



**DUMFRIES & GALLOWAY HOUSING PARTNERSHIP
BOARD MEETING**

Wednesday 17 August 2022 at 10.30am

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. a) Minute of meeting on 25 May 2022 and matters arising
b) Action list

Main Business Items

4. Repairs update
5. Engagement update
6. Complaints update
7. Review of Protecting People Policy Framework
8. Wheatley Solutions delivery model update
9. a) 21/22 Financial Statements
b) Annual Internal Audit report and opinion
10. a) Governance update
b) Strategic governance review update

Other Business Items

11. NETs update (Presentation – Board action point)
12. Performance Report and delivery plan Q1
13. Finance Report
14. Risk register
15. Group Business Continuity policy
16. AOCB



Report

To:- Dumfries and Galloway Housing Partnership Board

By:- Frank McCafferty, Group Director of Repairs and Assets

Approved by:- Martin Armstrong, Group Chief Executive

Subject:- Transforming our repairs environment update

Date of Meeting:- 17 August 2022

1. Purpose

1.1 The purpose of this report is to provide Board with:

- information that evidences a significant improvement in the level of performance within the DGHP repairs service over the last 6-months;
- an update on the service development initiatives that have been introduced to ensure we continue to build on these improvements and deliver an outstanding customer focused service to our tenants; and
- an update on the Group wide repairs and maintenance transformation programme.

2. Authorising and strategic context

2.1 Under its Terms of Reference, our Board is responsible for considering matters relating to delivery of our services, strategic projects and performance. The nature and performance of our repairs service, given its importance to customers and our business, is such a matter.

2.2 Our strategy, '*Your Home, Your Community, Your Future*' recognises the quality and importance of the repairs service, and the need to build on this with continued innovation to create an outstanding service. The "*development of a customer-led repairs service*" is one of our strategic outcomes, within the theme of "*Delivering exceptional customer experience*".

3. Background

3.1 Your Home, Your Community, Your Future is fully cognisant of the fact that, for our customers, repairs is the single most important service that we provide. In recognition of this it commits to a significant programme of investment in DGHP properties to modernise and revitalise our homes and communities. Since joining Group this commitment has translated into **£43M** investment in repairs

and capital programmes with a further **£50M** investment planned over the next five years.

- 3.2 Following Board approval of the business case for establishing an in-house repairs service in November 2019 a 'go live date of 01st April 2020 was agreed. It was recognised that a critical element of delivering a high performing repairs service was the ability to have access to the necessary parts and materials in a timeous and efficient manner; to facilitate this Board agreed in January 2020 that DGHP should enter into a contract with Saint Gobain for the supply of all material and equipment associated with the delivery of our new repairs service.
- 3.3 During the pandemic we maintained a repairs service focusing initially on life and limb services, and then, as restrictions allowed, the service was extended to a point where it began to return to more business-as-usual operations from May 21. Since then, customers have had access to an almost full repairs service, albeit with some operational challenges because of limited availability of some materials, staff absence due to continuing Covid related infections and the need to work through a backlog of repairs that could not be carried out before a return to near normal working.
- 3.4 The last repairs update was presented to Board on 10th November 2021 and, at this time, there were 3,183 live non-emergency jobs (1,742 of which were overdue and out-with our agreed timescales for completion) in the repairs system; this subsequently increased to circa 3,800 by January 2022. It was noted that this volume of outstanding jobs was significantly higher than would normally be expected and performance had been negatively impacted by a number of factors; the majority of which were linked to launching a new service at the beginning of a pandemic with the associated follow-on lockdowns.
- 3.5 In the November update Board was provided with reassurance that other key repairs and compliance service areas such as emergency repairs timescales and gas servicing remained on or better than target, despite the pressures being experienced as we emerged from lockdown. These areas continue to be high performing with no issues or concerns.
- 3.6 Across Group, the plan for transforming the repairs service has three main inter-related elements;
 - Reducing the current number of live and overdue repairs jobs, so they return to normal pre-pandemic levels;
 - Delivering 'quick wins' that make an immediate difference to the repairs service; and
 - The wider transformation to an exceptional, modern service.
- 3.7 Work on the repairs transformation is being taken forward jointly by staff in CBG and Wheatley, and a steering group has been established to monitor and ensure progress. This steering group meets every two-weeks and is chaired by our Group Director of Repairs and Assets, and CBG's Executive Director.

4. Discussion

- 4.1 As stated above the outstanding repairs caseload had risen to circa 3,800 by January 2022 and, in recognition of the negative impact this level of backlog was having on the quality of repairs service being provided to our customers, some significant structural and service delivery changes were introduced in the first few months of this year. These changes, and the positive outcomes they have delivered in terms of performance levels to date, are summarised below for Board information.

Changes to structure and service model

- 4.2 Following a review of service delivery and the effectiveness of the repairs model that was in place the following structural and service improvement changes have been made;
- A new post of Repairs, Investment and Compliance Lead was created to ensure there is closer, and more efficient, joint working across our repairs and investment services;
 - Creating a new post of Performance and Contracts Lead to manage the materials supply chain and wider repairs performance. In addition to this, a new temporary post of Repairs Project Officer was introduced to identify skills and knowledge gaps across the service and deliver the necessary training;
 - We are in the process of developing a new IT solution for materials/parts management and have successfully migrated to the new Servitor repairs management software;
 - Co-locating the planners and CFC staff in our new Brasswell office. This has delivered a more efficient 'front end' to our repairs service and, importantly, an improved and more streamlined appointment service for our customers; and
 - Following a training needs analysis additional training and support has been provided to all levels of staff to ensure they have the required skills and knowledge to deliver a sector leading repairs service

Improvements in performance

- 4.3 The ability to evidence improved performance to our customers, regulatory bodies and other internal and external stakeholders is extremely important to DGHP. Detailed below is a summary of some of the actions taken to drive improvements over the past few months and the associated positive impact it has had on our performance statistics.
- A major data cleansing exercise across all our systems has been undertaken to ensure all repairs data held is accurate.
 - Following contractual discussions with Saint Gobain around performance they have recruited a new branch manager in the Dumfries Hub. This has

resulted in significant improvements to the level of service being provided by Saint Gobain;

- To supplement the service provided by Saint Gobain, trade accounts with supplier have been set up across the region;
- We have developed and implemented a new Performance Management Framework that has improved visibility, accountability and scrutiny across the whole service;
- Tighter controls and new procedures have been developed and implemented for the awarding, management and monitoring of sub-contractor work;
- City Building colleagues have been undertaking void works across the region to free up DGHP resources to tackle the backlog of cases;
- The outstanding caseload has reduced from a high of circa 3,800 in January to 1,924 as of 08 August with 1,651 of these sitting with our in-house repairs team and the remaining 273 the responsibility of sub-contractors;
- 610 (**32%**) of the 1,924 total are currently overdue (11,329 jobs have been completed to date) and outwith agreed target timescales. This compares favourably to the **55%** of jobs that were overdue in January. We are working hard to reduce the overdue figure even further and circa **1,070** of the 1,924 total already have an appointment scheduled for the repair to be carried out;
- A major factor in the level of outstanding jobs and jobs outwith target has been the problems associated with the supply MProc materials (materials out with the normal van stock) timeously. At the peak, this issue resulted in over **800** jobs outstanding due to materials supply. Following contractual discussions, and the recent appointment of a new Saint Gobain branch manager, this figure has been reduced to circa **250**;
- DGHP YTD non-emergency completion performance currently sits at **6.38** days which compares favourably to the Group YTD average of 8.51 days.
- Our YTD emergency completion performance currently sits at **2.19** days which compares favourably to the Group YTD performance of 2.61 days.

Delivering Continuous Improvement and Building on Improved Performance

- 4.4 Despite delivering improvements in performance over the past few months it is recognised that there is still significant work required to build on the progress already made and ensure we are consistently delivering the outstanding repairs service our customers expect and deserve. To this end we have:
- 4.5 Created a performance culture at all levels across the service by embedding performance discussions at 1:1's and team meetings. This ensures all staff have a clear understanding of their responsibilities and the impact they, as individuals, have on performance levels and customer satisfaction;
- 4.6 Scheduled regular meetings/visits with repairs colleagues in Dunedin Canmore. These serve to share best practice across the two services and develop our process and practice.

- 4.7 Developing performance management IT Systems to allow for readily accessible performance information. Power BI is being utilised to create performance dashboards to enhance the visibility of performance across the teams at all levels. We continue to work with San Gobain in developing Broadacres, this interface will allow live updates to be made on material orders and for jobs to be progressed proactively.
- 4.8 Created a priority action plan with CIVICA for module updates in Servitor, this will enhance our service capabilities and lead to improved service delivery.

Progress on Group Wide Transformation Programme

- 4.9 As previously noted, the Group wide repairs transformation has three inter-related phases and the goals apply to all areas of the Group
1. reducing the current number of live and overdue repairs jobs, so they return to normal pre-pandemic levels;
 2. delivering quick wins that make an immediate difference to the repairs service; and
 3. the wider transformation to an exceptional, modern service
- 4.10 DGHP's performance in reducing the current number of live and overdue repairs jobs is noted above. Live repairs across group are now returning to pre pandemic level as the pent-up demand caused by the restriction in work due to lockdowns ended in February 2022.

It should be noted that DGHP have benefited from the support provided through the Group access to CBG resources who have been undertaking work in voids and in delivering the investment programme.

- 4.11 Of the quick wins that were identified as part of the repairs transformation programme details of the progress measures and current status are shown below:

Quick win	Progress measure	Status
Direct Customer First Centre ("CFC") access to Servitor	CFC staff are able to view repair jobs and status directly on CBG's servitor and DRS platforms.	Complete
Centralised CBG team to support CFC	CBG having a team of at least 6 people in place, with operating procedures agreed to satisfaction of CFC.	Complete
Increase use of next day appointments	Diagnostics restructured so emergency jobs are raised as a last resort, and Customer Service Advisors are trained accordingly.	Complete
CFC follow up on emergency no access	Process in place whereby the CFC make follow-up contact with customers where a no access occurs on an emergency job. Specification	Complete

	developed to automate process via ASTRA	
Refresh customer messaging	Approach agreed to revised customer comms through Localz. Pilot being programmed.	Design work on going
New approach to cancelled lines	Process in place whereby the CFC have full visibility over all cancelled lines and new cancellation reasons are defined for improved monitoring.	Review being undertaken

4.12 In general, steady progress is being made across the quick wins; the two ongoing are because of a dependency on CBG's planned upgrade to its Servitor system. Servitor is the core system that CBG uses to manage repairs delivery workflows and interface with our customer first centre. This upgrade was complete at the beginning of July 2022. Progress details are as follows:

- **Direct CFC access to servitor** – arrangements are in place at present for Wheatley staff to access servitor. The DGHP CFC staff have the advantage of direct access to the system as the Repairs Service is internal. **This action is complete.**
- **Centralised CBG team to support CFC** – CBG has recruited six staff for this support team and operational procedures including approach to communications and working hours have been agreed with the CFC team. In DGHP the CFC staff are co-located at Brasswell. **This action is complete.**
- **Increase use of next day appointments** – changes have been made to the diagnosis system, so it no longer defaults to raising an emergency and CFC staff are being trained to channel the repair and agree an appointment for appropriate repairs with customers. **This action is complete.**
- **CFC follow up on emergency no access** – reporting tools have been developed so CFC staff have much more rapid information when there is no access on an emergency repair. Processes are now being developed to use this information and follow up with the customer. Specification has been agreed with Verint to automate the process via ASTRA **This action is complete.**
- **Refresh customer messaging** – work is on-going with Localz on messages to customers and the repairs event (e.g. agreeing an appointment, reminder on day of repair, operative on route) that will trigger a message being sent. **This action will be tied into the implementation of Localz.**
- **New approach to cancelled lines** – work to analyse the reasons for cancellation has been carried out, and new cancellation codes are being agreed which will provide greater insight and are planned as part of the Servitor upgrade. **This action has been partially complete and will be programmed as part of the Servitor upgrade post-implementation work.**

5. Customer Engagement

- 5.1 We are Developing the customer voice so actual experience of the service helps shape the transformation is a key priority and included in the Group transformation programme.

6. Environmental and sustainability implications

- 6.1 A specific workplan is included in the transformation programme to make the repairs service including CBG greener and cleaner, together with the development of a Group wide Sustainability Strategy.

7. Digital transformation alignment

- 7.1 Digital transformation is key to a range of priorities that are included as part of the workstreams discussed DGHP have led the Group in the full implementation of the Servitor system and will be involved in the pilot for Localz programmed for later in the year.

8. Financial and value for money implications

- 8.1 The repairs transformation across Group is expected to provide a service that better meets customer needs and expectations of value, while also improving processes so that waste is reduced and business value increased.

9. Legal, regulatory and charitable implications

- 9.1 There are no specific legal implications as a result of what is discussed in this paper.

10. Risk appetite and assessment

- 10.1 Our risk appetite in relation to developing a customer led repairs service in “open” across the areas of (i) financial and value for money; (ii) reputation and credibility and (iii) operational delivery). We have a minimal appetite in relation to (iv) compliance. Our plans for our repairs service —

11. Equalities implications

- 11.1 The repairs transformation included a specific workstream to increase the diversity of staff that deliver the repairs service. Having this is expected to contribute to the stated aim of having a repairs service that is tailored to the needs of customers.

12. Key issues and conclusions

- 12.1 DGHP has made significant areas of improvement on the repairs service model and performance delivery. To ensure continued improvements within the repairs service DGHP have a forward plan to ensure our customers have a repairs service that they expect and deserve.

13. Recommendations

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



Report

To: DGHP Board

By: Alan Glasgow, Managing Director

Approved by: Hazel Young, Group Director of Housing and Property Management

Subject: Update on Engagement Framework

Date of Meeting: 17 August 2022

1. Purpose

1.1 This report provides DGHP Board with an update on the implementation of our Engagement Framework “Stronger Voices, Stronger Communities”.

2. Authorising and strategic context

2.1 The Engagement Framework is a key theme of our 2021-26 strategy and has been subject to discussion and approval prior to its implementation by DGHP Board. However, given its importance as a strategic theme, we are providing an update on progress.

3. Background

3.1 The “Stronger Voices, Stronger Communities” Engagement Framework was approved by DGHP Board in December 2020. It sets out 4 pillars of engagement

- We Listen
- We Co-create
- We Give Power
- We Support

3.2 Board was provided an update in May 2022 on progress of our engagement plans with a commitment to quarterly updates being provided.

4. Discussion

Customer commitments

Commitment
Recruit 250 Customer Voices
£3.7m over 5 years identified for customer investment priorities
150 customers involved in scrutiny, environmental inspection, and focus groups

Progress on Customer Commitments

- 4.1 We have progressed well with our commitment to recruit 250 Customer Voices in 2022-23 and have managed to recruit 222 customers who are now involved. We continue to actively promote this initiative.
- 4.2 £150k has been identified to invest in Customer priorities for this financial year. Stronger Voices Officers are delivering a programmed engagement plan across the region, throughout the year, with Customer Voices, Housing Officers, Environmental Officers, and Investment Officers to identify customer priorities.
- 4.3 4 Customer Voice scrutiny panels are scheduled for Quarter 3 and Quarter 4 to provide assurance that activities and projects, both delivered and scheduled, are driven by our Customer Voice, and positively improving communities. To date, we have identified 38 customers to be involved in our Keep Scotland Beautiful (KSB) focus groups, which includes completing training to become accredited KSB assessors in September 2022.
- 4.4 We have facilitated focus groups across the region on:
 - Whole Family Approach,
 - Customer Service of Excellence,
 - Equalities Policy,
 - Universal Credit,
 - Homes4D&G allocations review – 31 Customer Voices and 40 non-Customer Voices
 - New Build Developments, 69 non-Customer Voices focus groups
- 4.5 51 Customer Voices (34%) have participated in these focus groups in Quarter 1, influencing key strategic projects and our ambitions for transformational change across DGHP. Three additional strategic focus groups are scheduled to take place in 2022 on Digital Service Model, Data Collection Review and Rent Focus Groups Recruitment.
- 4.6 Our focus groups drive both strategic projects and transformational change in DGHP and Group. We aim to have between 6 and 10 Customer Voice members from DGHP informing strategic Group projects. Learning from all Customer Voice focus groups are then shared and findings inform strategic project deliverables and solutions.
- 4.7 We facilitate focus groups to inform any transformational change. For example, all planned New Build Development projects are informed by focus groups. This allows us to understand demand, what factors are most important to customers and customer aspirations for the communities they would like to live in. These focus groups are mainly attended by prospective tenants and so not considered Customer Voice however they are potential 'future' Customer Voices, as they may become a tenant.
- 4.8 As part of the Homes4D&G allocations review we facilitated 9 focus groups. These were attended by DGHP tenants, CHR Partner tenants and applicants, so consisted of both Customer Voice and non-Customer Voice tenants and applicants. This approach allows for many views to be heard, informing change while also providing an opportunity to promote our Customer Voice approach to DGHP tenants.

- 4.9 Encouraging customers to become a DGHP Customer Voice is a key theme in all day-to-day delivery of services. We have been successful in recruiting customers during engagement activities such as local community events. During customer interactions, staff across all business areas promote how the Customer Voice shapes every aspect of their communities.
- 4.10 The following table highlights, as of 18 July 2022, progress made, towards our commitments, particularly in terms of recruiting Customer Voices and Customer Voice Activity Events. We will continue to provide ongoing reports to Board, as part of the overall quarterly performance update.

Table 1 – Customer Voice recruitment and activities

DGHP Indicator	April	May	June	July	YTD	Target
Customer Voices (Running Total)	116	116	10	13	255	250
Number of CV Activities	25	21	19	5	70	98
Number of Customer Panel Sessions						3
Number of Scrutiny Panels						2

5. Customer Engagement

- 5.1 Customer Voice activities across the region are recorded and tracked in our DGHP engagement plan. This approach ensures consistency in all local areas, provides assurance we are engaging in a methodical and periodic manner, while creating transparency and visibility of both outcomes and key themes.
- 5.2 The following table details some key engagement activities that have taken place during 2022/23 to date.

Table 2 – Engagement activity 2022/23

Activity
In June 2022 we held a community event celebrating the success of a 'You Choose Challenge' where 12 residents (100%) of Sanquhar, Old School Development, had submitted ideas and subsequently voted for benches and additional lighting to be installed in their area.
53 customers were involved in local community events and walkabouts in Quarter 1 with our Housing, Repairs, NETs, and Investment Teams identifying community improvements.
71 customers attended our Allocations Policy review focus groups in July, with 56 in person and 15 online.
Over 400 secondary school pupils took part in a Housing and Career Path Workshop with DGHP at Lockerbie Academy, Dumfries High School and Douglas Ewart High School, Newton Stewart.

59 customers are signed up to be part of DGHP Customer Voice focus groups from across the region as detailed below:

Customer Voice Focus Group	Number on Focus Group
Keep Scotland Beautiful (KSB)	38
Repairs	38
Investment	41
New Build	36
Peaceful Communities	35

The table below details a breakdown of our Customer Voice Groups across the region to demonstrate our consistent approach in all DGHP communities.

Customer Voice Group	Wigtownshire	Stewartry	Upper Nithsdale	Nithsdale	Annandale & Eskdale	Total
Development	8	2	1	7	18	28
Anti-Social Behaviour	3	2	1	11	18	35
Investment	7	2	1	11	20	41
Repairs	6	2	1	11	20	40
Keep Scotland Beautiful	3	0	5	11	19	35

84 Investment surveys completed in Quarter 1. The table below details satisfaction outcomes:

Investment	Customers	Happy	Unhappy
Kitchen	20	90%	10%
Bathroom	2	100%	0%
Heating	42	95%	5%
Windows & Doors	8	85%	15%
Wet Floor Showers	12	100%	0%
TOTAL	84		

In November 2021 customers in Lochside told us their community was being negatively affected by anti-social behaviour (ASB). In response to this we carried out an intervention in the local area led by Wheatley 360 Community Improvement Partnership (CIP) team. This initiative is on-going while progress is monitored. To understand the impact this has had on customer experience in the community a digital survey was issued to 200 customers. 78 responses were received with 82% of those customers feeling their voice is having an impact in the community.

The Customer Voice in Lochside is also having a direct impact on the service delivery of our strategic Partners. Police Scotland have changed their approach to Community Policing in the local area, informed by local intelligence and engagement that has highlighted criminal activity and the need for different ways of working together.

Customer Engagement Activity feedback

- 5.3 Below are some customer quotes on the different engagement activities delivered as detailed in the table above, Table 2 – Engagement activity 2022-23:
- “I am delighted that our feedback has been heard and we have had better new pathways to access from our homes. It has helped me when moving around in my Zimmer to get to the shops “
 - “It's been great to be involved in my second community walkabout with DGHP identifying areas of repair and investment with staff “
 - “My bathroom adaptation has been a game changer for me since my injury which stopped me getting in and out my bath. My new wet floor shower means I can still live in my flat which I have had with DGHP for over 7 years “
 - “Answering the Lochside ASB survey has seen action been taking. I feel safe knowing that my landlord listens to us and have seen a lot of police and DGHP working together on foot “
 - “Today's event has been great. I have managed to see services DGHP have that I didn't know existed and can assist me”
- 5.4 There have been consistent themes recognised across multiple engagement activities, while also identifying varying priorities driven by local community needs and specific business areas.
- 5.5 Consistent themes highlighted at community events, on walkabouts, at focus groups and within surveys are:
- Further investment in local environments e.g., pathways, green spaces etc,
 - Capitalised Investment in external structure of non-modernised stock
 - Local activities for youths and families,
 - DGHPs identity in the region – customers see a transformation impact since joining Group in their communities, however, continue to identify DGHP as the Local Authority.

Customer Voice impact on local communities

- 5.6 Based on priority areas for improvement identified through our Customer Voices, we have both delivered and scheduled improvement solutions to be completed throughout the year.
- 5.7 Improvements delivered within DGHP driven by the Customer Voice are:
- Customers in Stranraer identified that a storage solution was required for recycling bins – new bin stores have been constructed, improving local areas,
 - In Annan, open green spaces were identified as an area for improvement due to dog fouling and fly tipping being a key concern - community event held in Annan, July 2022 – event included a dog show to encourage engagement with owners on shared responsibility in keeping communities maintained,
 - Customer Voice engagement and a local survey identified that improvement works to paths, walls, fencing, steps and handrails would

benefit Bridge Street, Bryde Kirk community - Customer Voice Investment Project delivered all improvements,

- In King Edward Park, Lockerbie customers told us they'd like to see improvements in their local area. These included renewing slabs, communal paths and installing handrails where required, resurfacing 3 carpark areas, and replacement fencing – Customer Voice Project delivered all improvements,
- Customers in Langholm told us local improvements including renewed communal paths, lowering of a kerb, fencing and signage would have a positive impact in their community – Customer Voice Investment Project delivered all improvements,
- Customer Voices highlighted the need to cut back an overgrown tree in Collin, as it negatively impacted on pavements, phones lines and all surrounding residents' garden areas. Tree has been removed through 'Think Yes' and NETs then supported customers impacted with garden clearance works.

5.8 Improvements and events scheduled based on Customer Voice feedback are:

- Creation of garden spaces and drying areas in Kirkpatrick Fleming, Annandale – Customer Voice Investment Project,
- Improvement of garden areas of flatted dwelling in Lockerbie that will include fencing and ground works - Customer Voice Investment Project,
- Commencement of external works in Glebe Street Dumfries that will see the reconfiguration of external space that will include improved car parking and pedestrian access,
- Customer event scheduled in Annan for August 2022, in partnership with Police Scotland, Dumfries and Galloway Community Safety Team, Dumfries and Galloway Waste Management and Wheatley 360 NETs with a focus on open spaces, fly tipping and raising awareness about best practice,
- During a walkabout in Kelloholm Gardens, it was identified the condition of gardens being overgrown, and bulk being dumped is having a negative impact on the appearance of the local community - Garden and Bulk amnesty scheduled within Kelloholm, in September 2022, delivering in partnership with Wheatley 360 NETs.

Customer Voice informed next steps

5.9 The table below details some key Customer Voice events scheduled for 2022-23.

Table 3 – Customer Voice Activity

Customer Voice Activity	Summary	When
Community Events	10 Local Community Events	July – August 22
Customer Voice Focus Group Workshops	4 Workshops across the region to encourage customers to sign up	September 2022
Customer Scrutiny Focus Groups	Customers given the opportunity to join a scrutiny panel	October 22

KSB Training for Customers	Customers who sign up to our KSB focus groups will be presented the opportunity to be trained as an assessor	October 22
Digital Investment Surveys	Customers will receive a SMS or email inviting them to complete a quick survey on investment work	Fortnightly 2022/23

6. Environmental and sustainability implications

6.1 We will further consider how we engage with customers on the development of the Strategic Sustainability Framework.

7. Digital transformation alignment

7.1 This report includes engagement with customers on customer-facing digital transformation projects.

8. Financial and value for money implications

8.1 In 2022/23 £150k capital investment budget has been identified for customer-driven investment projects.

9. Legal, regulatory and charitable implications

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

10. Risk Appetite and assessment

10.1 Our agreed risk appetite for service delivery innovation is “open”; which means we are prepared to take risk and embrace change in our service delivery models in response to customer feedback.

11. Equalities implications

11.1 There are no equalities implications arising from this report.

12. Key issues and conclusions

12.1 DGHP has made strong progress recruiting Customer Voices in line with the commitments made to our customers in Autumn 2021. We have successfully achieved our Customer Voice Commitment for 2022-23 and continue to encourage customers to become a DGHP Customer Voice.

12.2 Customer Voices are influencing all aspects of service delivery in DGHP including local community investment decisions, environmental improvements delivered and Local Community Events.

12.3 Customer Voice scrutiny panels are scheduled for delivery in Q3 and Q4 providing additional assurance on our approach and impact of Customer Voice on outcomes.

13. Recommendations

13.1 Board is asked to note the content of this report and provide comment.



Report

To: Dumfries and Galloway Housing Partnership Board

By: Natalya Macholla, Managing Director of Customer Services

Approved by: Laura Pluck, Group Director of Communities

Subject: Complaint Handling and Performance 2021/2022

Date of Meeting: 17 August 2022

1. Purpose

- 1.1 The purpose of this report is to provide the Board with:
- An overview of complaint handling and performance across Dumfries and Galloway Housing Partnership (DGHP) for 2021/22;
 - Information on our learning and customer insight from complaints across 2021/22;
 - An update on developments relating to our onward approach to complaint handling; and
 - Seek feedback on the updated Complaints Policy and Unacceptable Actions Policy.

2. Authorising and strategic context

- 2.1 Under the Group Authorising Framework, subsidiary Boards are responsible for monitoring operational performance and for addressing any specific regulatory requirements including complaints handling.
- 2.2 The commitment to delivering exceptional customer experience and progressing from excellent to outstanding service are key outcomes in our 2021-26 strategy. Our approach and performance relating to complaint handling is a key part of our vision for realising this.

3. Background

- 3.1 The Group Complaints Policy outlines our two-stage complaints process which is compliant with the requirements of the Scottish Public Service Ombudsman (SPSO) model Complaint Handling Procedure (CHP). There is a requirement that we ensure:
- All complaints are recorded;
 - Complaint handling and performance is reported to the Board and Executive Management Team on a regular basis;
 - We record service improvements as a result of complaint handling; and;
 - Publicly report performance and share this information with our customers.

