 of the strategy, 2024/25, is set out at Appendix 2.
- 4.31 It should be noted that this appendix does not include the annual measures e.g. customer satisfaction measures as our ongoing quarterly reports focus on measures which are measured on an ongoing basis. Our annual measures are drawn directly from our strategy and any updates are agreed as part of the annual strategy review as they necessitate a strategy update. It is also noted that it no longer includes several core financial measures which are covered in our financial reporting.
- 4.32 All other proposed changes are captured in Appendix 2, with the key updates summarised below:
- **New build:** Targets are currently based on the Business Plan, as per the 5 year plans approved at our last Board meeting. We delivered around 70 new homes in the first two years of the strategy and have delivered a further 35 last year. Our updated targets are for a further 101 in year 4 and 93 in year 5, which would bring our total to around 300 new homes during our strategy period;
 - **Gross rent arrears:** It is proposed that the 2024/25 target be set at 4.25% to reflect an incremental improvement from current performance, with a further reduction to 4.15% by the end of the strategy period;
 - **Replacement sustainability measures:** It is proposed that we replace now out-of-date measures, such as those linked to the former ESSH2, with those being consulted by the Scottish Government in its proposed Social Housing Net Zero Standard (albeit subject to ongoing review) *Fabric efficiency, measured in kWh/m²/year and 'clean' low-carbon heating*. We will use 2024/25 as a baseline year with targets to be agreed thereafter;
 - **Customer First Centre (“CFC”):** We propose a relatively small number of measures to capture and explain performance across the CFC. Customer satisfaction with the CFC (known as CFC CSAT) would remain the key measure, ensuring we place our customers’ voices at the heart of performance management. It provides a much greater level of insight into customer perception of the service and inherently reflects all aspects of the experience such as time to answer and the call handler. We would also maintain Board visibility over how well the CFC delivers as part of our wider operating model through the % of contacts resolved within the CFC. Finally, we will report the abandonment rate and a revised abandonment rate, that accounts for our continuing 30s grade of service. Other measures such as grade of service would continue to be monitored operationally;
 - **Average non-emergency repairs timescales:** We remain committed to working towards a 7-day average by the final year of our strategy. To support incremental change, it is proposed we set a target of 7.5 days average during 2024/25 and a **supplementary target** of achieving 7 day in-month average by March 2025;

- **Damp, mould and rot:** Reporting will move to contextual for the key measures, however be supported by a much greater degree of supporting analysis. For appointments out with 2 working days we will categorise which were due to no access, customer choice or lack of appointment availability. For repairs not completed within 15 working days we will provide categories of all cases out with e.g. by timescale and type such as major repair or investment required. It should be noted that whilst repairs may not be completed within 15 working days we would still expect in the vast majority of cases that any mould in the property has been treated. A more detailed update on the future damp, mould and rot reporting will also be included in the Quarter one performance report;
- **ASB resolved:** To reflect the importance of neighbourhoods to our customers, and supported by our new ASB framework, an increase to 100% (from 98%) is proposed for the % of ASB cases resolved;
- **Peaceful neighbourhoods:** While the methodology for this measure is fixed, given it is sourced from Police Scotland, it is proposed that based on our strong performance to date we increase (from 70%) the target to 75% for 2024/25 and 80% for 2025/26;
- **Environmental services:** Formalise inclusion of the NETs MyVoice measure into the PMF, with a target CSAT score of 4.3 / 5. This is currently based on ad-hoc services and will be expanded to close cleaning during 2024/25; and
- **Building compliance:** We have increased the number of building compliance measures that will be reported to the Board every quarter including legionella testing programme progress, EICR testing compliance and fire safety system servicing.

5. Customer Engagement

- 5.1 Our Delivery Plan reflects our strong focus on our customers influencing and co-creating with us. Customer engagement is embedded as specific milestones of strategic projects which will directly impact the way we deliver services or the way they can be drawn down by customers.
- 5.2 Newly established real-time customer satisfaction-based measures, and independent customer satisfaction surveys, also reflect the importance of customer feedback driving how we measure the quality of a service and inform future service improvement.

6. Environmental and sustainability implications

- 6.1 One of our strategic projects for 2023/24 focused on the implementation of the Group sustainability framework. The sustainability performance framework is now being updated to better reflect the change of priorities, focused on the SHNZS consultation.

7. Digital transformation alignment

- 7.1 Our strategy is underpinned by digital transformation. The strategic projects for 2024/25 have once again been fully reviewed to ensure we have the appropriate technical and resource capacity alongside our Digital Programme.

8. Financial and value for money implications

- 8.1 There are no direct financial implications associated with this report, which are covered via the approved 2024/25 business plan.

9. Legal, regulatory and charitable implications

- 9.1 There are no specific legal or regulatory implications however we continue to collect all measures required for the Annual Return on the Charter.

10. Risk Appetite and assessment

- 10.1 We do not have a single risk appetite in respect of strategy. Our risk appetite seeks to take into account a range of factors which may impact the delivery of our strategy.
- 10.2 In considering our Group Delivery Plan and KPIs for 2024/25 we have considered the continued level of uncertainty associated with the continuing impact of the pandemic and the current operating context of the Group.
- 10.3 Our strategy is highly ambitious and contains a high degree of interdependencies. The proposed approach seeks to mitigate the risk that the complexity associated with the level of interdependencies is not managed through a structured approach.

11. Equalities implications

- 11.1 Project monitoring and evaluations consider equalities information and Equalities Impact Assessments are undertaken at the outset of new programmes to ensure compliance with equality legislation, where applicable.

12. Key issues and conclusions

- 12.1 We have made significant progress over the first three years of our strategy and are well placed to deliver the key elements by 2026. The proposed strategic projects focus on enabling us to achieve the remaining customer satisfaction measures, having a well-defined strategic approach to asset management and neighbourhoods that allows us to invest in tenants' homes and make our neighbourhoods great places to live, and enhancing our use of data and automation to deliver productivity and service enhancements.
- 12.2 The projects will leave us well placed as we enter into the final year of our strategy and begin to set a path for areas of strategic focus such as AI and personalised services which will straddle into our next five-year strategy. The progress to date during the first three years of our strategy and pathway to achieving our key objectives by 2026 will be a focus at the Board strategy workshop.
- 12.2 Our measures and targets have been informed by our performance in 2023/24 and where appropriate wider sector analysis. We will continue to focus on delivering operational excellence to provide us with a foundation for investing in and achieving high customer satisfaction levels.

13. Recommendations

13.1 The Board is asked to:

- 1) Provide feedback on the proposed strategic project to be included in quarterly performance paper strategic project dashboards as indicated in Appendix 1;
- 2) Approve the Wheatley Homes South specific 2024/25 strategic projects and associated milestones; and
- 3) Approve the proposed measures and corresponding targets for 2024/25.

LIST OF APPENDICES:

Appendix 1: Strategic Projects 2024/25

Appendix 2: Strategic Results and KPIs with associated targets for years 4

Project	Milestones	Milestone dates	Strategy deliverable (s) supported
Theme - Delivering excellent, personalised services			
Defining and agreeing our approach to vulnerability and personalised services (propose included in quarterly strategic project performance reports)	Vulnerability strategy and plan developed	30/06/24	<ul style="list-style-type: none"> ▪ Our ambition is for an increasingly tailored service that meets the particular needs and expectations of different customer groups ▪ Ensure no one is left behind and our services are appropriately tailored to meet the specific needs of particular customer groups. ▪ Our staff will continue to deliver highly personal services ▪ By 2026 our approach to delivering reactive repairs will be tailored by and for our different customer segments
	Customer engagement concluded	31/08/24	
	Board approval of strategy and implementation plan	30/09/24	
	Implementation plan commenced	31/10/24	
	Update to Board on implementation	31/03/25	
Review and refine plan phase 2	31/03/25		
Customer insight driven services (propose included in quarterly strategic project performance reports)	Agree the top 3 priority areas for customer journey mapping based on analysis of customer insight on key satisfaction drivers	31/05/24	<ul style="list-style-type: none"> ▪ Overall customer satisfaction is above 90% ▪ Better understand where we can improve or tailor our services and ensure they are customer insight and priority driven ▪ Enabling customers to have more control over their service journey and the organisational policies and priorities
	Agree our pulse and thematic survey programme	31/05/24	
	Undertake customer journey mapping, including through direct engagement with customers	31/08/24	
	The Executive Team agree service, process and technology changes required to improve the customer journey and respond to the pulse survey findings	30/09/24	
[redacted]			
Theme - Investing and regenerating our neighbourhoods and communities			
Asset strategy (propose included in quarterly strategic project performance reports)	Asset strategy featured as a key theme in Group partner Board strategy workshops	31/05/24	<ul style="list-style-type: none"> ▪ Investing in existing homes and environments ▪ Invest £390 million for improving and modernising homes across the Group ▪ Investment will be designed to help reduce running costs in the home wherever possible ▪ Targeted investment to deal with more systemic causes of damp and mould. ▪ Develop an archetype-based approach to investment planning and prioritisation focusing on what most benefits our tenants
	Customer and staff engagement session	31/05/24	
	Internal review and sign-off	31/05/24	
	Group Board approval of Group Asset Management Strategy	30/06/24	
	Group partner asset management plans approved	30/09/24	
	Staff launch of group asset management strategy and group partner asset management plans	31/10/24	
	Agreed approach through strategy informs 2025 investment plans	28/02/25	
Wyndford regeneration <i>(External interdependency)</i>	Contractor Procurement completion	30/12/24	<ul style="list-style-type: none"> ▪ Increasing the supply of new homes
	Land Transfer completion	31/03/25	
	Planning Application Submission	31/03/25	
Lochside regeneration (propose included in quarterly strategic project performance reports) <i>(External interdependency)</i>	Masterplan Phasing & Capacities Agreed	31/05/24	<ul style="list-style-type: none"> ▪ Invest £740m of new public and private finance in new build housing
	PPiP Submission	31/08/24	
	Contractor Procurement Complete	30/01/25	
	Land Transfer Max High Completion	31/03/25	
Work with our Transforming Communities: Glasgow partner to develop a renewed strategy (Wheatley Homes Glasgow Board)	TC:G Board strategy workshop to consider key strategic priorities	30/08/24	<ul style="list-style-type: none"> ▪ Replacement of unpopular poorer quality homes with new, high quality, energy-efficient homes
	TC:G strategy refreshed to reflect feedback from Board strategy workshop	31/12/24	
	TC:G Board agree updated strategy	28/02/25	

<i>(External interdependency)</i>	WHG Board updated on key strategic priorities for 2024/25	31/03/25	▪ Enhancing our regeneration outcomes to be about more than bricks and mortar
	Review of existing policy and approach	31/05/24	<ul style="list-style-type: none"> ▪ Tackling fuel poverty and mitigating long-term increases in energy costs for our customers continues to be a strategic driver ▪ RSL tenant satisfaction with value for money increased to 85%
Review of charging - district heating and heat with rent schemes	Proposed update(s) to policy and approach reviewed and agreed by the Executive Team	14/06/24	
	Group Board consider and approve updated district heating charging arrangements	30/06/24	
	Customer engagement and communication on updates to charging arrangements	30/08/24	
Theme - AI, data and automation			
Automation & Artificial Intelligence - pilot to explore the potential for productivity gains and service enhancements through MS Co-Pilot and automation	Three priority areas for automation/use of AI (MS Co-Pilot) agreed and associated measures of success identified	31/05/24	<ul style="list-style-type: none"> ▪ We will invest in technologies to optimise automation, standardise core processing and drive efficiency in key areas ▪ We will exploit technological innovations to enhance the efficiency and convenience of our investment and maintenance services ▪ Achieve management costs per unit that remain in the lowest quartile
	Deployment plan developed and commenced for each priority area	31/07/24	
	Deployment plan progress update to the Group Executive team	30/12/24	
	Pilot evaluation and lessons learned review completed and recommendations, including a business case if appropriate, presented to the Executive team	31/03/24	
Develop a data driven approach to managing and monitoring building compliance <i>(propose included in quarterly strategic project performance reports)</i>	Review our existing compliance cycles, data management, integration and management information arrangements	31/07/24	<ul style="list-style-type: none"> ▪ Data and information will play an increasingly important role in enabling the delivery of all aspects of our services ▪ We will become experts in managing and exploiting our data and information ▪ We will exploit technological innovations to enhance the efficiency and convenience of our investment and maintenance services ▪ Become digitally enabled and helping create the conditions to deliver our challenging efficiency targets.
	Build our future building compliance model including desired compliance cycles, key data, data flows, degree of integration, required management information and desired customer touchpoints and functionality.	31/10/24	
	Undertake a gap analysis and options appraisal including costs and benefits of the change between current arrangement and desired future model	30/11/24	
	Develop detailed implementation proposal and plan and update Executive Team including on timescales and anticipated benefits	31/12/24	
Improving and evolving our multi-channel customer first centre <i>(propose included in quarterly strategic project performance reports)</i>	Customer Engagement on service improvement opportunities via the Stronger Voices team	30/06/24	<ul style="list-style-type: none"> ▪ Customer Satisfaction with the Customer First Centre is 90% ▪ Overall customer satisfaction is above 90% ▪ As we evolve the CFC, we will increasingly focus on the use of data, system automation and intelligent, personalised and tailored services ▪ Achieve management costs per unit that remain in the lowest quartile
	Agree approach and workplan for geographical subsidiary service delivery	31/07/24	
	Pilot customer call transcription and automated quality assurance	31/10/24	
	Scope and develop an approach for automation of identification and verification (IDV)	31/12/24	
	Year 1 update to the Executive team including customer feedback and Year 2 enhancement plan	28/02/25	
Develop data-enabled organisational capability, leadership and culture <i>(Wheatley Solutions Board)</i>	Establish staff Communities of Practice across the Group to increase organisational engagement	31/05/24	<ul style="list-style-type: none"> ▪ Our staff will be skilled in deriving insight from data ▪ We will become experts in managing and exploiting our data and information ▪ Through improved analytics capabilities, including new skills in data science and interpretation, we will create dynamic and real-time reporting environments ▪ Learning programmes will be designed and targeted to equip staff with the specific skill sets they need ▪ Explore opportunities to measure the progress in our digital maturity
	Develop a staff communication and engagement plan promoting the value of data	31/07/24	
	Develop a tailored suite of training for staff who engage with data, tailored to their organisational role, including a bespoke programme for Senior leaders	30/08/24	
	Undertake a baseline staff data awareness and capability survey	30/10/24	
	Annual review of the Group Data strategy undertaken and updates considered, including a business case as appropriate, and agreed by the Group Executive team	31/03/25	

			<ul style="list-style-type: none"> ▪ By 2026 mature data intelligence will support us to deliver services in the right places, to the right people at the right time.
Improving the employee experience through self-service <i>(Wheatley Solutions Board)</i>	Staff self-service enhancements - managing annual leave and personal details via a mobile device/laptop	30/09/24	<ul style="list-style-type: none"> ▪ Transition our staff make to self-managed services based on offerings that fundamentally improve services beyond that which is possible in an off-line environment. ▪ Achieve management costs per unit that remain in the lowest quartile ▪ We will create dynamic and real-time reporting environments
	Manager self-service enhancements - Managers will have access to new, automated reports and monitoring dashboards for staff absence	30/11/24	
	System integration - automated information integration on new starts, movers and leavers to other systems that use people data	30/11/24	
	Staff-self service enhancements - Staff will be able to process expenses and overtime claims digitally via the CIPHR platform	28/02/25	
Other			
Review of Defined Contribution Pension Schemes	Review and benchmarking of current schemes	31/08/24	<ul style="list-style-type: none"> ▪ Recruit and retain talented staff by offering competitive terms and conditions ▪ Staff turnover remains at less than 7%
	Develop proposals and proposed implementation approach	31/10/24	
	Executive Team review and agreement of recommended approach	30/11/24	
	Recommendations agreed by the Group Board as part of the approval of refreshed Group pensions strategy	31/12/24	

WHS Board Strategic Results and KPIs 2024 to 2026**Proposed Changes from 2024/25 detailed under 'Update' and relevant change shown in red text****1. Delivering Exceptional Customer Experience**

Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
“Rate it” score from the book it, track it, rate it repairs approach	Target proposed as a CSAT score of 4.5/5, rather than +10% improvement	4.5/5	Baseline + 10% improvement 4.5/5
Percentage of tenants who sustain their tenancies for more than 12 months (ARC)	No change	90%	90%
New - Percentage of tenants who sustain their tenancies for more than 12 months - revised	Formalising as part of the PMF	91%	91%
New - Percentage of tenants who sustain their tenancies for more than 12 months (ARC) - homeless	Formalising as part of the PMF	Contextual	Contextual
Customer satisfaction with the CFC is 90% - CFC CSAT	No change	4.5/5 (90%)	4.5/5 (90%)
% of contacts to CFC resolved within CFC	New	93%	95%
CFC call abandonment rate	Year 5 target proposed as being updated to <4%	5%	5% <4%
Revised call abandonment rate - those waited over 30secs and abandoned	New	4%	3%
Average number of working days to respond to stage 1 complaints (ARC)	No change	5	5
Average number of working days to respond to stage 2 complaints (ARC)	No change	20	20
Average number of working days to respond to all complaints – Stage 1 and 2 (ARC)	No change	Contextual	Contextual
Percentage of stage 1 complaints responded to within 5 working days (SPSO)	No change	95%	95%

Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
Percentage of stage 2 complaints (direct to stage 2) responded to within 20 working days (SPSO)	No change	100%	100%
Percentage of escalated complaints (from stage 1 to stage 2) responded to within 20 working days (SPSO)	No change	100%	100%
Stage 2 repair complaints as a percentage of Stage 1 repair complaints	No change	Contextual	Contextual
Satisfaction with the process of getting my new home is improved to 90% by 10% - Allocations CSAT	Proposed change from 10% improvement to 4.5 / 5 (90%)	4.5 (90%)	Improved by 10% 4.5 (90%)

2. Making the Most of Our Homes and Assets

Existing Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
Achieve 95% customer satisfaction with their new build home	Methodology to be developed, and baseline established, during 2024/25	Baseline established	95%
Group - Develop 4,000 3,200 new homes across all tenures	Targets updated to reflect delivery in Years 1-3 and the revised 5-year development programme agreed by the Board in February 2024.	WHS – 101 (all SR)	WHS – 93 (87 SR and 6 MMR)
	Based on the business plan, our anticipated total is 303 during the strategy period, and the anticipated Group total is 3,168. The strategic targets shall be updated as part of the 2024 strategy refresh process.	Group - 772 (Includes 65 market acquisitions)	Group - 996 (Includes 19 units at Duke Street)
New - % of our stock meeting the lower limit targets in the SG consultation for Fabric efficiency, measured in kWh/m2/year	This is a new measure based on SHNZS consultation and as such will be subject to review. It is however included to provide the Board with visibility.	Baseline established	
New - % of our stock meeting the 'clean' low-carbon heating target in the SG consultation	This is a new measure based on SHNZS consultation and as such will be subject to review. It is however included to provide the Board with visibility.	Baseline established	
Reduce the volume of emergency repairs by 10%	No change	3.5% (cumulative 6.5%)	3.5% (cumulative 10%)
Percentage of customers who have had repairs or maintenance carried out in last 12 months satisfied with the repairs and maintenance service (ARC)	No change	90%	90%
Percentage of reactive repairs carried out in last year completed right first time (ARC)	No change	90%	90%

Existing Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
Average length of time taken to complete emergency repairs (ARC)	No change	3	3
Average length of time taken to complete non-emergency repairs (ARC)	Target proposed as 7.5 days for Y4, with supplementary target for in-month to be 7 days by P13/March 2025	7 7.5	7
% of damp, mould and rot cases attended within 2 working days	This has changed to a contextual measure and will be supported with additional information on the reasons why any are out with 2 working days e.g. customer choice, a no access or no available appointment	Contextual	Contextual
% of damp, mould and rot cases resolved within 15 days	This has changed to a contextual measure and will be supported with additional information on the reasons why any are out with 15 working days e.g. customer choice, a no access, no available appointment, major repair required or investment required e.g. a roof repair/renewal	Contextual	Contextual
Number of times during the reporting year we did not meet our statutory obligations to complete a gas safety check within 12 months of a gas appliance being fitted or its last check (ARC)	No change	0	0
The average time to complete medical adaptations (ARC)	To note this is contingent on the availability of funding to undertake the work	25	25
No of households waiting for adaptations to their home (ARC)	No change	Contextual	Contextual
Number of RIDDOR reported	Proposed change to contextual	WH South—3 Contextual	WH South—3 Contextual
Number of Health and Safety Executive or local authority environmental team interventions	No change	0	0

Existing Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
Number of new employee liability claims received	No change	Contextual	Contextual
Group - Number of open employee liability claims	No change	Contextual	Contextual
Number of days lost due to work related accidents	No change	Contextual	Contextual
Number of accidental fires in workplace.	No change	0	0
New - Legionella - percentage of applicable properties with a valid risk assessment in place	Formalising as part of the PMF, to provide additional assurance	100%	100%
New -% of electrical installation inspections completed and number due to be completed	Formalising as part of the PMF, to provide additional assurance	100%	100%
New -% of properties with an EICR certificate up to 5 years old	Formalising as part of the PMF, to provide additional assurance	100%	100%
New - % of applicable fire safety systems with a valid annual servicing in place (Fire Safety - Sprinkler Systems, Emergency Lighting and Fire Suppression Systems)	Proposed additional reporting to provide additional assurance	100%	100%