- 3.2 In February 2020, the SPSO launched its new Model Complaint Handling (MCH) guidance which all public organisations across Scotland were required to bring into effect by April 2021 as reported to Board in February 2021. The key change to their complaint handling guidance is the focus on resolving complaints and included the option to close complaints as 'Resolved'. The key focus of these changes being to support organisations in evaluating performance, driving improvement and sharing good practice thus ensuring the provision of excellent service to customers through effective complaints handling procedures.
- 3.3 In line with the new MCH guidance, a complaint is resolved when both the organisation and the customer agree what action (if any) will be taken to provide full and final resolution for the customer, without making a decision about whether the complaint is upheld or not upheld. Working collaboratively with the Complaints Handlers Network we developed guidance for all Registered Social Landlords to use in the deployment of this new approach, including the use of practical examples of when to use the new 'resolved' outcome. This is available to all of our staff who handle complaints. Resolved complaints still need to be reported as overall complaint figures.
- 3.4 The CHP also encourages consistent application and reporting of performance against the KPIs defined in its latest guidance issued in April 2022. There are four mandatory KPIs that we are required to report on. It is a minimum requirement for all organisations to:
- Report at least quarterly to senior management on the KPIs and analysis of the trends and outcomes of complaints;
 - Publish on a quarterly basis information on complaints outcomes and actions taken to improve services, i.e. good practice and lessons learned (there is no requirement to also publish quarterly data on KPIs); and
 - Publish an annual complaints performance report on our website that includes performance statistics in line with the KPIs, complaint trends and actions that have been taken or will be taken to improve services as a result.
- 3.5 For Registered Social Landlords, there are four KPIs that we must adopt. They are quantitative and help organisations and SPSO monitor practice and identify trends by showing: how many complaints organisations received; how long it took to deal with them at each stage; and how many were resolved, upheld, partially upheld or not upheld. The four KPIs we must adopt are:
- Total number of complaints received.
 - The number and percentage of complaints at each stage that were closed in full within the set timescales of five and 20 working days.
 - The average time in working days for a full response to complaints at each stage.
 - The outcome of complaints at each stage.

- 3.6 Over the period of the pandemic, like other organisations, we experienced a considerable downturn in the reporting of complaints. However, this was against a back-drop of restricted service delivery and significant disruption to wider public services. Complaint levels across Scotland have since risen above pre-pandemic levels with the SPSO itself reporting a 17% increase in the complaints they have received when comparing the 2021/22 and 2020/21 reporting years. They also noted an increase in the overall rate of complaints being upheld.
- 3.7 Complaints are managed and monitored in line with our Group Complaints Policy.

4. Discussion

Complaint Handling and Performance 2021/22

- 4.1 The Annual Return on the Charter (ARC) represents the key statistical reporting requirements to the Scottish Housing Regulator (SHR). The SHR has developed a set of indicators for landlords to report against. The following performance indicators relate to complaint handling and is supported by technical guidance provided by the SHR to calculate and report complaint handling performance on an annual basis:
- **The percentage of all complaints responded to in full at Stage 1 and the percentage of all complaints responded to in full at Stage 2.** The complaint response date is the date that the complaint has been closed and issued to the customer to confirm the outcome of their complaint.
 - **The average time in working days for a full response at Stage 1 and the average time in working days for a full response at Stage 2.** The target timescales as set out in the guidance issued by SPSO for handling complaints is within 5 working days at Stage 1 and within 20 working days at Stage 2.
- 4.2 During 2021/22, 644 complaints were received by DGHP and 638 (99.06%) concluded in this period. For the purpose of reporting, the discrepancy between the complaints received and resolved in each reporting period is understood by the SHR. It is defined in the technical guidance issued by the SHR that landlords:
- Must count complaints received late in the reporting period, the outcome of which may not be reported until the next reporting period.
 - Must count the outcome of complaints received in the previous reporting period.
- 4.3 A summary of DGHP complaint performance data against key complaint handling performance indicators for 2021/22 is provided in Table 1 below. For the purposes of this report and ensuring valid comparability against prior years this report covers the full 52 week period (against the 50 week period in our official ARC return as agreed by the Board and SHR). The ARC requires us to combine DGHP and Lowther complaint performance data as Lowther deliver factoring services on behalf of DGHP and therefore, considered as a service provided by DGHP.

Table 1: DGHP 2021/22 complaint performance data

Indicator	Number of complaints	Percentage	Target
Complaints received in the reporting year	644		
Complaints responded to in full in the reporting year	638		
Percentage of Complaints responded to in full within SPSO timescales		Stage 1: 81.69% Stage 2: 60.42% Overall: 80.09%	96%
Average working days to provide a full response to all <u>Stage 1</u> complaints	4.70 Working days		5 working days
Average working days to provide a full response to all <u>Stage 2</u> complaints	21.25 Working days		20 working days

- 4.4 As noted in Section 3.6 above, a consistent theme as organisations have emerged from the pandemic, has been a general rise in the number of complaints raised. This is consistent with what we have seen across DGHP during 2021/22 when compared to the total number of complaints received during the previous year and indeed the pre-covid year of 2019/20.
- 4.5 During 2021/22, DGHP received 644 complaints in comparison to the 583 received during 2019/20 (pre-pandemic year). Table 1 confirms the average working days to respond to Stage 1 and Stage 2 complaints received by DGHP as 4.70 days and 21.25 days respectively.
- 4.6 In comparison to other Wheatley Group subsidiaries, DGHP reported 38.87% of Stage 1 complaints and 66.66% of Stage 2 complaints upheld or partially upheld. Table 2 below demonstrates how DGHP has performed against the other Wheatley Housing Group RSLs in the year on this measure. The performance in terms of responding to complaints within SPSO timescales has decreased from 95.81% in 2020/21 to 80.09% in 2021/22. Comparison with the other Group RSLs is outlined in Table 3 below.

Table 2: Percentage of Stage 1 and 2 Complaints, per RSL subsidiary, that were upheld or partially upheld in year.

Subsidiary	Stage 1 % Upheld or Partially Upheld	Stage 2 % Upheld or Partially Upheld
Target	50%	50%
Wheatley Homes Glasgow	55.89%	57.80%
Dunedin Canmore	58.03%	65.31%
WLHP	59.26%	N/A
Loretto	57.97%	66.66%
DGHP	41.73%	66.66%

Table 3: Percentage of all complaints, per RSL subsidiary, responded to in full at Stage 1 and 2 of the complaints process compared to number of complaints received within 21/22.

2021/22 Performance			
Subsidiary	Stage 1	Stage 2	All Complaints
Wheatley Homes Glasgow	97.49%	98.94%	97.67%
Dunedin Canmore	95.72%	102.08%	96.49%
WLHP	100.00%	N/A	100.00%
Loretto	97.87%	100%	98.04%
DGHP	99.06%	100%	97.25%
2020/21 Performance			
Subsidiary	Stage 1	Stage 2	All Complaints
Wheatley Homes Glasgow	97.16%	91.60%	96.21%
Dunedin Canmore	100.00%	91.18%	98.89%
WLHP	100.00%	N/A	100.00%
Loretto	97.30%	100.00%	97.56%
DGHP	96.53%	84.62%	95.81%
2019/20 Performance			
Subsidiary	Stage 1	Stage 2	All Complaints
Wheatley Homes Glasgow	97.27%	95.97%	97.13%
Dunedin Canmore	98.80%	95.83%	98.49%
WLHP	90.91%	100.00%	91.67%
Loretto	97.01%	100.00%	97.18%
DGHP	100.00%	100.00%	100.00%

4.7 Table 4 below confirms that 81.09% of all complaints were closed within timescale compared to our target of 96%.

Table 4: DGHP Complaints Responded to within SPSO Timescale 2021/22

	All		Stage 1		Stage 2	
	Amount	%	Amount	%	Amount	%
DGHP Complaints						
Complaints Responded to within SPSO Timescale	511	81.09%	482	81.69%	29	60.42%

4.8 A key indicator for assessing the strength of our ability to handle complaints effectively and appropriately is centred on the escalation of complaints to Stage 2 of the procedure or an overall low number of Stage 2 complaints. If a low volume of complaints are being upheld following an investigation at Stage 2 then this is an indication that issues raised by tenants and customers are being identified, investigated and resolved appropriately.

4.9 During 2021/22, there was an increase in the number of complaints escalated to Stage 2 of the complaints process. We have investigated and responded to 50 Stage 2 complaints from DGHP tenants and customers. Following investigation, 26 (52%) Stage 2 complaints were upheld. Across DGHP, complaints about our repairs and maintenance service was the main reason our customers raised a complaint that escalated to Stage 2 of our complaints process. This is reflected across all subsidiaries. The Repairs Transformation Plan, previously reported to Board reflects areas of improvement identified.

External Review (SPSO and First-Tier Tribunal)

- 4.10 The SPSO have reported that they have a significant backlog of cases as a direct result of the Covid-19 pandemic and the subsequent increase they have experienced in reported complaints (17% increase). In their recent contact with our Customer Insight and Complaints Team they confirmed that some customers are waiting up to 12 months to receive their final decision.
- 4.11 In total, 1 complaint from DGHP was subject to external review by the SPSO during 2021/22. After completing their initial assessment of the information provided by our Customer Insight and Complaints Team in relation to our own investigation of the issues raised, the SPSO concluded that they would not take the complaint forward and were satisfied with the information provided by DGHP.
- 4.12 The First-tier Tribunal for Scotland (Housing and Property Chamber) considers complaints raised by homeowners and private rented tenants. During 2021/22, 5 complaints were referred to the first-tier tribunal for consideration. The first-tier tribunal considered all 5 cases, which we had upheld at Stage 2, and;
- One case was not upheld;
 - Two cases were settled with the homeowner at the tribunal hearing;
 - Outcome of one unknown at this date; and
 - One enforcement order was issued.
- 4.13 The detail above highlights consistency in the robust arrangements established for handling and investigating escalated complaints, identifying issues, establishing clear strategies for seeking an appropriate resolution and, importantly, mitigating risk for the Group. Critical to our ongoing success in this area is our Group Complaints and Customer Insight Teams continual monitoring of the number of complaints recorded to ensure that any expression of dissatisfaction from customers is appropriately recorded as a complaint and the issue effectively managed.

Learning and Customer Insight from Complaints

- 4.14 As detailed above analysis of DGHP complaints confirms that the greatest proportion of complaints received during 2021/22 related to repairs and maintenance (46%). Of these, 47% were upheld or partially upheld. Complaints relating to repairs included common issues such as quality of service, timescale for completing repairs, notification of incomplete repairs and communication around repair appointments or missed appointments where the contractor did not attend. This matter has been highlighted, where appropriate, to City Building Glasgow with the Repairs Transformation fundamental in driving satisfaction in respect of the Repairs and Maintenance Service.
- 4.15 It is also noteworthy that we have used significant learning from repairs complaints to help inform the wider Repairs Transformation Plan that was presented to Boards earlier this year. The use of this insight has been critical in forming several of the key areas that have been identified for transformation and improvement.

- 4.16 Despite repair complaint volumes being high when compared against other key business areas, the number of occasions where customers have cause to complain as a proportion of repairs raised, is not considered to be a significant concern or risk factor. Given that almost half our complaints are from repairs and in total DGHP had over 38,000 repairs completed for 2021/2022 against just over 285 complaints, this shows that we have a small percentage of 0.007% of customers who are not happy with the repairs service, it must also be read against a back-drop of restricted, remobilising services and national shortages of materials as a result of Brexit and the Covid-19 pandemic. These issues alone have caused delays to customer repairs which in turn has led to dissatisfaction given the ultimate extension to timescales for completing repairs.
- 4.17 Table 5 below provides details of the type of repairs and maintenance complaints received by DGHP during 2021/22.

Table 5: Repairs and Maintenance Complaints for DGHP during 2021/22

DGHP - Repairs and Maintenance Complaints	Stage 1				Stage 2				Total No. of By Type
	Resolved	Upheld	Partially Upheld	Not Upheld	Resolved	Upheld	Partially Upheld	Not Upheld	
Contractor Liability	3	2	0	0	0	2	0	0	7
Incomplete Repair	17	11	1	4	0	1	0	0	34
Missed/Late Appointment	15	24	2	4	0	2	0	0	47
Quality Of Repair	10	8	4	5	0	0	0	1	28
Quality of Service	28	20	1	9	0	2	0	0	60
Timescale	49	41	7	2	0	5	2	3	109
Right to Repair	0	0	0	0	0	0	0	0	0
Totals	122	106	15	24	0	12	2	4	285

- 4.18 The second greatest proportion of complaints received was about Investment work (31%). This includes issues such as quality of work, lack of information/support, quality of service and length of time. DGHP has significantly increased our investment work to carry out improvements in customer's home including new bathrooms, kitchens and window replacements and based on the feedback from customers we have introduced new approaches with Housing Officers and Project Officers now working more closely to make sure the customers are getting an excellent service when we are investing in their homes.
- 4.19 Complaints allocated to Staff was the third highest proportion of complaints received, (14%). This amounts to 92 complaints. Despite staff complaint volumes being high when compared against some of our other complaints categories, the number of occasions where customers have cause to complain as a proportion of the number of customer contacts made in any given period, is not considered to be a significant concern or risk factor. It is also noteworthy, that a number of staff complaints received can also be linked to customer challenge around our defined processes and regulatory compliance that we must adhere to.
- 4.20 The range of issues highlighted across our staff complaints include failed customer commitments and overall customer experience. Customer experience complaints are handled by line managers responsible for service delivery and, where appropriate, further training and support is provided to reduce the likelihood of errors happening again. Where trends of poor customer service are noted, this is raised as part of our one-to-one performance discussions with

staff. It should be noted that from the review of our complaints we have no concerns over staff attitude to our customers.

- 4.21 These matters are a key focus for our community-based staff who arrange meetings face-to-face with customers in order to address these matters. Often these matters are complex given the need for us to adhere to our core policies and procedures whilst managing customer expectations. Housing Leads utilise learning from Stage 1 and Stage 2 complaints in this area to continually improve service delivery. They will present clear information on performance at VMBs and, where necessary, identify local leads to own these complaints, share good practice and the learning from them.

Policy and Practice

- 4.22 To support our wider ambition around complaint handling and performance we have completed a full review of our Complaints Policy, associated guidance and the core complaints information that we hold on our websites, social, media, to ensure that this is clear and easy-to-use and access for our staff and customers. This also includes an area on our website where we regularly report on our complaints performance and demonstrate our learning from complaints.
- 4.23 As part of this most recent review, we have taken the opportunity to streamline our documentation and update our Complaints Policy in line with our Strategy and our new operating model. We have also accompanied this with a review of our Unacceptable Actions Policy in collaboration with the Union. Our updated Complaints Policy and Unacceptable Actions Policy are appended to this report for information and feedback. We would note that there are no material changes to these documents, but the following points are noteworthy:
- The language in the Policy has been updated and aligned with our new ways of working and 2021-26 Strategy;
 - We have clearly articulated our timescales and expectations around complaint responses and made these specific to the channels our customers opt to use. We have introduced more ambitious targets on our digital channels to further strengthen our commitment to digital channel shift and customer choice, whilst recognising that we will not limit our channels for customers to complain so that we continue to ensure that no one customer is left behind.
 - We have incorporated an area within the Policy that clearly outlines key roles and responsibilities surrounding our complaints handling;
 - We have emphasised our approach around customer engagement and the co-creation of the onward development of our complaint handling policy and procedures;
 - We have incorporated more detail around how we will utilise lessons learned and insight from complaints to continually improve; and
 - Included a section on our operational arrangements for complaint handling which reflects the SPSO model complaints handling approach.
- 4.24 Our Complaints Policy outlines a number of commitments which are pertinent to our successful complaint handling and management. We have listed below a few of these key commitments and details of how we meet our commitments under each, notably:

- **Promote a customer-centric culture focussed on ‘Think Yes Together’** – we regularly promote and instil our ‘Think Yes Together’ culture both at a local level but also in our corporate messaging. Staff are empowered to do the right thing for our customers and act promptly to resolve matters. Importantly, we instil our ‘Think Yes Together’ culture in our induction process for new staff so that it is one of the very first things that they learn about Wheatley.
- **Adopt a uniform approach to complaint management** – we have an agreed method of reporting on complaints each month within our performance management reports. These are used as part of local VMBs, also at our DMTs we take case study’s from Stage 1 and Stage 2 complaints to make sure we are sharing the learning from these complaints and also detailed in the monthly Group performance report. In recent months, we have developed the performance reporting further to show key themes and lessons learned from complaints. Our Customer Insight and Complaints Team, a centralised function within Group, continually review SPSO feedback and good practice to ensure that our approach remains up to date. The centralised function also ensures that we are consistent in our approach across all Group subsidiaries.
- **Management decisions taken are informed by the complaints we receive and learning from complaints is communicated effectively across the Group** – as noted above, we have developed our complaints reporting significantly over the current reporting year. The inclusion of insight and greater detail around the route cause of complaints is included in monthly reports to our Managing Directors and Executive Team. Learning from complaints is also reviewed regularly through our Communities of Excellence to help inform future policy and procedure development. Moving forward, we will also be using our corporate website to share learning and lessons learned from complaints with our customers on a regular basis and in line with revised SPSO guidance.
- **Support staff to see how their work practices contribute to complaint management** - there is a significant focus on complaints and how we utilise them to support our continuous improvement approach. As part of this focus, we are reviewing and refreshing training materials for staff, reviewing the introduction of real-time feedback to support resolution and inform learning and looking at specific call control and conflict management training for our Customer First Centre staff. Staff are also provided with regular insight to complaints and, importantly, their role in preventing complaints at local VMBs where time will be taken to discuss complaint performance, individual cases and lessons learned.
- **Executive Team take individual responsibility** – as noted above, information being reported to the Executive Team on complaints each month has been developed significantly over this reporting year. This provides each Executive Director with important information and content on their business area each month and helps to inform the decisions they will take that impact the Group and their separate directorates. Adhoc requests are also made by the Executive Team to carry out more in depth analysis of complaints and to look at more specific learning journeys.

4.25 Our new operating model focusses on our ability to resolve customer enquiries at the first point of contact through our new Customer First Centre. Still in its infancy, we are already seeing several positive outcomes which are impacting our complaint handling and performance. Our Customer First Centre staff take ownership of issues raised by customers, responding promptly and following

up on our customer commitments. We expect this to result in the number of promptly 'resolved' complaints increasing across 2022/23 and for the number of Stage 2 complaints to reduce.

- 4.26 In ensuring the complaints management processes are embedded in all our teams, in June 2022 we held five in person complaint workshops with over 80 staff in attendance. This was across all DGHP staffing groups with Housing Officers, Repair Team Leaders, Investment and Compliance Project Officers and NETs team leaders along with support from Group complaints and insight team in attendance. The workshops were shaped around our customer journey from stage one complaints and how we work as one team to drive a culture of early intervention and delivering exceptional customer service.

Workshop Content:

- Delivering Exceptional Customer Service
- Resolution at First Contact
- Good Complaint Outcome
- How we resolve together

The workshops have played an instrumental role in improving performance indicators with an embedded culture of resolving at first point of contact with early intervention with the customer voice at the centre of this.

5. Customer Engagement

- 5.1 The approaches to service delivery set out in this paper consider feedback received from customers, including the over 5,000 responses to our RSL consultation late last year. We will continue to focus on meaningful and rich customer engagement through our Stronger Voices team with a view to continually improving and refining our delivery approach to complaint handling.
- 5.2 Across the 2022/23 reporting year, we will have engaged as a minimum, 50 customers from across Group and seek their feedback on the improvements they want to see in our complaint handling process. We will also share with them feedback and lessons learned from our complaints to establish key areas that are important to them – using this to define a '*You Said, We Did*' approach. We envision this approach being delivered through a series of focus groups and panel discussions with customers who represent each of our subsidiaries across Group.
- 5.3 Over the next two years, we intend to increase that engagement, including through engagement with our Stronger Voices Team and a range of online engagement services designed to integrate feedback from tenants and owners into the future service design and delivery of our complaints handling processes. Customer input is vital to providing us with assurance that our complaints process is fit for purpose, easy-to access and is trusted to deliver on our customer commitments.

6. Environmental and sustainability implications

- 6.1 There are no direct environmental and sustainability implications associated with this report.

7. Digital transformation alignment

- 7.1 It is noteworthy that complaints route into the business through several channels such as email, our Customer First Centre, web self-service, face-to-face, etc. These channels and methods of inbound contact will be continually reviewed in line with our digital strategy with a clear focus on providing customers with choice and access to personalised services.
- 7.2 In our Complaints Policy, we have explicitly outlined the experience that our customers can expect based on the channel that they submit their complaint through. As outlined in 4.23 above, we have introduced more ambitious targets on our digital channels to further strengthen our commitment to digital channel shift and the introduction of greater customer choice. Our Complaints Policy clearly details that we will aim to respond quicker to complaints that are submitted through our digital channels, notably; email, web self-service and webchat.
- 7.3 Despite the focus on digital channels we are also conscious of not limiting our channels for customers to complain through and therefore voice and face-to-face methods still feature prominently in our Policy. This demonstrates our commitment to providing personalised services for our customers and, importantly, that no one customer will be left behind.

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

- 9.1 There are no direct legal, regulatory or charitable implications as a result of this report. However, the implementation of our activities will be assessed to ensure that they fulfil and comply with any legislative, regulatory or charitable implications that apply.

10. Risk Appetite and assessment

- 10.1 This report correlates with the strategic outcome 'Progressing from Excellent to Outstanding' under the Delivering Exceptional Customer Experience strategic theme.
- 10.2 End-to-end complaint handling, including monitoring and continuous learning and improvement processes are key to mitigating risks of:
- Decreasing customer satisfaction
 - Reputational damage; and
 - Failure to meet SPSO guidance.
- 10.3. The Strategic Risk Register sets out the following risk appetites for strategic outcome 'Progressing from Excellent to Outstanding':
- **Reputation/credibility** - *Minimal, Tolerance for risk taking limited to those events where there is no chance of significant repercussion.*
 - **Laws and regulation** – *Cautious; Limited tolerance for “sticking our neck out”. Want to be reasonably sure we would win any challenge.*

11. Equalities implications

- 11.1 There is no equalities impact identified as a result of this report. A specific equalities impact assessment will be carried out before any potential significant service change to our complaints handling process and the outcome reported to the board as part of the approval process for any such changes.

12. Key issues and conclusions

- 12.1 Our five-year strategy sets out an ambition to deliver exceptional customer experience whilst progressing from excellent to outstanding services. We are clear that our approach to complaint handling and our performance in this area are key to us realising this vision. We start from a good base, with our new operating model maturing and with the Customer First Centre having been successful since its launch in December last year.
- 12.2 Over the period of the pandemic, like other organisations, we experienced a considerable downturn in the reporting of complaints. However, this was against a back-drop of restricted service delivery and significant disruption to wider public services. The rise this year sees us surpass pre-pandemic levels and is consistent with what is being seen across the housing and wider public and private sectors.
- 12.3 The increase in the volume of complaints received during 2021/22 has had an impact on our performance figures. We are working to fully embed our new operating model and our Customer First Centre to ensure quicker resolutions, improved follow-up and delivery on our customer commitments and improved quality of responses to our customers. We are already seeing early signs of improvement across early 2022/23 as is reported to Board separately in Q1 performance reports and we will continue to build upon this across the remainder of this reporting year.

13. Recommendations

- 13.1 The Board is asked to:
- 1) note DGHP complaints performance during 2021/22;
 - 2) note the work undertaken to learn from the complaints we receive;
 - 3) note the development work we are undertaking to further improve our approach to complaint handling and our performance in this area; and
 - 4) Feedback on the updated Complaints Policy and Unacceptable Actions Policy appended to this report.

Appendices: [redacted: available under publication scheme here [Publication scheme | Wheatley Homes South \(wheatleyhomes-south.com\)](#)]

Appendix 1: Complaints Handling Policy

Appendix 2: Unacceptable Actions Policy



Report

To: DGHP Board

By: Jennifer Anderson, Wheatley 360 Lead

Approved by: Laura Pluck, Group Director of Communities

Subject: Protecting People Policy Framework

Date of Meeting: 17 August 2022

1. Purpose

- 1.1 To provide the Board with information around the review of the Protecting People Policy Framework (“PPPF”) and suite of Group Protection Policies that sit within this.
- 1.2 To seek comment from the Board on the revised content contained within the individual policies and PPPF, which will then be incorporated and taken onto the Wheatley Group Board for final sign off on each document.

2. Authorising and strategic context

- 2.1 Under the Intra Group Agreement the Group Board are responsible for the designation of Group policies. Our Board is responsible for approval of individual operational policies and implementing Group policies to reflect local circumstance. Feedback is being sought from individual Boards on the proposed Group policy amendments in advance of their presentation to the Group Board. This is the first time DGHP Board will have had sight of the PPPF and Group Protection Policies, given they were introduced and subsequently reviewed prior to DGHP joining Group. The timeline for the implementation of these policies will be presented to the Board in the presentation accompanying this report.
- 2.2 Our work in this area will align to each of the five strategic themes within our Group strategy as follows:

Strategic Theme	Areas of activity where this theme will be met
Delivering exceptional customer experience	<ul style="list-style-type: none">• The policies in the framework are designed to empower our customers to enable them to lead a life free from risk of harm and support them to do so through the provision of advice, support, and guidance, wraparound support services, and clear identified pathways to access additional assistance as required.

Making the most of our homes and assets	<ul style="list-style-type: none"> The voice of the customer is represented within our Domestic Abuse Policy through engagement with key partners from the Domestic Abuse Specialist Services Sector, who are well placed to provide comment around the content and policy applicability and suitability in supporting victims.
Changing lives and communities	<ul style="list-style-type: none"> Our policies allow us to deliver on our strategic outcome around developing peaceful and connected neighbourhoods, where they clearly set out our services and wraparound support for customers, to help staff identify where there are concerns individuals are at risk of harm and abuse
Developing our shared capacity	<ul style="list-style-type: none"> Having a Protecting People Policy Framework (PPPF) supports staff to confidently deal with safeguarding concerns within our communities and affords them the knowledge to be able to safely recognise and respond to any issues of this nature that arise.
Enabling our ambitions	<ul style="list-style-type: none"> The existence of a suite of policies pertaining to public protection issues puts us in a very strong position as being sector leading in this area. Taking the Domestic Abuse policy, this is a prerequisite for signing up to the Chartered Institute of Housing's Make a Stand Pledge and allows us as an organisation to have signed up and demonstrate our clear commitment as an organisation towards supporting victims and their families.

3. Background

- 3.1 The Group Protecting People Framework ("PPPF") is our group wide approach to keeping our communities safe and provides us with a strong platform for sharing learning and best practice around public protection and safeguarding issues across all Group subsidiaries.
- 3.2 The strategic aim of the PPPF is to ensure that: *we work with customers, staff, and partners to make homes and lives better and safer for all and that we will design and deliver services to minimise the risk of harm and abuse within our communities*
- 3.3 The documents contained within the PPPF include:
- Group Protecting People Policy Framework;
 - Group Multi Agency Public Protection Arrangements (MAPPA) Policy;
 - Group Domestic Abuse Policy;
 - Group Child Protection Policy; and
 - Group Adult Support and Protection Policy.
- 3.4 The PPPF and policies sit within the remit of the Group Protection Team, who assume responsibility for ensuring these documents remain current, compliant with relevant legislative and regulatory requirements, and remain fit for purpose for those who use the documents, to obtain clear guidance around supporting some of our most vulnerable customers.

- 3.5 The policies within the PPPF were approved by Wheatley Group Board in April 2017 and reviewed with updates in April 2019. They are now due again for review under the 3-year cycle outlined in the policy review and consultation section of each policy. The key changes that have originated through the PPPF and policy review include updating all documents to account for organisational changes and our new operating model, to take cognisance of the most recent statistical data available across each area, updates on new legislation and national guidance, information around improved service offering and delivery across Group and enhanced information to support staff deal with specific circumstances such as status outing of Registered Sex Offenders or individuals intimating that they intend to take their own life. The slides that will be presented at the meeting will cover the specific changes incorporated within each individual document.
- 3.6 Our staff routinely link in with the Group Protection Team when they are dealing with any cases involving Group Protection issues and access the expertise within the team to help find the best and safest solutions, options, and pathways to support available for their customers. Part of this involves our staff utilising the PPPF and policies within to help support them in their understanding of Group Protection issues faced by customers, their requirements around reporting and what support options are available to best address any concerns.

4. Discussion

- 4.1 Since initial drafting of the PPPF and associated policies, there have been some significant changes which have had a major impact on how we deliver our services and engage with our customers, communities, and partners; most notably the pandemic, Brexit, and the current ongoing cost of living crisis.
- 4.2 The PPPF and suite of policies within were reviewed to take account of the developments above, as well as new legislation implemented, organisational changes, partnership developments and services introduced. They also take cognisance of updated figures and trends across each of the areas covered in the policies, to demonstrate the current picture at this time of writing.
- 4.3 The main changes with the PPPF and each individual policy are summarised below. It is worth noting that for all policies and the PPPF, the following updates were applied across them commonly, to bring them fully up to date:
- Updated throughout to remove references to our previous strategy, Investing in our Futures, and replaced with information of relevance contained within our 2021-2026 Your Home, Your Community, Your Future Strategy;
 - Figures provided throughout updated to more current statistics available;
 - Updated our objectives within each document to include the creation of tailored training for staff and the development of a communications and engagement strategy;
 - Organisational changes accounted for in terms of our new operating model, partnerships, team structures and services delivered;
 - Formation of a Group Protection Team accounted for in the policy;
 - Wheatley Foundation current service offering, including revised model for Eat Well;
 - Confirmation that a full performance monitoring framework has been established within the Group Protection Team and is compiled for use in statistical data analysis and resource planning;

- Change from My Contribution to My Appraisal system;
- Additional detail regarding the work undertaken by the Group Protection Team to support the frontline in dealing with cases, including publishing a regular Group Protection Matters Bulletin, development of staff training and overview sessions;
- Revised to incorporate the correct section of the GDPR policy which must be considered – which is appendix 2 and not appendix 3;
- Language updated in line with national change, where significant case reviews are now referred to as learning reviews;
- Updated to reflect the current work across the Community of Excellence (CoE) network and no longer specifically restricted to the Protecting Communities CoE; and
- Endnotes section incorporated across the PPPF and MAPPA, Domestic Abuse and Child Protection Policies.

Protecting People Policy Framework (PPPF)

- 4.4 This overarching framework which sits above the Group Protection Policies was designed and signed off in 2016, in advance of the policies themselves, which came the following year in 2017.
- 4.5 The PPPF document required to be revised to bring it up to date with the 2019 refreshed policies and the changes that went alongside implementation of these policies in each of the key areas.
- 4.6 The PPPF allows us to define what it means to keep our communities safe from harm and to set sector leading standards in Group Protection areas. The PPPF clearly outlines how the activity and service delivery within each of the policies aligns with our strategy.
- 4.7 The main changes made within the revised version of the PPPF are as follows:
- Updated in line with development work around attendance at additional Multi Agency forums since last iteration of policy was formulated;
 - Revised to update the formal name of the third category of offender managed under MAPPA;
 - Additional points made to strengthen the success measures that will be used to demonstrate the PPPF is making a difference and having a positive impact;
 - Information included around the rationale for sharing information around Domestic Abuse, as no one single agency holds the full picture of risk faced by a victim and their children, however, collectively can see this by working together;
 - Legislation section brought up to date in line with all amendments within individual policies.

Multi Agency Public Protection Arrangements (MAPPA)

- 4.8 Multi Agency Public Protection Arrangements (MAPPA) are a set of statutory partnership working arrangements introduced in 2007 by virtue of Section 10 and 11 of the Management of Offenders etc (Scotland) Act 2005. The 2005 Act places a statutory duty on the Responsible Authorities in a local authority area to jointly establish arrangements for assessing and managing the risk posed by certain categories of offender. These categories of offender are as follows:

- Registered Sex Offender (RSO);
- Mentally disordered restricted patient; and
- Other Risk of Serious Harm Offender (previously referred to as violent offenders).

4.9 There have been no direct MAPPA legislative changes since the initial draft of the policy. The Children (Scotland) Act 1995 is due to be modified through The Children (Scotland) Act 2020, however this is not currently in place yet. It has been included within the legislation section to future proof the document for when this does come into force.

4.10 In terms of guidance, there has been an updated version of the MAPPA National Guidance in March 2022 published, however nothing contained within this document has resulted in any fundamental changes to our policy.

4.11 The main changes made within the revised version of the MAPPA policy are as follows:

- Update of team name non Registered Social Landlord (RSL) requests should be directed to – Group Information Governance Team;
- Confirmation of exact name of legislation which outlines the duty to cooperate requirement for RSLs;
- Revised to provide additional guidance to staff around potential risks to take into consideration when working with RSOs which require to be fed into the responsible authorities to support with their risk management (eg antisocial behaviour, pregnancy of any partners) and also to dispel some common myths around RSOs;
- Revised to include the improved community care allocations process for restricted patients returning to the community;
- Removed reference to short term National Accommodation Strategy for Sex Offenders (NASSO) working group and Scottish Government short life working group on Environmental Risk Assessments, which have both now concluded;
- Removed reference to change of circumstances being picked up at annual review at the latest;
- New section incorporated to explain the occurrence of RSOs having their status outed within the community; and
- Information provided on the keeping children safe scheme, also referred to as the Police Scotland Sex Offender Community Disclosure Scheme.

4.12 As noted above, the policy had the insertion of an additional section on advice and guidance for staff around RSOs having their status ‘outed’ within the community. The reason for this is linked to a rise in occurrences of this activity and therefore a requirement to ensure staff are equipped to feel confident in dealing with these types of enquiries.

Domestic Abuse

4.13 Our service offering as a team and organisation has increased significantly since the original draft of the Domestic Abuse Policy in 2017. There have been legislative changes since the last iteration, which have been included into the document. The changes include:

- Domestic Abuse (Scotland) Act 2018 coming into force in 2019, recognising coercive control as a specific criminal offence; and

- Future legislation which has been passed in the form of the Domestic Abuse (Protection) (Scotland) Act 2021, which received royal assent on 5th May 2021, however, has yet to be formally implemented. As such full details of this new legislation was not included in the document at this time, however in line with the agreed review periods, this will be incorporated when the legislation is formally implemented.

4.14 The main changes made within the revised version of the Domestic Abuse policy are as follows:

- Strengthened to provide some further examples of coercive controlling behaviours in line with the new legislation which came into force criminalising this abuse and also details a wider range of sexual abuse examples;
- Details of established partnerships to support in dealing with cases of Domestic Abuse;
- Overview of our increased service offering in relation to Domestic Abuse, including attendance at the Multi Agency Risk Assessment Conferences, information sharing, training package to support staff and role of Group Protection for offering support;
- Updated with a new section detailing our award winning training package for supporting staff to recognise and respond to domestic abuse.

4.15 There were also suggested changes made by colleagues within the Domestic Abuse Specialist Services sector as part of the customer engagement carried out for this policy, which are picked up in section 5.4 below.

Child Protection

4.16 Child Protection is an area of development for the Group Protection Team within 2022/2023, where we are working to strengthen our service offering and establish partnerships and training for staff in relation to these vital issues. Recent concerning cases of child neglect and abuse in the media make the existence of a Child Protection Policy even more pertinent, to ensure staff are adept at spotting the signs of a child or young person at risk, and importantly, having the knowledge around how best to help them.

4.17 There was withdrawal of proposed legislation in relation to the named person scheme, which was mentioned within the initial policy, which has now subsequently been removed. The Children (Scotland) Act 1995 is due to receive some modifications through The Children (Scotland) Act 2020, however this is not currently in place yet. It has been included within the legislation section to future proof the document for when this does come into force. The Domestic Abuse (Scotland) Act 2018 was also included within the legislation section as this is applicable.

4.18 In terms of guidance, there has been an updated version of the Child Protection National Guidance in 2021, however nothing contained within this document resulted in any fundamental changes to our policy.

4.19 The main changes made within the revised version of the Child Protection policy are as follows:

- Information emphasised around requirement to submit the required Child Protection referrals to the Local Authority and also details of each Social Work Child Protection Team across Scotland provided;
- Enhanced information outlined in terms of how Child Protection concerns may originate;
- Revised wording around requirement to pass concerns to local authority and contact Police if any criminality is established;
- Update provided around Group Protection Team Multi Agency Meeting Attendance to support with issues around Child Protection; and
- Information included to support victims of domestic abuse who wish to remain within their property.

Adult Support and Protection

- 4.20 Adult Support and Protection is another key area of development for the Group Protection Team in 2022/2023, where the intention is to strengthen our service offering and establish partnerships and training for staff in this area. We know that a number of our customers could be described as vulnerable and some of these customers will be susceptible to harm, abuse or neglect, or indeed self-neglect.
- 4.21 Our Adult Support and Protection Policy supports staff to notice concerns and have awareness of the established mechanisms to report these concerns to the appropriate authorities. It also outlines the service provision and support available to our customers through our wraparound support services.
- 4.22 There have been no legislative changes since the initial draft of the policy was made. In terms of guidance, the Adult Support and Protection Code of Practice document was revised in July 2021. This document is primarily aimed at those with the statutory duty to investigate and perform functions under the act, however it is also of relevance to those organisations reporting concerns. There isn't anything specific within this guidance document that changes the nature of the policy in terms of its review.
- 4.23 The main changes made within the revised version of the Adult Support and Protection policy are as follows:
- Updated to include potential for disclosure of Adult Support and Protection issues at Multi Agency Meeting Attendance of the Group Protection Team and role in attendance at these meetings for supporting our customers;
 - Strengthened to outline the steps that will be taken if any customer informs a member of staff that they intend to take their life;
 - Information provided around the 32 Local Authority Adult Support and Protection Teams for ease of staff reporting concerns; and
 - Revised to update role of Multi Agency meeting attendance in recognising adult support and protection concerns.

5. Customer engagement

- 5.1 As part of our overarching policy framework we have identified all policies where customer engagement should form part of the review process. This reflects our strategy commitment that customers have greater influence over our policies.

- 5.2 The Domestic Abuse policy is a policy identified within the PPPF requiring specific customer engagement consideration built into the review process.
- 5.3 Given the sensitivities around customer engagement with victims/survivors who have experienced domestic abuse, including the potential for re-traumatisation, we undertook that engagement via partners within the domestic abuse specialist services sector would be a more suitable alternative, to ensure the voice of the customer is reflected in our policy. This is an addition to the feedback/views we hear regularly from customers affected which are always considered when developing or reviewing policies.
- 5.4 The Domestic Abuse policy was sent to an Operations Manager within ASSIST (Scottish Government funded service to support victims of Domestic Abuse going through Court), Wigtownshire Women's Aid and our partners at Home Connections (Revive England) for comment.
- 5.5 The feedback received from all organisations was that the policy was robust, victim focussed and fit for purpose. All suggested additions and amendments were incorporated into the revised policy document.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

- 7.1 All policies will be held digitally on our Protecting People WE Connect page and when approved and ready for relaunch, a full communications plan, including a digital plan, will be adopted to ensure all relevant staff are aware of the update to these documents, to allow them to engage digitally with the new PPPF.
- 7.2 Our new operating model will support a digital roll out of the updated policies and allow information regarding their launch to reach the relevant staff across Group who have a stake in these documents and the vital content they include to promote and enhance safeguarding our vulnerable customers.

8. Financial and value for money implications

- 8.1 The costs associated with the delivery of the PPPF lie within ensuring staff receive the appropriate training, information, and support to understand the content and the requirements of what is expected from them to keep our customers safe from harm. This is picked up within the current staffing structure of the Group Protection Team, where delivery of training is contained within their remit to work with academy colleagues to provide this and all other associated information, guidance and process mapping is devised by the team and cascaded to staff as necessary.
- 8.2 Value for money is provided where we can support our customers to remain within their homes safely, without requirement to move on to seek safety if this is their desired choice. We achieve this through information sharing and partnership working with key agencies, providing access to pioneering safety products, and ensuring the appropriate safety measures are in place to facilitate this.

9. Legal, regulatory and charitable implications

- 9.1 Each policy within the PPPF has been fact checked to ensure all relevant legislation remains current and compliant in relation to the area in which it covers.
- 9.2 Where there have been any amendments to legislation, or new legislation implemented, this has been incorporated. For example, the Domestic Abuse policy contains details of the new Domestic Abuse (Scotland) Act 2018.
- 9.3 Colleagues within the legal team have reviewed each policy within the framework and the framework itself, and any suggested amendments have been incorporated into the documents.

10. Risk appetite and assessment

- 10.1 This report cuts across all 5 key themes within our Group Strategy Your Home, Your Community, Your Future; in particular, delivering exceptional customer experience, changing lives and communities, and developing our shared capability.
- 10.2 The existence of this suite of policies helps support our customers from risk of harm, therefore without these documents our risk level around safeguarding and public protection concerns would rise. It is of equal importance that these documents are kept up to date and take full account of legislative, regulatory, and procedural changes, therefore this review of the suite within the PPPF is crucial to adhere to this.
- 10.3 In terms of the Risk Appetite, it would be described as minimal - *preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward*.
- 10.4 As our policies and subsequent procedures within Group Protection require strong legislative and regulatory compliance, it is essential that we would *'want to be very sure we would win any challenge'*.

11. Equalities implications

- 11.1 The policies were updated accordingly to take cognisance of equalities, including the wording within the Adult Support and Protection Policy; where it referenced 'his or her' this was changed to 'their', and within the Domestic Abuse Policy where it referenced men and women, this was changed to reference 'individuals'.
- 11.2 Policies within the PPPF cover all customers across Group and have been designed to be inclusive, non-judgemental and promote a consistent approach being undertaken when dealing with those impacted by the issues covered across the policy framework.
- 11.3 Equality Impact Assessments (EIA) were undertaken on the following documents as part of this process:
- Protecting People Policy Framework;
 - Domestic Abuse;
 - Child Protection; and

- Adult Support and Protection.

12. Key issues and conclusions

- 12.1 The PPPF and policies within have been reviewed in line with their 3 year review schedule and updated to reflect all relevant legislative, regulatory, organisational and procedural amendments that have occurred since the last version of each policy.
- 12.2 This applies to the following documents in the suite:
- Group Protecting People Policy Framework;
 - Group Multi Agency Public Protection Arrangements (MAPPA) Policy;
 - Group Domestic Abuse Policy;
 - Group Child Protection Policy; and
 - Group Adult Support and Protection Policy.
- 12.3 Customer engagement has taken place on the Domestic Abuse policy, which was issued to partners within the Domestic Abuse Specialist Services Sector in line with agreed sensitivities with engaging directly with customers impacted.
- 12.4 The policy was sent to one of the Operations Manage from ASSIST, Wigtownshire Women's Aid, and the Revive England Manager at Home Connections, to get a balance of input and engagement.
- 12.5 Each document has been reviewed by colleagues within the legal team to ensure they are fully compliant.
- 12.6 The policies have been reviewed in line with our strategy and are aligned to the strategic themes and key outcomes accordingly, to ensure compliance and continuity across Group activity.
- 12.7 The policies within the framework are a key tool for staff to support some of our most vulnerable customers across Group and are utilised to ensure the correct measures are implemented, reporting processes are followed, and support offerings are provided, to help mitigate against any risk of harm or abuse.
- 12.8 Having a structured PPPF ensures that as an organisation we are taking a coordinated approach towards issues of public protection and safeguarding, which enhances staff confidence in dealing with these issues and ultimately strengthens our response to support our most vulnerable customers.

13. Recommendation

- 13.1 The Board is asked to review the PPPF and individual Group Protection Policies and provide feedback and comments on each, for incorporation into the final versions to go before the Wheatley Group Board for final approval.

List of appendices: [redacted. Available under publication scheme [Publication scheme | Wheatley Homes South \(wheatleyhomes-south.com\)](#)]

- Appendix 1 Revised Protecting People Policy Framework;
- Appendix 2 Revised Multi Agency Public Protection Arrangements Policy
- Appendix 3 Revised Domestic Abuse Policy;
- Appendix 4 Revised Child Protection Policy;
- Appendix 5 Revised Adult Support and Protection Policy.



Report

To: DGHP Board

By: Anthony Allison, Director of Governance

Approved by: Hazel Young, Group Director of Housing and Property

Subject: Wheatley Solutions: delivery model update

Date of Meeting: 17 August 2022

1. Purpose

- 1.1 To provide the Board with an update on the Wheatley Solutions delivery model the future role and focus of the Wheatley Solutions Board under its refreshed Terms of Reference (“ToR”).

2. Authorising and strategic context

- 2.1 Under the terms of our Intra Group Agreement (“IGA”) we have agreed with Wheatley Housing Group that Wheatley Solutions is the central service and corporate service provider to us and partner organisations across the Group.
- 2.2 We formally transitioned to all corporate services being provided via Wheatley Solutions from 1 April 2021 and entered into a services agreement with Wheatley Solutions which confirms this. The form of the Business Excellence Framework, an appendix to the Services Agreement within the IGA, is agreed between Wheatley Solutions and Subsidiary Boards directly. This supports the operational independence of each Board to agree relevant service standards and performance measures which reflect their priorities.

3. Background

- 3.1 Wheatley Solutions was created as a standalone entity in April 2016. The key drivers for its creation were: improving the quality and level of co-creation of services for customers (Wheatley Group subsidiaries); achieving operational and financial efficiencies; and enhancing transparency and accountability.
- 3.2 Wheatley Solutions’ approach is characterised by the deep understanding of its staff, and their commitment to ensuring that all partners in the Group can deliver excellent services for their tenants and other customers.
- 3.3 Wheatley Solutions has successfully achieved its objectives through a combination of:
- Formal service agreements and Business Excellence Frameworks defining the service relationship between Wheatley Solutions and subsidiaries.

- Subsidiary staff having an ongoing role in defining the priorities and measures within the service relationship and Wheatley Solutions services being adapted to reflect these;
- Wheatley Solutions Board membership being drawn from subsidiary Boards, who then approve its strategy, business plan and budget and receive and scrutinise finance and performance reports;
- Pooling central services across a growing number of subsidiaries and in turn reducing recharge levels;
- Access to Group-wide contracts which harness the buying power of the Group, using our scale to achieve lower costs and wider reach; and
- Access to in house expertise, such internal audit, for services which would previously have been outsourced with limited ability to influence service priorities.

3.4 The role of Wheatley Solutions has evolved since its creation. More recently, its Board has been given an oversight role in relation to the Group’s approach to sustainability and equality, diversity and inclusion. These are areas of concentrated focus and it is appropriate that the Group tasks a single entity with a particular role in overseeing the Group wide strategy in these areas.

4. Discussion

Wheatley Solutions staffing and service delivery model

- 4.1. Wheatley Solutions corporate services expertise and delivery is provided in-house through approximately 560 staff.
- 4.2. Wheatley Solutions staff are seconded from across all Group partners, who remain their legal employers. This model also helps both us and our Group partners to give our own employees training and career development opportunities, with the ability to move around the Group.
- 4.3. Wheatley Solutions brings together staff expertise across a wide range of services, including:

IT & Digital Transformation		Finance	Governance	Procurement
HR	Customer First Centre	Treasury	Litigation & legal services	Assets and sustainability
Communications & Marketing		Internal Audit		
Organisational Development		Data protection		Policy

- 4.4. This in-house provision from Solutions across the full range of corporate services allows partner organisations to:
- access expertise that has led to many innovations including funding, new build development, procurement and IT/Digital transformation;
 - minimise spend on external advisors, including VAT; and
 - share costs with all other Group partners, meaning services are more efficient

- 4.5. Unlike the other services provided by Solutions, the Customer First Centre (“CFC”) is a frontline customer facing service team, but in common with other corporate service teams, the CFC also provides services across all partner organisations.

Delivering benefits for us

- 4.6. Wheatley Solutions exists to provide benefit to the partner organisations it serves. It does not sell services externally, so it can focus on providing the best possible service to other members of the Group.
- 4.7. For example, numerous teams from Wheatley Solutions were key in supporting us as we joined the Group. This included support in technical migration; the recruitment and training/induction of staff; the restructuring of our subsidiaries; and the treasury and governance requirements for us to join the RSL borrower group.
- 4.8. Below are a range of examples of where Wheatley Solutions has played a critical role for us and our partners:

Procurement

- 4.9. The scarcity of Personal Protective Equipment (“PPE”) was a business critical challenge for all customer facing businesses during the pandemic. The Wheatley Solutions procurement team were able to use their skill, expertise and foresight to establish supply chains very early and consistently maintain high levels of stock on hand.
- 4.10. As a result of this we never faced any shortages of PPE throughout the pandemic. This ultimately allowed us to protect staff and continue to deliver services to customers that we would not otherwise have been able to.
- 4.11. Beyond the pandemic response, our procurement team has consistently supported partners by harnessing the scale of the Group to deliver efficiencies which can be reinvested in communities or access to opportunities that would not otherwise be available, including:
- New build framework - delivering more certainty on contractor availability and lowers costs;
 - Protected 90% of Group Utilities from market volatility by securing fixed rates – it should be noted that such is market volatility that just this 10% nearly doubled our energy bills;
 - New DGHP sub-contractor framework - providing greater access/coverage to sub-contractors and integration to Servitor IT platform to facilitate job management and the automation of processes
 - Community benefits – leveraging the scale of contracts to directly benefit our customers and communities.

IT and digital services

- 4.12. The pandemic tested every organisation's IT resilience and agility. The strength of our IT infrastructure and supply chains for devices such as laptops and phones allowed us to rapidly transition staff to fully homeworking where roles permit. This was essential in supporting staff continuing to undertake their roles, in particular allowing the Customer First Centre to go virtual and staff to make just under 50,000 welfare calls.
- 4.13. Over the last 12 months Wheatley Solutions' IT and digital services team has also significantly invested in group platforms and digital transformation, including
- DGHP technology integration – migrating 300 staff and 15,000 customers to Group platforms
 - Cyber Security improvements across Ransomware preparedness, email security, home working service access
 - Supporting the launch of the new CFC through a range of technology deployments, updates to CRM platform and voice services
 - creation of our new Data Team, supporting advanced analytics and reporting and our Digital Team enhancing our digital change and adoption approaches across Group
 - Book, Meet, Communicate, Collaborate digital workplace programme commenced with delivery of Wheatley House project
 - Building a new digital support service for staff providing 8am-8pm support for home workers
- 4.14. This work has been essential in providing the necessary, robust digital infrastructure to allow us to transition to the new operating model that we agreed with our tenants.

Treasury/Governance

- 4.15. Our treasury expertise allowed us to immediately refinance DGHP upon joining the Group to ensure that DGHP remained appropriately funded whilst removing the constraints of the previous funding, and associated security, arrangements. This has allowed DGHP to go on to develop a significantly enhanced capital investment programme as well as a new c1,000 home development programme.
- 4.16. We also recently undertook a funding restructuring exercise which enhanced our capacity to deliver new homes in the future. This included changes to our covenant package as well as DGHP and DGHP3 joining the RSL borrower Group. As part of this savings that could be achieved, up to £11m, over the next 10 years' development programme, can be reinvested in new homes and supporting more affordable rent increases.

Performance measurement

- 4.17. Wheatley Solutions performance is reported in a range of ways, combining quantitative and qualitative measures. As part of the refreshed Group Performance Framework agreed by Boards over April and May performance measures for a number of Wheatley Solutions services were included, such as:
- **CFC** – a range of performance measures such as call answering times, abandonment rates and first time resolution

- **Sustainability** - CO2 reduction and reaching carbon neutral
- **Health and Safety** – Number of incidents, days lost and notifiable events
- **Fire safety** – Accidental fires and fire risk assessments
- **IT/Procurement** - Online accounts and My Savings
- **People services** – absence levels, apprentices and graduate opportunities and internal promotions
- **Treasury** - Investment grade rating
- **Legal services** - Court actions/evictions

4.18. In addition to the above, our Business Excellence Framework (“BEF”) contains an additional range of quantitative performance measures which we have agreed with Wheatley Solutions.

4.19. We report progress against the measures in the BEF bi-annually, with a target of 90% of the measures being delivered over the course of each year. The year-end performance for 2021/22 against these measures showed Wheatley Solutions achieved 90% or greater for us and for our partner RSLs.

4.20. As part of the BEF we also hold bi-annual reviews with Wheatley Solutions through which our Managing Director provides formal feedback on Wheatley Solutions services and potential areas for refinement.

4.21. Areas of particular value highlighted as part of the 2021/22 review included: the IT migration to group systems; the support and advice on DGHP specific activities and its availability on demand; the service being adapted to meet their specific needs or challenges, such as the enhancement of HR wellbeing services; and having a lead identified for their organisation, such as in finance and governance, who has in depth knowledge of their organisation.

4.22. We also highlighted some areas where Wheatley Solutions could refine its approach. One area was ensuring there is communication to partners organisation staff what services are available in Wheatley Solutions. In response Wheatley Solutions created a directory listing all services, what support they can offer and a named contact for DGHP.

4.23. A further area of feedback was that Wheatley Solutions services would benefit from service standards in key areas. Examples included: how long IT support requests should take to be completed; response times to request for support i.e. email; and timescale for the availability of performance related data.

4.24. The Wheatley Solutions Services Agreement and BEF is now being reviewed to reflect more fully our new operating model and to take our feedback, and that of our partners, into account. The review will be focused on co-creation, collaboration and understanding partner’s priorities.

4.25. Wheatley Solutions is also intending to introduce a rolling programme to test satisfaction with services delivered by it. This will adopt a similar discipline to that of how we test customer satisfaction, with our staff asked to provide feedback on the services they receive and Wheatley Solutions leaders accountable for that feedback.

4.26. A question set will be developed based on what partner organisations tell us is important to them from Wheatley Solutions' services, such as:

- Quality of communication
- Ease of access to support
- Timeliness of responses
- Providing tailored support which reflect their organisation

4.27. The programme will test satisfaction with Wheatley Solutions as a whole as well as being deployed at service/departmental level. An element of this already exists, with some Wheatley Solutions services, such as Assurance, routinely seeking feedback.

4.28. An example of Wheatley Solutions engagement was a recent joint, in person, event with DGHP '*Wheatley and DGHP Leaders Session - shared ambitions for 2022-23*'. This was followed up with a lead from Wheatley Solutions services attending an in person DGHP staff conference in Dumfries to engage on how we can support DGHP staff and receive feedback on DGHP staff priorities.

4.29. In addition to the above, Wheatley Solutions also delivers services to and engages with Boards directly, such as

- Routine finance and performance reports
- Governance reports and proposals for Board feedback
- Thematic reports such as Assurance and cyber security updates

Wheatley Solutions intragroup recharging structure

4.30. In addition to transparency on performance and service delivery, there is an established structure for associated recharges. Costs for the provision of Wheatley Solutions services are charged out in full to us and the other trading subsidiaries within the Group on an allocation basis that is representative of use.

4.31. As set out in the Group charging policy, this is achieved by allocating costs based on the share of Group turnover. This approach is adjusted in certain cases to take account of the specific nature of the subsidiary (e.g. Care services) or where a subsidiary does not access all services provided by Solutions. The allocations used for 2022/23 are:

Subsidiary	% Allocation
WH Glasgow	68.2%
Lowther Homes	5.4%
Loretto HA	2.6%
Wheatley Care	0.8%
West Lothian HP	0.4%
Dunedin Canmore HA	9.2%
Wheatley Foundation	1.0%
DGHP	12.4%
	100.0%

- 4.29 In order to comply with HMRC transfer pricing requirements, a 5% mark up is added to the core costs recharges. In turn, Wheatley Solutions reimburses us and other relevant RSLs for head office costs for the use of owned office space. This results in Solutions reporting a year financial position close to break even.
- 4.30 For the 2022/23 financial year, Solutions has budgeted costs of £41,032k. This includes all staff and running costs for services, costs for the provision of regulated insurance activities to owners' on behalf of Lowther and head office costs. The table below summarises the 2022/23 budget which is extracted from year 1 of the approved financial projections and shows that after the recharging of its costs to Group subsidiaries a small profit of £3k remains.