3. Changing Lives and Communities

Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
Percentage of lets to homeless applicants (ARC)	No change	Contextual	Contextual
Percentage of relevant lets to homeless applicants	No change	Contextual	Contextual
Group - House an estimated 10,000 homeless people or households over 5 years	No change	Group - 2,000	Group - 2,000 (total >10,000)
Group - Over 70% of our customers live in neighbourhoods categorised as peaceful	While the methodology for this measure is fixed, given it is sourced from Police Scotland, it is proposed that we change the strategic target to 80%, with 75% in year 4.	69.5% 75%	>70% 80%
Group - Reduce the number of accidental dwelling fires by 10%	No change	8% reduction from baseline figure (Upper limit: 195)	10% reduction from baseline figure (Upper limit: 193)
100% of applicable properties have a fire risk assessment (HMOs)	No change	100%	100%
>10,000 vulnerable children benefitting from targeted Foundation programmes	Proposed change to Y4-5 targets to reflect current funding. The Group strategic target remains on track, with an end of strategy forecast of >11,000. Our annual remains at 30 and our strategic target is proposed to increase to 950, reflecting the progress made in the first three years of our strategy.	WH South – 30	WH South – 30
		Group – 4,200 1,000	Group – 4,200 1,000
>20,000 Wheatley customers accessing services which help alleviate poverty	Our own target is now shown	WH South – 1,200	WH South – 1,200
		Group – 9,000	Group – 9,000
4,000 jobs and training and apprenticeship opportunities delivered	Our own annual targets are proposed to increase to 108.	WH South – 96 108	WH South – 96 108
		Group – 800	Group – 800

Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
New – Group – 75% of jobs, training places or apprenticeships created which are secured by our customers	Formalising as part of the PMF	75%	75%
Achieve 85% satisfaction with Wheatley Environmental Services	MyVoice CSAT for ad-hoc services was launched during 2023/24. During 2024/25, MyVoice will also be launched for Close Cleaning. Target proposed as a MyVoice CSAT score of 4.3 / 5	Target to be agreed following baseline 4.3 / 5	4.3 / 5 (85%)
% ASB cases resolved (ARC)	Proposed change of target from 98% to 100%	98% 100%	98% 100%
New – Group – Reduce the number of repeat complaints of ASB by 20%	Formalising as part of the PMF this existing commitment in the ASB Framework. Baseline year is 2022/23, when there were 985 repeat addresses.	15% cumulative reduction (Upper limit 766)	20% cumulative reduction (Upper limit 721)

4. Developing Our Shared Capacity

Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
Staff absence is maintained at 3%	No change	3.0%	3.0%

5. Enabling Our Ambitions

Existing Indicators	Update	Year 4 (2024/25)	Year 5 (2025/26)
Group – Reduce gross rent arrears to 4.5% 5% (ARC) WHS – Reduce gross rent arrears to 4.5% (ARC)	<p>This has been updated in line with the agreed change during last year's Group strategy renewal to have a Group target of 5% by 2026.</p> <p>Our Y4 target is proposed at 4.25% to reflect incremental improvement and a Y5 target of 4.15% to reflect the current climate.</p>	WH South – 4.30% 4.25%	WH South – 3.64% 4.15%
Average days to let a home maintained at 16 days (ARC)	No change	RSLs - 16	RSLs - 16

Report

To: Wheatley Homes South Board

By: Alex Lamb, Managing Director

Approved by: Frank McCafferty, Group Director of Repairs and Assets

Subject: Fire Prevention and Mitigation update 2023/24

Date of Meeting: 29 May 2024

1. Purpose

- 1.1 The purpose of this report is to provide the Board with an update on:
- The current rate of Person-Centred Fire Risk Assessments (PCFRAs);
 - The current rate of Accidental Dwelling Fires (ADFs);
 - Progress with our Fire Risk Assessment (FRA) programme; and
 - Updates to the Group Fire Prevention and Mitigation Framework following its annual review and as approved by the Wheatley Housing Group Board on 24 April 2024.

2. Authorising and strategic context

- 2.1 Under the Group Standing Orders, the Wheatley Group Board is responsible for approving Group policies and frameworks and designating these as applicable to all the Group partners. The Group Board considered and approved the updated Fire Prevention Mitigation Framework at their meeting on 24 April 2024.
- 2.2 Under our Terms of Reference, we are responsible for monitoring our performance and corporate risks. This report supports us with those responsibilities.
- 2.3 This report relates to our Strategic Theme, Changing lives and communities. Within this, we have an outcome to develop peaceful and connected neighbourhoods. The Group Fire Prevention and Mitigation Framework therefore supports us in our delivery of this outcome.

3. Background

- 3.1 Further to the Board update on the Fire Prevention and Mitigation Framework in May 2023, it was agreed there would be regular Board updates on ADFs, Fire Safety and our FRA programme across the Group.

- 3.2 Notwithstanding this, fire safety, and keeping our customers and communities as safe as they possibly can be, will always be of paramount importance to Group and this is recognised within our new Group 2021-2026 Strategy: Your Home, Your Community, Your Future, in which we clearly state that fire safety will remain a top priority.
- 3.3 Further to this, and in recognition of the importance the Group places on delivering unrivalled fire prevention and mitigation services, we have continued to set extremely challenging targets in relation to the reduction of ADFs.
- 3.4 During the course of our 2021/26 strategy we aim to build on the outstanding success already achieved and reduce the number of ADFs taking place within our stock portfolio by at least a further 10% over the 5 years.
- 3.5 This report will provide the Board with additional detail on the ADF performance across 2023 - 2024.

4. Discussion

- 4.1 In the last 12 months between April 2023 – March 2024, the Group Fire Safety Team have completed 88 PCFRAs within our properties.
- 4.3 In addition to the group Fire Safety Team conducting PCFRAs, there were a further 145 Home Fire Safety Visits undertaken for our customers by the Scottish Fire and Rescue Service between April 2023 – March 2024.
- 4.4 In our efforts to reduce the fire risk for our most vulnerable customers, the Fire Safety Team provides fire safety advice, guidance, and fire safety products to help reduce the risk of accidental dwelling fires. As a result of the 88 PCFRAs carried out this year in our properties, the Group Fire Safety Team has arranged for:
- 27 LD1 systems to be installed which includes detection in all rooms except the bathroom;
 - 30 stove guards to be installed;
 - 7 customers to receive specialised detection;
 - 51 customers to receive fire safety products; and
 - 23 customers to have repairs carried out in their homes.
- 4.5 As well as PCFRAs, the Group Fire Safety Team undertakes post-Fire Investigation Visits to assess the extent of the damage within a property and to identify if any lessons can be learned to reduce the risk of accidental dwelling fires re-occurring. Between April 2023 - March 2024, six of these visits were carried out in our properties.

Accidental Dwelling Fires (ADFs)

- 4.6 The impact of PCFRAs undertaken in the last 12 months by the Group Fire Safety Team, continues to have an impact on the Group experience of accidental dwelling fires in our customers' homes.

- 4.7 The number of ADFs experienced in customers' homes across the Group between 2020/21 was 215, which acted as a baseline for a targeted reduction. The Group then set a target to reduce the number of ADFs by a further 10% between 2021 and 2026.
- 4.8 Between April 2023 and March 2024, there were 12 ADFs in our properties which is a reduction in 7 ADFs in comparison to April 2022 – March 2023.

Fire Risk Assessment (FRA)

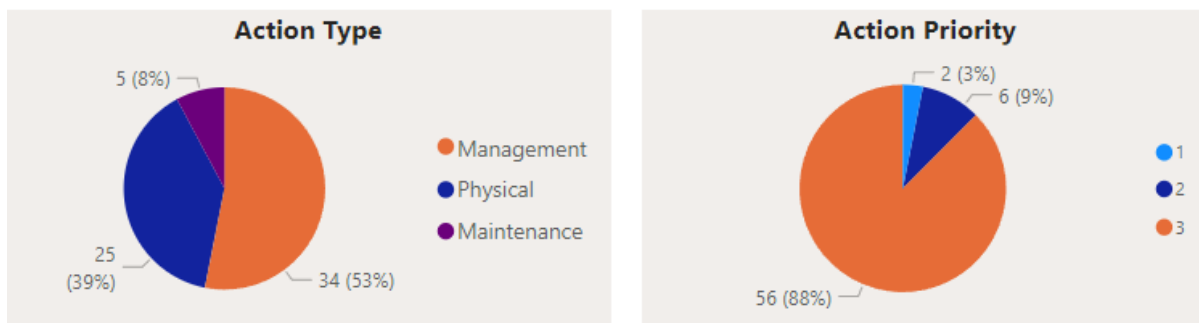
Relevant Premises (HMOs, Care Premises, Offices, Depots etc.)

- 4.9 The completion of FRAs in our relevant premises extends currently to our Corporate Estate that includes, HMOs, Care Premises, Offices Workshops and Depots.
- 4.10 Between April 2023 and March 2024, 10 FRAs in our relevant premises were undertaken to ensure their recommended frequency of review had been met and thereby ensuring ongoing legal compliance.
- 4.11 Currently, all relevant premises have a valid FRA to satisfy the requirements and legal obligations set out in the Fire Safety Scotland Act 2005 and Fire Safety Scotland Regulations 2006.
- 4.12 No significant issues were identified within our relevant premises during the course of the FRA programme as they have well established, mature fire safety arrangements in place overseen by competent staff and management teams.

Actions Arising from FRAs

- 4.13 The composition of fire safety actions can be broken down into Management (Procedural, Training, Housekeeping Checks etc), Physical (Repairs, Signage, Door Upgrades etc) and Maintenance (Fire Alarms, Extinguishers, Lighting etc) actions that can be associated with various fire safety measures and / or procedural arrangements.
- 4.14 The majority of actions can be categorised as:

Priority 1 – action required within 24 hours (3%)
 Priority 2 – action required within 4 weeks (9%)
 Priority 3 – action required within 6 weeks (88%)



Note: no fire safety improvements, categorised as a Priority 1 were considered a high fire risk and / or threat to life risk during our FRA programme.

- 4.15 The FRAs across Relevant Premises generated the following number of actions between April 2023 and March 2024:
- All Actions – 64 (100%);
 - Closed Actions – 63 (98%); and
 - Open / Ongoing – 1 (2%).
- 4.16 The action that was open/ongoing as at March 2024 has now been closed.

Fire Prevention Mitigation Framework Review

- 4.17 We have taken this opportunity to update the Fire Prevention and Mitigation Framework and have made several minor amendments. In particular, the definition of 'vulnerability' has been updated to match the definition used by the Scottish Fire and Rescue Service.
- 4.18 The accidental dwelling fire figures have been updated for 2023/2024 and the most recent local authority comparison figures have been included.
- 4.19 Reference has also been made to a new bespoke Fire Risk Recognition training course that has been designed by the Group Fire Safety Team which will be launched in quarter one. This course will be a mandatory course for all Housing and Care staff.
- 4.20 A copy of the updated Fire Prevention Mitigation Framework is attached at Appendix 1.

5. Customer Engagement

- 5.1 Our FPMF has a very clear focus on customer engagement. The Group Fire Safety Team works with our housing colleagues to conduct PCFRAs to customers who are particularly vulnerable to fire, due to physical, cognitive, mental impairments, substance misuse issues or the condition in which they are maintaining their home. At the time of the visit, an assessment of the property and the customer's needs is carried out to determine suitable fire prevention control measures.
- 5.2 As well as PCFRAs, the Group Fire Safety Team undertake post Fire Investigation Visits to assess the extent of the damage within a property and to identify if any lessons can be learned to reduce the risk of further fires occurring. The majority of fires across the Group started in the kitchen and were cooking-related. As a result, recommendations for stove guards were made and the customers were issued with air fryers and fire safety advice and guidance around safe cooking practices.
- 5.3 Between April 2023 and March 2024, the Group Fire Safety Team carried out 14 fire safety engagement events across our communities. At these events, the team issued fire safety advice and guidance to our customers and assisted 38 customers with signing up to Home Fire Safety Visits carried out by the SFRS.

6. Environmental and sustainability implications

- 6.1 The environmental impact of a house fire and building fires presents a negative outcome to the environmental commitment of the group in our efforts to reduce our carbon footprint and promote sustainability.

- 6.2 The immediate short-term effects of house fires and building fires are the obvious risk and displacement to customers, release of toxic gas, smoke and other by products that contaminate the local environment, that can also impact air quality because of the release greenhouse gases like carbon monoxide and carbon dioxide.
- 6.3 Negative consequences of a building fire on the environment can also endanger the health and well-being of our customers' their neighbours and our communities.
- 6.4 Targeting PCFRAs for vulnerable customers and ensuring our fire safety arrangements remain effective in the implementation and review of a robust FRA programme, shall contribute to the overall commitment of the group to positively impact our environmental and sustainability responsibilities.

7. Digital transformation alignment

- 7.1 In support of our Digital Transformation, we have developed an FRA dashboard. This provides real time data on the current progress and status of our FRA Programme, ADFs, PCFRAs and Fire Investigation Notes.
- 7.2 Access to the dashboard is shared with Duty Holders and Relevant Persons for access, visibility and updating progress.

8. Financial and value for money implications

- 8.1 The implementation and completion of PCFRAs and FRA programme has significantly increased the number of fire safety repairs since it commenced.
- 8.2 In driving a positive fire safety culture across the group, that impacts the number of ADFs in our homes and workplace, there are significant cost savings associated with the cost of fires, which are not immediately visible.
- 8.3 The reduction in ADFs demonstrates a positive commitment and investment on part of the group to reduce the costs associated with house fires and the subsequent impact that this can have on customers and their neighbouring tenants / properties.

9. Legal, regulatory and charitable implications

- 9.1 The approach to fire risk assessment in a legal context is one of a statutory nature for relevant premises and best practice for non-relevant premises, that protects the group from unwanted enforcement action, potential prosecution, and reputational risk.
- 9.2 The Fire Safety Scotland Act 2005 and Fire Safety Scotland Regulations 2006 place legal obligations on Duty holders' to conduct FRAs in Relevant Premises (Non Domestic Premises).
- 9.3 Relevant Premises are those premises that are covered by fire safety legislation and enforced under current legislation by Scottish Fire and Rescue. Premises such as HMOs, Care Premises, Offices, Workshops and Depots are legally required to have a current fire risk assessment in place.

10. Risk Appetite and assessment

10. This report most closely aligns with our strategic outcome of investing in existing homes and environments. Within this, our risk appetite for legal/regulatory compliance is minimal and we have a commitment to ensuring strong fire safety precautions throughout our homes.
- 10.2 The Group Board approved “Your Home, Your Community, Your Future”: Our five-year strategy covering 2021-2026. This report provides the Board with assurance in relation to the ongoing implementation of the strategy and our ability to respond to new guidance and legislation.

11. Equalities implications

- 11.1 There are no equalities issues arising from the content of this report.

12. Key issues and conclusions

- 12.1 The Group Fire Safety Team achieved completed 88 PCFRAs within our homes during the year.
- 12.2 Accidental dwelling fires are lower than that of the same period last year (between April and March).
- 12.3 FRAs in both our relevant and non-relevant premises in accordance with Scottish Government guidelines and best practice maintain the Group’s position of strong legal compliance for fire safety.
- 12.4 All relevant premises continue to have in place a valid FRA where, a high percentage of recommendations have been actioned and closed.

13. Recommendations

- 13.1 The Board is asked to note:
 - 1) The current rate of Person-Centred Fire Risk Assessments (PCFRAs);
 - 2) The current rate of Accidental Dwelling Fires (ADFs);
 - 3) Progress with our Fire Risk Assessment programme; and
 - 4) Updates to the Group Fire Prevention and Mitigation Framework following its annual review and as approved by the Wheatley Housing Group Board on 24 April 2024.
 - 5) note the update and progress of our FPMF for April 2023 – March 2024.

LIST OF APPENDICES

Appendix 1: [redacted] available [here](#)

Report

To: Wheatley Homes South Board

By: Alex Lamb, Interim Managing Director

Approved by: Frank McCafferty, Group Director of Repairs and Assets

Subject: Health and Safety Performance – 2023/24

Date of Meeting: 29th May 2024

1. Purpose

1.1 The purpose of this report is to provide the Board with an update on health and safety performance as at the end of year 2023/24.

2. Authorising and strategic context

2.1 Under the Group Standing Orders the Group Board is responsible for approving Group Policies and their designation as applicable to all Group partners. The Group Health and Safety Policy was approved by the Board and designated as a Group Policy.

2.2 Under our Terms of Reference, our Board has the responsibility for monitoring our performance and corporate risks. This report supports us with those responsibilities.

2.3 Health and safety management arrangements and their contribution to enhancing our health and safety culture are clearly aligned with our Group Strategy for developing our capability that provides a platform for delivering excellent customer service.

3. Background

3.1 The Group Board approved the current Group Health and Safety Policy (“the Policy”) in December 2021. The Policy provides the foundation for our health and safety management system and a positive health and safety culture.

3.2 The Policy is part of our overall health and safety architecture as shown below, along with our Group Health and Safety Management System, Group Health and Safety Management Arrangements and Operational Safety Manuals (“OSMs”).



3.3 Monitoring arrangements are in place to maintain the validity and accuracy of the Policy and associated Health and Safety Management Arrangements (HSMAs). This includes considering the implications for the Policy of any organisational changes that are taking place, service evolution and any new and emerging legislation or best practice guidance that may impact us.

4. Discussion

Group Health and Safety Policy

4.1 The Policy was last approved by the Group Board in December 2021 and the next formal review is due in December 2024. In addition to this, interim reviews of the Policy also take place more regularly, with the last interim review taking place in January 2023.

4.2 The Policy is available to all members of staff and is located on our staff intranet, WE Connect, in a digital format.

Group Health and Safety Management System (HSG65)

4.3 We have a legal duty to put in place suitable arrangements to manage health and safety. These arrangements go beyond our Policy and incorporate a wider and more holistic approach to managing health and safety.

4.4 Our Group Health and Safety Management System is one that follows HSE Guidance for Successful Health and Safety Management (HSG65). It is based on a continuous improvement model that will lead the Group to recognised accreditation in ISO45001: Occupational Health and Safety Management.

Group Health and Safety Management Arrangements (“HSMAs”)

4.5 The Group Health and Safety Team is progressing with the integration and harmonisation of existing health and safety procedures across all group subsidiaries, in the form of HSMAs, to ensure a consistent approach is achieved for legal compliance and managing health and safety, across all business areas where there is a statutory requirement.

- 4.6 Whilst there are well-established procedures in place across our business and that of our other Wheatley partners, the development of HSMA's allows us to share our best practices and maintains consistency in our approach to health and safety management that captures the roles and responsibilities of management and staff for doing so.
- 4.7 A legal register as it relates to health and safety legislation has been established to demonstrate our legal compliance and best practice approach in health and safety management.
- 4.8 Working groups have been established with cross-wide representation to drive continuous improvement across the business in key areas of health and safety practice. These groups help drive our health and safety culture forward, which includes fire safety, lone working, trades, and safety compliance.
- 4.9 To date, the following HSMA's have been established and implemented for key health and safety risks, following a process of consultation:
- Asbestos;
 - Construction Design Management (CDM);
 - Electrical Safety;
 - Fire Safety;
 - Gas Safety;
 - Control of Legionella;
 - Medication (Administration and Management);
 - Control of Vibration;
 - First Aid at Work;
 - Personal Safety; and
 - Safe Driving.
- 4.10 It is anticipated that the integration and harmonisation of existing health and safety procedures across all subsidiaries will be complete in a group-wide format by the end of the financial year 2024/25.

Operational Safety Manuals ("OSMs")

- 4.12 The final part of our health and safety architecture, is the OSMs. These document risk assessments, safe systems of work, local procedures, guidance, and best practice, specific to the nature of the business.
- 4.13 OSMs are kept under review on a 2-year rolling cycle, to maintain risk assessments and safe systems of work for all business areas and ensure that any new and emerging risks are evaluated and assessed for staff and customer safety.
- 4.14 OSMs are developed in line with the nature of the business and have been established for five key business areas across the Group, including:
- Care;
 - Housing;
 - Neighborhood and Environmental Teams (NETs);
 - In House Trades; and
 - Corporate Services.

- 4.15 OSMs were subject to a full review in July 2022 and will be updated on an ongoing basis, their review shall not exceed 2 years or more frequently where, a significant change in legislation, best practice, or safe systems of work is identified.

Health and Safety Training for Managers

Health and Safety Management

- 4.15 The Group Health and Safety Team has developed a one-day Health and Safety for Managers course. All Managers, Supervisors, Team Leaders, and Directors must attend the training that provides oversight of the Group Health and Safety Management System.
- 4.16 The training provides an understanding of our legal obligations, roles and responsibilities and the arrangements in place for safeguarding the health, safety and wellbeing of staff and customers. Health and Safety Management Training will be refreshed every 3 years.

Hand and Arm Vibration (HAV) for Managers

- 4.17 We have established a new Training Course for Managers responsible for environmental teams, whose staff members may be exposed to Noise and Vibration at Work, when using portable power tools and machinery.
- 4.18 The training shall provide an understanding of the risks associated with vibrating tools and machinery, the group arrangements for mitigating risks and the measures in place for staff health surveillance.