Table 1: Wheatley Solutions 2022/23 approved budget

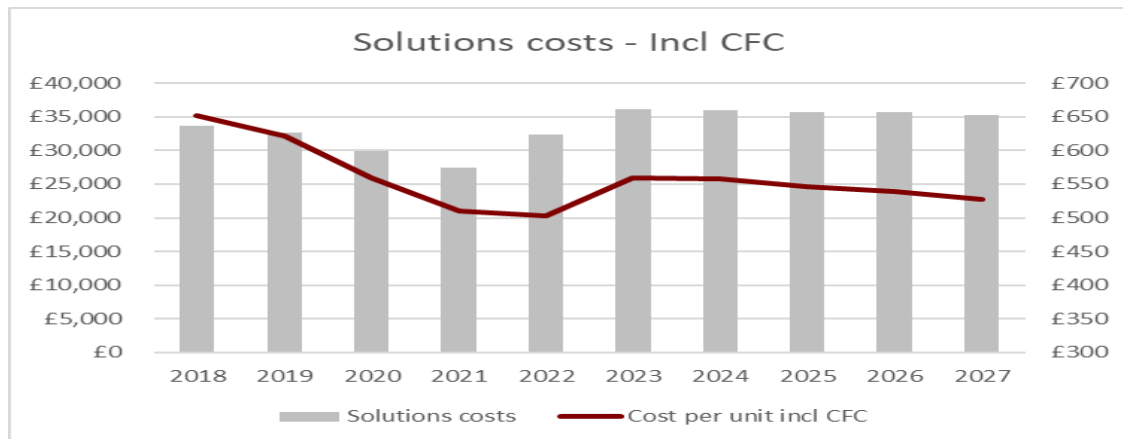
	2022/23 Budget
	£k
Income	41,035
Expenditure	
Staff costs	(21,772)
Running Costs	(13,862)
	(35,634)
Regulated insurance activities	(3,609)
Head office costs	(1,789)
	(41,032)
Profit before tax	3

Cost efficiencies

- 4.31 One of the benefits of the in-house provision of support services is the ability to drive cost efficiencies in conjunction with the reshaping of a back office service model and to take advantage of economies of scale through the growth in the size of the Group, contributing to the overall strategic objective to provide the Group's customers with value for money services.
- 4.32 Wheatley Solutions has a well-established track record of delivering efficiencies. From 2018, after adjusting actual costs to restate in real terms to take account of inflation, the cost per unit of Solutions functions reduced from £651 per unit to £503 per unit for the year to March 2022.
- 4.33 These per unit measures include the costs of the services provided by the CFC and the recent changes to their service model which has been significantly reshaped to support our new ways of working. This has created a single point of resolution for all customer queries and freed up housing officers to focus on face to face interactions in their patches.

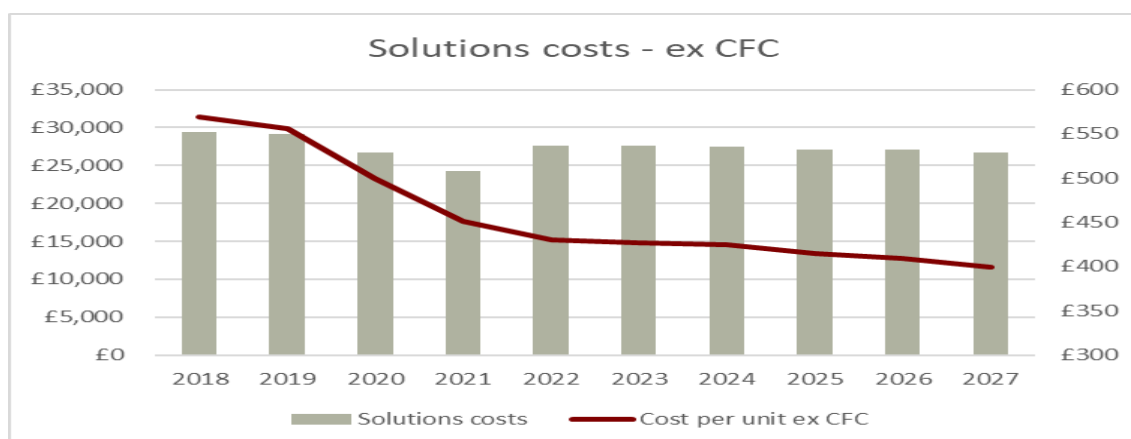
- 4.34 Additional staffing resources have been deployed in the CFC to support delivery of the new model increasing headcount from 104 FTEs to 260 FTEs through a combination of newly created posts and restructuring of existing staff increasing staff and running costs by £4.5m per annum to £8.6m per annum.
- 4.35 This is the key driver for the increase to Solutions costs between 2021 and 2023 following the phased implementation of the changes in the fourth quarter of 2022. This in turn has uplifted the cost per unit in 2023 to £559 from £503 in 2022. Cost per unit reduces thereafter to £528 by 2027 on the achievement of planned efficiencies as shown in chart 1 below.

Chart 1: Solutions costs and cost per unit



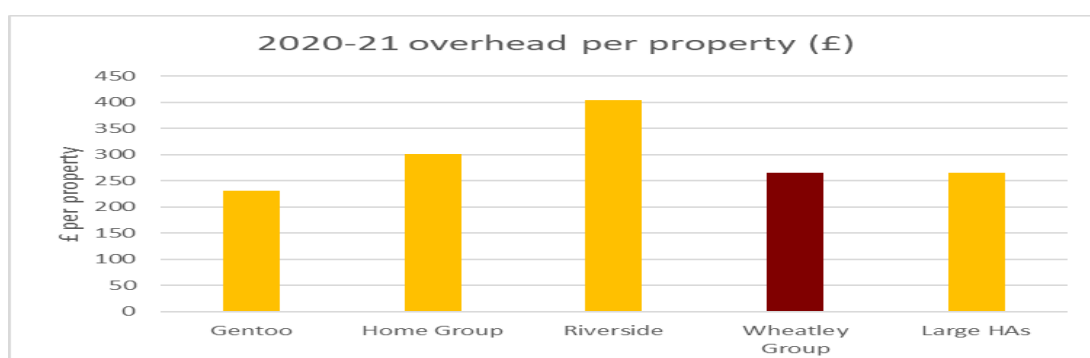
- 4.36 Taking only corporate support functions provided by Solutions and excluding the costs of the CFC gives a clearer view of the underlying cost of the core support service provision. This is shown in Chart 2 with a cost per unit of £559 in 2018 for core back office services reducing to £430 for the year to March 2022. Total overheads also match this reducing trend with the exception of an increase in 2022 from the expansion of the Solutions service offering to DGHP and the secondment of corporate services staff from DGHP to Solutions. This did not however have an impact on cost per unit as the unit numbers increased correspondingly.

Chart 2: Solutions costs and cost per unit excluding CFC



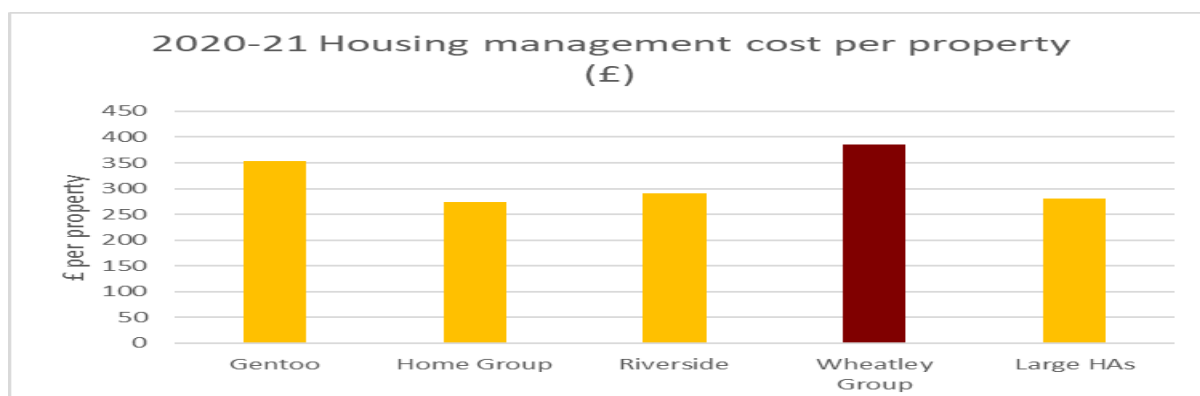
- 4.37 The cost per unit of core corporate support services is projected to continue to reduce from £430 at March 2022 to £399 by 2027 as a result of future cost efficiencies which have been targeted in the Solutions financial projections principally within running costs. These targets are supported by our digital transformation strategy and help reduce our transactional costs with our customers. The integration of DGHP to group wide systems will also allow us to take advantage of cost efficiencies in IT support and maintenance costs. These savings will create additional financial resources for partners to reinvest in customer facing services, investment and wrap around support.
- 4.38 In order to understand the value for money being delivered by Wheatley Solutions we are part of sector benchmarking through Housemark, a data and insight company for the UK housing sector.
- 4.39 Our comparator group is large Housing Associations (over 10,000 units), excluding London and South East based organisations given their different economic context. The comparator group includes large organisations such as Riverside, Home Group and Gentoo.
- 4.40 Housemark applies a standardised benchmarking methodology. The methodology excludes finance and IT costs as they are subject to standalone benchmarking given they are normally the largest corporate services teams. Benchmarking at this level confirms we compare very well. Our finance team is the lowest in its peer group by the cost per property measure and our increased investment in digital transformation has seen us now have revenue costs that are broadly in line with the national average.
- 4.41 The benchmarking feedback for 2020/21 shows that in their assessment of central overheads, less finance and IT, we compare well with other large housing associations in the UK. The Housemark definition of central overheads includes the majority of the remaining Solutions functions, the Executive team as well as other non-pay overheads such as property insurance costs.
- 4.42 The costs of the CFC are allocated according to the activities staff carry out. A small element is accounted for within Housemark’s central overhead measure with the majority reported through their housing management benchmark.

Chart 3: Housemark overhead comparison



- 4.43 The direct benefit of the efficiencies that we deliver and how they support higher investment in value added services to customers is also shown by the Housemark data on our housing management costs which shows that relative to other organisations we invest proportionately more in housing management and customer facing services.

Chart 4: Housemark housing management spend



4.44 This represents the critical elements of our housing model, such as 1:200 patch sizes, concierge in MSFs and W360 and which are not replicated in the comparator group. The majority of the costs of the CFC are reported here and the additional resources put in place in 2021-22 will show through this measure when it is next updated.

Future priorities

4.45 Wheatley Solutions and its Board's future priorities and focus reflect the priorities and strategies of its partners and the Group more widely. A separate report on the agenda sets out in more detail how it is responding to feedback on the development of digital and online services.

4.46 Sustainability is now a key priority, with a strategic project agreed to develop a strategic sustainability framework, our Pathway to Net Zero Group ("PTNZG") now in place and sustainability incorporated into the Wheatley Solutions Board Terms of Reference.

4.47 The PTNZG has held its first meeting and its Chair attended the last Wheatley Solutions Board in May to give it feedback on its first meeting and plan for the year ahead. The Wheatley Solutions Board will continue to oversee and scrutinise the activity of the PTNZG.

4.48 As we continue to implement our new staff operating model we have a wider range of activities planned in the year ahead to support our staff thrive under the model. This includes a review of our Group Learning Framework, the continued roll out of new leadership programmes bespoke to reflect our operating model, and finalising our Centres of Excellence programme.

4.49 As discussed earlier in the report we will be refining our approach to receiving feedback from partner organisations on Wheatley Solutions services. We intend, for example, to consider how our customer sentiment analysis tool can support more dynamic satisfaction surveying and immediate feedback.

5. Customer Engagement

5.1 Wheatley Solutions is reflecting the group and our partner organisation's focus on enhancing customer engagement and co-creation. Customer engagement is being incorporated into all appropriate Wheatley Solutions activity, as seen in the recent Group Delivery Plan strategic projects.

5.2 Recent examples of where we have engaged with tenants in relation to Wheatley Solutions' service delivery includes:

- Tenants testing elements of the digital services to provide feedback on the user experience - the feedback is being used to make changes; and
- Scrutiny panel engaged on the planned approach to collecting equalities data

6. Environmental and sustainability implications

6.1 There are no direct environmental or sustainability implications arising from this report. A key activity is the development of a group strategic sustainability framework and once agreed implementation will be monitored by the Wheatley Solutions Board.

7. Digital transformation alignment

7.1 Our Group-wide digital transformation programme is a central element of delivering our strategy, ranging from how we engage customers also support staff collaborating, to how we deliver our services and keep our data safe.

7.2 The Wheatley Solutions Board is responsible for oversight and scrutiny of the delivery of the overall digital transformation programme. It is a standing item at its Board meetings and is also reflected in its performance measures such as digital maturity level.

8. Financial and value for money implications

8.1 Wheatley Solutions has a track record of delivering cost efficiency targets having reduced the cost per unit of core corporate services from £559 per unit in 2018 to £430 per unit in the year to March 2022.

8.2 Wheatley Solutions has a strategic objective to provide us and our partners in Wheatley Group with excellent services that represent value for money and future cost efficiencies are targeted in the Wheatley Solutions financial projections which were approved by their Board in February 2022.

8.3 Wheatley Solutions is financially neutral and any variance to financial projections are passed on to Group subsidiaries with the risk sitting with the individual entities. In year budgetary control within Wheatley Solutions remains key as an unfavourable financial performance could have a material impact on their ability to meet loan covenants or service interest payments.

9. Legal, regulatory and charitable implications

9.1 The existing Services Agreement and Business Excellence Framework allow us to meet our regulatory requirements in relation to having clearly defined arrangements for intragroup services in a group structure.

10. Risk appetite and assessment

10.1 Our risk appetite in relation to governance is cautious. The creation of Wheatley Solutions was designed to enhance the governance and oversight of the delivery of corporate services across the Wheatley Group.

10.2 There is a risk that Wheatley Solutions services are not appropriately tailored to or focussed on our specific priorities. This risk is mitigated through a combination of the composition of the Wheatley Solutions Board, our services agreement , ongoing staff engagement and the formal bi-annual meeting with our Managing Director.

11. Equalities implications

11.1 There are no equalities implications associated with this report.

12. Key issues and conclusions

12.1 Wheatley Solutions has allowed us and our partner organisations to access a wider range of services and expertise than may be otherwise possible. In parallel, Wheatley Solutions has delivered a service which has continuously improved whilst harnessing the scale of the group to deliver efficiencies and greater value for money.

12.2 The comparatively low costs in Wheatley Solutions are consistent with our objective that efficiency in Wheatley Solutions enables spending more in customer facing activities and services.

13. Recommendations

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



Report

To: Dumfries and Galloway Housing Partnership Board

By: Louise Morrison, Finance Manager DGHP

Approved by: Pauline Turnock, Director of Financial and Legal Services

Subject: 2021/22 Financial Statements

Date of Meeting: 17 August 2022

1. Purpose

- 1.1 The purpose of this report is to provide the DGHP Board with an overview of the 2021/22 financial statements.
- 1.2 The Board should note that the financial statements have been reviewed by the Wheatley Group Audit Committee and recommended for approval at its meeting which was held on 3 August 2022.

2. Authorising and strategic context

- 2.1 Under the terms of the Intra-Group Agreement between DGHP and the Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, the DGHP Board is responsible for the on-going monitoring of performance against agreed targets. This includes the on-going performance of its finances and the approval of the statutory financial statements.
- 2.2 This report provides the Board with the final statutory financial statements following the completion of the external audit by KPMG and a reconciliation of the final out-turn to Period 12 2021/22 management accounts.

3. Background

Financial performance to 31 March 2022

- 3.1 The financial statements are now complete and have been audited. The financial results for the DGHP Group, which is made up of DGHP, Novantie and Wheatley Developments Scotland, (formerly DGHP 3) are summarised below. The financial results reflect the requirements of the 2014 Statement of Recommended Practice ("SORP 2014") for Social Housing Providers.

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Turnover	54,965	48,692
Operating Expenditure	(38,623)	(33,187)
Other gains and losses	4,463	3,064
Operating Surplus	20,805	18,569
Finance income	78	138
Finance costs	(6,111)	(6,125)
Office property – valuation	(186)	7
Surplus for the year	14,586	12,589
Tax	113	(17)
Property revaluation – social housing properties	(34,511)	32,301
Actuarial gain in respect of pension schemes	1,466	120
Total comprehensive income for the year	18,346	44,993

3.2 The finance reports submitted to the Board during the year formed the basis of these financial statements and were updated to include a number of year end statutory adjustments.

4. Discussion

Adjustments from 31 March 2022 management accounts

4.1 The adjustments made between the DGHP period 12 management accounts and the final audited accounts are summarised below:

	Income & Expenditure £m	Net assets £m
P12 Management accounts	11.6	288.0
Revaluation of social housing properties	(34.5)	(34.5)
Revaluation of investment properties	1.3	1.3
Revaluation of office properties	(0.2)	(0.2)
FRS 102 pension adjustments	3.4	3.4
Depreciation	(0.2)	(0.2)
Other	0.2	0.1
In specie dividend from Novantia	-	0.6
Statutory financial statements	(18.4)	258.5

- 4.2 Revaluation of Properties: Housing, investment and office properties have been revalued at the year-end by Jones Lang Lasalle, the Group's valuers. The valuation of social housing stock is carried out on an Existing Use for Social Housing ("EUV-SH") basis. The EUV-SH valuation is assessed by modelling the net cashflows generated from properties using assumptions made by JLL on cost inflation and other costs to manage the properties. More general assumptions are applied by JLL on investment requirements over the stock in the longer term. Having homes which are well maintained and remain in good condition supports future letting and maintains future cashflows from rental income. However, this approach means that the valuation movement does not always reflect the scale of investment in existing homes in any one year.
- 4.2 For 2021/22, the comparison of the net book value of the social housing properties to the EUV-SH valuation results in a downward valuation of £34.5m. This movement is driven by the higher level of investment spend in 2021/22 in our social housing properties delayed from 2020/21 to bring them up to SHQS and the large smoke and heat detector programme. The valuation is also been impacted by the decision to remove some properties from the letting pool following a decision to reclassify as they await demolition. Properties identified for demolition are held at nil value.
- 4.3 The completion of the 37 new build properties during the year will also have an impact as social housing properties are initially recognised on the balance sheet at cost of construction, then are written down to tenanted market value on completion. The write-down is, however, offset by the grant received to subsidise their construction, which is also recognised through the income statement.
- 4.4 The valuation also reports an increase of £1.3m for mid-market rent (investment) properties and a small decrease of £0.2m for office properties.
- 4.5 FRS 102 Pension adjustments: As part of a pension restructure, all DGHP's assets and obligations in Dumfries and Galloway Pension Fund were transferred to Wheatley Homes Glasgow Limited through its participation in Strathclyde Pension Scheme. The transfer took place on 28 February 2022 and DGHP's obligations in Dumfries and Galloway Pension Fund have been settled at that date. The FRS 102 pension adjustments include:
- £1.2m of service costs and £60k of interest costs
 - £1.4m actuarial gain
 - £3.1m gain on transfer of assets and obligations.
- 4.6 Depreciation and other adjustments: These adjustments are for other items finalised after the preparation of the management accounts such as a review of the accuracy of accruals made following the receipt of the invoices post year end and update of the depreciation charge for component accounting.
- 4.7 Dividend from Novantie: On 30 March 2022, Novantie made a dividend in specie of its properties (16 commercial and 1 owned MMR) to DGHP. Under FRS 102, this is recognised in the statement of reserves.

Audit summary

- 4.6 The external auditors, KPMG, have completed their audit of the financial statements and have issued an unqualified audit opinion. Through their audit work KPMG identified a small number of audit adjustments relating to the update of the year end property valuation and these have been updated in the financial statements.
- 4.7 As a standard part of their audit process, and in line with previous years, KPMG require the Board of each organisation in the Wheatley Group to sign a “letter of representation” in which the Board confirms certain matters in terms of disclosure and record-keeping. As in previous years, a letter from the Chief Executive has been provided to each Board to provide comfort that the officers have complied with the matters stated in this letter. Both these documents are provided along with this paper (Appendix 2 and 3 respectively).
- 4.8 The Board are asked to confirm in the letter of representation that the financial statements are prepared on a going concern basis. The assessment that the Company continues in business is based on the preparation and approval of the Company’s 30 year business plan which includes cashflow forecasts, the certainty of revenue streams from rental income and the assessment of the availability of funding.
- 4.9 The accounts will be signed following the approval of the Wheatley Group accounts at the Group Board meeting on 25 August 2022. A copy of KPMG’s audit highlights report will be uploaded to Admincontrol and available by request.

5. Customer Engagement

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

6. Environmental and sustainability implications

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

7. Digital transformation alignment

- 7.1 There are no digital transformation alignment implications arising from this report.

8. Financial and value for money implications

- 8.1 The business plan will be updated to reflect the 2021/22 statutory accounts.

9. Legal, regulatory and charitable implications

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

10. Risk appetite and assessment

- 10.1 Our agreed risk appetite for governance is “cautious”. This level of risk tolerance is defined as “preference for safe delivery options that have a low degree of inherent risk and have only limited potential for reward”.

11. Equalities impact

11.1 There are no equalities implications arising from this report.

12. Key issues and conclusions

12.1 This paper presents the audited financial statements for 2021/22.

13. Recommendations

13.1 The Board is asked to:

1. Approve the 2021/22 financial statements;
2. Confirm the preparation of the financial statements using the going concern basis;
3. Delegate authority to the Chair and Group Director of Finance to approve any non-material changes to the accounts; and
4. Approve the letter of representation from the auditors, and note the related letter of comfort from the Chief Executive.

LIST OF APPENDICES

Appendix 1: DGHP Consolidated Financial statements for the year ending 31 March 2022
[redacted: available here [Financial statements \(wheatley-group.com\)](#)]

Appendix 2: Letter of representation to KPMG [redacted]

Appendix 3: Letter of representation from management [redacted]



Report

To: DGHP Board

By: Randal Brown, Director of Assurance

Subject: Group Assurance Update

Date of Meeting: 17 August 2022

1. Purpose

- 1.1. This report provides the DGHP Board (the Board) with an update for noting of the following matters:
- the Internal Audit Annual Report and Opinion 2021/22;
 - internal audit work performed during Q3 and Q4 of 2021/22; and
 - the rolling Internal Audit Plan 2022/23.

2. Authorising and strategic context

- 2.1. Under the Group Authorising Framework, the Board is responsible for managing and monitoring its compliance arrangements and operational performance. The activities undertaken by the Assurance Team provide the Board with independent assurance to support the Board in this role.
- 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 monitor results as presented in the annual internal audit report and opinion. The 2021/22 Internal Audit Annual Report and Opinion was approved by the Group Audit Committee on 13 June 2022, as was the current schedule of work within the rolling Internal Audit Plan 2022/23.

3. Background

- 3.1. The Group's Internal Audit team operates in accordance with the Chartered Institute of Internal Auditors' International Professional Practices Framework (IPPF), which includes the International Standards for the Professional Practice of Internal Auditing (the Standards).
- 3.2. In line with the requirements of the Standards, Internal Audit provides the Board with an Annual Report and Opinion, which summarises the results of the Internal Audit team's work during the financial year and provides an opinion on the Group's internal control, governance, and risk management framework. A copy of the Director of Assurance's Internal Audit Annual Report and Opinion for 2021/22 is set out in **Appendix 1**.

- 3.3. The results of Internal Audit work performed in Q1 and Q2 2021/22 was reported to the Board in November 2021. For Q3 and Q4 2021/22, the Group Audit Committee approved delivery of the following reviews, as part of the Internal Audit Plan 2021/22:

Quarter 3 2021/22	Quarter 4 2021/22
Fire Risk Assessments	Wheatley Foundation ESF Funding
Working from Home	Payroll
Accounts Payable	Repairs
Lowther Homes review	Lowther Homes follow up review
Technology and Business Model coordination group	Data analytics
Boxi replacement readiness review	Follow-Up of Management Actions

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

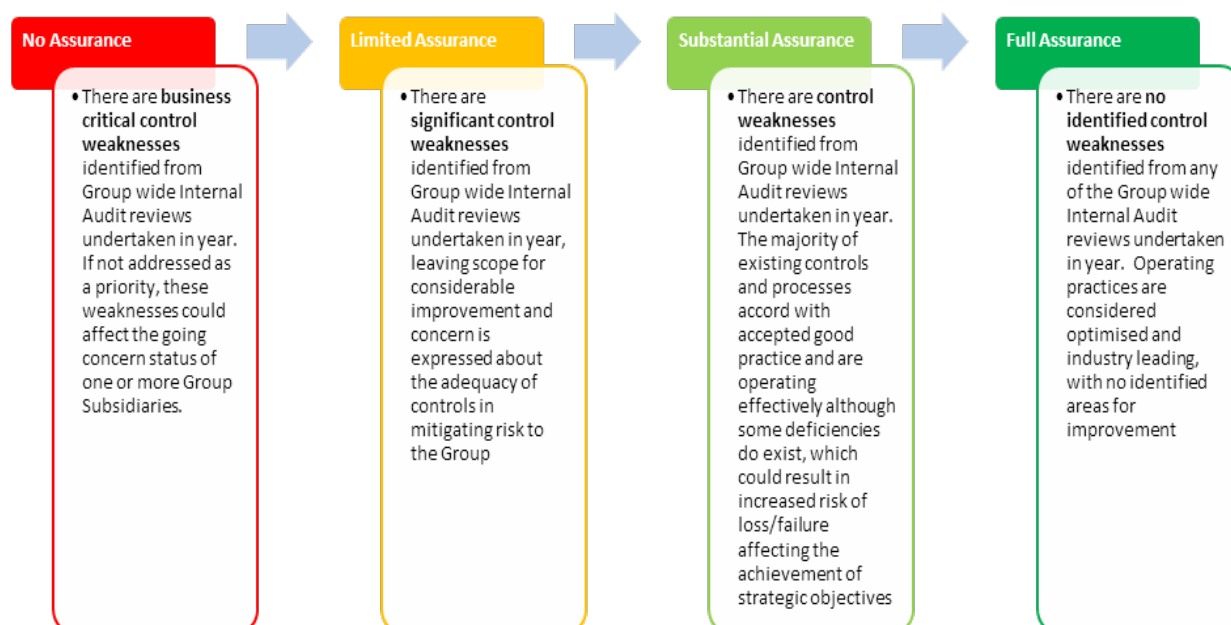
4. Discussion

Internal Audit Annual Report and Opinion 2021/22

- 4.1. The Internal Audit Annual Report and Opinion 2021/22 was approved by the Group Audit Committee at its meeting on 13 June 2022. The Annual Report and Opinion is then reported to each partner Board alongside the annual accounts. The Statement on Internal Financial Control included within the statutory accounts sets out our conclusions.
- 4.2. A copy of the Annual Report and Opinion has been included at **Appendix 1**, sections 3 and 4 of which provide details of all work performed and the Subsidiaries covered. The reviews specifically relevant to this Board are:

Furlough Scheme	Equalities, Diversity & Human Rights	Fire Risk Assessments	Working from Home follow up
ESG Baseline	Technology and Business Model Coordination Group	Digital Strategy Follow Up	Accounts Payable
Payroll	Strategic Projects oversight arrangements	Boxi replacement readiness	Data Analytics: Payroll
Annual SHR Assurance Statement	Repairs	Voids Management	Complaints Handling

4.3. The table below shows the different types of Internal Audit Opinion which may be given:



4.4. Following completion of our approved Internal Audit Plan, we can confirm that sufficient work has been undertaken to enable us to provide an opinion on the adequacy and effectiveness of the internal control environment in operation during 2021/22. In giving this opinion, it should be noted that assurance can never be absolute.

4.5. During the delivery of our Internal Audit plan, we identified no critical weaknesses in the governance, risk management, or internal control arrangements which would put the achievement of Group objectives at risk except for weaknesses in Lowther Homes processes and controls in relation to the administration of deposits. The status of all audit actions will continue to be reported regularly to the Group Audit Committee.

Internal Audit Opinion 2021/22

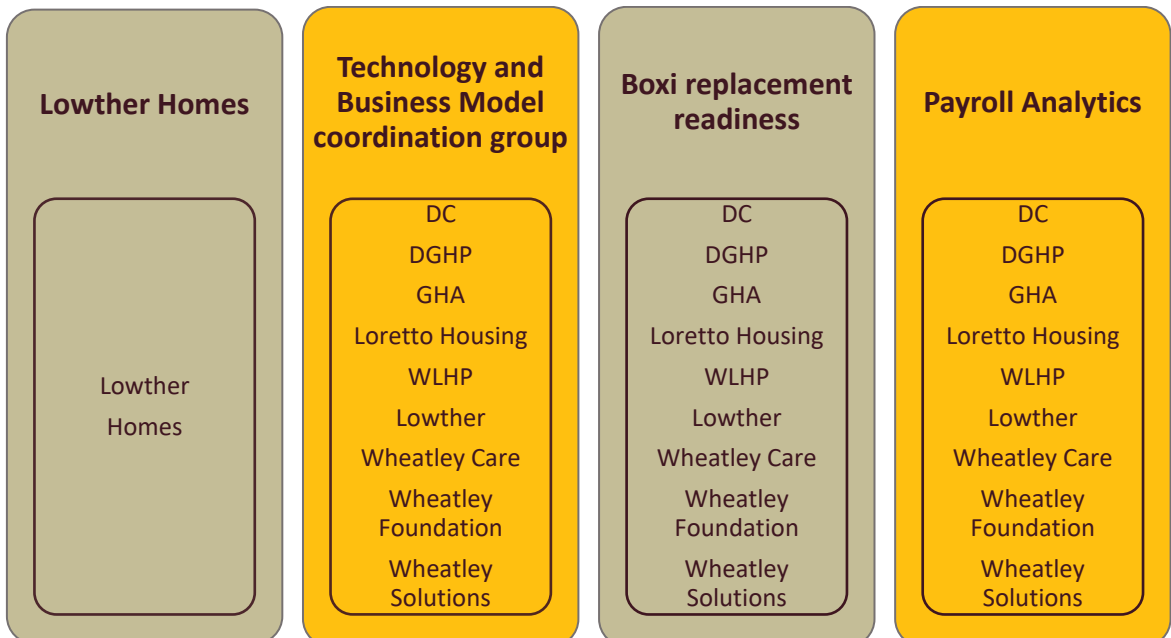
Based on our Group-wide work undertaken in 2021/22 a substantial level of assurance can be given that there is a sound system of internal control, designed to support achievement of relevant organisational objectives, [redacted]

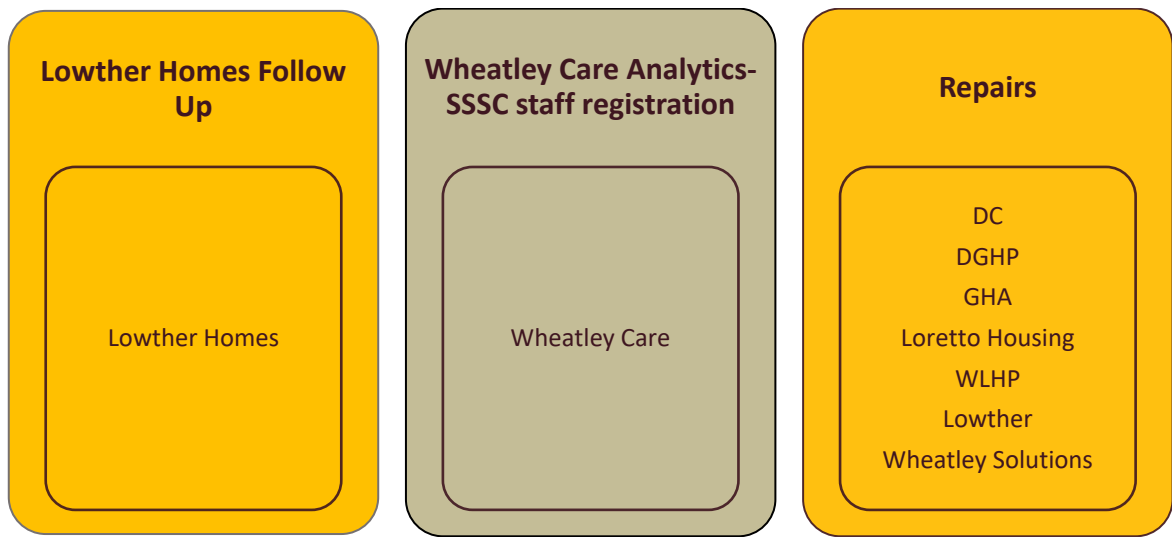
Summary of Q3 and Q4 2021/22 work

4.6. The table below summarises the results of 2021/22 Annual Plan work completed in the period since our last report.



4.7. In addition, the following reviews have also been completed:





- 4.8. More detail on the key findings for each review are set out in the Group Assurance Update at **Appendix 2**. Full reports are available to all Board members upon request.

Rolling Internal Audit Plan to November 2022

- 4.9. The Group Audit Committee reviews the rolling Internal Audit Plan at each of its meetings, approving the work scheduled for the coming quarter. In June 2022, the Group Audit Committee approved the completion of an exercise to review the extent of local compliance checks in place across the Group. The Internal Audit team will work with management to identify areas in which compliance checking should be continued, reintroduced or developed. The team will assist management to review the checking methodology, and to develop routine reporting of the results of compliance checking to senior management and Boards.

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 advisory reports on Boxi replacement readiness and the Technology and Business Model Coordination Group will assist management to implement planned changes to achieve the digital transformation required in order to successfully deliver the Group's strategic aims.

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 its planned work for 2021/22 and the Director of Assurance has issued his annual opinion, as outlined at paragraph 4.5.
- 12.2. The Internal Audit team has completed the listed reviews. No significant matters were noted to bring to the attention of the Board members and management have agreed actions to address the improvement actions identified during each review. The Internal Audit team will monitor completion of these actions and report progress to future meetings of the Group Audit Committee and this Board.
- 12.3. 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 – Annual Report and Opinion 2021/22

Appendix 2 – Group Assurance Update August 2022

Internal Audit Annual Report and Opinion 2021/22

1. Introduction

The purpose of this report is to provide our view on the adequacy and effectiveness of the Wheatley Group’s (“the Group”) system of governance, risk management and internal control, as assessed through delivery of our rolling Internal Audit Plan during 2021/22.

The Internal Audit Plan is reviewed and approved by the Group Audit Committee (“the Committee”) each quarter and progress against this plan has been reported to the Committee throughout the financial year.

Our detailed findings from specific reviews have been reported to Management during the year, with a summary of these findings reported to the Committee at each of its 2021/22 meetings. Summary findings have also been reported to Subsidiary Boards and the Group Board where appropriate.

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

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

Section 3 – Definition of Auditing; Chartered Institute of Internal Auditors’ International Professional Practices Framework

Group Assurance Mission Statement

To enhance and protect the Wheatley Group by providing independent, risk based and objective, assurance, advice and insight

2. Annual Internal Audit Opinion

Scope

In line with the International Standards for the Professional Practice of Internal Auditing (“the Standards”), Internal Audit provides the Group Board, Audit Committee and Subsidiary Boards with an Annual Internal Audit Opinion, as a result of the work completed during 2021/22.

Our opinion is subject to the inherent limitations of Internal Audit (covering both the control environment and the assurance over controls) as set out in Appendix 1 (Limitations and Responsibilities).

In arriving at our Annual Internal Audit Opinion, we have taken the following matters into account:

- the results of all Internal Audit work undertaken (including any upheld instances of fraud or whistleblowing) during the year ended 31 March 2022;
- in accordance with the Wheatley Group City Building Glasgow Assurance approach, we have placed reliance on the internal audit work done by the Glasgow City Council’s Chief Internal Auditor in relation to City Building Glasgow;
- the effects of any material changes in the Group’s objectives, activities or regulatory environment; and
- whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the Group’s Internal Audit needs.

Basis of Opinion

Sufficient work has been undertaken to enable us to provide an opinion on the adequacy and effectiveness of the internal control environment in operation during 2021/22. In giving this opinion, it should be noted that assurance can never be absolute.

During the delivery of our Internal Audit plan, we identified no critical weaknesses in the governance, risk management, or internal control arrangements which would put the achievement of Group objectives at risk except for weaknesses in Lowther Homes processes and controls in relation to the administration of deposits.

As reported to the Group Audit Committee, Management has acted promptly to address the findings we reported during the year and thereby strengthen the controls in place. Implementing agreed actions is a priority and progress is regularly reported to the Directorate Management Teams, Executive Team, Subsidiary Boards, City Building Glasgow, Group Board and the Group Audit Committee.

Internal Audit Opinion 2021/22

*Based on our Group-wide work undertaken in 2021/22 a **substantial level of assurance*** can be given that there is a sound system of internal control, designed to support achievement of relevant organisational objectives, [redacted]*

3. Summary of Findings

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



4. Summary of other work performed

The Internal Audit team has also completed the following advisory and consultancy reviews, which did not include an assessment of the achievement of control objectives, due to the nature of the work performed. Summaries of the findings of all the reviews conducted during 2021/22 have previously been reported to the Group Audit Committee and to Subsidiary Boards.

<ul style="list-style-type: none"> • DC • DGHP • GHA • Loretto Housing • WLHP • Lowther Homes • Wheatley Care • Wheatley Foundation • Wheatley Solutions 	<ul style="list-style-type: none"> • DC • DGHP • GHA • Loretto Housing • WLHP • Lowther Homes • Wheatley Care • Wheatley Foundation • Wheatley Solutions 	<ul style="list-style-type: none"> • DC • DGHP • GHA • Loretto Housing • WLHP • Wheatley Solutions 	<ul style="list-style-type: none"> • DC • DGHP • GHA • Loretto Housing • WLHP • Lowther Homes • Wheatley Care • Wheatley Foundation • Wheatley Solutions 	<ul style="list-style-type: none"> • Lowther Homes 	<ul style="list-style-type: none"> • DC • DGHP • GHA • Loretto Housing • WLHP • Lowther Homes • Wheatley Care • Wheatley Foundation • Wheatley Solutions
ESG Baseline	Digital Strategy Follow Up	Annual SHR Assurance Statement	Strategic Projects oversight arrangements	Lowther Homes	Payroll Data Analytics
<ul style="list-style-type: none"> • DC • DGHP • GHA • Loretto Housing • WLHP • Lowther Homes • Wheatley Care • Wheatley Foundation • Wheatley Solutions 	<ul style="list-style-type: none"> • DC • DGHP • GHA • Loretto Housing • WLHP • Lowther Homes • Wheatley Care • Wheatley Foundation • Wheatley Solutions 	<ul style="list-style-type: none"> • Lowther Homes 	<ul style="list-style-type: none"> • Wheatley Care 	<ul style="list-style-type: none"> • DC • DGHP • GHA • Loretto Housing • WLHP • Lowther Homes • Wheatley Solutions 	
Technology and Business model coordination group	Boxi replacement readiness	Lowther Homes Follow Up	Wheatley Care Data Analytics	Repairs	

5. Follow Up of Management Actions

Internal Audit completes follow up activity to verify that management have implemented actions as agreed in our internal audit reports. The follow up activity is undertaken quarterly, with the results reported to each meeting of the Group Audit Committee.

The information below is a summary of all actions followed up during the course of 2021/22.

Our assessment has included review of each action to determine whether:

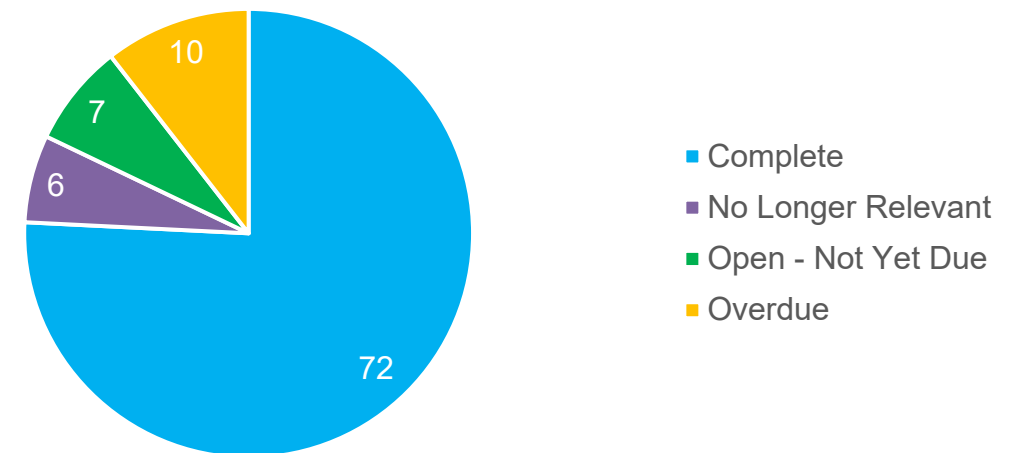
- a) The action has been completed during 2021/22;
- b) The action is no longer relevant or has been superseded;
- c) The action is not yet due for completion; or
- d) The action is overdue for completion.

For the 10 overdue actions, we have discussed the current status with management and identified revised timescales for completion of the original actions. In 8 instances, this is due to the actions being incorporated into projects to be delivered as part of the 2022/23 Delivery Plan. In each case, we are satisfied that the action is in progress and we will continue to monitor full implementation of these actions.

Status	Actions
Actions brought forward from 1 April 2021	23
New actions agreed during 2021/22	72
Total Actions followed up during 2021/22	95

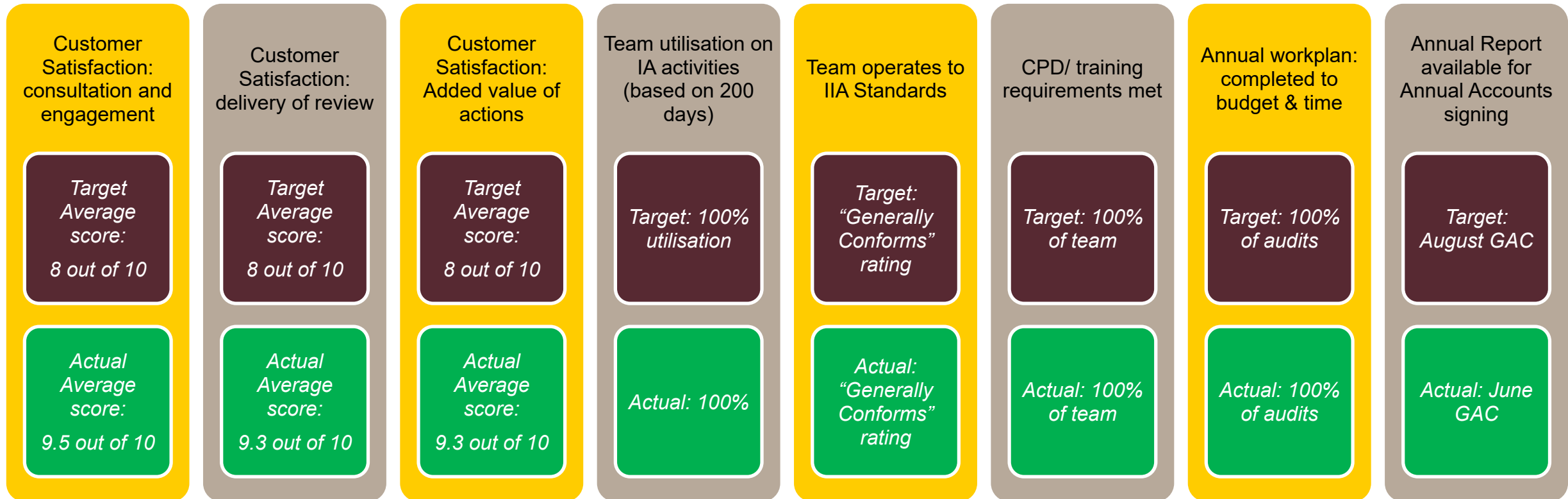
The chart below summarises our assessment of the status of the 95 actions followed up during 2021/22.

Status of all actions followed up in 2021/22



Key Performance Indicators 2021/22

The Internal Audit team's performance against its agreed KPIs for 2021/22 is set out below:



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

- More than 15% away from target
- Within 15% of target
- Target met / on track for year

7. IA 2021/21 Feedback

The customer satisfaction measures are based on feedback forms completed by auditees following each review. We acknowledge that the average scores received are high, however we believe the supporting commentary reflects the success of improvements we have made to our internal audit methodology in response to the new operating model. In particular Subsidiary Directors commented that:

“Colleagues in audit always, without exception, consult in a very timely manner. They always plan in advance giving significant time for subsidiaries and business areas to respond appropriately.”

“Audit team are always inquisitive about the business and keep themselves informed across the business of changes in processes and approaches.”

“Recommendations are presented in a way where it is clear they can be discussed and feedback will be responded to.”

“The service delivered is very professional. All colleagues we interact with are pleasant, helpful, personable and clear of their remit, what outcomes they/we wish to achieve and the roles and responsibilities of the officers they interact with.”

The responses also highlighted the following opportunities which have been added to our Internal Audit Improvement Plan.

We will explore opportunities for the team to gain more specialist/technical knowledge (eg shadowing services) in areas which would add demonstrable value to the Group Internal Audit process.

- “specific care knowledge can always be improved as it is not their specific expertise or working experience. This would be the case for anyone working outwith the sector.”
- “they are able to work well with 'expert' colleagues in the business as part of the audit to ensure that lack of specialism in the team is not a barrier to helpful findings”

We will offer different methods of agreeing audit actions to best meet management's individual needs. For example, we could facilitate workshops or cross-departmental meetings to share ideas and identify practical solutions.

- “team are great at offering potential solutions that are very practical generally but don't always fit or work for care”
- “Some actions and recommendations span complex processes that are responsibilities of other depts/service areas (including business approach/planning etc),so practical implementation can be more complex”
- “because of the nature of our work on ESG it was difficult to identify practical solutions of significant value. Nevertheless the approach and insight provided was very helpful”

8. IA Compliance with Standards

Internal Audit compliance with professional standards

The Internal Audit team employs a risk-based approach to determine the audit needs of the Group at the start of each year, which is reviewed on a rolling three-month basis throughout the year. The team uses a risk-based methodology to plan and conduct our work, and all Internal Audit activity is performed in line with the International Standards for the Professional Practice of Internal Auditing and the Code of Professional Conduct (including Code of Ethics) promoted by the Chartered Institute of Internal Auditors.

Internal Audit independence

Each member of the Internal Audit team is required to confirm their independence annually. The Independence Statements were last collected in September 2021 and the exercise will be repeated in September 2022.

Conflicts of Interest

The Internal Audit team is led by the Director of Assurance, who reports directly to the Group Chief Executive and meets regularly with the Chair of the Group Audit Committee.

The Director of Assurance has other operational responsibilities. Consequently, the Group Audit Committee assesses the controls in place to maintain the Director's independence on an annual basis.

There have been no conflicts of interest during the year which have impacted on our independence or our ability to report our findings.

9. IA Quality Assurance and Improvement Programme

As part of the IA Team's Quality Assurance and Improvement Programme, we completed our internal quality assurance during 2021/22, comprising:

Ongoing monitoring

- Day-to-day supervision and review of IA team's work
- Key Performance Indicators (KPIs) monitoring and reporting

Annual CPE Completion

- Each IA team member completes training to meet the annual CPE requirement of their professional institute.

Annual self-assessment

- Completed using guidance issued by the CIIA
- Results reported within the Annual Report and Opinion

Annual Self-Assessment

The Internal Audit team completed the quality assessment template produced by the Chartered Institute of Internal Auditors (CIIA) and rated performance as:

Generally Conforms

- The evaluator has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual Standard or element of the Code of Ethics in all material respects.

The results of the assessment, including identified improvement opportunities were reported separately to the Group Audit Committee.

Limitations Inherent to the Internal Auditor's Work

We have prepared the Internal Audit Annual Report and undertaken the agreed programme of work as set out in the Internal Audit Plan, subject to the limitations outlined below.

Opinion

The Annual Internal Audit Statement is based solely on the work undertaken as part of the agreed Internal Audit Plan. The work addressed the control objectives agreed for each individual assignment as set out in our individual Terms of Reference. The matters raised in this report are only those which came to our attention during our Internal Audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

There might be weaknesses in the system of internal control that we are not aware of because they did not form part of our programme of work, were excluded from the scope of the individual review, or were not brought to our attention. Our audit plan is based on risk to capture the higher risk areas within the Group. As a consequence, Management and the Group Audit Committee should be aware that our opinion may have differed if our programme of work or scope for individual reviews was extended or other relevant matters were brought to our attention.

Internal Control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Responsibilities of Management and Internal Audit

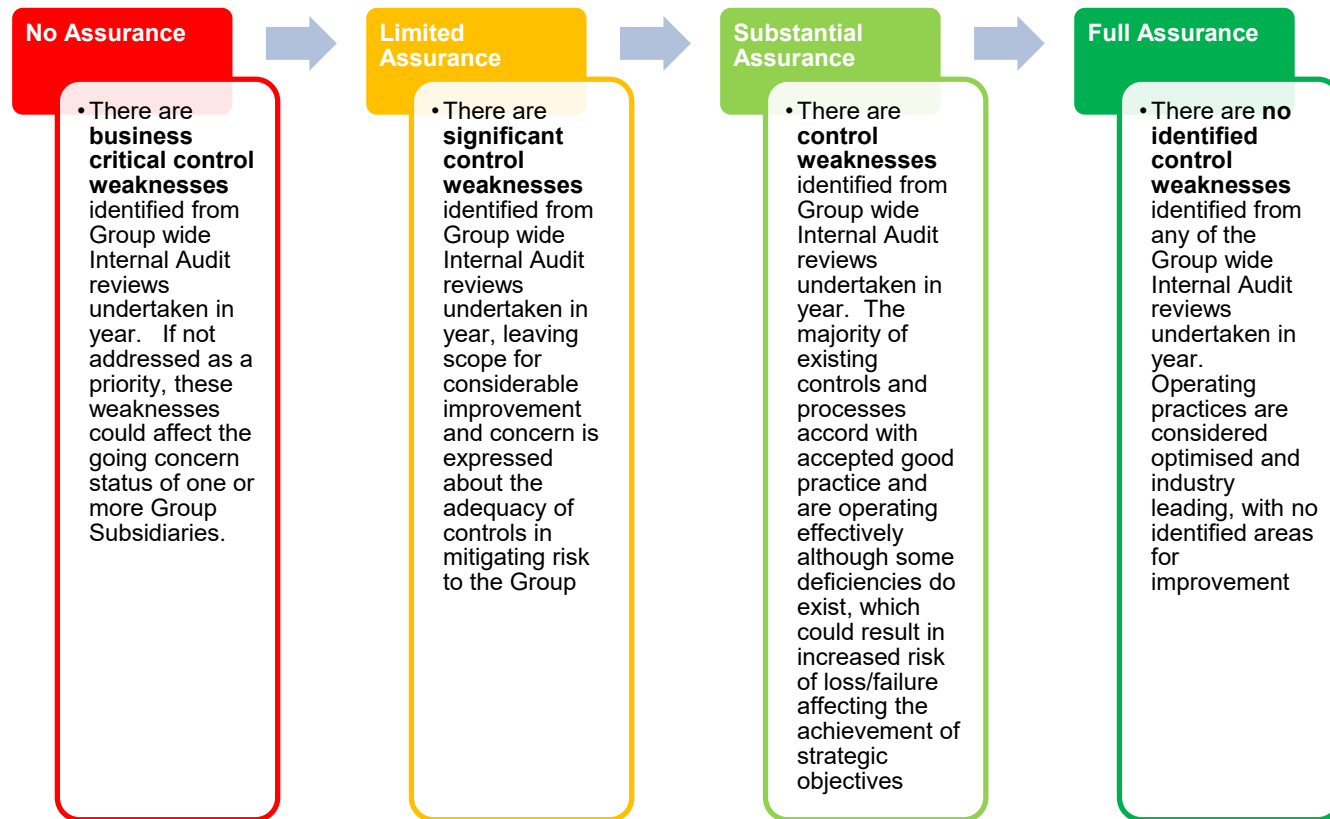
It is Management's responsibility to develop and maintain sound systems of risk management, internal control and governance to ensure the prevention and detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for Management's responsibilities for the design and operation of these systems.

Internal Audit endeavour to plan work so that we have a reasonable expectation of detecting significant control weaknesses and if detected, we shall carry out additional work directed towards the identification of consequent fraud or other irregularities. Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and our examinations as Internal Auditors should not be relied upon to disclose all fraud, defalcations or other irregularities which may exist.

Appendix 2: Assurance Opinion definitions

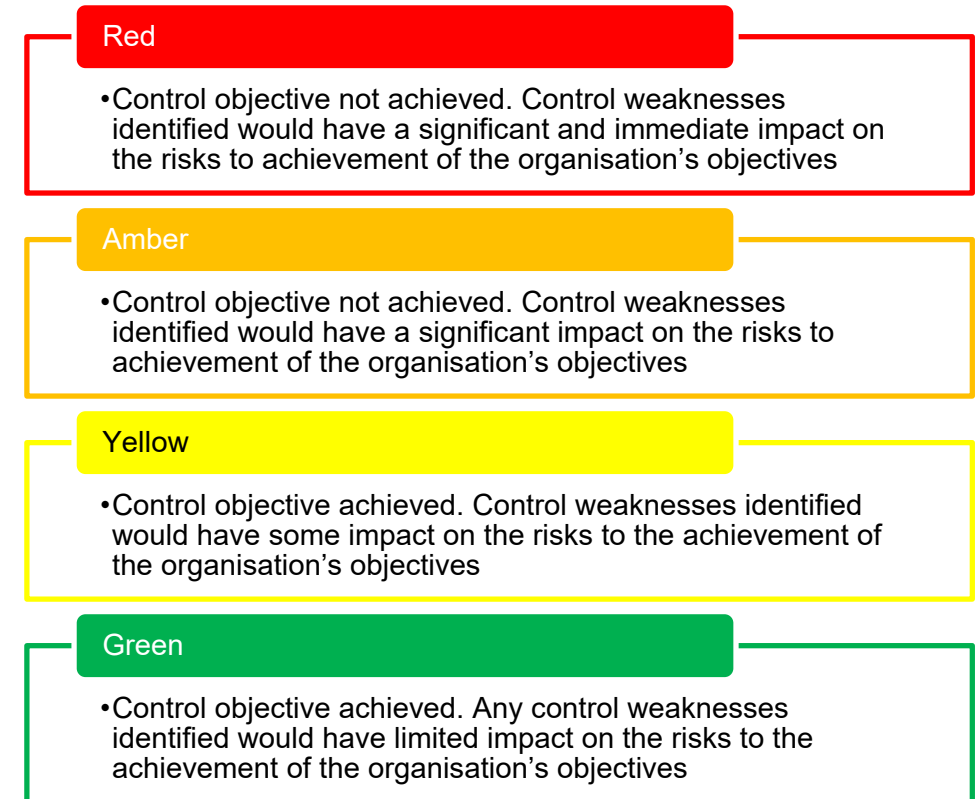
Annual Assurance Opinion Definitions

The table below details the different types of Internal Audit opinion which may be given:



Control Objective Classification

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



Group Assurance Update

August 2022

1. IA Plan 2021/22 Status

Status of Reviews

This section summarises the results of Internal Audit activity completed during this period.