Construction Design and Management Regulation (Dutyholders)

- 4.19 In conjunction with Glasgow Caledonian University, we have also provided training to respective duty holder roles across the business to ensure there is a clear understanding of the application of the CDM Regulations.
- 4.20 Training was delivered in our Academy, to managers and staff managers and staff from our Property New Build Team, Facilities Management, Procurement and Health and Safety Teams.
- 4.21 We have implemented a Group-wide CDM Health and Safety Management Arrangement (HSMA) following a process of consultation with the Leadership Team and Trade Unions.
- 4.22 The Group HSMA: CDM has also resulted in the development and introduction of revised contractor vetting procedures to ensure that Client duties are upheld for the appointment of competent contractors.
- 4.23 Contractor Vetting is incorporated into the procurement process with the Group Health and Safety Team evaluating the health and safety submission of potential suppliers at the tendering stage.
- 4.24 Going forward, all contractors involved in the delivery of services that attract the application of CDM Regulations, shall be assessed annually as a function of the Contract Management System (CMS).

Health and Safety Training (Mandatory)

- 4.25 To ensure the safety of our staff and customers and meet our legal obligations under the Health and Safety at Work Act to provide Information, instruction and training, we have adopted a blended approach to training.
- 4.26 Notwithstanding any face-to-face training or practical training for the use of workplace tools and machinery, an E-Learning Platform is in place for the delivery of mandatory health and safety training across all subsidiaries.
- 4.27 Mandatory e-learning for all groups of staff has been established and implemented to supplement role-specific training. This training is monitored by Line Managers and reported quarterly to the Health and Safety Committee for where further action may be required.

Homeworking

- 4.28 Homeworking arrangements are well established in all subsidiaries across Group. Homeworking Training, Information, Instruction and Training is monitored regularly by the Group Health and Safety Team.
- 4.29 There is currently an 87% compliance rate with our homeworking arrangements for Agile Home-Based Staff. None of our Homeworking Self Assessments have been returned to Management or the Group H&S Team as showing unsatisfactory.

Accident and Incident Reporting

- 4.30 There is a legal requirement to investigate and report accidents and incidents involving staff, contractors, and customers in accordance with the Reporting of Injuries, Disease and Dangerous Occurrences (RIDDOR Regulations).
- 4.31 In the last financial year, we reported no RIDDOR-related incidents to the Health and Safety Executive.

Employee Liability Claims Experience

- 4.30 There are currently no Open Employers' Liability Claims being investigated and considered by our insurer for accidents and incidents at work.

Digital Incident Reporting System (WE Notify)

- 4.31 Historically, the Group Health and Safety Team has overseen the development and implementation of a paper-based incident reporting system, that does not provide for real-time notifications, alerts or the raising and tracking of corrective actions.
- 4.32 Following a market appraisal and supplier engagement, the Group Health and Safety Team have appointed a preferred supplier for the development of a digital incident reporting system (WE Notify) that enhances our incident reporting procedures and specifically, for those staff working remotely and from home.

- 4.33 As a strategic project, the digital incident reporting system shall provide access and means to report a wide variety of incidents remotely from laptops, tablets, and mobile phones, providing real-time notification and alerts to Group Health and Safety Team and Management of incidents occurring across all business areas.
- 4.34 The WE Notify system has gone live following a process of consultation, engagement, and training across all business areas. It is anticipated that the system will enhance our reporting procedures and improve our level of reporting and subsequent investigation to prevent recurrence and mitigate the risk of enforcement and liability claims.

ISO45001: Occupational Health and Safety Management

- 4.35 The architecture of our Group H&S Management System is one that will lead the Group to Accreditation in ISO45001: Occupational Health and Safety Management, that demonstrates a real statement of intent with regards to our health and safety culture and the arrangements in place for safeguarding the health, safety and wellbeing of our staff and customers.
- 4.36 ISO Standards are a best practice approach and recognised at an international level amongst industry experts. In the case of health and safety management, ISO45001 demonstrates a best practice approach that is widely recognised amongst regulators and governing bodies.
- 4.37 The Group H&S Team are on a journey to achieving that accreditation status with a targeted timescale for award by April 2025.
- 4.39 Accreditation to ISO45001 as a recognised and effective Health and Safety Management System shall further enhance, the standard and profile of our health and safety management system, leadership commitment, safety culture and reputation as Scotland’s leading Housing and Care organisation.

Benefits of ISO45001 Accreditation:



5. Customer Engagement

- 5.1 The Policy and supporting Management Arrangements are subject to consultation with recognised Trade Unions in line with our statutory obligations. No adverse comments were received from those consulted in the review of the Policy and subsequent HSMAs.
- 5.2 More generally, discussions have taken place with colleagues and Trade Unions on the development of health and safety management arrangements and the review of OSMs, discussed in this report.
- 5.3 Quarterly Health and Safety Committee meetings take place involving senior staff from across the Group and Trade Union officials. These meetings provide a route for discussing health and safety-related matters, their escalation and means of resolution, as required.
- 5.4 The Group Health and Safety Committee structure ensures that we comply with the requirements for consultation and more specifically, our legal obligation under the Safety Representative and Safety Committee Regulations and Health and Safety (Consultation with Employee) Regulations

6. Environmental and sustainability implications

- 6.1 Our revised health and safety policy is a necessary and key part of ensuring the success of our new operating model. This operating model, which includes agile home working as highlighted above, will have positive environmental and sustainability implications including through:
- Reducing unnecessary travel to an office location;
 - Encouraging staff to meet, when necessary, in our new hub locations that include measures to reduce our carbon footprint such as solar PV; and
 - Increasingly looking to encourage the use of electric vehicles and power tools, and active travel, where appropriate, to the work being carried out.

7. Digital transformation alignment

- 7.1 Technology is used where appropriate to support safe working arrangements. E-learning training is also being developed beyond our Health and Safety Awareness and Fire Awareness courses, to reflect our new operating model.
- 7.2 Over the last 12 months we have introduced many new courses to support staff such as Homeworker, Personal Safety and Introduction to First Aid which also demonstrates our commitment to our legal obligations for the provision of Information, Instruction and Training under the Health and Safety at Work Act.
- 7.3 The Group Health and Safety Team is implementing WE Notify, which will enhance our current reporting procedures and further safeguard the safety and well-being of staff, strengthening our compliance and mitigation for liability claims.

8. Financial and value for money implications

- 8.1 The financial implications associated with this report is recognised in the procurement of a Digital Incident Reporting System.

9. Legal, regulatory, and charitable implications

- 9.1 The Group's risk appetite relating to laws and regulations is "Averse" i.e., avoidance of risk and uncertainty is a key organisational objective. The risk tolerance of all subsidiaries relating to technical compliance (e.g., Health and safety, gas) is also "Averse."
- 9.2 Health and safety compliance risks as associated mitigations are included in the group strategic risk register and in the subsidiary risk registers.
- 9.3 Failing to comply with the statutory health and safety legislation and employers' general duties under the Health and Safety at Work Act and associated Regulations could lead to regulator intervention, enforcement action, prosecution, and adverse reputational risk.

10. Risk Appetite and assessment

- 10.1 The Group risk appetite relating to issues of technical compliance is averse, defined as avoidance of risk and uncertainty is a key organisational objective.
- 10.2 The Group Board approved "Delivering Safer Communities: Our Fire Prevention and Mitigation Framework" in August 2017. It was agreed at this time the Group would undertake Fire Risk Assessments for Existing High Rise Domestic Premise and Living Well Premise, in addition to all relevant premises.

11. Equalities implications

- 11.1 There are no implications for Equalities associated with this report.

12. Key issues and conclusions

- 12.1 The Group Health and Safety Policy is well established and implemented in all areas of the business across the Group. The Health and Safety Policy satisfies a legal requirement under the Health and Safety at Work Act but more importantly, demonstrates the commitment and importance that the Group place on the safety and wellbeing of our staff and customers.
- 12.2 The Health and Safety Management System currently in place is recognised as best practice approach by the Health and Safety Executive for continuous improvement. There are many components to our Health and Safety Management System that includes our H&S Policy, Health and Safety Management Arrangements, Operational Safety Manuals (OSMs), H&S Training and the collaboration of our dedicated Working Groups, led by the Group H&S Team.

- 12.3. Our efforts to improve incident reporting procedures that will drive a positive safety culture and mitigate our liability claims experience is moving at pace with the proposed introduction of a digital incident reporting platform. This will improve our current paper-based approach that is no longer fit for purpose in our current operating model where, we have staff working remotely from home and in our communities.
- 12.4 Awareness of Health and Safety Management is being heightened in the delivery of our health and safety management training amongst all managers, supervisors, and team leaders. Working in partnership with Glasgow Caledonian University, the Group H&S Team are improving learning and competencies in specific areas of legal compliance such as Construction, Design and Management Regulations 2015.
- 12.5 In developing our Health and Safety Management Arrangements to ensure legal compliance in all areas of health and safety legislation, we are driving the Group towards recognised Health and Safety Accreditation in ISO45001 that will further demonstrate and enhance, the standard and profile of our health and safety management system, leadership commitment, safety culture and reputation as Scotland's leading Housing and Care organisation.

13. Recommendations

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

LIST OF APPENDICES:

NONE

Report

To: Wheatley Homes South Board

By: Lyndsay Brown, Director of Financial Reporting

Approved by: Pauline Turnock, Group Director of Finance

Subject: Finance Report to 31 March 2024

Date of Meeting: 29 May 2024

1. Purpose

The purpose of this paper is to:

- Provide an overview of the management accounts for the year to 31 March 2024;
- Provide an update on 2024/25 financial performance to 30 April 2024; and
- Seek the Board's approval to submit the Five Year Financial Projection and the Loan Portfolio Return to the Scottish Housing Regulator.

2. Authorising and strategic context

- 2.1 Under the terms of the Intra-Group Agreement between Wheatley Homes South and the Wheatley Group and this Board's Terms of Reference, the Wheatley Homes South Board is responsible for the on-going monitoring of performance against agreed targets. This includes the on-going performance of its finances.
- 2.2 Under the Group Standing Orders and the Terms of Reference contained therein, the Board is required to approve loan agreements, covenant returns and granting of security. Raising additional funding and ensuring our existing financing arrangements are fit for purpose ensure we have the financial resources to enable our ambitions to deliver new energy-efficient affordable homes.

3. Background - Financial performance

3.1 The results for the year to 31 March are summarised below:

	Year to Date (Period 12)		
	Actual £'000	Budget £'000	Variance £'000
Turnover	64,378	66,876	(2,498)
Operating expenditure	(41,280)	(43,469)	2,189
Operating surplus	23,098	23,407	(309)
<i>Operating margin</i>	36%	35%	
Donation to Wheatley Foundation	(570)	-	(570)
Net interest payable	(6,466)	(6,024)	(442)
Surplus	16,062	17,383	(1,321)
Net Capital Expenditure	23,004	25,870	2,866

4. Discussion

Year to date – Period 12

4.1 A statutory surplus of £16,062k is reported for the year to 31 March 2024, £1,321k unfavourable to budget driven by reprofiling of SHNZ funded works to 2024/25 impacting grant income, lower intra-group gift aid from Wheatley Developments Scotland and an additional year end donation to the Wheatley Foundation. These items are partly offset by the early release of new build grants, a strong letting performance driving lower void rent losses and lower spend across an number of revenue expenditure lines.

Key points to note:

- Within income, net rental income is £201k higher than budget, with a void loss rate of 0.6% vs 1.2% in budget. Other grant income is £2,737k unfavourable to budget driven by lower SHNZ grant funding (and compensating reduced capital costs), partly offset by additional other grant income including adaptation grants (with higher corresponding spend in investment);
- Operating expenditure is £2,189k favourable to budget driven by lower spend against budget across the majority of expenditure lines:
 - Total employee costs (direct and group services) are £204k favourable to budget. The savings include vacant positions, the ERVR programme and lower than budgeted overtime;
 - Total running costs (direct and group services) are £152k adverse to budget due to higher than budgeted insurance costs; and
 - Repair costs are £1,428k favourable to budget. Within this, responsive repairs are £178k favourable to budget due to the implementation of the repairs improvement plan helping to manage costs. Cyclical and compliance spend is £1,249k favourable to budget due to a reprofiling of the programme.

- A year end donation of £570k was made to the Wheatley Foundation to provide additional support for our customers;
- Investment income is £13,730k lower than budget mainly due to timing of grant funding claimed for the new build programme (Curries Yard and Springholm);
- Total core investment spend of £17,141k is £2,394k lower than budget due to reprofiling the core programme to accommodate higher spend on capitalised voids and grant funded adaptation works (which have compensating additional grant income). Void works are now being undertaken by an in-house team who have been in place since June 2023, this new approach is having a positive effect with a reduction in average cost per job; and
- New Build expenditure is £14,066k under budget driven primarily by the timing of spend on Curries Yard and Springholm.

Period to 30 April 2024 – Period 1

- 4.2 Statutory surplus to 30 April is £516k, is £346k favourable to budget with the key drivers being lower spend across various expenditure lines, namely repairs and maintenance and bad debts.
- 4.3 Net capital expenditure is £254k lower than budget with the timing of new build spend at Summerhill and College Mains contributing to variance. Curries Yard and Springholm completion dates remain unchanged.

Five Year Financial Projections

- The Five-Year Financial Projections is a web based return designed by the Scottish Housing Regulator (“SHR”) to collect the financial projections and related information of all RSLs in Scotland in a standard format. The information provided is used to calculate several financial ratios and is used by the SHR as part of its annual review of the financial viability of RSLs and in making decisions on the level of engagement. It is also used to allow developing trends, patterns, and emerging issues to be identified and considered across the sector;
- The return provides the actual results for 2023/24 and the financial projections for the next five years. The SHR require covenant information to be returned and for our RSLs have asked that this information is provided for the WFL1 Borrower Group in the Wheatley Housing Group parent RSL return, an approach that is similar to the Loan Portfolio Submission and in line with last year’s submission. At other points in the year, we submit our long-term financial projections i.e., our 30 year business plan which was presented to the February Board and the annual accounts which will be presented to the August Board meeting;
- The return includes out turn and forecast Statements of Comprehensive Income, Financial Position and Cashflow together with other key assumptions such as movements in stock numbers and pension costs;
- The five-year forward financial projections reported within the return are based on the 2024/25 Financial Projections previously approved by the WH South Board in February. The 2023/24 figures in the projections have been updated to reflect the 2023/24 year-end management accounts; and

- The five-year forward projections also include estimates for non-cash year-end accounting adjustments not included in the management accounts. The reconciling items between the management accounts in appendix 1 and the SHR return are shown below.

	£000	Note
WH South P12 Draft Statutory Surplus	16,062	
Investment property valuation movement	125	Business plan estimates pending final JLL valuations
Social housing property valuation movement	(10,634)	
Surplus before tax per SHR return	5,553	

- The financial data and 5-year projections to be submitted to the regulator are attached at Appendix 2. The Board are requested to consider and approve these financial projections. Once approved, these will be submitted to the Scottish Housing Regulator.

Scottish Housing Regulator (“SHR”) Loan Portfolio Submission

- 4.4 We are required to submit its loan facilities and borrowing position, as at 31 March 2024, to the Scottish Housing Regulator via the regulators’ online portal. The submission report appended contains the details which will be transferred to the portal, showing both the information and the layout.
- 4.5 The submission report contains the information relating to the intragroup funding from Wheatley Funding No. 1 Limited and on the debt position of the RSL as at the financial year end.
- 4.6 [redacted]
- 4.7 As part of the submission to the Scottish Housing Regulator, the Chair of the Board and Director/Chief Executive are required to confirm the following:
“I hereby certify for and on behalf of the RSL that the information provided in this return is, to the best of my knowledge and belief, an accurate and fair representation of the affairs of the RSL.”

5. Customer Engagement

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

6. Environmental and sustainability implications

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

7. Digital transformation alignment

- 7.1 There are no digital transformation alignment implications arising from the Finance Report.

8. Financial and value for money implications

- 8.1 The statutory surplus for the year to 31 March 2024 is £1,321k unfavourable to budget. Delivery of our cost efficiency targets is a key element of continuing to demonstrate value for money. An underlying surplus after excluding accounting adjustments for new build grant income and intra-group gift aid from WDS of £7,896k has been generated which is £2,167k favourable to budget. The variance is driven by lower void rent loss and lower spend across expenditure. Investment spend reflects the reprofiling of SHNZ works with a corresponding reduction in other grant income.

9. Legal, regulatory and charitable implications

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

10. Risk Appetite and assessment

- 10.1 The Board's agreed risk appetite for business planning and budgeting assumptions 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".
- 10.2 Delivery of financial results within approved budgetary limits is a key element in delivering our strategy and maintaining the confidence of investors.
- 10.3 The Group's risk appetite in respect of development is "open", which is defined as willing to choose the option "*most likely to result in successful delivery while also providing an acceptable level of reward*". The Group's risk appetite in respect of governance is "cautious" which is defined as "*preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward*".

11. Equalities implications

- 11.1 There are no equalities implications arising from the Finance Report.

12. Key issues and conclusions

- 12.1 This paper presents the financial performance for the year to 31 March 2024.

13. Recommendations

- 13.1 The Board is requested to:
- 1) Note the Finance Report for the year to 31 March 2024 and the 2024/25 financial performance to 30 April 2024 at Appendix 1.
 - 2) Approve the summary sheet and accompanying financial data and projections at Appendix 2 and authorise these to be submitted to the Scottish Housing Regulator and delegate authority to the Group Director of Finance to undertake any factual data updates required to the data in advance of the submission
 - 3) Approve the SHR Loan Portfolio Submission as at 31 March 2024 at Appendix 3.

LIST OF APPENDICES:

Appendix 1: Period 12 – 31 March 2024 Finance Report
Appendix 2: Five-Year Financial Projections 2023/24
Appendix 3: [redacted]



Year to 31 March 2024 Finance Report



1) Operating statement – Year to March 2024

OPERATING STATEMENT	Year to Mar 2024		
	Actual Eks	Budget Eks	Variance Eks
INCOME			
Rental Income	47,771	47,855	(84)
Void Losses	(283)	(568)	285
Net Rental Income	47,488	47,287	201
Grant Income New Build	5,619	4,977	642
Other Grant Income	8,999	11,736	(2,737)
Other Income	2,272	2,876	(604)
TOTAL INCOME	64,378	66,876	(2,498)
EXPENDITURE			
Employee Costs - Direct	5,626	5,715	89
Employee Costs - Group Services	3,923	4,038	115
ER/VR	166	340	174
Direct Running Costs	2,663	2,529	(134)
Running Costs - Group Services	2,168	2,150	(18)
Revenue Repairs and Maintenance	10,932	12,360	1,428
Bad debts	242	651	409
Depreciation	14,581	14,581	0
Demolition and compensation	979	1,105	126
TOTAL EXPENDITURE	41,280	43,469	2,189
NET OPERATING SURPLUS	23,098	23,407	(309)
<i>Net operating margin</i>	36%	35%	1%
Donation to Wheatley Foundation	(570)	-	(570)
Interest receivable	81	15	66
Interest payable & similar charges	(6,547)	(6,039)	(508)
STATUTORY SURPLUS	16,062	17,383	(1,321)
INVESTMENT			
TOTAL CAPITAL INVESTMENT INCOME	20,776	34,506	(13,730)
Capital Investment spend	17,141	19,535	2,394
New Build Programme	24,719	38,785	14,066
Other Fixed Assets	1,920	2,056	136
TOTAL INVESTMENT EXPENDITURE	43,780	60,376	16,596
NET CAPITAL EXPENDITURE	23,004	25,870	2,866

Key highlights :

Net operating surplus of £23,098k is £309k unfavourable to budget. Statutory surplus to 31 March is £16,062k, is £1,321k unfavourable to budget with the key drivers being the reprofiling of SHNZ funded works to 2024/25 impacting grant income and lower WDS gift aid, partly offset by early release of new build grants, lower void rent loss and lower spend across expenditure.

- Net rental income is £201k higher than budget, driven by lower than budgeted voids, with a void loss rate of 0.6% vs 1.2% in budget. Rental income is £84k adverse due properties cleared for demolition earlier than budgeted at Kelloholm, Summerhill & Newington, partly offset by unbudgeted rental income from earlier handover of Curries Yard (18 units handed over 2 months early).
- Grant income is £642k higher than budget due to 35 units completing compared to 31 units in the budget.
- Other grant income is £2,737k adverse to budget. The variance relates to a reduction of £3.3m in SHNZ income (and compensating reduced costs) due to reprofiling of works to be carried out impacting the level of grant to be claimed in 2023/24 partly offset by additional adaptation grant claimed (with higher corresponding spend in investment), higher than budgeted renewable heat incentive (RHI) grant and young person's funding.
- Other income is £604k adverse to budget due to lower than budgeted gift aid from WDS (£667k an intragroup item), with lower corresponding costs in the new build programme, lower garage and lock-up income due to voids offset by unbudgeted income of £123k from DGC for the Lochside masterplan legal fees.
- Total employee costs (direct and group services) are £204k lower than budget. The savings are from vacant positions during the year.
- ER/VR costs are £166k, with five ER/VR leavers in the year.
- Total running costs (direct and group services) are £152k adverse to budget with higher than budgeted insurance costs driving the variance.
- Repairs costs are £1,428k favourable to budget. Responsive repairs finished the year £178k favourable to budget due to the implementation of the repairs improvement plan helping to manage costs within the overall reactive repairs budget. Cyclical and compliance spend is £1,249k favourable to budget due to a reprofiling of the programme while remaining compliant with all our legislative obligations.

Donations to Wheatley Foundation of £570k were made to provide additional support for our customers.

Interest payable of £6,547k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders. The unfavourable variance of £508k is due to the increase in variable interest rates than budgeted.

Net capital expenditure of £23,004k is £2,866k lower than budget.

- The investment income is £13,730k lower than budget due to timing of grant funding claimed for the new build programme (Curries Yard and Springholm) and lower SHNZ grant funding due to the reprofiling of works to 2024/25 (with lower associated costs).
- Total core investment spend of £17,141k is £2,394k lower than budget due to the reprofiling of SHNZ works and the core programme, partly offset by higher spend on capitalised voids and grant funded adaptation works (compensating additional grant income).
- New Build expenditure is £14,066k under budget driven by timing of spend on Curries Yard and Springholm.
- Other capital expenditure of £1,920k is £136k lower than budget. Other capital spend includes work on local NETS/ Concierge hubs and IT costs.

1b) Underlying surplus – Year to March 2024

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 chart below therefore shows a measure of underlying surplus which adjusts our net operating surplus by excluding the accounting adjustments for the recognition of grant income and depreciation but including capital expenditure on our existing properties.
- For the year to March 2024, an underlying surplus of £7,896k has been generated which is £2,167k favourable to budget. The variance is driven by lower void rent loss and lower spend across expenditure. Investment spend reflects the reprofiling of SHNZ works with a corresponding reduction in other grant income.
- In planning for final quarter, it was agreed to accelerate £500k of capital projects which had been deferred into 2024/25 to support improvements in the energy efficiency of our tenants' home and to provide a year end donation of £570k to the Foundation.

Underlying Surplus - Period to 31 March 2024			
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks
Net Operating surplus	23,098	23,407	(309)
add back:			
Depreciation	14,581	14,581	0
less:			
Grant income	(5,619)	(4,977)	(642)
Gift aid	(1,057)	(1,724)	667
Net interest payable	(6,466)	(6,024)	(442)
Total expenditure on Core Programme	(16,641)	(19,535)	2,894
Underlying Surplus	7,896	5,728	2,167
Donation to Wheatley Foundation	(570)		
Acceleration of 2024/25 energy efficiency capital projects	(500)		
Reported Underlying Surplus	6,826		

2) In House Repairs Service – Year to March 2024

In House Repairs	YTD		
	Actual £ks	Budget £ks	Variance £ks
INCOME			
Internal Subsidiaries	10,743	11,934	(1,191)
External Customers	298	426	(128)
TOTAL INCOME	11,041	12,360	(1,319)
COST OF SALES			
Staff Costs	4,177	5,300	1,123
Materials	2,833	2,900	66
Subcontractor & Other Costs	2,019	2,400	381
TOTAL COST OF SALES	9,029	10,600	1,570
GROSS PROFIT	2,012	1,760	250
Margin %	18%	14%	4%
Overheads	1,678	1,760	82
NET PROFIT	334	-	334

Key Comments:

- Income for the in house repairs service is £1,319k lower than budget. External customers income represents Home Group income generated in the year to 31 March 2024.
- The favourable variance of £1,123k in staff costs is mainly due to timing of recruitment for the new structure to bring capitalised voids in-house. The budget assumed this would be in place May, however, this wasn't achieved until July.
- Subcontractor and material costs are favourable to budget following the implementation of the repairs improvement plan.

3) Repairs and Investment – Year to March 2024

Revenue Repairs and Maintenance	YTD		
	Actual £ks	Budget £ks	Variance £ks
Reactive	8,642	8,820	178
Gas planned maintenance	1,036	1,178	142
Landscaping and cyclical maintenance	591	857	266
Compliance	663	1,505	842
TOTAL	10,932	12,360	1,428

Core Investment Programme	To 31 Mar 2024		
	Actual £ks	Budget £ks	Variance £ks
Investment programme grant income			
Aids and Adaptations	945	540	405
Social Housing Net Zero	7,055	10,375	(3,320)
Total	8,000	10,915	(2,915)
Investment programme spend			
Core Programme	3,099	3,791	692
Capitalised repairs	868	876	8
Social Housing Net Zero	7,055	9,975	2,920
Capitalised Voids	4,063	3,076	(987)
Adaptations	945	540	(405)
Capitalised Staff	1,111	1,277	166
Total	17,141	19,535	2,394

Net Investment Spend	9,141	8,620	(521)
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Repairs

Repairs and maintenance costs are £1,428k favourable to budget.

- Reactive repairs are £178k favourable to budget, due to the repairs improvement plan being in place and helping to keep spend within the forecast position.
- Gas planned maintenance, landscaping and cyclical maintenance and compliance expenditure were all favourable to budget due to the reprofiling and timing of spend against budget. All compliance work is still within the required legislative timeframe.

Investment

Net investment in our existing homes after taking account of fully funded SHNZ and adaptations work was £9,141k, which is £521k higher than budget.

- Core programme is £692k lower than budget due to the reprofiling of the investment programme against budget. Reduced spend to budget was noted on environmental, M&E, and lowrise programmes which was partially offset by increased spend on windows, central heating and fire and flood damaged properties.
- Capitalised voids are higher than budget. Void work was brought in house during June 2023, and since then, the average cost per void is lower reducing the overspend.
- While adaptations are £405k higher than budget, the £945k spend is fully funded by grants received.

4) New Build – Year to March 2024

Development Name	Status	Contractor	YTD P12		
			Actual	Budget	Variance
Curries Yard	On Site	CCG	11,942	11,404	(538)
Springholm	On Site	Ashleigh	8,512	10,218	1,705
Johnstonebridge	Approved / Due on site	Ashleigh	140	4,436	4,296
[redacted]					4
					2
)
					3
					1
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					-
					1
Total Social Rent			23,061	37,321	14,260
Capitalised Staff			1,179	1,168	(11)
Capitalised Interest			479	296	(183)
Total New Build Investment			24,719	38,785	14,066
Grant Income			12,776	23,591	(10,815)
Net New Build Cost			11,943	15,194	3,252
Grant Income Completions (recognised in OPS)			5,619	4,977	642

Development spend at the end of March 2024 totalled £24,719k, against a budget of £38,785k, a variance of £14,066k under budget due to delays in development works. Similarly, the grant income received of £12,776k was £10,815k under budget. The grant income received was for Curries Yard and Springholm, which will be recognised in the operating statement when the units are handed over. The grant recognised relates to the 35 units handed over at Curries Yard.

On Site/Due on Site:

- **Currie's Yard (SR/89):** Handover of 18 homes in January 2024 and 17 in March 2024. Remaining 54 units to be completed by September 2024.
- **Springholm/ Ewart Place (SR/47):** Construction started in May 2023, later than budgeted, resulting in lower spend in the year to date. Site progressing well. Full grant spend drawn down in 2023/24.
- **Johnstonebridge/ MacLean Drive (SR/33):** Project behind budget due to a delay in planning permission. Planning submitted May 2022, approval received March 2024. Tender approved in March 2024 with a potential start late summer 2024/25, following funding approval.

[redacted]

5) Balance Sheet – Year to March 2024

	31 March 24	31 March 23
Fixed Assets		
Social Housing Properties	450,693	423,556
Other Fixed Assets	3,326	1,406
Investment Properties	12,154	12,154
	<u>466,173</u>	<u>437,116</u>
Current Assets		
Stock	896	954
Rent and service charge arrears	3,222	3,022
less: provision for rent arrears	(1,054)	(930)
Prepayments and accrued income	4,061	3,360
Other debtors	3,060	3,198
Total Debtors	9,289	8,650
Due from other group companies	87	68
Cash & Cash Equivalents	5,137	3,405
	<u>15,410</u>	<u>13,078</u>
Creditors: within 1 year		
Trade Creditors	(4,185)	(967)
Accruals	(3,560)	(7,458)
Deferred income (Grant)	(16,417)	(6,599)
Prepayments of Rent and Service Charge	(990)	(884)
Other Creditors	(637)	(554)
Total Creditors	(25,789)	(16,463)
Amounts due to Group Undertakings	(3,656)	(5,022)
	<u>(29,445)</u>	<u>(21,485)</u>
Net Current Liability	(14,035)	(8,407)
Long Term Creditors		
Long term loans	(167,164)	(158,164)
Loan interest	(5,171)	(4,108)
Deferred Income	(3,966)	(6,645)
Other provisions	(72)	(88)
Pension		
Net Assets	275,765	259,704
Capital and Reserves		
Share Capital		
Revenue Reserve	131,454	115,393
Revaluation Reserve	144,311	144,311
Shareholders' funds	275,765	259,704

Key Comments:

The balance sheet reported at 31 March 2024 is subject to year end accounting adjustments for property and pension valuations and final external audit.

Fixed assets of £466m – representing new build works less depreciation of existing assets.

- **Stock** relates to stock for the in-house repairs team and materials on site relating to the investment program.
- **Debtors** – net rent and service charge arrears are marginally higher driven by timing of rents received.
- **Accrued income** – This includes new build grant income, aids and adaptations and the SHNZ investment grant claim.
- **Other debtors** includes capital asset recharge £2.8m.
- **Creditors: within 1 year** Includes
 - Trade creditors are higher than 31 March 2023 driven by timing of supplier payments.
 - Accruals includes £0.8m Design and Build costs due to WDSL, £0.7m of investment works (CBG), £0.3m materials, £0.1m fleet accruals and £0.1m of utilities. The reduction in accruals is due to timing.
 - Grant income received is deferred until the completion of new build properties. 35 units were handed over in 2023/24. The £16.4m relates to Springholm and the final Curries Yard completions expected in 2024/25.
- **Long-Term Creditors** relate to
 - Loans of £167.2m, including WFL1, Allia and THFC loans. This is net of amortisation and arrangement fees (£0.3m).
 - The roll up of accrued interest on Allia loans is not payable until the end repayment date of the loan. £5.2m has been accrued since the drawdown of the loans.
 - Grant income received is deferred until the completion of new build properties. The balance relates to Catherinefield and Thornhill which are all expected to complete in 2025/26 onwards.
 - Provision of £72k relates to the remaining balance made for dilapidation liabilities for offices.

6) Operating statement – Period to April 2024

OPERATING STATEMENT	Period to Apr 2024			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INCOME				
Rental Income	4,187	4,184	3	51,163
Void Losses	(24)	(43)	19	(521)
Net Rental Income	4,163	4,141	22	50,642
Grant Income	0	0	0	16,418
Other Grant Income	143	129	14	5,297
Other Income	139	138	1	2,152
TOTAL INCOME	4,445	4,408	37	74,508
EXPENDITURE				
Employee Costs - Direct	412	436	24	5,277
Employee Costs - Group Services	294	292	(2)	3,508
ER/VR	0	0	0	210
Direct Running Costs	211	213	2	2,651
Running Costs - Group Services	165	192	27	2,305
Revenue Repairs and Maintenance	916	1,095	179	13,122
Bad debts	12	88	76	1,056
Depreciation	1,287	1,287	0	15,441
Demolition and compensation	6	6	0	523
TOTAL EXPENDITURE	3,303	3,609	306	44,093
NET OPERATING SURPLUS	1,142	799	343	30,415
<i>Net operating margin</i>	<i>26%</i>	<i>18%</i>	<i>8%</i>	<i>41%</i>
Interest receivable	12	3	9	30
Interest payable & similar charges	(638)	(632)	(6)	(7,417)
STATUTORY SURPLUS	516	170	346	23,028
INVESTMENT				
TOTAL CAPITAL INVESTMENT INCOME	51	51	0	16,304
Capital Investment spend	793	826	33	15,432
New Build Programme	1,608	1,749	141	24,207
Other Fixed Assets	98	178	80	2,137
TOTAL INVESTMENT EXPENDITURE	2,499	2,753	254	41,776
NET CAPITAL EXPENDITURE	2,449	2,702	254	25,472

Key highlights:

Net operating surplus of £1,142k is £343k favourable to budget. Statutory surplus to 30 April is £516k, is £346k favourable to budget with the key drivers being lower spend across various expenditure lines, namely revenue repairs and bad debts.

- Net rental income is £22k higher than budget. Voids are favourable to budget, with a void loss rate of 0.6% vs 1.0% in budget. Rental income is £3k higher due to unbudgeted rental income from earlier handover of Curries Yard.
- Other grant income is £14k favourable to budget due to higher than budgeted renewable heat incentive (RHI) grant income.
- Total employee costs (direct and group services) are £22k favourable to budget, driven by vacant positions in Care and Housing and lower overtime.
- Total running costs (direct and group services) are £29k favourable to budget driven by timing of spend on various expenditure lines.
- Repairs costs are £179k favourable to budget. Responsive repairs are £104k favourable to budget with less complex jobs reducing the overall cost per job. Cyclical, gas maintenance and compliance are also all favourable to budget due to timing of spend.

Interest payable of £638k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders.

Net capital expenditure of £2,449k is £254k lower than budget.

- The investment income is in line with budget.
- Total core investment spend of £793k is £33k lower than budget due to lower spend on capitalised voids.
- New Build expenditure is £141k under budget driven by timing of spend on Summerhill and College Mains (£52k and £97k).
- Other capital expenditure of £98k is £80k lower than budget. Other capital spend includes work on local NETS/ Concierge hubs and IT costs.



Landlord Name:	Wheatley Homes South Limited
RSL Reg No.:	315
Report generated date:	08/05/2024 15:33:45

Approval

A1.1	Date approved	
A1.2	Approver	
A1.3	Approver job title	
A1.9	General Comment	

STATEMENT OF COMPREHENSIVE INCOME						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Gross rents	47,466.5	50,815.1	52,864.0	55,880.9	59,852.0	63,358.7
Service charges	304.7	348.3	128.4	121.0	114.4	111.4
Gross rents & service charges	47,771.2	51,163.4	52,992.4	56,001.9	59,966.4	63,470.1
Rent loss from voids	283.5	521.0	523.2	556.2	596.8	632.4
Net rent & service charges	47,487.7	50,642.4	52,469.2	55,445.7	59,369.6	62,837.7
Developments for sale income	0.0	0.0	0.0	0.0	0.0	0.0
Grants released from deferred income	5,619.0	16,417.5	12,739.6	35,604.5	23,020.4	28,333.0
Grants from Scottish Ministers	8,998.6	5,296.8	575.8	567.4	550.0	547.9
Other grants	0.0	0.0	0.0	0.0	0.0	0.0
Other income	2,271.5	1,128.5	1,157.0	1,188.1	1,307.7	1,337.6
TURNOVER	64,376.8	73,485.2	66,941.6	92,805.7	84,247.7	93,056.2
Less:						
Housing depreciation	13,470.5	14,274.6	15,115.9	16,203.7	18,021.0	19,744.9
Impairment written off / (back)	0.0	0.0	0.0	0.0	0.0	0.0
Management costs	12,229.8	11,805.4	11,239.1	11,351.6	11,503.4	11,738.7
Service costs	0.0	0.0	0.0	0.0	0.0	0.0
Planned maintenance - direct costs	4,526.2	5,101.6	4,929.9	5,058.3	5,179.3	5,301.0
Re-active & voids maintenance - direct costs	8,641.5	9,468.9	9,799.9	9,966.8	10,426.0	10,842.8
Maintenance overhead costs	0.0	0.0	0.0	0.0	0.0	0.0
Bad debts written off / (back)	242.2	1,056.3	1,083.4	1,155.0	1,244.9	1,324.8
Developments for sale costs	0.0	0.0	0.0	0.0	0.0	0.0
Other activity costs	1,463.6	1,010.7	493.1	647.3	1,570.9	1,168.2
Other costs	1,276.5	1,376.1	2,728.6	1,607.3	1,347.9	1,221.7
	28,379.8	29,819.0	30,274.0	29,786.3	31,272.4	31,597.2
Operating Costs	41,850.3	44,093.6	45,389.9	45,990.0	49,293.4	51,342.1
Gain/(Loss) on disposal of PPE	0.0	0.0	0.0	0.0	0.0	0.0
Exceptional Items - (Income) / Expense	(125.1)	(119.5)	(120.7)	(121.9)	(123.1)	(124.4)
OPERATING SURPLUS/(DEFICIT)	22,651.6	29,511.1	21,672.4	46,937.6	35,077.4	41,838.5
Interest receivable and other income	81.3	30.0	45.0	60.0	60.0	60.0
Interest payable and similar charges	6,547.0	7,417.3	7,637.6	8,062.6	9,142.3	9,985.5
Increase / (Decrease) in Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Other Gains / (Losses)	(10,633.3)	(13,591.0)	(14,277.5)	(25,655.5)	(30,448.6)	(34,352.1)
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX	5,552.6	8,532.8	(197.7)	13,279.5	(4,453.5)	(2,439.1)
Tax on surplus on ordinary activities	0.0	0.0	0.0	0.0	0.0	0.0
SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAX	5,552.6	8,532.8	(197.7)	13,279.5	(4,453.5)	(2,439.1)
Actuarial (loss) / gain in respect of pension schemes	0.0	0.0	0.0	0.0	0.0	0.0
Change in Fair Value of hedged financial instruments.	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5,552.6	8,532.8	(197.7)	13,279.5	(4,453.5)	(2,439.1)

STATEMENT OF FINANCIAL POSITION						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Non-Current Assets	£'000	£'000	£'000	£'000	£'000	£'000
Intangible Assets & Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Housing properties - Gross cost or valuation	450,692.6	468,715.0	505,296.6	527,968.8	541,461.1	548,692.3
Less:						
Housing Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
NET HOUSING ASSETS	450,692.6	468,715.0	505,296.6	527,968.8	541,461.1	548,692.3
Non-Current Investments	12,154.0	12,621.6	12,742.4	12,864.3	12,987.4	13,111.8
Other Non Current Assets	3,326.3	4,380.1	4,928.5	4,708.1	4,688.3	4,806.0
TOTAL NON-CURRENT ASSETS	466,172.9	485,716.7	522,967.5	545,541.2	559,136.8	566,610.1
Current Assets						
Net rental receivables	2,168.5	2,092.3	2,092.3	2,092.3	2,092.3	2,092.3
Other receivables, stock & WIP	8,104.2	7,667.6	7,699.2	7,731.4	7,764.3	7,797.8
Investments (non-cash)	0.0	0.0	0.0	0.0	0.0	0.0
Cash at bank and in hand	5,137.5	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
TOTAL CURRENT ASSETS	15,410.2	12,759.9	12,791.5	12,823.7	12,856.6	12,890.1
Payables : Amounts falling due within One Year						
Loans due within one year	0.0	0.0	6,925.6	7,192.8	6,588.8	0.0
Overdrafts due within one year	0.0	0.0	0.0	0.0	0.0	0.0
Other short-term payables	29,444.7	23,504.8	47,224.7	39,563.5	49,372.4	41,147.3
TOTAL CURRENT LIABILITIES	29,444.7	23,504.8	54,150.3	46,756.3	55,961.2	41,147.3
NET CURRENT ASSETS/(LIABILITIES)	(14,034.5)	(10,744.9)	(41,358.8)	(33,932.6)	(43,104.6)	(28,257.2)
TOTAL ASSETS LESS CURRENT LIABILITIES	452,138.4	474,971.8	481,608.7	511,608.6	516,032.2	538,352.9
Payables : Amounts falling due After One Year						
Loans due after one year	172,334.6	177,218.3	182,848.2	200,592.5	216,412.9	240,185.5
Other long-term payables	0.0	0.0	0.0	0.0	0.0	0.0
Grants to be released	3,966.0	9,784.9	9,966.6	8,942.6	1,999.4	2,986.7
TOTAL LONG TERM LIABILITIES	176,300.6	187,003.2	192,814.8	209,535.1	218,412.3	243,172.2
Provisions for liabilities & charges	72.4	87.6	87.7	87.7	87.7	87.6
Pension asset / (liability)	0.0	0.0	0.0	0.0	0.0	0.0
NET ASSETS	275,765.4	287,881.0	288,706.2	301,985.8	297,532.2	295,093.1
Capital & Reserves						
Share capital	0.0	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	144,311.1	144,311.0	144,311.0	144,311.0	144,311.0	144,311.0
Restricted reserves	0.0	0.0	0.0	0.0	0.0	0.0
Revenue reserves	131,454.3	143,570.0	144,395.2	157,674.8	153,221.2	150,782.1
TOTAL CAPITAL & RESERVES	275,765.4	287,881.0	288,706.2	301,985.8	297,532.2	295,093.1
Intra Group Receivables - as included above	87.0	67.9	67.9	67.9	67.9	67.9
Intra Group Payables - as included above	3,655.7	5,021.9	5,021.9	5,021.9	5,021.9	5,021.9