Quarter 3 – reported to Group Audit Committee in February 2022


- DC
- DGHP
- GHA
- Loretto
- WLHP
- Lowther
- Wheatley Care
- Wheatley Foundation
- Wheatley Solutions

Fire Risk Assessments – section 2



- DC
- DGHP
- GHA
- Loretto
- WLHP
- Lowther
- Wheatley Care
- Wheatley Foundation
- Wheatley Solutions

Working from Home – section 3



- DC
- DGHP
- GHA
- Loretto
- WLHP
- Lowther
- Wheatley Care
- Wheatley Foundation
- Wheatley Solutions


Accounts Payable – section 4



Quarter 4 – reported to Group Audit Committee in June 2022


- Wheatley Foundation

Wheatley Foundation ESF Funding – section 5



- DC
- DGHP
- GHA
- Loretto
- WLHP
- Lowther
- Wheatley Care
- Wheatley Foundation
- Wheatley Solutions

Payroll - section 6



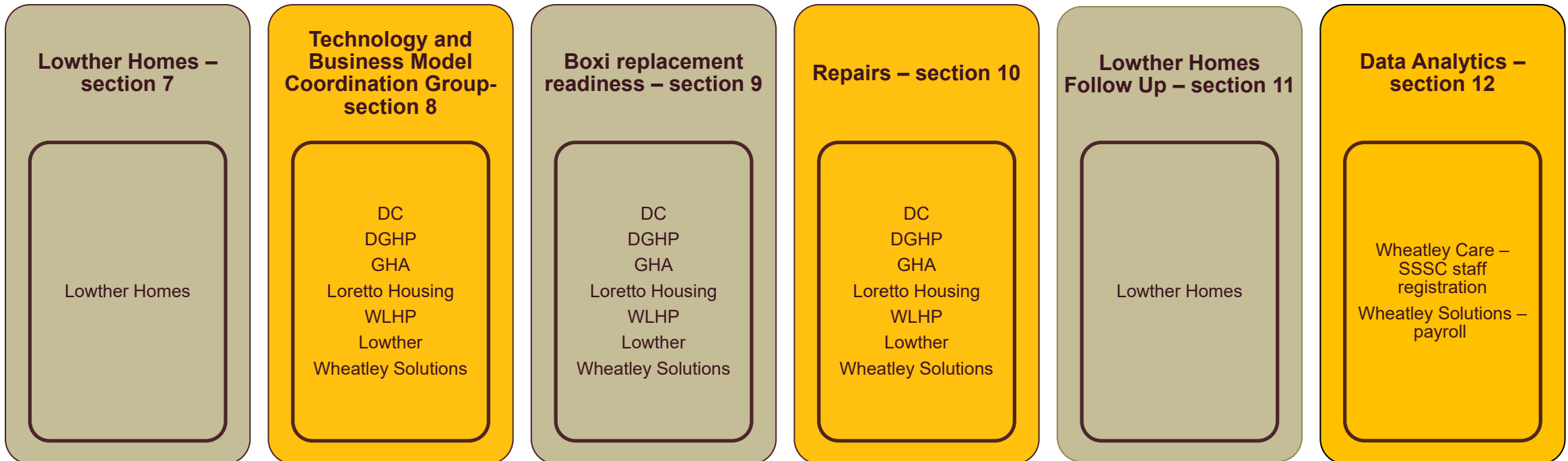
1. IA Plan 2021/22 Status

Status of Reviews

This section summarises the results of Internal Audit activity completed during this period.

Quarter 3 – reported to Group Audit Committee in February 2022

Quarter 4 – reported to Group Audit Committee in June 2022



Control Objective Classification:

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

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

2. Fire Risk Assessments







Report Conclusion

This review considered the arrangements in place for capturing and monitoring the completion of actions arising from Fire Risk Assessments (FRAs). We found that in general the procedures are clear, well understood and operating as designed. There is also regular reporting at all levels across the Group of the status of FRA actions, and well-established routes for escalation of any issues.

We noted that the Group has accelerated the completion of FRAs of multi-storey flats and Living Well/Amenity services with a view to completing the programme by 31 March 2022. This is significantly ahead of the original plan and in order to release the staff time required to complete the FRAs, the documented FRA process has been amended. In particular, FRA reports are issued to Duty Holders by email, and actions recorded on PIMSS without a meeting to discuss the actions. While there may be risk associated with providing less support to duty holders to implement their actions, management has assessed the risk of not completing the FRAs as greater.

We noted some opportunities for improvement in the FRA process, particularly the opportunity to accelerate recording of FRA actions in PIMSS (the Group's asset management system). This would provide a more timely picture of FRA action status within performance reporting.

Control Objective Classification

-  A standard template for FRAs is used across Group and clear guidance is available for staff regarding their completion;
-  There is clear guidance defining the responsibilities of different roles in relation to FRAs, and individuals are clear about which role they are assigned;
-  Completion of FRAs and any associated actions arising from the FRAs are accurately recorded and updated timeously within PIMSS;
-  Duty Holders/ Responsible Officers are notified of identified actions and update PIMSS once actions are complete, in line with due dates;
-  The FRA programme is effectively and proactively monitored through the PowerBI performance management dashboard; and
-  Any actions not completed within agreed timescales are appropriately escalated.

Areas of Good Practice

- ✓ At the end of November 2021, all relevant premises e.g. Workshops, Depots, Offices and Care premises had a current fire risk assessment in place. In addition, the Group Fire Safety Team had completed 106 / 178 (59.5%) of FRAs for MSF and Living Well premises, and remains on target to achieve 100% by end of March 2022.
- ✓ The PAS79 model template and guidance is used to complete FRAs across the Group. This standard is recognised as good practice by the British Standard Institute.
- ✓ A FRA process map is in place outlining key steps and responsibilities and Duty Holders for each subsidiary are clearly documented in the Group Health and Safety Policy.
- ✓ Guidance for staff completing aspects of the FRA process, including detailed reference guides for recording and reviewing FRA data in PIMSS, are published on W.E.Connect.
- ✓ FRA completions are recorded in PIMSS, with due dates for the next assessment being automatically generated based on the property type and the most recent completion date.
- ✓ The FRA Group Performance report in Power BI is refreshed daily and includes dashboards which clearly show any FRAs approaching their due date. It also displays the current status of the FRA actions recorded in PIMSS. The report is available to all Duty Holders and the Group Health and Safety Team. This provides a clear and current overview of actions requiring attention.
- ✓ The Group Health and Safety Lead and Fire Safety Manager hold weekly virtual 'drop-in' workshops for FRAs. Staff can join the call on Teams to discuss FRA action plans and get advice and support on how best to progress these.
- ✓ Reports of all open FRA actions are circulated to Duty Holders and responsible persons twice a week and overdue actions will be flagged to the Fire Working Group and Fire Liaison Group meetings. The status of FRA completions and actions is also regularly reported to ET and Group Audit Committee.

Opportunities to Improve

Priority Actions

- Fire Safety Officers should ensure all FRA actions arising from inspections are written up, issued and uploaded into PIMSS within 10 days of the visit so that the system provides an up-to-date picture of the status of FRAs and FRA actions.
- Fire Safety Officers should be reminded of the importance of using a standard approach to the recording of FRAs and FRA actions within Group systems, including PIMSS. The Fire Safety Manager should review a sample of FRAs each month to confirm the standard approach is being applied consistently.

Continuous Improvement Opportunities

- The Group Health & Safety team should amend the standing agenda items for Executive Fire Liaison Group meetings to include reports from each Managing Director that confirm that appropriate actions have been taken to complete FRA actions; and provide a status update for any overdue actions.
- The planned update of Fire Safety information held on W.E.Connect should use the FRA process map to clarify which guidance notes are available to staff at each stage in the process, in addition to the review of the existing guidance to confirm it reflects the Group's current operating arrangements.
- Post-FRA meetings with Duty Holders should be re-introduced following completion of the accelerated programme of FRAs in common areas of multi-storey flats and Living Well/Amenity services, to confirm that duty holders have a clear understanding of the FRA actions they must track to completion.

3. Working from Home Follow-Up

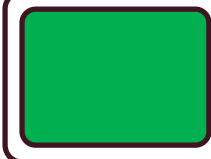
Report Conclusion

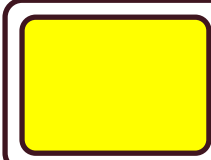
This review assessed the implementation of the Group's working from home (WFH) policy to assess the extent to which teams across the Group have applied new working arrangements in line with the agreed policy and procedures. We found that the guidance, policy and procedures in place are clear and have been communicated to all staff. In addition, we confirmed that all actions raised in the 2020/21 internal audit review of working from home arrangements have been implemented.

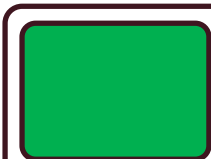
The Group has identified five new staff categories under the Group's working from home model, which includes the agile home worker category. We noted that work to allocate each staff member to one of these categories is not yet complete, with 785 of the Group's 3,025 still being assessed to determine which category is most relevant. The majority of these staff work within Wheatley Care, where the specialised nature of services means an assessment at job role level is not appropriate. Consequently, there will be additional staff who need to complete the home working self-assessments and mandatory training as the allocation process continues.


We identified some opportunities for further strengthening the process, particularly around completion and monitoring of Home Worker Self-Assessments (HWSAs) and WFH mandatory training.

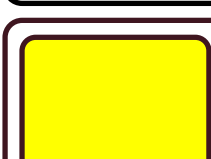
Control Objective Classification

 There is a working from home policy, along with comprehensive ER and H&S guidance, that is available to all staff;

 All relevant staff have completed a home working self-assessment and any issues raised in these have been timeously rectified;

 Contract variations have been signed and returned for all relevant staff;

 All staff have electronic equipment relevant for their role as per the WFH policy; and

 All relevant staff have completed working from home mandatory training available on MyAcademy.

3. Working from Home Follow-Up

Areas of Good Practice

- ✓ The Employee Relations team has published guidance on Working from Home on W.E.Connect, including the Group's Working from Home Policy.
- ✓ A standard contract variation template has been used to ensure consistency in content within contract variations issued to staff now categorised as homebased agile workers. The Employee Relations team uses a staff listing from CIPHR (the Group's HR system) to track which staff members have been issued with contract variation letters.
- ✓ The Group Health and Safety team has provided clear guidance for staff on W.E. Connect in relation to Home Working, including a Home Working Self-Assessment (HWSA) process flowchart and additional manager's guidance.
- ✓ As an additional control to confirm Group Health and Safety have been made aware of all HWSAs that have identified issues, a member of the team reconciles the "unsatisfactory" HWSA assessments recorded in the CIPHR HWSA report to the team's internal record of HWSA assessment issues raised with them directly by managers each month. Any additional "unsatisfactory" assessments are followed up with the relevant manager.
- ✓ The Group's IT team has developed a matrix that maps the standard and optional IT equipment requirements for each new staff category.
- ✓ Completion rates for both HWSAs and WFH mandatory training are reported to the Group's Health and Safety Strategy Group.

3. Working from Home Follow-Up

Opportunities to Improve

Continuous Improvement Opportunities

- The Group Health & Safety team should issue updated guidance about the circumstances in which staff who are not in the homebased agile worker category should complete a Home Working Self-Assessment (HWSA) of their home working environment.
- The Group Health and Safety team should introduce regular reporting of HWSA completion rates at the quarterly meetings of the Health and Safety Operations and Strategy Groups, to remind managers of their responsibilities to confirm required HWSAs are completed. While work continues to allocate staff across the Group to the homebased agile worker category, this reporting should be monthly to encourage an increase of completion rates across Group. In addition, further guidance will be issued to managers about how to record HWSAs within CIPHR (the Group's HR system).
- The IT team should introduce a process to reconcile staff categories in CIPHR and asset data held in MS Intune and Mobile Iron (IT Asset registers) to confirm whether staff have been allocated the appropriate IT equipment for their role. Once staff category allocation has settled, the reconciliation should be incorporated into existing checks for all starters, leavers and movements within the Group.
- The Learning and Development team should issue guidance to all managers on how to access the homeworking training completion report along with guidance to clarify the circumstances in which staff not in the homebased agile worker category should complete the working from home mandatory training.

4. Accounts Payable

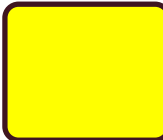
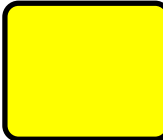
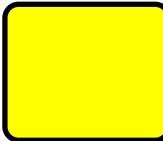

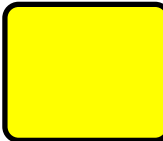
Report Conclusion

The Group uses three payment processes for purchasing: (i) Purchasing cards; (ii) Faster Payments; and (iii) purchase to pay process via the IPOS system. Overall, we found that the controls in place within these three processes are well designed and appropriate for the Group's business needs. The arrangements in place provide the flexibility which staff need in order to make 'Think Yes' related purchases, but there are still clear controls within these processes to ensure that all spend is subject to appropriate approval and monitoring.

We identified some opportunities to improve the effectiveness of these controls in practice. In particular, staff require additional guidance in the revised scheme of delegation to clarify how different approval limits should be applied, particularly where Solutions staff are authorising spend on behalf of a subsidiary. Additional scrutiny is also required to ensure managers complete their monthly monitoring responsibilities to verify the appropriate use of purchase cards held by their direct reports. Although we noted opportunities of improvement in these areas, we did not identify any instances of fraud.

We used our data analytics tool IDEA to review records of all payments made through the purchase card and faster payment processes in the financial year to date. There is an opportunity to use the output of this analytics to develop management information and performance indicators to enhance the oversight and challenge of the payment methods used across the Group.

Control Objective Classification

-  Procedures clearly set out which purchase process to use for different types of expenditure within the new business model;
-  Purchase cards are used appropriately, with manager approval of all expenditure through the receipt-matching process;
-  Faster payments are used in line with Group procedures and are appropriately authorised before payment;
-  Purchase orders are raised in advance of services being procured for expenditure processed in IPOS, to facilitate matching and payment of invoices; and
-  Management information to monitor spend within each payment process is reviewed regularly, with potential exceptions being investigated.

4. Accounts Payable

Areas of Good Practice

The following areas of good practice were noted:

- ✓ Purchasing Card Procedures/guidelines are available to all staff on W.E.Connect. These outline the steps to follow when using a Purchase card, conditions for use and information regarding administration of the cards and reconciliations.
- ✓ Purchase card transaction records are held and updated within the SDOL banking portal. Cardholders upload receipts and purchase details directly in the SDOL and Managers can view all card expenditure made by their staff within one report. This report also highlights where required information has not been uploaded by the Cardholder.
- ✓ An electronic Faster Payment form is in place containing mandatory fields which ensure key data is entered. The form also contains questions which the requisitioner must answer, including whether the beneficiary is already a supplier on IPOS and the reason for the Faster Payment. These questions should prompt the requisitioner and approver to consider if a Faster Payment is the most appropriate payment method for their needs.
- ✓ If any expenditure is committed out-with the IPOS 'Purchase to Pay' process, approval by a second member of staff is required before either a retrospective Purchase Order can be raised in IPOS, or a Faster Payment could be made.
- ✓ Unmatched invoice report is circulated weekly to all IPOS users for actioning. The Accounts Payable team return invoices with no purchase order number to the supplier for them to obtain this from the member of staff who committed the expenditure.

4. Accounts Payable

Opportunities to Improve

Priority Actions

- Managers of purchase card holders should be reminded of the requirement to complete a monthly monitoring return for card expenditure incurred by their team. Where monitoring procedures are not followed this should be escalated to an Executive Team member and cards stopped until the procedures are followed. Managers should also confirm that all cards with no YTD spend are still required.
- The Staff Scheme of Delegation is currently under review. The revised Scheme of Delegation should include further guidance about when the approval levels for different subsidiaries and types of expenditure should be applied. This is particularly important where members of Wheatley Solutions are instructing payments (including Faster Payments) from a subsidiary account. Faster Payment forms should be checked to ensure the approval limits set within the revised scheme of delegation have been complied with and additional checks should be introduced for all Faster Payments over £50k to confirm that the approver has the authority to instruct the payment.

Continuous Improvement Actions

- The content of the Passport to Procurement 2021 training should be published for staff to refer to on W.E.Connect to provide a clear overview on the methods of purchase available to staff and the circumstances in which each can and cannot be used. This will help to inform staff purchasing decisions and promote the Group's preferred payment methods;
- The Accounts Payable team should continue to educate staff on good practice purchase to pay methods and remind staff of the importance of following the IPOS ordering process. Any recurring issues, including repeated unmatched invoices, should be discussed with the individual requisitioners and budget holders to identify any training needs and reiterate the need for the ordering process to be followed.
- Opportunities to develop management information on purchasing activity, such as KPIs and data analytics reports, should be explored to enable further challenge and review of the payment methods being used across the Group.

5. ESF Funding Compliance: Executive Summary

Report Conclusion







The controls in place to ensure compliance with the European Social Fund (ESF) requirements are well designed and were working effectively at the point of this review. We have identified some minor opportunities for improvement which would further strengthen the arrangements in place. In particular:

- Staff should be reminded to follow the standard file structure;
- Any additional support given to participants should be captured to demonstrate the additional value the team is delivering;
- An improvement log should be used to record all learning and good practice examples as the project progresses; and
- Controls to ensure the appropriate retention of project documents should be implemented.

From April 2022 the majority of ESF participant records and supporting evidence will be held electronically on AdvicePro (the Foundation team's workflow management system), unless there is a specific reason to keep a paper record. This will streamline the process for staff and customers, improve the secure handling and storage of personal data, and reduce the risk of inconsistency between electronic and paper records.

We tested a sample of 20 participant files to provide assurance that the arrangements in place are designed to deliver compliance with the ESF funding requirements. We did not complete substantive testing of the accuracy or completeness of any underlying financial data.

Control Objective Classification

-  Way Ahead mentors have clear guidance on how participant eligibility criteria should be assessed and evidenced, which is applied consistently.
-  Way Ahead mentors have clear guidance on how progressions and outcomes should be assessed and evidenced, which is applied consistently.
-  Participant records are up to date and accurately reflect the status of each participant's eligibility and progress.
-  ESF drawdowns are supported by engagements (eligibility), progressions and outcomes that are accurately recorded in Hanlon (GCC system) in line with ESF Participant Records and ESF Participant Guidance, and supporting evidence is retained.
-  Project performance and compliance is monitored and reported to the Executive Team and Wheatley Foundation Board.
-  Project documentation is held securely, with data retention and access policies in place in line with ESF Document Retention Guidance.

5. ESF Funding Compliance: Summary of Findings

Areas of Good Practice

- ✓ A dedicated team has been created to deliver the “Way Ahead” project until 31 March 2023. This includes five Way Ahead Mentors who work directly with participants, a Monitoring Officer and a Project Manager.
- ✓ The team follow the ESF Participant Guidance published on the Scottish Government website, which includes clear criteria about participant eligibility and evidence which must be retained. Standard project documentation is in place, including template outcome score assessments, action plans, stage completion forms, and a registration evidence quality checklist.
- ✓ The Way Ahead Monitoring Officer reviews all stage completions for compliance with the ESF guidance before uploading them into Hanlon (the GCC claim system). Responses to any queries raised in Glasgow City Council’s (GCC’s) initial monitoring reports are also retained alongside the final monitoring reports which confirm that all completions reported in Hanlon to date have been approved.
- ✓ Actual project activity and spend against targets set across the duration of the project are reviewed with the Foundation’s Finance Manager at the monthly Way Ahead Steering Group meetings. This is also incorporated into regular performance updates to the Foundation Board.
- ✓ During testing we confirmed that paper files are held securely in the office and noted that participant files demonstrate the team has a good awareness of GDPR and remove any unnecessary personal details from the records.
- ✓ From April 2022, participant records will be held electronically in AdvicePro, removing any risks related to holding duplicate paper files improving the use of staff time and streamlining the administration of participant files. Paper files will only be held in exceptional cases where electronic records are not suitable due to privacy reasons.

5. ESF Funding Compliance: Summary of Findings

Opportunities to Improve

Continuous improvement opportunity

- Additional guidance should be developed for Mentors to clarify changes to how paper and electronic files should be used and the Group's preferred methods of gathering and recording project information and evidence.
- In preparation for the move to more electronic participant files, staff should be reminded of the need to follow the standard file structure. Where more than one version of an action plan or stage completion form is held on a participant's file, it should be clearly annotated to make it clear which is the primary record or explain why more than one version of it is required.
- When the Way Ahead team offer participants additional support over and above actions which directly remove barriers to employability, such as access to the Group's wraparound services, this should be flagged in Advice Pro to capture the additional value the team is delivering for customers.
- An improvement log should be implemented for the project to record all learning from the GCC monitoring process and capture any changes in approach agreed by the team. This will ensure good practice is captured and available for the team to refer to as needed.
- Arrangements to ensure the correct retention of Way Ahead records and participant files should be strengthened to ensure the required retention periods are followed. Project retention dates should be added to the Foundation's retention schedule and retention dates should be applied to electronic files held in SharePoint.

6. Payroll: Executive Summary







Report Conclusion

The Payroll process is working well and the findings of this review support the positive outcomes of the continuous audit activity we have reported to the Group Audit Committee throughout 2021/22. We have identified some continuous improvement opportunities to further strengthen the control arrangements in place:

- The format of the HR/Payroll Changes spreadsheets and Compliance sheet could be improved to ensure there is clear evidence of appropriate review of all changes to each payroll;
- Access to payroll records held in the S-drive should be reviewed quarterly; and
- Selima staff accessing Wheatley Group data should have unique user access IDs.

We also considered the design of proposed controls within the new self-service approach for expense claims and overtime payments. Overall, the described controls appear to be well designed, however we have identified some additional controls and points for management to consider as they prepare to launch the new Access tool.

Control Objective Classification

-  Payments are only made to valid employees, through the correct payroll;
-  Payments are accurate and paid in line with scheduled pay dates;
-  Amendments to standing payroll data are authorised, accurate and timely;
-  Payroll deductions are correctly calculated and processed in line with third-party requirements;
-  Payroll data is held securely and protected from unauthorised use; and
-  Payroll expenditure is subject to independent review and sign off prior to payment.

6. Payroll: Summary of Findings

Areas of Good Practice

- ✓ There is clear segregation of duty in place across the payroll process.
- ✓ Changes to each payroll such as new starts, leavers and changes in role, or changes to employee pay grades or working status, are all instructed by the Employee Relations team.
- ✓ Once all changes are made to the payroll in Selima, the Employee Relations team reconcile the Annual Remuneration report back to the staff information held in CIPHR for accuracy.
- ✓ The payroll is locked to prevent any additional changes once the Payroll Control reports have been generated for review.
- ✓ A compliance checklist is in place to guide staff through all the checks and tasks which must be completed to finalise the payroll.
- ✓ A rule infringement report which highlights changes between the current and prior payroll, are reviewed by the Payroll Administrator and Payroll Manager to confirm the reasons for these.
- ✓ The Director of Financial and Legal Services completes the final review of each payroll and authorises Selima to process the BACS payment.
- ✓ The Payroll Manager reviews staff access to Selima on a quarterly basis to confirm all access is appropriate and authorised.
- ✓ The Payroll Manager completes regular review of payroll activity to identify any further training needs and shares good practice and areas for improvement with the Payroll team.

6. Payroll: Summary of Findings

Opportunities to Improve

Continuous Improvement opportunities

- A standard format for the HR/Payroll Changes spreadsheets should be agreed and used by all staff. This should include columns to record the name and date for both inputter and reviewer. Where changes are not processed in Selima, the relevant line in the spreadsheet should be marked by the inputter as “N/A” and the reviewer should initial to confirm this has been checked as appropriate.
- A consistent version of the Compliance checklist should be used for all payrolls and it should be clear who is required to sign the compliance checklist, and which parts of it, to ensure the control is applied consistently.
- The Payroll Manager should complete a quarterly review of access to payroll records held in the S-drive to ensure this access remains appropriate and authorised.
- Selima staff accessing Wheatley Group data should have unique user access IDs.

6. Payroll: Proposed controls within the new self-service approach for expense claims and overtime payments

We also considered the design of proposed controls within the new self-service approach for expense claims and overtime payments. Overall the described controls appear to be well designed and we have noted some areas of good practice below. On the following slide we have also identified some additional areas for management to consider as they prepare to launch the new Access tool.

Areas of Good Practice:

- ✓ The move to self-service will streamline the process for expense and overtime claims and reduce the manual processing completed by the Payroll team. All claims will be completed through Access, removing the need for manual forms and authorising emails which could be misplaced.
- ✓ Approved authorisers will be set up within the Access system based on line management responsibility.
- ✓ Staff will be able to view the live status of their claim within the Access system and will have the ability to collate multiple claims in the system before making one submission to their line manager for approval.
- ✓ Video guides on how to use the Access system are available to all users on the Access homepage and the intention is for all managers to receive training on the system before it is rolled out.
- ✓ Approved claims will be uploaded directly into the payroll system Selima via batch import reports, removing any potential for human error.
- ✓ Testing is underway to ensure that the new Access tool is working as expected ahead of it being embedded as business as usual.

6. Payroll: Proposed controls within the new self-service approach for expense claims and overtime payments

Areas for management to consider as they continue to develop the new Access tool:

- Ensure any existing guidance and forms in relation to expenses and overtime claims are updated or removed from W.E.Connect to avoid confusion and clearly direct staff to the new approach.
- Make it a requirement for staff to complete training on the Access system and any related requirements, such as a home-working self-assessment, before any overtime or expenses can be claimed.
- Ensure there is clear guidance for staff about the timeliness of claims and any cut-off dates to ensure historic expenses or overtime owed are not allowed to accumulate.
- Provide clear guidance for approvers on what the Group will accept as appropriate evidence to support each type of claim and how this should be checked by management.
- Ensure managers have visibility of all outstanding claims in Access and explore options to review this centrally on a monthly basis to ensure employee claims are not sitting unactioned.
- Develop second line monitoring and compliance controls to ensure that management are implementing the expenses and overtime policies consistently and appropriately.

7. [redacted]

Report Conclusion

The Group is in Year One of delivering an ambitious five year Strategy. New processes have been introduced during the financial year to facilitate the delivery of Strategic Projects and achievement of Strategic Outcomes, which included early assessment of project interdependencies. As work has progressed throughout 2021/22, including the implementation of a new business model and the establishment of the Customer First Centre, management has concluded that an additional forum is required to support effective and coherent business change due to the expected increase in change activity. This was overseen by the Group Executive Team and New Business Model Steering Group. This advisory review was commissioned to provide matters for management's consideration when deciding how this additional forum should work.

There is a need to ensure that future operational activities associated with strategic change projects are coordinated. A new role of Managing Director of Business Transformation and Customer Experience within the Customer First Centre has been created to support this. Key change initiatives will continue to be agreed by relevant Boards and the Group Executive as part of the strategic planning process.