STATEMENT OF CASHFLOWS						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Net Cash from Operating Activities						
Operating Surplus/(Deficit)	22,651.6	29,511.1	21,672.4	46,937.6	35,077.4	41,838.5
Depreciation & Amortisation	14,622.6	15,440.7	16,768.3	17,811.0	19,368.9	20,966.6
Impairments / (Revaluation Enhancements)	0.0	0.0	0.0	0.0	0.0	0.0
Increase / (Decrease) in Payables	(2,167.7)	163.9	167.2	170.5	173.9	177.4
(Increase) / Decrease in Receivables	(272.2)	(43.5)	(31.6)	(32.2)	(32.9)	(33.5)
(Increase) / Decrease in Stock & WIP	58.1	0.0	0.0	0.0	0.0	0.0
Gain / (Loss) on sale of non-current assets	500.0	0.0	0.0	0.0	0.0	0.0
Other non-cash adjustments	(5,929.6)	(20,659.3)	(13,996.6)	(37,187.1)	(24,094.9)	(29,367.6)
NET CASH FROM OPERATING ACTIVITIES	29,462.8	24,412.9	24,579.7	27,699.8	30,492.4	33,581.4
Tax (Paid) / Refunded	0.0	0.0	0.0	0.0	0.0	0.0
Return on Investment and Servicing of Finance						
Interest Received	81.3	30.0	45.0	60.0	60.0	60.0
Interest (Paid)	(6,870.0)	(6,505.5)	(6,866.4)	(7,716.0)	(8,720.7)	(9,843.5)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	(6,788.7)	(6,475.5)	(6,821.4)	(7,656.0)	(8,660.7)	(9,783.5)
Capital Expenditure & Financial Investment						
Construction or acquisition of Housing properties	(24,239.6)	(21,082.0)	(52,739.4)	(51,220.0)	(45,849.4)	(41,746.7)
Improvement of Housing	(17,141.0)	(15,058.6)	(10,767.5)	(11,049.1)	(14,665.0)	(18,099.8)
Construction or acquisition of other Land & Buildings	0.0	0.0	0.0	0.0	0.0	0.0
Construction or acquisition of other Non-Current Assets	(1,920.0)	(2,137.3)	(1,818.0)	(1,084.4)	(930.9)	(954.2)
Sale of Social Housing Properties	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Other Land & Buildings	600.0	0.0	0.0	0.0	0.0	0.0
Sale of Other Non-Current Assets	0.0	0.0	0.0	0.0	0.0	0.0
Grants (Repaid) / Received	12,759.0	11,940.2	36,199.1	26,434.8	25,352.2	20,516.8
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(29,941.6)	(26,337.7)	(29,125.8)	(36,918.7)	(36,093.1)	(40,283.9)
NET CASH BEFORE FINANCING	(7,267.5)	(8,400.3)	(11,367.5)	(16,874.9)	(14,261.4)	(16,486.0)
Financing						
Equity drawdown	0.0	0.0	0.0	0.0	0.0	0.0
Debt drawdown	10,500.0	6,740.6	11,624.6	23,800.6	21,454.1	23,075.1
Debt repayment	(1,500.0)	(477.8)	(257.1)	(6,925.7)	(7,192.7)	(6,589.1)
Working Capital (Cash) - Drawn / (Repaid)	0.0	0.0	0.0	0.0	0.0	0.0
NET CASH FROM FINANCING	9,000.0	6,262.8	11,367.5	16,874.9	14,261.4	16,486.0
INCREASE / (DECREASE) IN NET CASH	1,732.5	(2,137.5)	0.0	0.0	0.0	0.0
Cash Balance						
Balance Brought Forward	3,405.0	5,137.5	3,000.0	3,000.0	3,000.0	3,000.0
Increase / (Decrease) in Net Cash	1,732.5	(2,137.5)	0.0	0.0	0.0	0.0
CLOSING BALANCE	5,137.5	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0

ADDITIONAL INFORMATION						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Number of units added during year to:						
New Social Rent Properties added	35	101	87	298	190	227
New MMR Properties added	0	0	6	0	0	0
New Low Costs Home Ownership Properties added	0	0	0	0	0	0
New Properties - Other Tenures added	0	0	0	0	0	0
Transfers in	0	0	0	0	0	0
Total number of new affordable housing units added during year	35	101	93	298	190	227
Units developed for sale:						
Number of units developed for sale to RSLs	0	0	0	0	0	0
Number of units developed for sale to non-RSLs	0	0	0	0	0	0
Development Assumption Indicator	Yes					
Number of units lost during year from:						
Sales including right to buy	1	0	0	0	0	0
Demolition	9	163	70	105	49	45
Transfers out	0	0	0	0	0	0
Other	0	0	0	0	0	0
Number of units managed at end of period (exclude factored units)	10,272	10,210	10,227	10,420	10,561	10,743
Units owned:						
Social Rent Properties	10,272	10,210	10,227	10,420	10,561	10,743
MMR Properties	101	101	107	107	107	107
Low Costs Home Ownership Properties	0	0	0	0	0	0
Properties - Other Tenures	0	0	0	0	0	0
Number of units owned at end of period	10,373	10,311	10,334	10,527	10,668	10,850
Financed by:						
Scottish Housing Grants	5,619.0	16,417.5	12,739.6	35,604.5	23,020.4	28,333.0
Other public subsidy	0.0	0.0	0.0	0.0	0.0	0.0
Private finance	2,781.0	9,206.5	5,471.8	25,126.4	20,238.6	11,449.0
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Cash reserves	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total cost of new units	8,400.0	25,624.0	18,211.4	60,730.9	43,259.0	39,782.0
Assumptions:						
General Inflation (%)	5.0	4.0	2.5	2.5	2.5	2.5
Rent increase - Margin above/below General Inflation (%)	4.4	3.5	2.0	2.0	1.4	1.4
Operating cost increase - Margin above/below General Inflation (%)	0.0	0.0	0.0	0.0	0.0	0.0
Direct maint cost increase-Margin above/below General Inflation (%)	0.0	0.0	0.0	0.0	0.0	0.0
Actual / Assumed average salary increase (%)	7.0	4.5	2.5	2.0	2.0	2.0
Average cost of borrowing (%)	4.4	4.3	4.2	4.4	4.5	4.7
Employers Contributions for pensions (%)	10.2	10.2	10.2	10.2	10.2	10.2
Employers Contributions for pensions (£'000)	1,174.5	1,227.4	1,249.3	1,225.5	1,247.7	1,270.3
SHAPS Pensions deficit contributions (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
Min. headroom cover on tightest interest cover covenant (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
Minimum headroom cover on tightest gearing covenant (£'000)	0.0	0.0	0.0	0.0	0.0	0.0

Minimum headroom cover on tightest asset cover covenant (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
Total staff costs (including NI & pension costs) (£'000)	13,804.0	14,425.2	14,682.8	14,402.8	14,664.1	14,930.0
Full time equivalent staff	287.0	287.0	285.0	274.1	273.6	273.1
ESSH Revenue Expenditure included above (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
ESSH Capital Expenditure included above (£'000)	8,299.0	4,171.0	904.0	1,151.0	1,655.0	2,277.0
Total capital & revenue expend on maint pre-1919 properties (£'000)	117.0	376.0	269.0	276.0	366.0	452.0
Total capital & revenue expend on maint all other properties (£'000)	26,962.0	26,604.8	22,439.8	22,942.5	27,070.8	30,980.2
Estimated decarbonisation cost indicator	Yes					
Estimated decarbonisation cost (£'000)	10,418.0					

TRENDS & COMPARATORS

RATIOS	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	National Median
	Actual	Actual	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast	
Financial capacity									
Interest cover	450.0%	360.7%	430.045%	375.727%	358.626%	359.769%	350.343%	341.763%	425.2%
Gearing	57.9%	61.2%	60.630%	60.517%	64.693%	67.813%	73.942%	80.376%	44.8%
Efficiency									
Voids	1.2%	1.3%	0.593%	1.018%	0.987%	0.993%	0.995%	0.996%	0.8%
Arrears	3.5%	4.5%	4.566%	4.132%	3.988%	3.774%	3.524%	3.330%	1.9%
Bad debts	0.7%	0.3%	0.510%	2.086%	2.065%	2.083%	2.097%	2.108%	0.5%
Staff costs / turnover	25.5%	22.5%	21.443%	19.630%	21.934%	15.519%	17.406%	16.044%	21.0%
Turnover per unit	£5,429	£5,554	£6,206	£7,127	£6,478	£8,816	£7,897	£8,577	£5,571
Responsive repairs to planned maintenance	4.0	2.0	2.5	2.1	1.6	1.6	1.9	2.2	1.6
Liquidity									
Current ratio	2.4	0.6	0.5	0.5	0.2	0.3	0.2	0.3	1.9
Profitability									
Gross surplus / (deficit)	37.7%	25.4%	35.186%	40.159%	32.375%	50.576%	41.636%	44.960%	16.2%
Net surplus / (deficit)	(36.4%)	3.3%	8.625%	11.612%	(0.295%)	14.309%	(5.286%)	(2.621%)	11.1%
EBITDA / revenue	(10.9%)	12.7%	29.484%	39.092%	38.871%	56.130%	45.620%	46.728%	28.8%
Financing									
Debt Burden	3.5	2.9	2.7	2.4	2.8	2.2	2.6	2.6	1.7
Net debt per unit	£14,757	£15,789	£16,118	£16,896	£18,074	£19,453	£20,623	£21,860	£7,062
Debt per unit	£18,962	£16,127	£16,614	£17,187	£18,364	£19,738	£20,904	£22,137	£10,191
Diversification									
Income from non-rental activities	17.4%	17.6%	26.235%	31.085%	21.619%	40.256%	29.530%	32.473%	17.4%
INDICATORS									
Turnover	54,909.0	55,881.0	64,376.8	73,485.2	66,941.6	92,805.7	84,247.7	93,056.2	
Operating costs	27,264.0	28,760.0	28,379.8	29,819.0	30,274.0	29,786.3	31,272.4	31,597.2	
Net housing assets	410,929.0	423,556.0	450,692.6	468,715.0	505,296.6	527,968.8	541,461.1	548,692.3	
Cash & current investments	42,534.0	3,405.3	5,137.5	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	
Debt	191,783.0	78,771.9	172,334.6	177,218.3	189,773.8	207,785.3	223,001.7	240,185.5	
Net assets / capital & reserves	257,692.0	259,704.0	275,765.4	287,881.0	288,706.2	301,985.8	297,532.2	295,093.1	

Comments

Page	Field	Comment
SOCI	Gross rents	Increase in rents in year 3 driven by new build units completed (298) and generating revenue.
SOCI	Grants from Scottish Ministers	£7m SHNZ, £1m Aids & Adapts, £1m Care
SOCI	Other activity costs	Demolition works and Care service costs
SOCI	Other costs	ERVR and other fixed assets depn
SOCI	Exceptional Items - (Income) / Expense	Investment property gain
SOCI	Other Gains / (Losses)	Other losses include the movement in value of social housing offset by gain on investment properties.
SOFP	Housing depreciation	Properties assumed at value
SOFP	Other Non Current Assets	Other fixed assets
SOFP	Loans due after one year	Loan higher in year 2 driven by new build programme progressing. Expected to complete 298 units in year 3 so the spend will ramp up in year 2.
SOCF	Increase / (Decrease) in Payables	Decrease in other payables is driven by lower interco and lower trade creditors in year 0.
SOCF	(Increase) / Decrease in Receivables	Increase in debtors in year 0 driven by timing of payments received.
SOCF	Gain / (Loss) on sale of non-current assets	£500k gain on sale of land
SOCF	Other non-cash adjustments	Release of HAG grant, adj to current year surplus
SOCF	Construction or acquisition of Housing properties	Construction cost in year 5 reflect cost for new units.
SOCF	Construction or acquisition of Other Non-Current Assets	IT and Office spend
SOCF	Sale of Other Land & Buildings	Herries Av land
SOCF	Debt repayment	Minimal repayment expected in year 1 & 2.
Additional Information	Other public subsidy	Some of the Scottish Housing Grant used to fund developments was received prior to the period covered by the cashflow statements
Additional Information	Private finance	Costs and therefore borrowings in respect of the development programme may have been incurred

Page	Field	Comment
		outwith the period covered by the cashflows.
Additional Information	Rent increase - Margin above General Inflation (%)	Rent correct in Year 4
Additional Information	Minimum headroom cover on tightest interest cover covenant (£'000)	Covenants calc at Group level
Additional Information	Minimum headroom cover on tightest gearing covenant (£'000)	Covenants calc at Group level
Additional Information	Minimum headroom cover on tightest asset cover covenant (£'000)	Covenants calc at Group level
Additional Information	Estimated decarbonisation cost	Social Housing Net Zero programme to decarbonise properties, year 0 and year 1.

Report

To: Wheatley Homes South Board

By: Ranald Brown, Director of Assurance

Subject: Group Assurance Update

Date of Meeting: 29 May 2024

1. Purpose

- 1.1 This report provides the Wheatley Homes South Board (the Board) with an update for noting of the following matters:
- Internal audit work reported to the January and May Group Audit Committee meetings; and
 - The rolling Internal Audit Plan.

2. Authorising and strategic context

- 2.1 Under its Terms of Reference, the Board is responsible for managing and monitoring its compliance arrangements and operational performance. The activities undertaken by the Assurance Team provide the Board with independent assurance to support the Board in this role.
- 2.2 The Group Audit Committee is responsible for monitoring the Group's assurance activities. The Group Audit Committee has responsibility for instructing and keeping under review the rolling internal audit plan for the Group, and monitoring results as presented in quarterly Assurance Updates. The current schedule of work within the rolling Internal Audit Plan will be considered by the Group Audit Committee at its meeting on 15 May 2024.

3. Background

- 3.1 In November 2023 and January 2024, the Group Audit Committee approved delivery of the following reviews, as part of the rolling Internal Audit Plan. The reviews highlighted in **blue font** are those relevant to this Board:

Wheatley Homes – South
Repairs

Financial Efficiency
Savings

Commercial Property
Management
(commercial units,
garages, lock-ups)

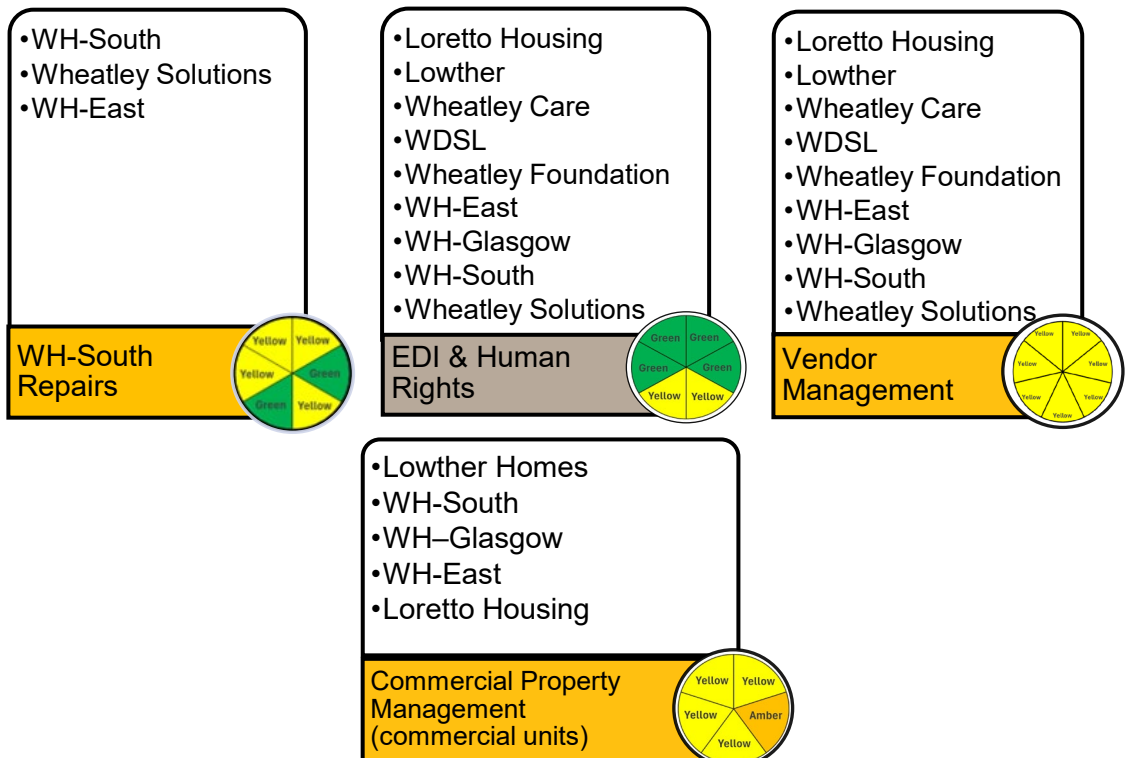
Equality, Diversity, Inclusion & Human Rights	Vendor Management	Group Data Strategy
Repairs Analytics	CBG Working Group Support	Electrical Testing Certification
Legislative Compliance Mapping: Governance, Strategy & Performance, Human Resources & Organisational Development	Legislative Compliance Mapping: Financial Reporting, Asset & Sustainability, and Procurement, Fleet & Utilities	Data Analytics

3.2 The Internal Audit team has now completed these reviews, and details of the relevant findings are set out in the report at Appendix 1.

4. Discussion

Summary of work in Q3 and Q4 of 2023/24

4.1 The diagram below summarises the results of internal audit work completed in the period since our last report. The coloured pie-charts represent our assessment of the extent to which the control objectives we audited were achieved.



4.2 The control objective ratings are defined below:

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

4.3 In addition, the following reviews have also been completed. We can confirm there were no significant issues arising in these reports that we would need to highlight to the Board:



- 4.4 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.

Rolling Internal Audit Plan to August 2024

- 4.5 The Group Audit Committee reviews the rolling Internal Audit Plan at each of its meetings, approving the work scheduled for the coming quarter. In May 2024, the Group Audit Committee will consider for approval the programme of work set out in Appendix 1.

5. Customer Engagement

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

6. Environmental and sustainability implications

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

7. Digital transformation alignment

- 7.1 The report on Data Strategy provides assurance on the way digital transformation is delivered across the Group.

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

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

10. Risk Appetite and assessment

- 10.1 This report is designed to inform the Board members of specific risks arising from internal audit reviews, in order that members can make informed governance decisions. The relevant risk appetite statements are dependent on the nature of each specific risk arising from those internal audit reviews.

11. Equalities implications

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

12. Key issues and conclusions

- 12.1 The Internal Audit team has completed the listed reviews. No significant matters were noted to bring to the attention of the Board members and management have agreed actions to address the improvement actions identified during each review. The Internal Audit team will monitor completion of these actions and report progress to future meetings of the Group Audit Committee and this Board.

12.2 The Group Audit Committee has approved the Internal Audit team's current programme of work and will continue to oversee and approve the work programme on a quarterly basis.

13. Recommendations

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

LIST OF APPENDICES:

Appendix 1 – Group Assurance Update May 2024

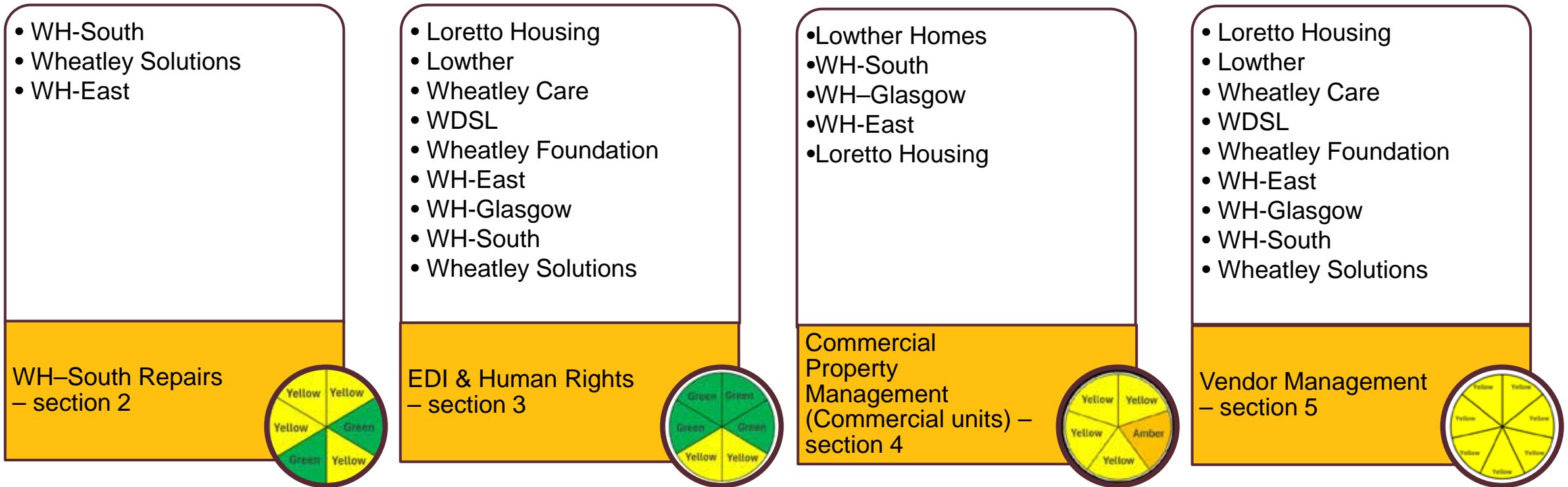
Group Assurance Update

May 2024

Ranald Brown
Director of Assurance

1. Internal Audit Plan Status

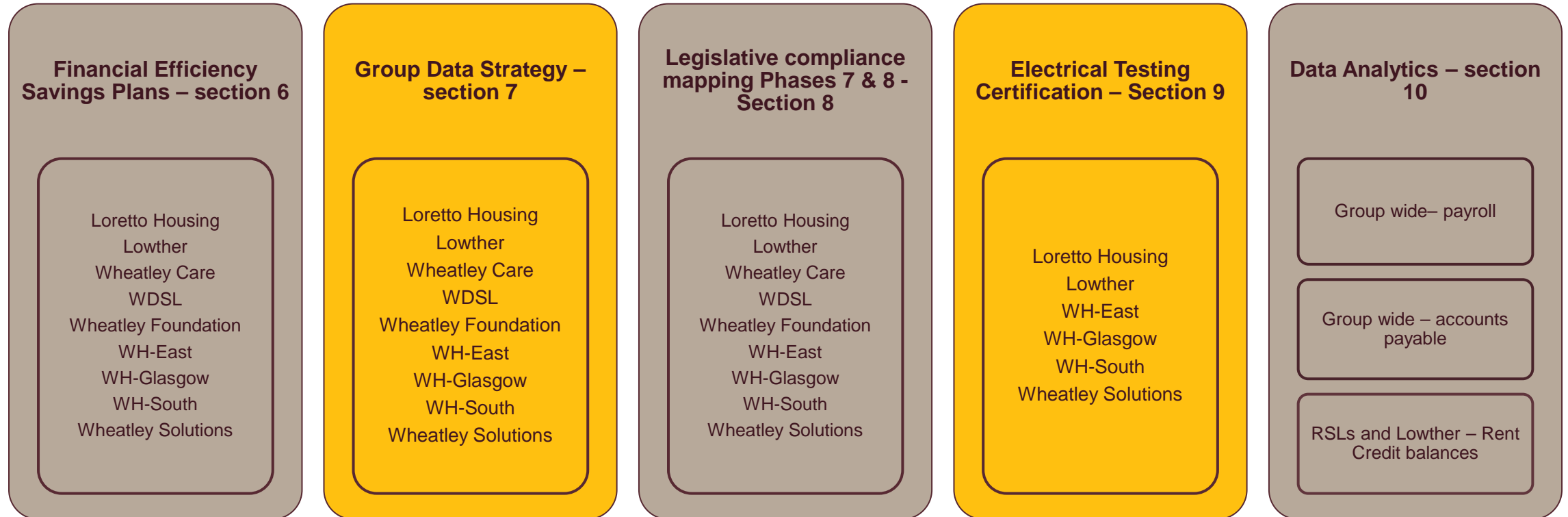
This report summarises the findings of the following Internal Audit activity, which was completed during this period.



The next slide captures additional work completed during the reporting period. A summary of the internal audit work approved for the next period is set out in section 12.

1. Internal Audit Plan Status

This report summarises the findings of the following Internal Audit activity, which was completed during this period.



In addition, the team has followed up the implementation of previously agreed management actions (section 11).

Control Objective Classification:

The audit approach involves assessing the risks to the achievement of the control objectives. Controls to mitigate these risks are then identified and tested in terms design, adequacy and operating effectiveness. Where those controls are considered insufficient to mitigate the risks to the achievement of the control objective, the classification will be “red” or “amber”. Where the controls are adequate to mitigate the risks, the classification will be “yellow” or “green”. The classification allocated is based on audit findings and the Director of Assurance’s professional judgement, which will consider the strategic importance of the area under review.

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

2. WH-South Repairs

Report Conclusion

This review assessed the extent to which repairs processes are operating as designed within WH-South; to identify potential improvements to be included within the implementation plans for WH-East. This review was completed prior to the implementation of Book it, Track it, Rate it in WH-South. We found close working between WH-South and WH-East to manage this migration. A decision is required on which diagnostic tool will be used to raise repairs in both subsidiaries going forward. This decision should consider what system is the best fit for WH-South and the long-term prospects of the chosen system.

Our review found that there are controls in place throughout the customer journey from a repair being raised, scheduled, actioned, and then closed with customer feedback being obtained. We identified some areas for improvement that would further strengthen these controls to improve the customer experience, some of which management have already started to progress during this review. Some of these improvement opportunities relate to wider Group work and WH-South should ensure that they feed into these discussions to obtain changes that maximise benefits for WH-South customers.

Control Objective Classification (see Section 1 for definitions)

Yellow	Repairs are diagnosed, categorised and appointed correctly at the initial call log stage;
Green	The repairs team have effective workforce planning management and scheduling tools in place to ensure that the Group is able to respond to demand for repairs within statutory timescales;
Yellow	Customer expectations are understood and being managed by keeping them fully informed during the full life cycle of the repairs process;
Green	Repairs are delivered as per work programme type, which set out the agreed time scale for completing each repair;
Yellow	Repairs are completed to agreed quality standards and customer is satisfied with final result; and
Yellow	The Group reviews lessons learned from customer feedback/ performance information and takes action to further improve the service from a customer journey perspective.

2. WH-South Repairs

Areas of good practice

- Ü Weekly meetings are held between the WH-S repairs team, WH-East repairs team, IT Project manager and WH-East Finance Manager to discuss changes and keep track of progress on WH-East's migration to Servitor.
- Ü 24/25 repairs in our sample testing were appointed in line with the priority timescale they were raised against and completed within this timescale.
- Ü There are regular meetings and communication between Trades Team Leaders and Planners to identify issues and progress more complex jobs.
- Ü Planners use the DRS Scheduling System which has rules written in to automatically schedule jobs to reduce travel time of Trade Operatives.
- Ü There is a suite of daily, weekly and monthly performance reporting which is shared with both local management for operational review and repairs management to allow areas for improvement to be identified.
- Ü Van stocks have recently been reviewed by WH-South repairs teams to ensure these are fit for purpose and aim to allow Trades to complete the repair at the first visit.
- Ü Tool Box Talks are carried out routinely with Trade Operatives to deliver training and other updates.

2. WH-South Repairs

Opportunities for Improvement

Management has reviewed and agreed both the priority actions and the continuous improvement opportunities set out below.

Priority Actions:

- Ø A decision is required on whether WH-South will develop the current diagnostic tool in Servitor Express to raise repairs or whether they will adapt the Astra diagnostic tool. This decision should consider the long-term prospects of each system, compatibility of timescales and priority codes, associated costing / payment mechanisms and impact on current reporting. The Group should also use this opportunity to explore whether a Right to Repair marker can be added to facilitate WH-South operational reporting on RTR and actual emergency repairs. In the interim, additional training should be provided for out of hours staff within Lipton CFC in relation to the existing diagnostic process within WH-South.

Management Response: *We will continue to meet with colleagues across the Group to agree the new diagnostic tool that will be used to raise repairs in WH-South and training will be developed and rolled out. (Due: 30/06/24)*

- Ø Our sample testing highlighted instances in which an appointment confirmation text was not issued and cases where a customer satisfaction test was not issued at the end of the repair. Management investigation confirmed all of these instances were due to manual intervention in the process rather than a system error. These interventions can occur for expected reasons, such as the repair being an emergency and completed on the same day, or work being completed by sub-contractors. During the audit management started work to develop an exception report to highlight instances where expected communications to customers are not issued, for investigation and resolution. This should be completed, along with work to capture customer feedback for work completed by sub-contractors.

Management Response: *We have contacted the service provider Civica and obtained an initial exception report. We will regularly review exceptions to confirm texts are issued as expected. (Due: 29/02/24)*

2. WH-South Repairs

Opportunities for Improvement

Continuous Improvement Actions:

- Ø A review of the points at which customers are asked for feedback, and the tools used to gather this feedback, is ongoing at Group level. WH-South should contribute to these discussions to confirm the review takes into account the needs of WH-South customers and considers options to automate reporting on the results received.

Management Response: *We will join in with wider Group work to review how customer feedback, including ARC customer satisfaction data, is collected. (Due: 31/03/24)*

- Ø A small number of requests for repairs are received each day from front-line staff via the WH-South CFC mailbox; which is also used for queries about other tenancy-related matters. Consequently, there is a risk that a repair requested is not identified and actioned on the day it is received. Management should introduce a separate mailbox for repairs requests, so that the mailbox can be monitored and confirmed as cleared each day.

Management Response: *We will introduce a separate mailbox for use by staff when raising repairs through email. (Due: 29/02/24)*

- Ø Currently, the results of ad hoc post inspections are not formally documented and reviewed. Work is in progress to implement a post inspection code and a more standardised approach that will facilitate reporting on inspections completed and outcomes for voids and sub-contracted or high-value repairs. This work should continue to develop reporting on lessons learned from post inspection outcomes.

Management Response: *We will continue to trial the new code, which prompts Team Leaders to complete a post inspection, within the repairs team and gather feedback to improve and fully implement this new control. (Due: 29/02/24)*

2. WH-South Repairs

Opportunities for Improvement

Continuous Improvement Actions (continued):

- Ø WH-South management should engage with Group discussions to review complaints categories for repairs and maintenance complaints. This should include consideration of reporting that may be available as a result and how this can be used to review lessons learned in more detail in the South.

Management Response: *We will liaise with Group repairs to input WH-South considerations to the review of repairs and maintenance complaints categories. (Due: 31/03/24)*

- Ø The Business Support team relies on management/ Group IT to inform it of joiners, leavers and movers so that Servitor user access rights are updated. The Business Support Team should run an active user report bi-annually to share with Heads of Housing, CFC management and Repairs management to confirm that users in their area are still appropriate and to identify any changes required.

Management Response: *Bi-annually we will run a review of active users in Servitor and share this with Heads of Housing, CFC management and Repairs management for approval. (Due: 29/02/24)*

- Ø At present training records for the WH-South repairs team are held in My Academy (internal training) and in a manually updated spreadsheet (external training). Management should work with MyAcademy colleagues to transfer all records into MyAcademy. This would allow for more automated reporting on completion rates and next due dates.

Management Response: *We will work with My Academy to confirm job specific courses for each member of the Wheatley Homes South repairs team and to standardise records of training and performance reviews. (Due: 31/03/24)*

3. Equality, Diversity, Inclusion and Human Rights

Report Conclusion

This audit assessed the extent to which the Group's procedures for the management of equalities, diversity, inclusion (EDI) and human rights have been developed and implemented since a review in 2021/22. The review included the collection and use of protected characteristics data to inform decision-making; management of EDI data held within the Group's systems; and use of Equality Impact Assessments (EIAs).

The Group has made significant progress towards embedding processes and procedures that provide assurance that the Group is meeting its EDI and human rights obligations. We found that training and guidance are available for staff, publications are available for sharing with customers, and there is regular reporting to senior management and Boards. In addition, the Group ran surveys to collect equalities data from customers, staff, and Board Members in 2023, which has improved the data sets available for use in equality impact assessments.

A small number of continuous improvement actions were identified during this review. The most important of which were the strengthening of existing controls around access to and retention of EDI data; and developing additional guidance to help staff determine when an equality impact assessment might be required. In addition, there is an opportunity to review staff Equal Opportunities and Dignity at Work policies, so they are consistent across all Subsidiaries.

Control Objective Classification

Green	All staff and management have been provided with accessible EDI and Human Rights training and guidance, including policies and procedures.
Green	The Group communicates its EDI and Human Rights commitments and activities to its existing customers, new customers, people on waiting lists, governing body members and staff.
Yellow	The Group has identified systems that routinely collect and hold data on protected characteristics and confirmed this data is held in compliance with the Data Protection Act 2018.
Yellow	The Group's guidance and approach to completion of Equality Impact Assessments meets legislative requirements and is applied consistently and in all applicable situations.
Green	The results of Equality Impact Assessments are reported to Boards and Senior Management in sufficient detail and in time to inform strategic decision making.
Green	Boards and Senior Management receive regular assurance on how the Group is meeting its EDI and human rights responsibilities, including updates on the implementation of actions detailed in the Group Equality, Diversity, Inclusion and Human Rights Action Plan.

3. Equality, Diversity, Inclusion and Human Rights

Areas of good practice identified

- Ü The Group Equalities, Diversity and Human Rights Policy and formal Statement of Commitment, which advises that the Group is 'committed to ensuring Equality, Diversity and Inclusion (EDI) are reflected in everything they do.', are available to staff and customers on the Group and subsidiary websites.
- Ü An EDI training suite is available for staff which includes a variety of courses, podcasts and links to further external resources relating to equalities and human rights. Review of the content found it provided staff with information on appropriate behaviours in relation to protected characteristics when working with colleagues and customers.
- Ü The EDI training suite includes an EDI awareness eLearning module that is mandatory for all staff. Completion rates are reported monthly to ET and Business Leads. The completion at the beginning of March 2024 was 89%.
- Ü The Group has published its first annual Equalities Report. In addition, progress towards completion of the annual EDI Action Plan is reported quarterly to the Executive Team and the Wheatley Solutions Board; with annual reporting to the other Subsidiary Boards.
- Ü The Group has surveyed staff, customers and Board members to obtain refreshed EDI data, which is available in anonymised form for use in equality impact assessments. Arrangements are in place to repeat the surveys, so the data continues to be refreshed and improved.
- Ü A *Different Together* Community of Excellence (CoE) has been established to identify and implement actions to further embed EDI within the Group. The CoE is supported by six staff networks groups and a *Different Together* hub on WEConnect.
- Ü Delivery of relevant human rights, such as the right to equality, freedom from discrimination, freedom of belief and religion, is well-established within Group policies and services. They are promoted within Group Equalities, Diversity and Human Rights Policy, the new Group Hate Crime Policy and the *Different Together* CoE and hub.

3. Equality, Diversity, Inclusion and Human Rights

Opportunities for Improvement

Management has reviewed and agreed the continuous improvement actions set out below.

Continuous Improvement Opportunities:

- Ø People Services should review and update subsidiary policies on equal opportunities and dignity at work to provide staff with consistent information as far as terms and conditions allow. A Group-wide Equal Opportunities Policy and Dignity at Work Policy should be developed if possible.

Management Response: *We will review subsidiary policies and create a standardised one for each subsidiary. (Due date 30/09/24)*

- Ø Although training and guidance on how to complete an equality impact assessment (EIA) is available, this should be reviewed and further promoted with business leads to ensure they are clear on the criteria to determine when an EIA should be completed. The guidance should be used for reviews of policies, strategies and projects, with business leads asked to confirm they have concluded the criteria are not met when an EIA is not completed.

Management Response: *We will review the EIA guidance and help ensure business leads are clear on the criteria for use in deciding whether an EIA is required for policies, strategies and projects. This will included requirement for business leads to confirm they have concluded the criteria are not met in instances where an EIA is not completed. (Due date 30/06/24)*

3. Equality, Diversity, Inclusion and Human Rights

Opportunities for Improvement - continued

Continuous Improvement Opportunities:

- Ø The EDI data map produced by the Governance team should be updated to include retention periods for those business areas noted as holding protected characteristics data for service delivery purposes. The retention periods, along with the results of user access reviews should be shared with the Data and Information team so the results can be applied to the database used for Equalities PowerBi reporting.

Management Response: *We will further develop the EDI data map to include retention periods and frequency of data review. The updated map will be shared with the Data and Information team to provide awareness of retention periods for data within the Equalities PowerBi reporting. We will remind Business areas holding protected characteristics data to review user access to the systems holding the data on a regular basis and include to inform the Data and Information team of changes to user access. (Due date 30/06/2024)*

- Ø Governance should continue to remind Business leads with outstanding actions arising from Equality Impact Assessments to provide detailed updates on the status of all their EIA actions on a quarterly basis, to facilitate Executive Team and Wheatley Solutions Board reporting.

Management Response: *We will continue to remind EIA and EDI Action Plan action owners to provide detailed updates on the status of all their EIA actions on a quarterly basis. Where action updates are not provided, this will be escalated to the business lead's line manager. (Due date 31/05/2024)*

4. [redacted]

4. [redacted]

4. [redacted]

4. [redacted]

4. [redacted]

4. [redacted]

5. Vendor Management

Report Conclusion

This review assessed the adequacy of vendor management activities across the end-to-end procurement and contract delivery lifecycle for IT and Digital technology solutions. This assessed policy and procedures relating to vendor management activity, particularly in relation to the service delivery part of the contract.

Overall, the control objectives were met. However, our review identified two areas where there was scope to improve controls. One related to supplier risk management processes. A requirement of the Contract & Supplier Management Guidance is that all projects and long-term contracts maintain a risk register. Our audit testing identified that risk registers were not present for any of the contracts in our sample. The risk registers are expected to allow risks to be monitored and managed throughout the lifecycle of the contract.

We also found that there was no formal guidance or criteria to support contract owners and ensure that they were meeting with suppliers with an appropriate frequency. Our audit testing identified inconsistency in the frequency of supplier meetings. Of the three contracts that have been assessed by the Executive Team as 'monitor closely', one had monthly meetings and the other two had annual meetings. The 'monitor closely' categorisation requires six-monthly risk assessments of suppliers, though does not specify meeting frequency.

Areas where controls can be enhanced include the development of a pre-procurement checklist to confirm organisational resilience issues are addressed before contracts are agreed; and development of a supply chain security policy which sets out requirements for cyber security KPIs.

Control Objective Classification

Yellow

Vendor management policy and procedures are in place and are aligned with the corporate risk management processes.

Yellow

Internal roles and responsibilities for the lifecycle of vendor management, including within IT and Digital Services as well as the business, are clearly identified and understood.

Yellow

Processes for identifying suppliers are established and these are prioritised by criticality.

Yellow

Records are kept of all contracts, including renewal information, review requirements and respective business owner.

Yellow

Risk-based pre-procurement due diligence and planning activities are undertaken prior to entering into formal supplier arrangements with any risks from these exercises identified, recorded, prioritised, managed and monitored over the course of the supplier arrangement.

Yellow

Risk-based measures are in place to obtain pre-procurement and ongoing assurance on supplier cyber and data security posture.

Yellow

Vendor performance assessment measures are in place to confirm that delivery is provided in line with the contract and SLAs, with actions taken when these are not met.

5. Vendor Management

Areas of good practice

- Ü The implementation of the Contract Management System (CMS) provides a platform through which contracts can be better managed and monitored.
- Ü Both the Procurement Strategy and Policy had been subject to recent review and update.
- Ü Vendor Security Assessments are performed annually and subject to formal risk assessment

Opportunities for Improvement

Management has reviewed and agreed both the priority actions and the continuous improvement opportunities set out below.

Priority Actions:

- Ø Contract risk registers were not in place for any of the contracts in our sample. This is a requirement of the Contract & Supplier Management Guidance. Two of the five suppliers in our sample had not been subject to formal assessment of their business criticality. In addition, guidance and criteria is needed to support contract owners determine the frequency of supplier management activities.

Management Responses: *The Contract & Supplier Management Guidance will be reviewed and this will include specific guidance on how to risk assess suppliers, manage suppliers based on their risk level and incorporate the categorisation approach agreed by the Group Executive team and whether a risk register is required. The revised guidance will be subject to agreement by the Executive team and thereafter deployed to contract and supplier managers. The supplier criticality assessment shall be subject to review by the Group Executive team on a quarterly basis. (Due date 31/07/24)*

- Ø Current policy and guidance should be updated to address roles and responsibilities in scenarios where the service is provided across multiple teams/departments.

Management Responses: *The Contract & Supplier Management Guidance will be reviewed and set out specific guidance on roles and responsibilities in relation to contracts which span multiple services. The revised guidance will be subject to agreement by the Executive team and thereafter deployed to contract and supplier managers. (Due date 31/07/24)*

Opportunities for Improvement

Continuous Improvement opportunities:

- Ø There would be benefit in creating a pre-procurement checklist to demonstrate that all organisational resilience requirements are addressed by relevant leads/teams prior to contract award. A supply chain security policy should be created which sets out the security requirements suppliers must fulfil before contract award. This should include suggested cyber security KPIs for contracts.

Management Responses: *We will develop a pre procurement checklist, which will also document which type of contracts it applies to. The checklist will be cross-referenced with our Vendor Security Assessment process which will set out our policy position in terms of minimum technical and security requirements. We will consider the use of cyber security KPIs as part of the final recommendation to the Group Executive team in relation to seeking Cyber Essentials accreditation. We will develop a pre-procurement checklist which will identify areas of resilience we wish to have minimum requirements for review and agreement by the Group Executive Team. (Due date 30/10/24)*

- Ø Whilst the CMS has been implemented, the Supplier Relationship Management module is not yet in operational use. There is also a need to implement documentation storage standards for the CMS.

Management Responses: *We will develop and implement formal storage standards for contact documentation to be held within all CMS modules. This will include completed contracts, live operational information and post-contract documentation, including areas such as confirmation of deletion of relevant data at the end of the contract by the supplier. (Due date 31/03/2025)*

6. Financial Efficiency Savings Plans

Report Conclusion

This baseline assessment was conducted to understand arrangements in place for identifying recurring and non-recurring efficiency savings, including efficiencies arising from the delivery of strategic projects, pay and non-pay savings plans. We also considered how management assesses the impact proposed savings plans may have on service provision. Finally, we assessed the arrangements in place for implementing the savings measures and reporting on the savings achieved against target.

We found that, in general, the Group's approach to identifying and delivering financial efficiency savings supports management to assess and deliver required savings. Savings initiatives can be linked to strategic aims and the approach is led by the Executive Team. Specific business areas investigate options and present findings for consideration. Workforce planning is a key part of the process, and a three-year rolling plan is used to monitor potential savings opportunities. The People Services team supports business leads to complete options analyses of potential opportunities in advance of the savings targets being built into the annual Business Plan. This means there is time to develop detailed analysis of proposed changes to the workforce model, including consultation with relevant stakeholders such as staff members, unions and customers. Non-pay savings identification is more closely linked to the business planning and budget monitoring processes and savings opportunities are more linked to individual areas.

No priority actions were identified during this review. The continuous improvement actions relate the opportunity to evolve a broader, more "bottom-up" approach to identification of savings and income generation opportunities, and to further promote a "Value for Money" culture across the Group. This should include increasing collaboration across the Group to identify change and savings opportunities, sharing of good practice and more frequent reporting to management on the achievement of target savings.

6. Financial Efficiency Savings Plans

Control Objective

The control objectives shown below reflect the focus of the baseline assessment completed. We have not provided ratings against these control objectives, due to the nature of the review.