As part of the review, we spoke to a number of members of senior management and reviewed a draft structure for this additional forum. Work is required to agree and implement a structure / framework through which business change initiatives will be managed in an effective and efficient manner. Core elements of establishing this framework are:

- Creating a group comprising of senior managers from across the business who have responsibility for reviewing proposed business change initiatives to assess their business and technology fit. This group should make recommendations to the Executive Team and support business areas in developing business cases for approval.
- Creating a technical sub-group of the above group to confirm compliance with enterprise architecture and data strategy.

Opportunities to Improve

- Agree and implement a group through which proposed business changes associated with the Group's Strategy can be validated by the business prior to Executive Team approval.
- The above group should have a remit to review proposed business changes for business and technology fit, prior to them being assessed and approved by the Executive Team.
- Establish a technical sub-group of the above group, to provide assurance that proposed business changes are consistent with enterprise architecture and data strategy.

9. Boxi Replacement Readiness

Report Conclusion

The majority of the Group's performance reporting is informed by data extracted from underlying systems using Boxi-reporting. During 2021/22 Management was informed that the software supplier would be ending support for Boxi reporting. To manage the potential risk that Group performance information might become unavailable if there was an issue with unsupported Boxi software, management decided to undertake an exercise to replace the Boxi-reporting with Power BI dashboards. This advisory review assessed the status of the plans for the completion of that exercise.

The review identified that the exercise would benefit from agreement of a more formal mechanism for monitoring progress, development of a more detailed project plan, and continuing work to clarify the volume of work required in order to understand and deliver against updated business reporting requirements, and the associated impact on achievement of planned timelines.

Following discussion of initial findings, the project team developed an updated project plan, which included additional detail about the steps required to review each reporting area (eg Repairs, Rental Income). This updated project plan is a positive development. However, there remains a risk that the lack of clarity about the content and usage of existing Boxi reports may impact on the project team's ability to deliver in line with the timescales outlined in the revised project plan. In addition, the revised plan requires additional clarity about the planned process for confirmation that the replacement performance reports continue to meet all relevant regulatory standards and definitions.

9. Boxi Replacement Readiness

Areas of Good Practice

- ✓ Development of Business Requirement Templates to standardise each business area's needs with appropriate sign-off.
- ✓ Key stakeholders from relevant business areas are appropriately involved in report creation and review including definition of 'Key Measures'.
- ✓ Responsibility for pursuing business change required to report on desired measures lies with the business area.
- ✓ Documentation of definitions of 'Key Measures' are provided alongside relevant performance information.

Opportunities to Improve

Priority Actions

- The timelines included in the revised project plan developed following initial discussion of audit findings should be recorded as milestones in Pentana and progress reported to Finance DMT and ET.
- Work to understand the volume of work required to generate new reporting that meets both business needs and regulatory requirements (where relevant) should be completed to provide assurance on the extent to which planned project timelines are achievable.

Continuous Improvement Actions

- The Data team should monitor the demands on the team during the project and take steps to identify and utilise extra resource (if required) to facilitate successful delivery of the project against revised timelines.
- Formal mechanisms for ensuring feedback received from business areas during the project is appropriately documented, prioritised and monitored should be implemented.
- Data definitions, which have been signed off by the Performance Team, should be provided alongside the dashboards produced either in supporting documents or as part of these dashboards.

Report Conclusion

This review considered how effectively repairs are being handled at key stages in the repairs process for the East and West RSLs and Lowther. We used IDEA data analytics software to analyse data held about all reactive repairs raised in the East and West between 1 April 2021 and 31 January 2022. Detailed end to end testing was completed on a random sample of 40 repairs to assess the appropriateness of actions taken at each stage of the repairs process.

This included an assessment of:

- (i) how accurately each repair had been diagnosed, categorised and appointed correctly at the initial call log stage;
- (ii) whether the repair had been timeously and accurately categorised and allocated to the relevant repairs staff within CBG/DCPS;
- (iii) how effectively customer expectations were managed by keeping them fully informed during the full life cycle of the repairs process;
- (iv) whether the repair had been delivered per work programme type and within agreed time scales for completion, and
- (v) the arrangements in place to ensure repairs are completed to agreed quality standards and the customer is satisfied with the final result.

10. Repairs: Executive Summary

Report Conclusion

Glasgow City Council's Internal Audit team also completed independent testing of 25 of these repairs to assess how effectively these had been handled by CBG, and we have considered the outcomes of this testing within our review.

We identified opportunities for improvement across all stages of the repair process. In particular, there should be better communication with repairs customers and between the Customer First Centre (CFC) and CBG, additional training should be given to CFC staff to improve the accuracy of identifying and logging the repairs required, additional quality checks should be completed at key stages of the repairs process, and customers should be encouraged to provide more feedback on the repairs services they receive.

We are satisfied that actions to address all of the opportunities for improvement identified during our review are included within the existing Repairs Implementation Plan. The detailed findings outlined in this report are based on our review of data held within iWorld and ASTRA, and IDEA data analytics completed on available datasets. We did not listen to call records as part of our review.

10: Repairs Summary of Findings

Plans to develop the repairs and maintenance service provided to Wheatley customers in Glasgow and the West were presented to the Wheatley Group Board in February 2022. This included a Repairs Implementation Plan with the following key workstreams:



Within this report we have summarised the key findings of our end-to-end review and identified opportunities for improvement. We have mapped each area to the Repairs Implementation Plan and can confirm that there is an existing workstream action which will address each area. We have also included details of our data analytics and testing outcomes to provide additional context for management.

The following slide summarises the areas for improvement we have identified at four key stages of the repair process: (i) Logging, (ii) Appointing, (iii) Delivering and (iv) Completing the repair.

10. Repairs: Summary of Opportunities for Improvement

Stage 1:

Logging the repair:

Accurate diagnosis and logging of repair at CFC and clear communication with customer

Additional training for CFC staff to ensure each repair is diagnosed and entered correctly in MyRepairs

Ensure customers are aware of appointment times and that these are at times suitable for the customer

Develop guidance for CFC staff on use of repairs systems to ensure optimal appointments and improve the efficiency of the repairs service

Regular review of cancellations and reasons for these to ensure they are appropriate and necessary

Use of data analytics to identify performance trends or additional training needs

Stage 2:

Appointing the repair:

Allocation of repairs to correct trades and work orders and keeping customer informed

Additional training for CFC staff on how to accurately log the repair in ASTRA with sufficient detail to inform the allocation of trade and materials required

Ensure repairs are tagged correctly to the original service request to allow issues to be monitored and provide true information about the end to end repair

Communication with customers about repair appointments and work should be improved to ensure customer expectations are properly managed

Communication between staff that are part of the repairs systems should be improved to enable more effective joint working and ensure consistent information is available for customers

Stage 3:

Delivering the repair:

Completion 'right first time' and within timescale, recording of activity and use of cancellations

Consider the re-categorisation of repairs appointments into more achievable and realistic timeframes, considering actual work required, limitations on resource i.e. trade or material availability

Ensure CFC staff are given sufficient training and direction to any cancellation or additional work order requests received from CBG or escalate to the appropriate housing lead for agreement where required

Review the process around cancellations where these are required to ensure that both staff and customers have been informed of any changes to existing repairs and information on ASTRA is up to date

Stage 4:

Completion of the repair:

Quality assurance of call handling and repairs service, customer feedback and lessons learned

Reintroduce quality assurance monitoring of repairs call handling to identify any training needs

Determine what level of landlords assurance/post inspections checks are required to provide sufficient comfort over the quality and VfM the Group receives

Ensure methods of obtaining customer feedback are customer friendly and communicated to customers

Collate all customer feedback in a format which enables lessons learned and actions to be identified

As part of the transformation programme ensure lessons learned are obtained from all Group repairs related complaints

11. [redacted]

12. Data Analytics- Payroll Review

Summary of work performed

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

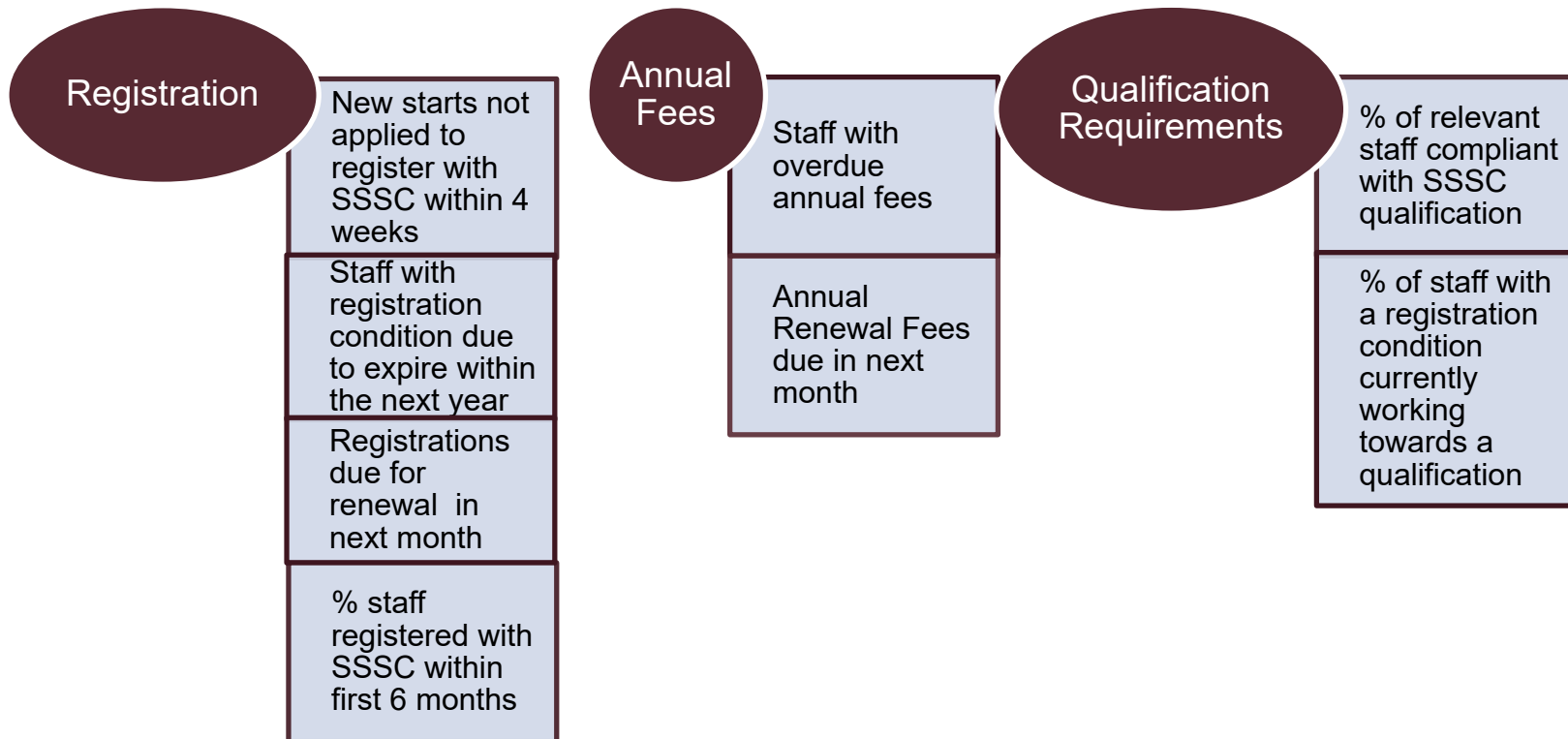
Using the data available for Q4 2021/22 we have used IDEA to confirm:

1. There are ***no duplicate employee numbers being used*** (across all payrolls)
2. We identified ***16 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 47 employees who received no Gross Pay in a payroll run during Q4. These relate to leavers, staff on maternity leave and some Wheatley Care staff. We have confirmed with the payroll team that this is due to the nature of the contracts in place for these staff members.

12. Data Analytics- Wheatley Care review

Summary of work performed

The Internal Audit team has developed a planned approach to produce continuous analysis of SSSC registration compliance. Areas for analysis have been identified to improve efficiency of Care management checks. Any exceptions as a result of analytics provided will be reviewed by Care management. Confirmed areas for analysis are as follows:



Initial analytics covering these areas has been completed using data obtained as at the end of April 2022. Results have been returned to the Care Services Innovation and Improvement Manager to review any exceptions noted. No significant issues were identified from the exercise.

We are currently developing scripts in IDEA to allow continuous analysis of these areas to improve the efficiency of Care management checks.

13. Follow Up

Group-wide action status at 30 April 2022

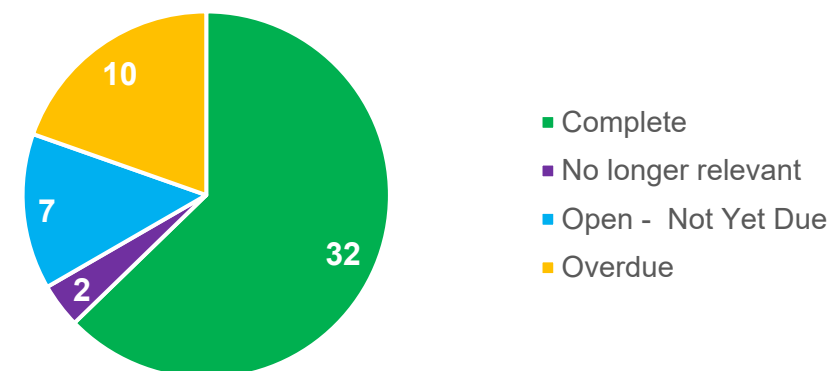
Overall there has been good progress in implementing actions during Q4 2021/22, with 32 of the 51 actions followed up being confirmed by Internal Audit as complete. There are 7 actions where the completion date is not yet due. Two further action has been closed as no longer relevant.

There are 10 overdue actions. In 8 instances, this is due to the actions being incorporated into projects to be delivered as part of the 2022/23 Delivery Plan. Management have agreed revised due dates and we will continue to monitor full implementation of these actions.

Status	Actions
Actions brought forward from 24 December 2021	29
New actions agreed during Q4 2021/22	22
Total Actions followed up	51

The chart below summarises our assessment of the status of the 51 actions followed up this quarter.

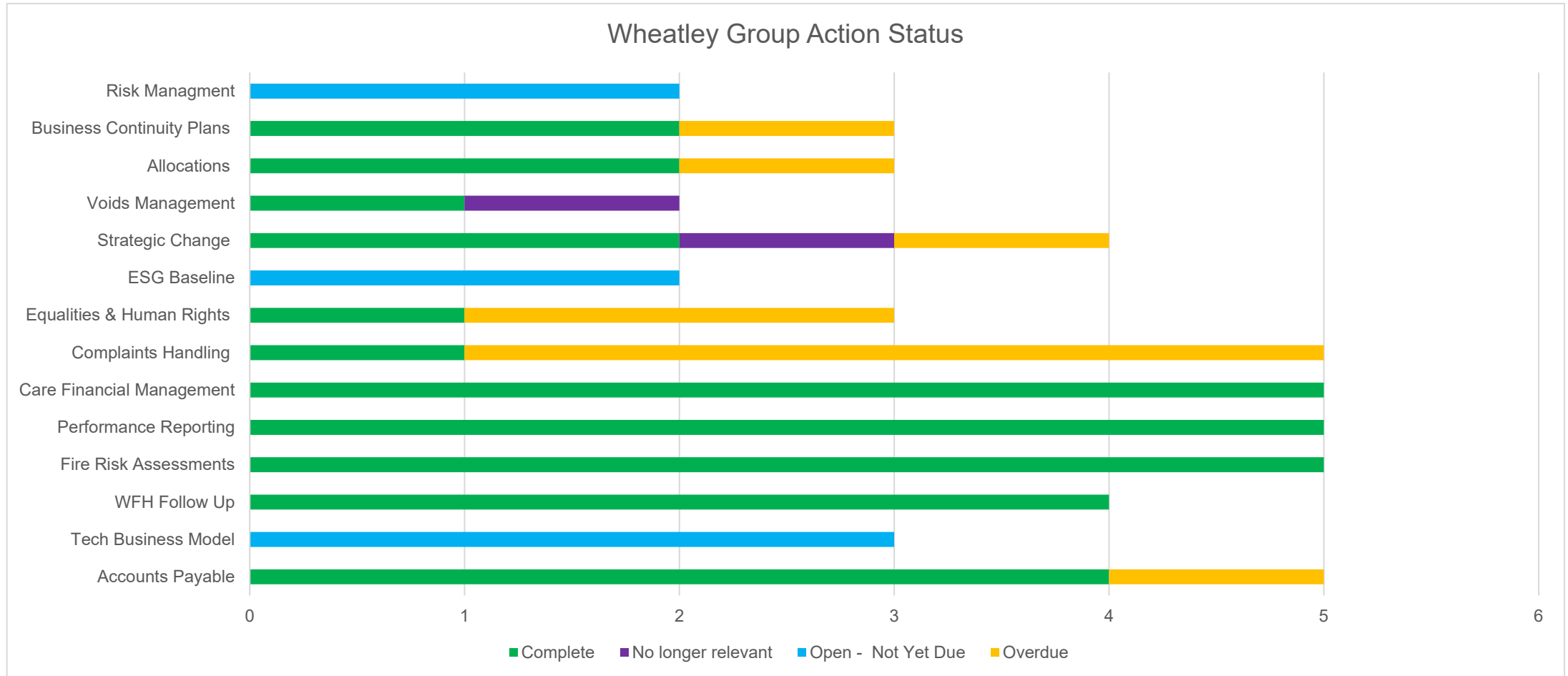
Status of Actions at 12 May 2022



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

Review	Overdue actions	Revised due date
Accounts Payable	1	30/05/2022
Complaints Handling	4	30/09/2022
Equalities and Human Right	2	31/10/2022
Strategic Change	1	30/08/2022
Allocations	1	31/10/2022
Business Continuity	1	30/09/2022

13. Follow Up





Report

To: DGHP Board

By: Anthony Allison, Director of Governance

Approved by: Steven Henderson, Group Director of Finance

Subject: Governance update

Date of Meeting: 17 August 2022

1. Purpose

- 1.1 To update the Board and, where applicable, seek Board approval on the following governance related matters which are reported to the Board annually in August:
- Final schedule of meetings for the remainder of the 2022 calendar year, including the Annual General Meeting (“AGM”);
 - Board appraisal and succession planning;
 - Board recruitment;
 - Board CPD; and
 - The amendments to our Articles of Association;

2. Authorising and strategic context

- 2.1. The Board is responsible for calling meetings, including General Meetings and ordinary Board meetings throughout the course of the year. We are required to hold an Annual General Meeting each year, as set out in our Articles. In addition, we are proposing to change our name and update our Articles. These changes are reserved to the members in general meeting.
- 2.2. In relation to Board appraisals, under the Group Standing Orders the Group RAAG Committee is responsible for determining the approach each year and agreed to the approach used this year. The Group RAAG Committee is also responsible for considering changes to our constitution, before these are formally put forward to members.

3. Background

- 3.1 The matters in this report form part of our annual governance reporting, which precedes the AGM each year. It also provides an update on progress with recruitment for vacancies following Board agreement updates to our Board composition.

4. Discussion

Remaining 2022 meetings

4.1 We have two further Board meetings scheduled for this calendar year:

- Post AGM on Wednesday 21st September; and
- Wednesday 9th November at 10.30am.

This will take us to the minimum requirement of 6 scheduled meetings for the calendar year.

4.2 It is proposed that we call our AGM for 21st September 2022 at 10.30am, followed by the Board meeting which will be held at the venue rather than reverting back to our offices. The meeting and business thereof will be called in line with the requirements of our Articles.

4.3 Under our Articles require to hold an Appointment Board Meeting each year to agree Board appointments (Article 38). Under that Article, Board members who have served a fixed period of 3 years or who have been appointed between the AGM periods require to retire at the AGM after the appointment meeting. John McCraw has served 3 years since his last appointment and Hugh Martin joined between meetings so both require to be re-appointed.

4.4 Our Articles currently require that a recruitment panel is convened, on terms agreed by the Board, for the purpose of considering appointments. On the basis that John and Hugh are serving Board member, it is proposed that a recruitment panel is convened comprising those members attending the Board meeting (other than John and Hugh) to consider the proposal to formally recommend John and Hugh for re-appointment based on their continued effectiveness as Board members. The panel would meet immediately following the Board meeting. An Appointment Board meeting would then be held immediately following the panel to consider the outcome and approve any re-appointments for a period of 3 years.

4.5 It is proposed that our November meeting date is **changed to Wednesday 30th November**. This is on the basis that the Group Board will consider our rent setting approach in October this year, rather than September.

4.6 Following their resumption, we also have 2 Group events planned for the remainder of the year:

- Wednesday 28 September at 10.30am (Wheatley House)
- Wednesday 14 December at 13.00 (Social event - Wheatley House)

Appraisal and 3 year succession plan

4.7 The Group RAAG Committee agreed our approach to individual member appraisal. This year we initiated our Board and Chair meetings ahead of the usual schedule. This was due to the size of the Board, changes in Board membership and succession planning.

4.8 As part of this process, the Chair met with Board members and discussed the following topics, with a particular focus on succession:

- Board member reflections on last year
- Chair's reflection on Board member performance during last year
- Board member skills and succession planning
- Board CPD: the planned areas of focus

Reflections on previous year

4.7 The strongest theme of feedback was that members felt that DGHP had achieved a huge amount of positive change over the last year and that members were pleased with progress to date.

4.8 Board members welcomed the resumption of full in-person Board meetings. Board members felt that the resumption of in person meetings has helped members (particularly newer members) to build relationships within the Board, which contributes to the strength and effective function of the Board.

4.9 In addition, it was acknowledged that the ability to join a meeting virtually would also be beneficial and may assist with future attendance also. Whilst acknowledged in person is the default, it was noted that the flexibility to attend virtually in exceptional circumstances would be beneficial to not attending at all.

Succession planning

4.10 Succession planning was discussed with each member based on the current, Board approved succession plan. As part of this, each member was invited to discuss their tenure within the context of the rolling three year period.

4.11 Members were also update on the Chair's planned retirement from the Board in 2023 as part of wider intra-group succession planning arrangements. Members were updated on proposals for the Chair's succession and fill the existing independent member vacancy.

4.12 Based on these discussions, it is intended that Jo Boaden CBE will be appointed following the 2022 AGM to fill the existing vacancy and succeed the existing Chair from the 2023 AGM. This will allow Jo time to develop her understanding of DGHP and the Board prior to assuming the Chair.

4.13 Jo is currently a Group Board Non-Executive director who has direct links to the Dumfries and Galloway having previously resided in the area. Jo has held a number of senior roles in housing, regeneration and social policy across the UK in both the public and private sectors. Having served on the Wheatley Homes Glasgow and Group Board, as well as being the Chair of the Wheatley Solutions Board, Jo has extensive experience and knowledge of the Group. She is an experienced Non Executive, as a member of the Board of the Regulator of Social Housing in England and Chair of CaCHE North and the Midlands Hub – the UK collaborative centre for housing evidence

4.14 Taking into account the above and the agreed changes to our Board composition we have revised the Board 3 year succession plan. A copy of the revised succession plan is attached at Appendix 1.

Board CPD

- 4.15 All members indicated their support for the proposed Board CPD focus. We have now held a financial reporting session with KPMG, advised all Board members of an Institute of Director session on the role of the Non-Executive which will run over the next couple of months and reintroduced Board member mentoring.

Articles of Association

- 4.16 The Board agreed previously that we should review our Articles of Association, to allow us to update our Board composition, implement recommendations arising out of the Group Strategic Governance Review (“SGR”) and to make them consistent with the wider Group style. This also includes updating the Board appointment process as requested by the Board last year.
- 4.17 The proposed updates to our branding, as agreed at the strategy workshop in May are reflected in the proposed changes to our Articles. An update on feedback from engagement with tenants on the branding and how this will be positioned for the AGM will be provided by way of presentation at the Board meeting.
- 4.18 The Board previously agreed in February to update our Board composition, following recommendations arising out of the SGR to move towards smaller Boards. The Articles will reflect the agreed future Board size of 8-10, with composition as follows:
- 6 Independent Board members;
 - 3 tenant members; and
 - 1 parent appointee
- 4.19 Currently, in terms of the process for Board appointments, our Articles of Association provide that any Board member who has served their three year fixed term requires to retire at the AGM. Board member(s) who are to be re-appointed at the end of their three-year term are approved by the Board on the recommendation of a recruitment panel.
- 4.20 It is proposed that requirement for the panel recommendation is removed, instead the Board will agree the appointments. The intention is to streamline this process to reduce the compliance technicalities, whilst retaining Board oversight.
- 4.21 We will also formalise the changes to eligibility for membership being only tenants and Board members. This follows on from the Board’s previous decision to make this change and having already effected the change in our exiting membership.
- 4.22 Our legal advisors, Harper Macleod have drafted the changes to our Articles of Association. The mark up is attached at Appendix 2 for review and feedback.

5. Customer Engagement

- 5.1. The content of the report is reserved to the Board and is of an internal focus and as such no customer engagement has been appropriate.

6. Environmental and sustainability implications

- 6.1 There are no environmental or sustainability implications associated with this report.

7. Digital transformation alignment

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

8. Financial and value for money implications

- 8.1. There are no finance and value for money implications contained within this report.

9. Legal, regulatory and charitable implications

- 9.1 The SHR Regulatory Standards of Governance that all RSLs:
formally and actively plans to ensure orderly succession to governing body places to maintain an appropriate and effective composition of governing body members and to ensure sustainability of the governing body
- 9.2 The proposals within this report are consistent with us complying with this requirement.

10. Risk Appetite and assessment

- 10.1 Effective governance is important and helps us to ensure we have arrangements in place to achieve our strategic objectives. There is a risk that *our governance structure is not clearly defined, is overly complex and lacks appropriate skills at Board and Committee levels to govern the Group effectively. Failure of recruitment / capacity building to tenant board members or failure of other corporate governance arrangements could lead to serious service and financial failures.*
- 10.2 We seek to mitigate this risk by reviewing our governance structure on an ongoing basis, including the strategic governance review. In addition to this we review our succession planning arrangements formally as part of our annual appraisal process, including linking this to the wider Group board succession planning where it relates to Wheatley appointees.
- 10.3 The report sets out the up-to-date position following a review of our 3 year succession plan during the 2022 appraisal process.

11. Equalities implications

- 11.1 As part of the recruitment process for our vacancies, we will take into account our Equality Impact Assessment guidance.

12. Key issues and conclusions

- 12.1 The report covers key standing processes within our governance arrangements. Our refreshed succession plan reflects the Board's recent changes to the Board composition and need to actively oversee its succession planning.

13. Recommendations

- 13.1 The Board is asked to:

- 1) Instruct the Secretary to call the Annual General Meeting for Wednesday 21st September at 10.30am at Easterbrook Hall;
- 2) Note the Board appraisal feedback;
- 3) Approve the updated Board 3-year succession plan;
- 4) Note the succession plan and any reappointments are subject to Group RAAG review and approval;
- 5) Agree to convene a Recruitment Panel for the purposes of considering John McCraw and Hugh Martin for re-appointment and thereafter to convene a Board meeting to consider the recommendation of the Recruitment Panel;
- 6) Approve the changes to the Articles and recommend these for approval to members in General Meeting; and
- 7) Instruct the Secretary to call an Extraordinary General Meeting for Wednesday 21st September at 11am at Easterbrook Hall to approve the following as special resolutions:
 - *That the company name be changed to Wheatley Homes South Limited*
 - *That the Article of Association, in the form of the annexed draft, be adopted in substitution for the existing Articles of Association*

LIST OF APPENDICES:

- Appendix 1 – Updated 3 Year succession plan
Appendix 2 – Articles of Association



3 year succession plan

1 . Introduction

The Board are committed to succession planning as part of its overall approach to effective governance.