CO1 - The Group has arrangements in place for identifying recurring and non-recurring efficiency savings, including consultation with customers, staff and management;

CO2 - There is a clear approach for assessing the impact recurring and non-recurring efficiency savings may have on service provision, including any impact on current and future business plans;

CO3 - Potential saving measures are prioritised, and the risk of achievement of the full savings assessed, as part of the implementation process; and

CO4 - There is regular monitoring and reporting of recurring and non-recurring savings achieved against target to senior management and Boards.

6. Financial Efficiency Savings Plans

Areas of good practice

- Ü The identification of savings is led directly by the Executive Team, with the Group Director of Finance leading a review of key areas of spend within current year's budget. Specific business areas are then asked to investigate options and present findings for consideration.
- Ü The Group's 2023/24 Business Plan, approved by Group Board in February 2023, sets out savings options that have been prioritised in 3 tiers; with Tier 1 being highest priority. The Business Plan also includes a high-level risk assessment of the potential impact of options on customer satisfaction.
- Ü There is regular financial reporting to Group and Subsidiary Boards, including position against in-year budgets, expected outturn against savings plans and mitigating actions where original targets appear unlikely to be achieved. There is also monthly reporting budget monitoring information available for budget holders, to promote achievement of planned savings targets.
- Ü The majority of savings arise from workforce planning and there are well-established arrangements in place, including a 3-year rolling plan that allows People Services to plan future workforce reorganisation in advance. These arrangements include modelling of options; vacancy management; and consultation with management, staff, Trade Unions and customers.
- Ü We noted examples of good practice in relation to the analysis of savings opportunities in different parts of the Group. These showed how business leaders examined options for changes to service delivery within their teams, including the assessment of how changes to their team might impact on other parts of the Group. For example, the analysis completed by one team demonstrated that potential savings from reduced staff costs were likely to be outweighed by reduced rental income.
- Ü We also noted examples of teams across the Group analysing financial data to give further insight to performance measures, and then using this information to inform decision-making. For example, Wheatley Care has developed a model for assessing tenders for new and existing services to determine whether a bid should be submitted.

6. Financial Efficiency Savings Plans

Opportunities for Improvement

Continuous improvement opportunities

Management has reviewed and agreed the continuous improvement opportunities set out below.

- Ø While there are well-established arrangements in place to identify potential savings and then assess these in detail to quantify likely savings for future years, this process is led by the Executive Team. There is an opportunity to develop a broader process to capture additional savings opportunities identified by staff, to supplement the existing process, with the refreshed Value for Money Group.

Management Response: *We will refresh the Value for Money Group, including developing a new Terms of Reference and considering membership. (Due: 31/03/24)*

- Ø We noted that as savings opportunities are assessed and progressed, the quantification of savings tends to capture direct costs only. By sharing information about savings opportunities at the Value for Money Group and thus more widely among the senior leadership team (recognising that some of the proposals are sensitive in nature), there may be opportunities to identify additional indirect savings arising from particular proposals (eg office accommodation, IT and vehicles costs, or application of automation designed in one team within other teams).

Management Response: *We will prepare a workplan for the Value for Money Group that will include development of an approach for joint working to assess options for service redesign / savings opportunities. (Due: 31/03/24)*

6. Financial Efficiency Savings Plans

Opportunities for Improvement

Continuous improvement opportunities (continued)

Management has reviewed and agreed the continuous improvement opportunities set out below.

- Ø We noted elements of good practice applied to some appraisals that could be shared across the Group to improve the overall level of appraisals of savings opportunities.

Management Response: *The Value for Money Group will review a sample of previous projects to identify good practice to share with the Group's senior leaders. (Due: 31/03/24)*

- Ø Although there is regular reporting to management and Boards on the position against budget during the year, there is an opportunity to develop more frequent and detailed reporting of overall progress towards achievement of pay and non-pay savings targets for inclusion in the following year's budget.

Management Response: *We will develop additional reporting to summarise progress towards achieving the pay and non-pay savings targets that will be included in the following year's budget. (Due: 30/04/24)*

Report Conclusion

Wheatley Group's Group Data, Knowledge and Information Strategy (the Strategy) was approved in late 2023 to create greater data and analytics functionality and capability. Since then, work on implementation of the Strategy has started with the establishment of a data team and the engagement of business leaders through Communities of Practice (COPs) and the Data Transformation Advisory Group (DTAG) in early 2024. Overall, at the time of our "critical friend" advisory review, processes in relation to implementation of the data strategy were in the early stages of their maturity and this report should be read in that context.

Implementation of a data strategy is a challenging, long-term commitment which relies on clarity on objectives and development of a positive change culture within the organisation. To be successful, data strategy requires strong leadership and engagement from all areas of the business. Our review and this report focuses on providing the Group with medium and longer-term recommendations that are geared towards building on the shorter-term actions set out within the current data strategy and preparing for its future iterations.

The report sets out our assessment of current controls and process to support delivery of the data strategy under three themes: *Identifying and Delivering Strategic Outcomes*; *Developing a Data Governance Framework*; and *Creating a data-enabled culture within the Group*. Recommendations address opportunities to develop the Group's approach to data throughout the end-to-end process (from data input, via data systems to data output).

We noted that the 2024-25 Delivery Plan includes plans that will address some of the findings within this report. In particular, the current Data Strategy includes actions to develop the capacity and capability created through recent recruitment within the data team; and to begin the work to establish a data governance framework. We acknowledge that, due to the complexity of change across the Group, completion of these actions may take in excess of one financial year. Key next steps for the organisation in implementing its digital strategy within each of the three themes are shown on the next slide.

7. Data Strategy

Key next steps for the Group in relation to each of the three themes are set out below.

Identifying and delivering Strategic Outcomes

- Clarifying the core strategic outcomes and anticipated benefits for staff, customers, and stakeholders using visualisation and story-telling approaches.
- Agreeing multi-year objectives aligned to the strategic outcomes and the current workstream /Communities of Practice (COPs) approach, which would allow the Data Transformation Advisory Group (DTAG) and ET to monitor progress against clearly defined deliverables.

Creating a data-enabled culture within the Group

- Developing a tailored suite of training for staff, and associated communications plan to underscore the importance of data to the organisation and how it is everyone's responsibility.
- The respective roles, responsibilities and effectiveness of the ET, DTAG and COPs should be reviewed, evaluated and refined over the coming months, to confirm that the responsibilities and activities that are recommended by good practice are delivered in a way that is tailored to the Group.

Developing a Data Governance Framework

- Developing a medium to long-term plan to implement a data governance framework that covers items such as:
 - § Policies, Processes, Roles and responsibilities;
 - § Master Data Management;
 - § Data Life Cycle Management;
 - § Data Architecture and technology; and
 - § Data quality, ethics and compliance.

Management response: *These actions are agreed and will be completed as part of actions included within the Group Delivery Plan 2024/25.*

8. Legislative compliance mapping advisory review

Summary of Findings

Prior to April 2020, management completed a series of local checks to confirm compliance with key procedures. The introduction of home-working across the Group as a result of COVID-19, resulted in some of the compliance checks being suspended. As the Group moved back to a full service-delivery model, the way in which services are now delivered has changed significantly for many teams across the Group. As a result, the compliance checks previously completed may no longer be the most effective way to assess compliance with current or planned procedures. The Internal Audit team was asked to review the status of legislative compliance (“compliance”) checking across the Group. The team has developed a staged approach, rolled out in phases across the Group. There are 3 stages: 1) Internal Audit review of compliance areas; 2) Management review and identification of additional compliance checking; 3) Design and roll-out of updated compliance checking.

During the most recent phases, the Internal Audit team has worked with Governance, Strategy & Performance, Human Resources & Organisational Development, Financial Reporting, Asset & Sustainability, and Procurement, Fleet & Utilities management to complete Stage 1. This involved mapping areas in which the Group is required to comply with legislation or regulation; assessing the potential consequence of any failure to comply; and identifying existing or planned compliance checking that would provide assurance about the extent of compliance. The work completed to date has identified some areas in which management should consider whether additional detective controls need to be implemented to give management comfort that key processes are working effectively and identify any instances of non-compliance.

For **Strategy and Performance**, we found three areas in which the Performance & Strategy Management team should consider improving controls to detect any instances of non-compliance with legislative and regulatory requirements. The Performance & Strategy team provides oversight of ARC reporting to SHR annually, and the Group should consider whether this practice should be rolled out to other areas. The Performance & Strategy team should also continue working with the Data team to document reporting rules as part of the Group’s Data Strategy development. This will ensure there is a clear understanding of data required for specific regulatory KPIs. The team should also include review of controls in place over retention of records.

8. Legislative compliance mapping advisory review

Summary of Findings continued

For **Governance**: We found that the Governance team has controls in place to detect any instances of non-compliance with legislative and regulatory requirements. We identified two areas for further improvement where the team should review and update existing controls. These relate to application of a consistent approach to obtaining appropriate references when recruiting future board members; and review and update of FCA related insurance guidance and training.

For **Human Resources and Organisational Development**: We found that in general the People Services team has controls in place to detect any instances of non-compliance with legislative and regulatory requirements where possible. We identified three areas that the People Services team should review to determine whether the detective controls in place can be strengthened. These include a review of controls in place to confirm: i) employees are following the working time regulations; ii) employees receiving a home working allowance are regularly working from home; and iii) all required actions for registration and supervision of Housing Modern Apprentices are completed. We also noted that for some processes, the nature of the work completed by the team means the controls in place to deliver compliance are typically directive (i.e. procedures/ guidance) and are reliant on individuals and line managers following procedures. For these processes, management have advised that they are satisfied that the directive controls in place are sufficient to mitigate the risk associated with non-compliance. This includes the Grievance Policy, which provides a mechanism for all staff to raise concerns. We have therefore excluded these areas from the compliance map.

For **Financial Reporting**: We found that the Finance team has controls in place to detect any instances of non-compliance with Financial Reporting legislative and regulatory requirements.

Summary of Findings continued

For **Asset & Sustainability**: We found detective controls were in place to confirm compliance with legislation and regulation. We identified a small number of areas in which the Assets & Sustainability Management team should complete ongoing work to introduce additional detective controls. These included completion of the planned extension of H&S compliance checking services provided by Equans to WH-South, and review of the controls in place to confirm compliance with retention policies. We noted areas of emerging legislation, particularly from a sustainability perspective. Management is currently monitoring developments in these areas and sharing updates about relevant legislation with colleagues. Further work to update controls and their compliance map may be required to confirm the Group is able to comply with new legislative requirements as they come into force for the Group.

For **Procurement, Fleet & Utilities**: Overall, found detective controls were in place to confirm compliance with legislation and regulation. However, we identified one area where there are no controls in place to detect non-compliance with the requirement to have no-smoking signage in the Group fleet vehicles. The Fleet Manager has also identified planned controls to improve the Group's ability to proactively monitor that fleet vehicles' MOT and road tax are in date and to develop a new Group Speeding policy to support the existing Health and Safety Management Arrangements for Safe Driving.

9. Electrical Testing Certification

Summary of work performed:

Since April 2021, under the Housing (Scotland) Act 2014 (the Act) and the Scottish Housing Quality Standards (SHQS) RSL landlords are required to complete electrical safety inspections every 5 years. The previous requirement was for this to be completed every 10 years and, following the change in the regulations, the Executive Team sought assurance that internal reporting of Electrical Installation Condition Report (EICR) for the Group's RSLs and Lowther Homes was accurate and complete.

Work completed:

In the West, work to upload PDF certificates from Servitor into PIMSS started in 2022. We have been reviewing the progress made by CBG and the Repairs, Investment and Compliance team to obtain and upload outstanding electrical certificates in the West. As at 15 April 2024, there were 232 outstanding certificates, from the original 2,400 reported in November 2023.

These outstanding certificates relate to abeyances and properties with no access, which are now monitored on a weekly basis by the Repairs, Investment and Compliance team, Housing management, and support agencies to gain access where possible to complete the required checks.

Following the introduction of this weekly monitoring report for electrical certificates, we are satisfied there is an appropriate detective control in place to flag any properties requiring additional focus (in addition to the standard business process) in order to obtain the required electrical certificates. We therefore propose that this is no longer reported to the Group Audit Committee and is now considered "business as usual".

10. Data Analytics - summary of work performed

Payroll

There are no exceptions to highlight to Boards. Internal audit has previously confirmed the operation of the controls through a walkthrough test and developed continuous audit testing scripts. Using these scripts and the data available for Q4 2023/24 we used IDEA to confirm:

1. There are ***no duplicate employee numbers being used*** (across all payrolls)
2. We identified ***18 duplicate bank account numbers in use during Q4*** (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 19 employees who received no Gross Pay in a payroll run during Q4. These relate to leavers, staff on maternity leave, staff on long term sick and some relief staff. We have confirmed with the payroll team that this is due to the nature of the contracts in place for these staff members.

Given the positive results of the testing in the last year, the Internal Audit team has reviewed its approach to payroll continuous auditing and will now complete the testing on an annual basis.

Accounts payable

During the last period, the Transaction Services team has obtained an IDEA license. The internal audit team has worked with the Transaction Services team to develop macros that facilitate automated assurance checks and has provided procedure notes and training on the use of the macros.

The Transaction Services team confirmed that the checks were completed as planned during March 2024, and will be completed each month as part of updated local procedures.

The Internal Audit team will continue to provide support when requested, and will reduce the frequency of accounts payable data analytics to an annual review. The next exercise will be completed in August for purchase card transactions and November for Faster Payment transactions.

10. Data Analytics- Rent Account Credit Balances

Update on progress

Further to the last update, work is ongoing to review the rent account credit balances. The position at March 2024, shows that there were 42,177 accounts with credit balances totalling £10m across all RSL subsidiaries and Lowther. These included 16,155 current tenant accounts with credit balances totalling £5.2m, and 26,022 former tenant accounts with credit balances totalling £4.8m. Analysis on numbers and value is detailed below:



Ongoing management actions relate to:

- § Many of the current and former tenant balances are a result of either Universal Credit or Housing Benefits overpayments, and management is liaising with the DWP/Councils to return these balances. Return of these balances is reliant on engagement from DWP and Councils.
- § A legal opinion has been obtained about the treatment of former tenant credit balances and proposals for a revised procedure are being developed, which will be rolled out for all new credit balances in due course.
- § Work is also underway to develop reporting that will allow regular monitoring of credit balances from July 2024.

11. Follow Up

Group-wide action status at 31 March 2024

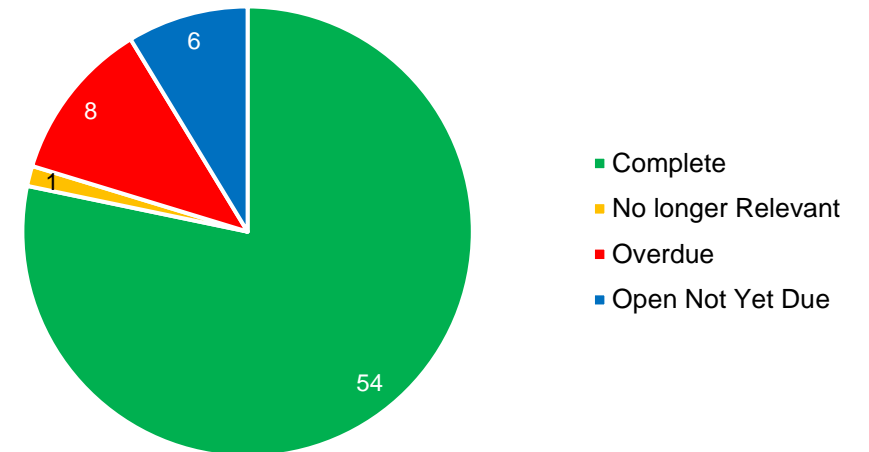
In Quarter 4 2023/24, 25 of the 40 actions followed up were confirmed by Internal Audit as complete. One action, relating to the review and retention of audit logs for iWorld and Astra was closed as No Longer Relevant. A further 6 actions are currently open – not yet due.

There are 8 overdue actions. The My Academy action is now due 31 May 2024, to allow the MyAppraisal evaluation to consider a full year of data. The 2 WH-South actions have been amended to fit timescales for work elsewhere in the Group. Similarly, the 3 ITGC actions have been realigned to wider IT system upgrades. The Accounts Payable action was dependent on a consultant’s development of additional reports that have now been received. The RSL Records Management action relates to confirming retention periods are applied to documents due for deletion.

Status	Actions
Actions brought forward from 30 Sept 2023	31
New actions agreed	38
Total Actions followed up	69

The chart below summarises our assessment of the status of the 69 actions followed up this quarter.

Action Status as at 31 March 2024

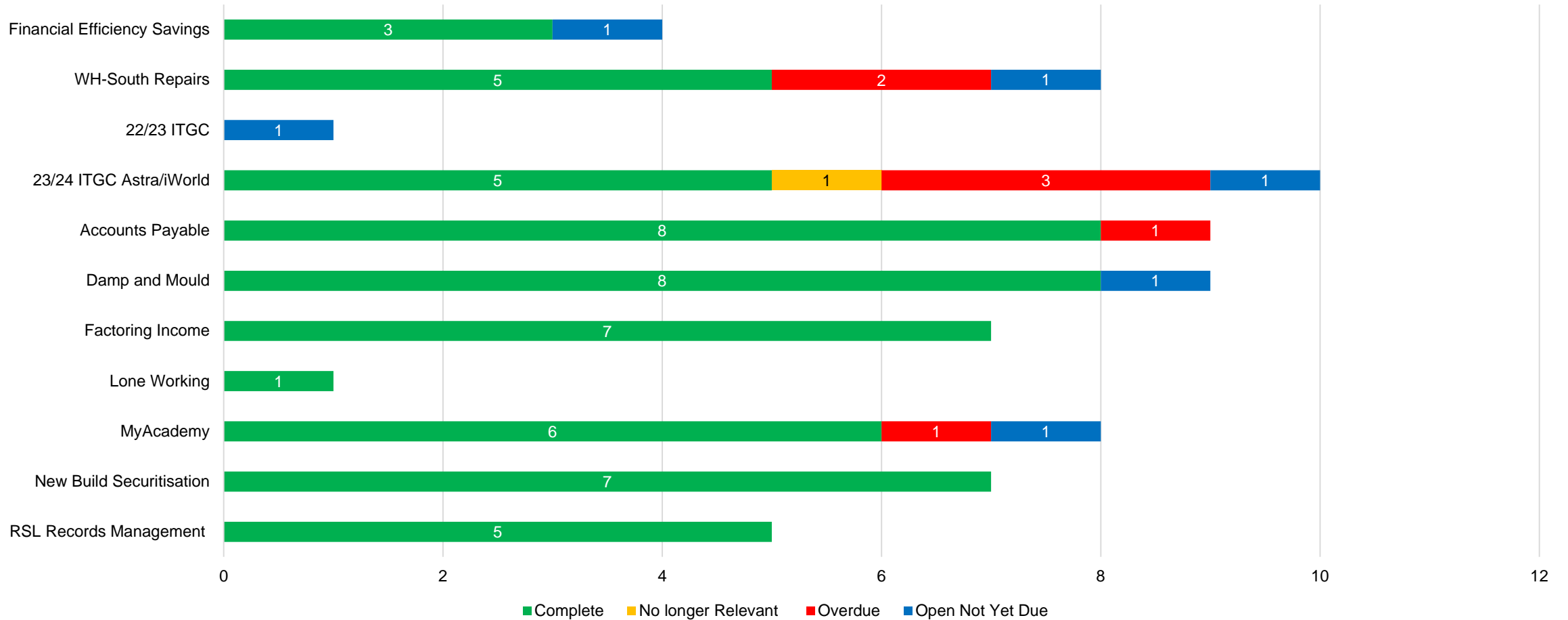


The graph on the next slide shows the status of the actions we followed up by review.

Review	Overdue actions	Revised due date
ITGC	3	31 October 2024
Accounts Payable	1	31 July 2024
WH-South Repairs	2	31 July 2024
My Academy	1	31 May 2024
RSL Records Management	1	30 June 2024

11. Follow Up

Action Status as at 31 March 2024



12. Internal Audit Plan for the next period

<i>Review</i>	<i>Relevant Strategic Risk</i>	<i>Proposed scope</i>
Care Quality Framework (local visits)	RISK005 – Care and support services	We will review the extent to which the Care Quality Framework is now embedded within local care services. We will visit a sample of local services to assess the evidence available to support information recorded within Care Quality checks, and to assess the consistency of application of the expected controls across different services. There will be an interim update on this review at the next meeting. The full review will be reported thereafter.
New build completion and post completion arrangements	RISK180 – Ineffective Programme Management	We will review the processes in place for management of the completion and post-completion stages of new build projects. This will focus on confirmation of whether required documentation is available for other business areas in line with handover timescales, and will include the defect management process.
SHR Annual Assurance Statement	RISK016 – Laws and regulations	We will validate the results of the self-assessment exercise completed by the Governance team in order to prepare the Group’s annual Assurance Statement.
Compliance checking advisory review	RISK016 – Laws and regulations	We will complete our mapping of existing legislative compliance checking across the Group, by reviewing all completed areas to identify any potential gaps, and to review options for embedding the results of the exercise within ongoing management review of local controls.
Audit Scotland: National Fraud Initiative	N/A	As noted in the Group Assurance Update, the Group remains keen to participate in this pilot. We will continue to work with Audit Scotland and other RSLs to determine whether concerns about the legal basis for participating can be resolved. If successful, we will also prepare a DPIA and consider the workload implications for teams that would be involved in the exercise. An update on this pilot will be provided at the next Committee meeting.

12. Internal Audit Plan for the next period

The Internal Audit team will also allocate resources to the following work; where applicable, reference to specific risks within the Strategic Risk Register are detailed.

<i>Review</i>	<i>Relevant Strategic Risk</i>	<i>Proposed scope</i>
CBG Partnership Oversight Board assurance	RISK006 – Customer satisfaction (tenants)	We will continue to set aside time to support the CBG Partnership Oversight Board and review the progress in implementing the agreed improvement actions.
Quarterly data analytics	N/A	We will complete the annual review of areas set out in slide 5, in accordance with the continuous auditing timetable. We will work with management to follow up on exceptions and to agree actions to address any control weaknesses identified.
Follow-Up review	N/A	Quarterly follow-up exercise.
Risk Management	N/A	Facilitation of the annual Board risk workshops in May and June and review of the Group's Strategic Risk Register for reporting to Group Audit Committee in August 2024.
Global Internal Audit Standards	N/A	Delivery of the actions set out in the Internal Audit Methodology Action Plan. We will report progress against the agreed timetable to the Group Audit Committee in August 2024.



Report

To: Wheatley Homes South Board

By: Stephen Wright, Director of Governance

Approved by: Anthony Allison, Group Director of Governance and Business Solutions

Subject: Governance update

Date of Meeting: 29 May 2024

1. Purpose

- 1.1 This report provides an update to the Board on the following governance-related matters:
- The Scottish Housing Regulator’s (“SHR’s”) revised Regulatory Framework (“the Framework”) and associated Statutory Guidance and planned changes;
 - Our Engagement Plan with the SHR;
 - Appointment of a new Board member and retirement of an existing Board member; and
 - Disposals and acquisitions; Code of Conduct, Register of Interests, Gifts and Hospitality, Expenses and Allowances.

2. Authorising and strategic context

- 2.1 The SHR is our primary regulator and the framework under which the SHR does this helps to define the parameters for how we are governed.
- 2.2 We are required to operate under our Articles of Association as well as the Group Standing Orders, our Terms of Reference, intra-group agreement with Wheatley Group and the group-wide governance policies. Under these documents, we are responsible for overseeing our disposals and acquisitions and ensuring we comply with the Group policies.

3. Background

- 3.1 We keep our governance arrangements under review to ensure that they remain fit for purpose and effective. Our governance is also set within the context of the need to comply with the requirements of the Framework. As part of this, we are required to prepare an Annual Assurance Statement (“AAS”) in line with the associated SHR Statutory Guidance on how it is prepared and its content.

- 3.2 The SHR consulted on its proposals for its revised Framework and Statutory Guidance at the end of 2023. The Board considered the updated Framework and Statutory Guidance and approved our consultation response at its meeting in November 2023. We supported the iterative nature of the changes.
- 3.3 Our Disposals and Acquisitions Policy includes a requirement to report to the Board annually on all disposals and acquisitions undertaken during the year. This allows the Board to maintain oversight over our property disposals and acquisitions and any decisions being taken under the delegated authority given to officers.

4. Discussion

Scottish Housing Regulator – Regulatory Framework

- 4.1 The SHR's new Framework is available via the SHR website and a copy is attached at Appendix 1. In addition to the new Framework, the SHR also updated some of its associated Statutory and Advisory Guidance and formally confirmed plans regarding the Annual Return on the Charter. An update on each of these areas and the implications for us are set out below:

Regulatory Framework

- 4.2 The SHR issued its consultation, including a copy of the proposed new Regulatory Framework, in October 2023. The SHR's amendments focussed on enhancing the requirement for landlords to ensure their tenants have warm, safe and affordable homes. The amendments also focussed on requiring landlords to actively seek out the concerns and views of tenants, service users and stakeholders and to listen and respond effectively to these. The SHR's expectation of RSL governing bodies was also updated to include a role for them in ensuring their RSL provides tenants, residents and service users with easy and effective ways to provide feedback and raise concerns, and ensure that the RSL considers this and provides a quick and effective response.
- 4.3 The SHR published the responses to its consultation which focused on three key areas:
- Whilst acknowledging that many landlords do already do so, confirmed it would be introducing a requirement that landlords provide tenants, residents and service users with appropriate ways to provide feedback and raise concerns, and ensure that they consider such information and provide quick and effective responses;
 - Affirmed that it would retain three regulatory statuses and that it would make clear the second status (previously '*working toward compliance*') was non-complaint (now "*Non-compliant – working towards compliance*"); and
 - Confirmed it would significantly revise its Significant Performance Failure section within the Framework to enhance clarity on when and what tenants can raise with the SHR and how this fits with the other routes for tenants to complain to us as their landlord and the Scottish Public Services Ombudsman.

- 4.4 The remainder of the changes set out in the draft revised Framework considered by the Board in November were implemented. As indicated in the report to the Board at that time none of the changes will necessitate any change to our existing governance arrangements. This will be affirmed, with supporting evidence, in our 2024 Annual Assurance Statement.
- 4.5 The changes to the Significant Performance Failure section now see this terminology replaced with '*raising serious concerns*'. The revised wording is now much clearer and the SHR has also now issued *Complaints and serious concerns - Advisory Guidance - Information for social landlords*. A copy of the guidance is attached at Appendix 2. We have never had a Significant Performance Failure and would not expect to have a serious concern given our robust complaints process and commitment to resolving any issues for tenants.

Statutory Guidance

Annual Assurance Statement

- 4.6 The SHR has affirmed that it will, as proposed in the consultation, include a provision to enable it to require landlords to seek "*explicit assurance on a specific issue or issues*" in the Annual Assurance Statement (AAS). This is in recognition that during any given time there may be issues that arise and the SHR would wish to receive assurances they are being addressed and how. Recent examples have included mould and damp, smoke and heat detectors and Electrical Inspection Condition Reports ("EICRs"). Since these issues may be unforeseen, the SHR cannot set out in advance what assurance it will require and has therefore created flexibility so that it can adapt the requirements of the AAS to respond.
- 4.7 The SHR recognised feedback from the consultation in relation to:
- The importance of providing sufficient notice of any specific assurance requirements and some concerns about requests for new information that landlords had not previously been collecting; and
 - The importance of guarding against a year-on-year accrual of specific assurance requirements.
- 4.8 The SHR has committed to providing RSLs with as much advance notice as possible of any specific assurance requirements and that it will communicate this to landlords by no later than the end of April each year. It has also indicated that it will aim to have each specific assurance requirement for one year only, unless there is a good reason to maintain the requirement.
- 4.9 We expect that any specific assurance requirements will relate to areas we already consider as part of our performance management or annual self-assessment. As such we do not anticipate this change giving rise to any material additional work.

Notifiable events

- 4.10 The SHR indicated that given the positive feedback, it would implement its planned changes to the Notifiable Events Statutory Guidance. The changes are focussed on ensuring that it is clear Notifiable events relate to 'the most significant issues'. In practice, we do not expect the changes to have any impact on our current arrangements as we engage regularly with the SHR including on what matters reach the threshold of a notifiable event.
- 4.11 The SHR reiterated that notifiable events are not indicators of poor performance, which reflects some notifiable events being more administrative such as RSLs granting leases for mid-market rent properties. The SHR has indicated it intends to publish an annual report on the type of Notifiable Events it receives.

Other

- 4.12 The SHR also made minor updates to its Statutory Guidance on: Tenant consultation and approval; Section 72 reporting events of material significance; Preparation of financial statements; Determination of accounting requirements for RSLs; Consultation where the Regulator is directing a transfer of assets; Determination of what is meant by a step to enforce a security over an RSL's land; and Group Structures. None of the changes, given their nature, will have any impact on our governance arrangements.

Annual Return on the Charter

- 4.13 The SHR has now committed to a comprehensive review of the Annual Return on the Charter and will follow this up with a consultation later this year. The new ARC would be introduced from 2025/26 therefore our first return would be submitted in May 2026.
- 4.14 The SHR confirmed that it will aim to include in this review the development of appropriate indicators for the Social Housing Net Zero Standard, following the conclusion of the Scottish Government's consultation on the proposed Standard.
- 4.15 The SHR has committed to establishing an appropriate working group, or groups, to work with us to consider all of the indicators in the ARC. We expect to participate in any working group(s).

Engagement Plan

- 4.16 Under the Framework, the SHR agrees and publishes an engagement plan for every RSL. The engagement plan sets out how the SHR will interact with each RSL during the year. For those in a Group structure such as ours, there is a single engagement plan that covers all RSLs.
- 4.17 The SHR considers a small number of RSLs to be systemically important. This is because of their stock size, turnover or level of debt, or because of their significance within their area of operation. As the largest RSL group in Scotland, we are considered to be systemically important. As such, the SHR uses the engagement plan to set out the additional assurance it requires from us.

- 4.18 A copy of our engagement plan for 2024/25 is attached at Appendix 3. The requirements within the engagement plan are similar to those from previous years with the primary updates being in relation to the provision of information:
- A request for the annual update to our strategy by the end of April 2024, which we will provide;
 - A copy of the report to the Board on our approach to risk management and mitigation; and
 - The provision of evidence (by December 2024) about how we demonstrate affordability for tenants.
- 4.19 In addition, as part of its engagement plan last year the SHR observed a Group Board and WH South meeting; this year they will observe a Group Board meeting and a WH East meeting. The dates of the meetings the SHR will observe have not yet been agreed.

Board membership

- 4.20 The Board has previously discussed succession planning and our mix of Board skills and experience. Since the last meeting, we have identified an opportunity to appoint a candidate who is already within the Group and who has general commercial and strategic asset management experience. A copy of his profile is attached at Appendix 4.
- 4.21 Martin has most recently been a member of the Wheatley Homes East Board. As an existing Board member within the Group, Martin has an understanding of how our Group operates. He also already has approval from our Remuneration, Appointments, Appraisals and Governance Committee and will join our May Board meeting.
- 4.22 At the same time as we have been considering our Board composition, the Wheatley Homes East Board has also been considering its skills mix. Wheatley Homes East was seeking a candidate with legal experience and identified that Fiona Burden would be a suitable candidate for its Board. Accordingly, Fiona has moved to the Wheatley Homes East Board.

Disposals and Acquisitions Policy: annual update

- 4.23 Our Disposals and Acquisitions Policy was last approved by the Board in May 2023. It is drawn from our Group-wide Disposals and Acquisitions Framework. Under the policy:
- A disposal includes any scenario in which we grant or transfer an interest in land or property such that it is may no longer available for us to use either temporarily or permanently;
 - An acquisition includes the purchase of development sites or turnkey developments as part of a new build strategy or one-off or ad-hoc purchase of residential property; and
 - Our disposal and acquisition approval limits are: up to £120k or over £120k with Board approval or delegation.

- 4.24 To ensure that the Board retains oversight of our disposal and acquisition activity, including activity undertaken under delegated authority, there is a requirement to provide an annual update to the Board.
- 4.25 Our disposals and acquisitions register for the period 01 April 2023- to 31 March 2024 is attached at Appendix 5. During this period, we recorded 8 acquisitions and 5 disposals.
- 4.26 There are no identified issues of non-compliance with the policy to report to the Board.

Code of Conduct

- 4.27 The Board received and considered the updated Group Code of Conduct (the Code), together with accompanying guidance, at its meeting on 07 February 2024.
- 4.28 The Code sets out the requirements and expectations that are attached to the role of a Board member. Board Members have a personal responsibility to uphold the requirements of this Code.
- 4.29 The Code was circulated to all Board Members for review and signature via our DocuSign system in March, ahead of the implementation date of 1 April 2024.

Register of Interests

- 4.30 Our Group policy on Board member conflicts of interest was approved by the Group Board in June 2022. The policy sets out our Group position and must be read in conjunction with the constitution of each entity in the Group, and our Group Code of Conduct.
- 4.31 Under our Group Code of Conduct, Board members are required to ensure they register any interests and update their entry whenever a new interest arises. Information on Board member interests is also published on our website, along with Board member profiles. In addition, we are required to provide information to our auditors concerning related parties.
- 4.32 A Register of Interests is maintained for Board Members and is available in our Reading Room in AdminControl.
- 4.33 Declaration of Interests form a standing agenda item at each Board meeting, where members are requested to declare any further interests, any amendments to the register of interests, or any conflicts related to specific agenda items.
- 4.34 As part of our year-end procedures we have also sought confirmation from Board members that they have no new declarations that require to be made. Any updates will be recorded in the register and notified to the Chair and the Board as required.

Gifts and hospitality

- 4.35 Our Group Policy (Payments, Benefits, Gifts and Hospitality Policy) was approved in June 2022. Under the policy, Board Members are required to declare any offers of gifts and hospitality they make or receive on our behalf. A register of the offer or receipt of any gifts or hospitality is maintained by the Governance team.
- 4.36 During the period 1 April 2023 to 31 March 2024, no declarations have been received from any of our Board members. One gift that required to be declared was made by us to our former Chair, to mark her retirement. The gift was made in accordance with our policy and had a value of less than £100.

Governing Body Expenses and Allowances

- 4.37 The Group Policy on Governance Body Expenses and Allowances was approved by the Group Board in December 2022. The policy helps to ensure we have a clear framework for reimbursing Board members.
- 4.38 As per section 11.1 of the policy, Board Members are asked to note that Claims should normally be made within one month of incurring the expense and should ideally be made within the tax year in which they are incurred, to allow individuals to make appropriate returns to HM Revenue and Customs. Board Members' expenses are also reported within our annual report and consolidated financial statements. Board Members have been invited to submit any expenses for the period covering 1 April 2023 to 31 March 2024.

5. Customer engagement

- 5.1 There has been no customer engagement in relation to this report.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

- 7.1 There are no digital transformation implications associated with this report.

8. Financial and value for money implications

- 8.1 There are no financial implications arising from the recommendations contained within this report.

9. Legal, regulatory and charitable implications

- 9.1 This report provided an update on the SHR's Regulatory Framework and Statutory Guidance which we are required to comply with as well as our engagement plan with the SHR. We have arrangements in place to ensure that we meet the SHR's requirements.

- 9.2 As a matter of corporate law, it is important that we manage any potential conflicts of interest. We can support compliance with this by ensuring that we maintain a clear policy position and proactively manage gifts, hospitality and outside interests.
- 9.3 The SHR Regulatory Standards of Governance require that all RSLs uphold and promote standards of behaviour expected of Board members through 'an appropriate Code of Conduct'. By adopting the SFHA Model Code for RSLs we comply with the requirements of the Regulatory Standards.

10. Risk appetite and assessment

- 10.1 Our risk appetite in relation to governance is cautious, which is defined as "Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward".
- 10.2 We mitigate this risk by regularly reporting to the Board on governance-related matters and routinely reviewing our records to ensure that our governance records remain up-to-date and accurate.

11. Equalities implications

- 11.1 There are no equalities implications arising from this report.

12. Key issues and conclusions

- 12.1 The changes to the Regulatory Framework and Statutory Guidance are consistent with what the SHR proposed in its consultation. We have robust governance arrangements, which we regularly review and are subject to an annual self-assessment. As such we continue to be in a position where we can provide strong evidence to support our compliance with the Regulatory Framework and Statutory Guidance.
- 12.2 From 1 April 2023 - 31 March 2024 we recorded 5 property disposals and 8 acquisitions.

13. Recommendations

- 13.1 The Board is asked to:
- 1) Note the update on the changes to the Regulatory Framework and Statutory Guidance;
 - 2) Note our Engagement Plan with the SHR
 - 3) Note the appointment of Martin Dorby and the retirement of Fiona Burden;
 - 4) Note the disposals and acquisitions annual update and updates on our Code of Conduct, Register of Interests, Gifts and Hospitality and Expenses and Allowances.

LIST OF APPENDICES:

- Appendix 1: [redacted] available [here](#)
Appendix 2: [redacted] available [here](#)
Appendix 3: Engagement plan
Appendix 4: [redacted]
Appendix 5: Disposals and Acquisitions Register

Appendix 3 – Engagement Plan

Why we are engaging with Wheatley Housing Group Ltd (WHG)

We are engaging with WHG about its financial management, development plans and because it is a systemically important landlord.

WHG has four registered subsidiaries: Loretto Housing Association Ltd (Loretto), Wheatley Homes East Ltd (WHEast), Wheatley Homes Glasgow Ltd (WHGlasgow) and Wheatley Homes South Ltd (WHSouth).

We refer to a small number of RSLs as systemically important because of their stock size, turnover or level of debt or because of their significance within their area of operation. We need to maintain a comprehensive understanding of how their business models operate, and how they manage the risks they face and the impact these may have. So, we seek some additional assurance each year through our engagement plans. We consider WHG to be systemically important. We also consider Loretto, WHEast, WHGlasgow and WHSouth to be systemically important due to a combination of their size, turnover and level of debt.

WHG is the largest developer of new affordable housing in Scotland and plans to continue to grow by developing around 5,500 affordable homes over the next five years. WHG's development programme is spread across its subsidiaries and includes homes for social and mid-market rent. WHG will receive significant public subsidy and has told us it will also need to obtain new private finance to support its development programme. We will engage with WHG to get assurance about how it is managing the risks to the organisation including its levels of debt and development plans.

WHG must:

- Send us copies of its Board minutes, the RSL subsidiary Board minutes and its audit committee minutes as they become available;
- Send us by 30 April 2024 its annual update to its five-year strategy (2021-26) for WHG and its registered subsidiaries including:
 - Its updated risk register including details of its approach to development risk management and mitigation;
 - 30-year financial projections consisting of a statement of comprehensive Income, statement of financial position and statement of cash flow complete with assumptions and explanatory narrative;
 - A comparison of projected financial loan covenants against current covenant requirements;
 - Financial sensitivity analysis which considers the key risks, the mitigation strategies for these risks and a comparison of the resulting covenant calculations with the actual current covenant requirements; and
 - The report to the Board in respect of the approved 30 year projections, sensitivity analysis and covenant compliance.
- Send us by 30 April 2024 for its non-registered subsidiaries:
 - The approved business plans;
 - The financial projections consisting of statement of comprehensive income, statement of financial position and statement of cash flow complete with assumptions and explanatory narrative; and

- Financial sensitivity analysis which considers the key risks, the mitigation strategies for these risks and a comparison of the resultant covenant calculations with the actual covenant requirements.
- Meet with us three times during the year and send us an update prior to our meetings. The updates should include any emerging risks to the organisation and progress with delivery of its development plans. The development update should include its latest report to the Board or Wheatley Developments Scotland Ltd's Board about development and details of the scale and tenure mix, timescales for delivery and any material delays or changes to the programme;
- Send us by July 2024 the report to the Board about its approach to risk management and mitigation;
- Send us by December 2024 evidence of how it demonstrates affordability for its tenants; and
- Tell us if there are any material adverse changes to its development plans which might affect its financial position or reputation, in line with our notifiable events guidance.

What we will do

- Review the minutes of the Board and audit committee meetings and liaise as necessary;
- Observe WHG's Board and WHEast's Board;
- Review the business plans, financial and other supporting information including the development updates;
- Meet with WHG's senior staff three times during the year to discuss the business plans, the financial and other supporting information and any risks to the organisation; and
- Update our published engagement plan in the light of any material change to our planned engagement with WHG.

Regulatory returns

WHG must provide us with the following annual regulatory returns and alert us to notifiable events as appropriate:

- Annual Assurance Statement
- Audited financial statements and external auditor's management letter;
- Loan portfolio return;
- Five-year financial projections; and
- Annual Return on the Charter.

It should also notify us of any material changes to its Annual Assurance Statement, and any tenant and resident safety matter which has been reported to or is being investigated by the Health and Safety Executive or reports from regulatory or statutory authorities or insurance providers, relating to safety concerns.

Appendix 5: Annual disposal and acquisitions (1 April 2023 – 31 March 2024)

Disposals

	Land/property	Nature of disposal	Value	Date of disposal
1	3 Shirley Road, Dumfries	Corrective Conveyance	N/A	25/05/2023
2	Site at Springholm, Castle Douglas	Lease to SPEN	£1	09/08/2023
3	11A Gala Park, Lockerbie	Commercial Lease	£4,600 p/a	09/09/2023
4	Bridge St / Sydney St	Licence to Occupy in favour DGC	N/A	15/01/2024
5	68 units: 8 @ Barns Court, 4 @ Corvisel Ave, 4 @ Corvisel Crt, 1 @ Corvisel Rd, 35 @ Mansefield Pl, 4 @ Princes Ave, 7 @ Princes St, 3 @ Princes Terr, 2 @ Queen St	Granting of standard security	In security of borrowing obligations	07/02/2024

Acquisitions

	Land/property	Nature of acquisition	Value	Date of acquisition
1	3 Agnew Crescent, Stranraer	Lease	£30,000 p/a	19/05/2023
2	20 Gladstone Road, Troqueer, Dumfries, DG2 7HA	Buy Back	£70,600	12/06/2023
3	Unit 5 Lochside Court, Dumfries	Lease	£10,360 p/a	14/04/2023*
4	Unit 2 Lochside Court, Dumfries	Lease	£24,130 p/a	12/06/2023
5	Site at Springholm, Castle Douglas	Licence for works	N/A	03/07/2023
6	2E Esk Place, Annan	Buy Back	£60,000	11/08/2023
7	1 Bluebell Court, Ecclefechan	Buy Back	£70,000	29/09/2023
8	2 Armour Drive, Dumfries	Buy Back	£60,000	28/11/2023

*date of entry under the lease was 29 March 2023