We recognise the importance of succession planning in having an effective Board, which has the appropriate balance of skills and experience. Succession planning plays a key role in achieving an appropriate level of renewal and refreshment on the Board, supporting the Board maintaining and developing the skills and experience it needs to discharge its duties and protect the interests of tenants.

The Board recognise our regulatory duty, under the Scottish Housing Regulator's Regulatory Framework, to have a formal succession plan in place.

2. Background and context

Our succession planning arrangements are developed in line with the Group Succession Planning Policy. The Policy sets the parameters under which our succession plan has been developed, in particular the core requirements of the succession plan in relation to:

- maintaining an up to date record of directors & office holders length of service and retiral due dates;
- details of the core skills and experience each member contributes to the Board, in line with the agreed skills matrix and with regard to the diversity of the Board; and
- having an understanding of expected future recruitment requirements

All appointments and reappointments assumed in the plan are subject to:

- tenure restrictions in place from time to time; and
- the requirements of our Rules, including Parent rights with regards to appointment.

3. Current Board tenure and skills

The current tenure stages of each Board member, projected retirement dates and details of the core skills and experience they bring (relative to our agreed skills matrix) are set out below.

Any reappointments beyond the span of this plan will be subject to previous tenure restrictions and Parent reapproval.

Board member	Key skills and experience	9 year limit	3 year position
Maureen Dowden (Independent Chair)	<ul style="list-style-type: none"> ▪ Corporate Governance ▪ Senior Management, leadership and strategy in a housing context ▪ Being involved in the restructuring or transformation of an organisation ▪ Performance management, value for money and continuous improvement 	2027	2023
Michael Greaves Mackintosh (Tenant)	<ul style="list-style-type: none"> ▪ Equal opportunities and diversity; the specific needs of diverse communities in the areas served ▪ In depth knowledge of the areas, clients, tenants and communities served ▪ Community engagement – scrutiny and service delivery 	2026	2025
Heather MacNaughton (Independent)	<ul style="list-style-type: none"> ▪ Housing management and maintenance of social housing ▪ Regeneration ▪ Accountancy and audit, knowledge of relevant statutory requirements ▪ Organisational strategy and policy development 	2027	2025
John Henderson (Independent)	<ul style="list-style-type: none"> ▪ Legal and regulatory ▪ General commercial business, financial & management skills ▪ Property, asset management, development, regeneration, surveying etc. ▪ Knowledge of the areas, clients, tenants and communities served 	2027	2025
John McCraw (Tenant)	<ul style="list-style-type: none"> ▪ Knowledge of the areas, clients, tenants and communities served ▪ Community engagement – scrutiny and service delivery ▪ Provision of services in a housing or other similar context 	2028	2025
Fiona Burden (Independent)	<ul style="list-style-type: none"> ▪ Legal and Regulatory ▪ General commercial business, financial & management ▪ Corporate Governance ▪ Risk identification, management and mitigation 	2028	2025
Caryl Hamilton	<ul style="list-style-type: none"> ▪ Accountancy and audit, knowledge of relevant statutory requirements ▪ General commercial business, financial & management skills ▪ Risk identification, management and mitigation 	2030	2025
Hugh Martin	<ul style="list-style-type: none"> ▪ Knowledge of the areas, clients, tenants and communities served ▪ Community engagement – scrutiny and service delivery ▪ Provision of services in a housing or other similar context 	2031	2025

4. Succession Plan 2022-2025

The Annual General Meetings are the key staging points in the plan, marking where Board members will ordinarily retire and any new members will ordinarily be appointed. Planned retirements and appointments for the next 3 AGMs will be as follows:

2022-2025

There are no planned retirements, beyond retirements by rotation, between 2022 and 2025. It is assumed that retirements by rotation will seek reappointment.

In 2022 John McCraw will require to be reappointed, this is a technical requirement given John's confirmation he will remain on the Board and will be undertaken in line with the Articles of Association.

Following the 2022 AGM, Josephine Boaden will be appointed to the Board to fill an existing vacancy. Jo has held a number of senior roles in housing, regeneration and social policy across the UK in both the public and private sectors.

Having served on the Wheatley Homes Glasgow and Group Board, and chaired the Wheatley Solutions Board, Jo has extensive experience and knowledge of the Group. She is an experienced Non Executive, as a member of the Board of the Regulator of Social Housing in England and Chair of CaCHE North and the Midlands Hub – the UK collaborative centre for housing evidence.

5. Review

The succession plan shall be subject to annual refreshment as part of the Board Appraisal Process.

**SUPERSEDES ARTICLES OF ASSOCIATION DATED ~~11 JULY~~
~~2019~~12 DECEMBER 2019**

Company number: SC220297

**THE COMPANIES ACT 2006
COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL
ARTICLES OF ASSOCIATION**

OF

**~~DUMFRIES AND GALLOWAY HOUSING PARTNERSHIP~~WHEATLEY HOMES
SOUTH LIMITED**

PRELIMINARY

1. The model articles of association as prescribed in Schedule 2 to The Companies (Model Articles) Regulations 2008 are excluded in respect of the Company

DEFINITIONS AND INTERPRETATION

2. In the Articles (as hereinafter defined) unless the context otherwise requires:

"2005 Act" Means the Charities and Trustee Investment (Scotland) Act 2005.

~~"2019 AGM"~~ ~~Means the Annual General Meeting of the Company to be held in calendar year 2019.~~

"the Act" Means the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force.

~~"Appointment Board Meeting"~~ ~~Means, in each calendar year, a meeting of the Board which shall be held in August and at which Board Members shall be appointed in terms of Article 38.~~

"Articles" Means these Articles of Association as originally adopted or as altered from time to time.

"Board" Means the Board of directors of the Company from time to time.

"Board Members" Means the directors for the time being of the Company and shall (save where expressly excluded) include co-optees to the Board pursuant to Article ~~45~~43.

"Chairperson" Means the Chairperson of the Board appointed ~~prior to~~in accordance with Article ~~57(1)~~57(1) or in his absence any

	vice or deputy chairperson appointed pursuant to Article 57(460(2)).
"clear days"	in In relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
"Closely Connected"	has Has the meaning ascribed to that term in the Code of Conduct.
"Code of Conduct"	means Means the code of conduct for Board Members and members of District Management Committees adopted from time to time by the Board.
"Effective Date"	means Means the date at which the Parent becomes a Member of the Company.
<u>"Electronic Communication"</u>	<u>Has the same meaning as is assigned to that expression in the Electronic Communications Act 2000.</u>
"executed"	Means in relation to any contract, agreement or other document and includes any mode of execution.
<u>"Fixed Term"</u>	<u>Has the meaning given in Article 39.</u>
"Group"	means Means the Parent, the Company, and any Subsidiary from time to time.
"Group Agreement"	means Means the written agreement from time to time between the Company and the Parent in relation to the objectives and operation of the Group.
"Guarantee"	means Means any guarantee and includes any obligation (including as primary obligor), including a contract of indemnity or suretyship, however described, to pay, satisfy, provide funds for the payment or satisfaction of (including, without limitation, by advance of money, purchase of or subscription for securities and purchase of assets or services), indemnify against the consequences of default in the payment of, or otherwise be responsible for, any indebtedness of any Subsidiary or any other person.
"Housing Act"	Means the Housing (Scotland) Act 2001 2010.
"Independent Board Member"	Means a Board Member who is not a Tenant Board Member or the Parent Appointee.
"Independent Member"	Means any Member designated as such pursuant to Article 9(4).

"Member"	Means any person, firm, company or other organisation who is admitted to membership of the Company in accordance with the provisions of these Articles.
"Office"	Means the registered office of the Company.
"Officer Bearer"	Means the chairperson, secretary, treasurer or vice chairperson of the Company.
"OSCR"	Means the Office of the Scottish Charity Regulator, as constituted by Section 1 of the 2005 Act as a Non-Ministerial Department of the Scottish Administration and having its principal place of business at 2nd Floor, Quadrant House, 9 Riverside Drive, Dundee, DD1 4NY.
"Parent"	means <u>Means</u> Wheatley Housing Group Limited, a company limited by guarantee and registered in Scotland (number SC426094) having its registered office at Wheatley Housing, 25 Cochrane Street, Glasgow, G11HL ; .
"Recruitment Panel"	Means a recruitment panel to be established by the Board in order to consider and make recommendations to the Board in relation to candidates for appointment as Board Members, the composition and terms of reference of which recruitment panel shall be as determined by the Board from time to time.
"Registered Social Landlord"	Means a social landlord registered on the register maintained by The Scottish Housing Regulator pursuant to section 57 <u>Section 20</u> of the Housing Act.
"Relevant Business"	Means a business trading for profit: <ul style="list-style-type: none"> (a) of which a Board Member or any person Closely Connected to a Board Member is a principal proprietor; and/or (b) in respect of which a Board Member or any person Closely Connected to a Board Member has direct or significant management control or responsibility.
"Relevant Council"	Means Dumfries and Galloway Council or its successors in title.
"Scottish Housing Regulator"	means <u>Means</u> the body known as The Scottish Housing Regulator, established pursuant to Section 1 of the Housing (Scotland) Act and having its head office at Buchanan House, 58 Port Dundas Road, Glasgow or any other body which takes over all or substantially all

of its regulatory and supervisory powers and responsibilities ~~and/or~~ any body which takes over any or all of its ~~grant-making~~ powers and responsibilities in each case in relation to the ~~provision~~regulation of social housing.

"the seal"	Means the common seal of the Company.
"Secretary"	Means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary.
"Subsidiary"	means <u>Means</u> any organisation which is from time to time a subsidiary of <u>either</u> the Company <u>or the Parent</u> within the meaning of Section 164 of the Housing (Scotland) Act 2010;
"Standing Orders"	means <u>Means</u> the standing orders of the Company adopted from time to time by the Board.
"Tenant"	Means a tenant of the Company from time to time occupying a residential property under a Scottish secure tenancy or any statutory tenancy which from time to time may replace such tenancy.
"Tenant Board Member"	Means a Board Member appointed pursuant to Article 38 <u>these Articles</u> who is also a Tenant.
"Tenant Member"	Means a Member who is at the time of admission to membership a Tenant and is designated as such in accordance with Article 9(4).
"Transfer"	Means the transfer of not less than 90% of the housing stock of the Relevant Council to the Company.
"the United Kingdom"	Means Great Britain and Northern Ireland.

3. Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the Company. In these Articles words importing individuals shall, unless the context otherwise require, include corporations and words importing the singular number shall include the plural, and vice versa and words importing the masculine gender shall include the feminine gender.

4. Without prejudice to any of the foregoing, each reference herein to the "Housing Act" shall include reference to the equivalent or replacement provision in the Housing (Scotland) Act 2010 or to any subsequent re-enactment or amendment thereof.

OBJECTS

5. The objects of the Company shall be primarily in Scotland to operate for the relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage through:
- (1) ~~(a)~~ the provision, construction, improvement and/or management of land and accommodation;
 - (2) ~~(b)~~ the provision of care; and
 - (3) ~~(c)~~ the undertaking of any activity allowed under Section 58 of the Housing (Scotland) Act 2001 (as amended by the Housing (Scotland) Act 2006 and the Registered Social Landlords (Purposes or Objects) (Scotland) Order 2006) which is charitable both for the purposes of section 7 of the ~~Charities and Trustee Investment (Scotland) 2005~~ Act ~~2005~~ and also section 505 of the Income and Corporation Taxes Act 1988.

POWERS

6. The Company shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient in furtherance of its objects unless prohibited in these Articles provided that:
- (1) the Company shall not accept money on deposit;
 - (2) subject to the terms of Article 5, the Board may, determine and change conditions under which the Company borrows or lends money but from the Effective Date this must only be with the prior written approval of the Parent; and
 - (3) the Company shall not lend money to Members except as permitted by these Articles.
7. Without limiting the powers described in Article 6, the Company shall have power to:
- (1) ~~1.~~ acquire, take or grant or otherwise dispose of any interest in land;
 - (2) ~~2.~~ dispose, in such manner as the Board sees fit, of land and of other assets or interests of the Company, present or future, including by way of heritable security, floating charge, security assignment, mortgage or charge;
 - (3) ~~3.~~ carry out works to land, buildings or other property;
 - (4) (a) subject to such consents as may be required by law to borrow money, issue loan stock or raise money in such manner as the Company shall think fit and to secure the repayment of any money borrowed raised or owing by such security as the Company shall see fit (including by way of floating charge) upon the whole or any part of the Company's property or assets (whether present or future) and also by giving similar security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it provided that the total borrowing at any time is not more than £500 million or such larger sum as the Company, with the prior written consent of the Parent, determines from time to time in general meeting. The Company can enter into any Guarantee in respect of or to secure by heritable security, mortgage, charge, floating charge, lien or other security which the Company is permitted by law to

grant, upon the whole or any part of the Company's property or assets, the obligations and liabilities of any Subsidiary; or of any joint venture established by the Company (or by a Subsidiary) with any entity or entities. The foregoing power is valid notwithstanding, and is in no way limited by, any limits on the borrowing or lending powers of the Company (including the foregoing limits) contained in these Articles or otherwise;

- (b) ~~(2)~~ in respect of any proposed borrowing for the purposes of Article 7~~(34)~~(a) the amount remaining undischarged of any index-linked loan previously borrowed by the Company or any deep discounted security shall be deemed to be the amount needed to repay such borrowing in full if the pre-existing borrowing became repayable in full at the time of the proposed borrowing;
- (c) ~~(3)~~ for the purposes of Article 7~~(34)~~(a) in respect of any proposed borrowing intended to be index-linked or on any deep discounted security the amount of borrowings shall be deemed to be the proceeds of such proposed borrowings that would be receivable by the Company at the time of the proposed borrowing;
- (d) ~~(4)~~ the Company shall not pay more than the rate of interest which the Board considers to be the then market rate of interest on any money borrowed, having regard to the terms of the loan on any money it borrows;
- (e) ~~(5)~~ Subject to the provisions of ~~article~~Articles 6(3) and 7(4)(i)~~),~~ with the prior written approval of the Parent, lend money to any person or organisation including, without limitation, the Parent; any Subsidiary; any joint venture established by the Company or by the Parent or by any Subsidiary, with another entity or entities, on terms which the Board deems appropriate at the time of entering into the transaction. Where the Company is using a loan facility to on lend it must comply with the Regulatory Framework and Regulatory Guidance issued by The Scottish Housing Regulator from time to time;
- (f) ~~(6)~~ borrow money from such lawful sources as is permitted by its treasury management policy subject always to the requirement that the Company will comply with the Regulatory Framework and Regulatory Guidance issued by The Scottish Housing Regulator from time to time;
- (g) ~~(7)~~ Subject to the foregoing provisions, the Board can, with the prior written approval of the Parent, determine and change conditions under which the Company can borrow or lend money;
- (h) ~~(8)~~ subscribe to, purchase or acquire in any other way, any incorporeal property (including but without generality of the foregoing any stock, share, security, debenture or debenture stock in each case whether preferred, deferred or secured or unsecured) of any Subsidiary; and
- (i) ~~(9)~~ ~~With~~with the exception of the Parent, the Company shall not lend money to Members.
- (5) ~~(a)~~ To insure and arrange insurance cover for the Company from and against all such risks as the Board may think fit and to pay any premium in respect of such insurance.
- (6) ~~(b)~~ To insure and arrange insurance cover for and to indemnify its Members, employees and voluntary workers from and against all such risks incurred in the proper performance of their duties as it shall consider appropriate and to pay any

premium in relation to indemnity insurance in respect of liabilities of its Board Members or any of them which would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in respect of the Company PROVIDED THAT such insurance shall not extend to any liability in respect of an act or omission which such Board Member or Board Members knew or ought reasonably to have known was a breach of duty or trust or which was committed by such Board Member or Board Members recklessly without due regard as to whether such act or omission might be a breach of duty or trust.

- (7) ~~(e)~~ To invest any monies of the Company not immediately required for the furtherance of its objects as it determines and as permitted by law.
- (8) ~~(d)~~ Subject to such consents as may be required by law and compliance with all formal guidance issued by the Company's regulators (if any) to purchase or otherwise acquire or to encourage or promote or in any way support or aid the establishment and development of any ~~subsidiary~~ Subsidiary or associated company established for the purposes of carrying on any trade or business either for the purpose of raising funds for the Company or for the furtherance of the objects of the Company.
- (9) ~~(e)~~ To make donations, grants or loans or provide services or assistance to such persons and organisations and on such terms as the Company shall think fit to further the objects of the Company PROVIDED THAT in case the Company shall take or hold any property which may be subject to any trusts, the Company shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts.

APPLICATION OF INCOME AND PROPERTY

8. The income and property of the Company shall be applied solely towards the promotion of its charitable objects as set forth in Article 5 and no portion thereof shall be paid or transferred, directly or indirectly (save as may otherwise be provided in terms of this Article 8) by way of dividend, bonus or otherwise howsoever by way of profit, to Members PROVIDED THAT nothing in this Article 8 shall prevent any payment in good faith by the Company:

- (1) ~~(2)~~ of reasonable and proper remuneration (including pensions, contributory pension payments, payment of premiums to pension policies and terminal grants and gratuities) to any officer or employee of the Company in return for any services rendered to the Company;
- (2) ~~(3)~~ of fees, remuneration or other benefit in money or money's worth to a company of which a Board Member may be a member holding not more than 2% of the share capital of the company;
- (3) ~~(4)~~ to any Board Member of reasonably and properly incurred ~~out-of-pocket~~ out-of-pocket expenses and of any additional allowances and payments permitted by The Scottish Housing Regulator or any successor regulatory body;
- (4) ~~(5)~~ of reasonable and proper remuneration to any employee thereof in return for any services rendered to the Company; and
- (5) ~~(6)~~ of reasonable and proper interest on money lent by any body corporate notwithstanding that such body corporate shall be a Member or Board Member.

PROVIDED FURTHER THAT nothing shall prevent a disposal by the Company of a property whether by way of sale, lease, tenancy, licence or otherwise to any person in good faith and in pursuance of the objects of the Company notwithstanding the fact that such person may be a Member and/or Board Member and further nothing shall prevent the Company from managing a property in accordance with its objects notwithstanding the fact that the tenant, lessee, owner occupier or licensee of such property may be a Member or Board Member SUBJECT TO the proviso that any Board Member who is a beneficiary of the Company shall not be entitled to speak in any debate or cast his/her vote in respect of any matter relating solely to the property of which he/she is lessee, owner occupier, tenant or licensee and shall absent himself/herself from such proceedings but such Board Member shall be entitled to speak and vote in respect of matters which relate not only to such property but also to other properties owned or managed by the Company.

ADMISSION OF MEMBERS

9. (1) Such persons as are admitted to membership in accordance with these Articles shall be Members of the Company. Except in relation to the Parent, no person shall be admitted as a Member of the Company unless he/she is approved by the Board. Except in relation to the Parent, the Board is entitled at its absolute discretion to grant or refuse any application for membership.
- (2) ~~(4)~~ The Board may not admit any person as a Member who is under 16 years of age.
- (3) ~~(5)~~ The Board may not admit any employee of the Company to membership of the Company PROVIDED THAT employees of the Company who are also Tenants may be admitted to membership of the Company.
- (4) ~~(6)~~ With the exception of the Parent and Independent Board Members, every Member shall, on admittance, be designated by the Board as a Tenant Member ~~or an Independent Member~~ and such status shall be stated in the register of Members. With the exception of the Parent the decision of the Board as to the designation of the Members shall be final and binding.
- (5) ~~(7)~~ The Parent ~~may apply for membership in terms of these Articles.— Upon such application the Parent shall then become~~shall be a Member of the Company ~~and its name and other necessary particulars will be included in the Register of Members within seven working days.~~
- (6) Subject to Article 37(5), the Board shall have deemed to have admitted a person as a Member from the date on which he/she was appointed as a Board Member under these Articles and his/her name and other necessary particulars will be included in the register of Members within seven working days.
- (7) ~~(8)~~ The Parent and the Company, together with all other organisations in the Group will document, formally and in terms that are transparent and understandable, their constitutional and financial relationships through the Group Agreement or similar document. The role of the Company and its relationship with other organisations in the Group must be undertaken in a manner consistent with the ~~Charities and Trustee Investment (Scotland) 2005~~ Act ~~2005~~.
- (8) ~~(9)~~ Notwithstanding the other provisions of this ~~article~~Article 9, from the Effective Date the Parent may in its absolute discretion admit or remove any person as a Member.
- (9) ~~(10)~~ Any requirement under these Articles to seek approval, consent or ratification from the Parent shall only apply from the Effective Date.

(10) ~~(11)~~ Any requirement under these Articles for the Parent or Parent Appointee to be issued with notice of a meeting or to form part of a quorum at a meeting shall only apply from the Effective Date.

10. ~~A corporation which is a Member shall be invited to~~ The Parent will nominate a person to act as its representative in the manner provided in Section 323 of the Act. Such representative shall have the right on behalf of the ~~corporation~~ Parent (and to the extent only to which the ~~corporation~~ Parent would if a person be entitled to do so) to attend meetings of the Company and vote thereat, and generally exercise all rights of membership on behalf of the ~~corporation~~ Parent. The Parent may from time to time revoke the nomination of such representative, and nominate another representative in his/her place. All such nominations and revocations shall be in writing. A representative of ~~a corporation~~ the Parent may not be a Member in his/her own right.

LIMITED LIABILITY

- ~~10~~ 11. The liability of the Members is limited.

MEMBERS' GUARANTEE

- ~~11~~ 12. Every Member undertakes to contribute to the assets of the Company, in the event of the same being wound up while he/she is a Member, or within one year after he/she ceases to be a Member, for payment of the debts and liabilities of the Company contracted before he/she ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding £1.00.

CESSATION OF MEMBERSHIP

- ~~12~~ 13. Any Member may resign from the Company by giving ~~one (1) month's~~ seven days' notice (or such other period as the Board may in its discretion accept) in writing duly signed to the Secretary and thereupon such Member shall be deemed to have ceased to be a Member from the date of the expiration of such notice.
- ~~13~~ 14. Except in the case of the Parent any Member may be removed from the Company by a resolution of the Company passed by a majority of at least two-thirds of the votes cast at a General Meeting of which not less than twenty-eight clear days' notice specifying the intention to propose such resolution shall have been sent to the Member whose removal is proposed and to all the other Members of the Company. Notice of the general nature of the grounds on which such resolution is proposed shall be sent to the Member whose removal is proposed at least twenty-eight clear days before the meeting, and he or its representative for this purpose shall be entitled to be heard by the meeting.
- ~~14~~ 15. (1) The rights of any Member shall be personal and shall not be transferable and shall automatically cease if the Member, being a corporation, passes a resolution for winding-up (otherwise than for the purpose of a solvent amalgamation or reconstruction where the resulting entity assumes all of the obligations of the Member) or a court makes an order to that effect, or being an individual commits any act of bankruptcy, becomes incapable by reason of mental disorder or dies, or if the Member, being a corporation, ceases to carry on its business or substantially the whole of its business, or if the Member (whether a corporation or not) becomes or is declared insolvent or commits any act of bankruptcy or convenes a meeting of

or makes or proposes to make any arrangement or composition with its creditors or if a liquidator, receiver, administration, Trustee, manager or similar officer is appointed in relation to any of the assets of the Member or any analogous step is taken in connection with the Member's insolvency, bankruptcy or dissolution.

- (2) ~~(1)~~ A Tenant Member shall automatically cease to be a Member if they cease to be a Tenant PROVIDED THAT this Article 15(2) shall not apply in respect of a Tenant Member temporarily ceasing to be a Tenant as a result of the demolition of or works carried out to that Tenant Member's home.
- (3) ~~(2)~~ An Independent Board Member shall automatically cease to be a Member ~~if they become a Tenant~~ following:

~~(3) A Board Member shall automatically cease to be a Member if they have been removed from the Board for one of the issues referred to in Article 44(4).~~

- (a) retirement pursuant to Articles 38(1) and 42;
- (b) removal or disqualification for one of the issues referred to in Article 44;
or
- (c) resignation of the Chairperson pursuant to Article 60.
- (4) The cessations referred to in Articles 15(1) to (4) above shall take place forthwith upon the occurrence of the events set out in such Articles and without the need of notice being given to the Member concerned.
- (5) Except in the case of the Parent, the Board may terminate the membership of a Member (not being a Tenant Member) if they fail to notify the Secretary of a change of address, or if they have failed to either attend or submit apologies for five annual general meetings.

GENERAL MEETINGS AND RESOLUTIONS

16. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
17. The Board may call General Meetings and, on the requisition of (i) the Parent or (ii) the Members pursuant to the provisions of the Act, shall forthwith proceed to convene an Extraordinary General Meeting for a date not later than 28 days after receipt of the requisition. If there are not within the United Kingdom sufficient Board Members to call a General Meeting, any Board Member or any Member may call a General Meeting.
18. (1) An Annual General Meeting and an Extraordinary General Meeting called for the passing of a special resolution or a resolution appointing a person as a Board Member shall be called by at least ~~twenty-one~~fourteen clear days' notice. All other Extraordinary General Meetings shall be called by at least fourteen clear days' notice but a General Meeting may be called by shorter notice if it is so agreed:
- (a) ~~(1)~~ in the case of an Annual General Meeting, by all the Members entitled to attend and vote thereat; and
- (b) ~~(2)~~ in the case of any other General Meeting by a majority in number of the Members having a right to attend and vote being a majority together

holding (subject to the provisions of any elective resolution of the Company for the time being in force) not less than ninety-five per cent of the total voting rights at the General Meeting of all Members.

- (2) ~~(a)~~ The notice shall specify the time and place of the Meeting and, in the case of an Annual General Meeting, shall specify the Meeting as such.
 - (3) ~~(b)~~ The ~~Notice~~notice shall be given to all the Members and to the Board Members and Auditors.
 - (4) ~~(c)~~ Any Member entitled to attend at a General Meeting shall be entitled to appoint another person (whether a Member or not) as his/her proxy to attend instead of him and any proxy so appointed shall have the same right as the Member to speak at the Meeting.
 - (5) ~~(d)~~ The Annual General Meeting shall be held within six months of the end of the financial year of the Company.
19. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice, other than the Parent, shall not invalidate the proceedings at that meeting. Subject to the provisions of the Act, failure of the Company to send a notice calling the meeting to the Parent will invalidate the proceedings of that meeting.
20. (1) No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. The quorum for a General Meeting shall be the Parent and at least six other Members or, if the number of Members at any time exceeds sixty Members, one-tenth thereof or 25 other Members (whichever is lower) PROVIDED THAT if there are fewer than six such ~~members~~Members all ~~members~~Members of the Company shall form a quorum.
- (2) ~~(a)~~ If the Parent is not present in person or by representative and/or a quorum is not present within half an hour from the time appointed for a General Meeting the General Meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board Members may determine. There is no need to give notice to Members of the adjourned meeting, with the exception of the Parent, who must receive such notice if it was not present in person or represented at the meeting to be rescheduled. If at the adjourned meeting a quorum is not present at the scheduled starting time then notwithstanding ~~article 20.1~~Article 20(1), the Members present shall constitute a quorum.
 - (3) ~~(b)~~ The Parent shall be deemed to be present in person at any general meeting if it is represented in person by an individual (who need not be a Member) who is appointed to act as such by or on behalf of the Parent in accordance with Article 10.
 - (4) The Board shall determine the manner in which General Meetings of the Company are held, subject to the prior approval of the Parent.
21. ~~(a)~~ The Chairperson or, in his/her absence, ~~any vice chair appointed by the Board in accordance with Article 57(4), whom failing~~ some other Board Member nominated by the Board Members, shall preside as chairperson of the meeting, but if neither the Chairperson nor any vice chair nor such other Board Member (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Members present shall elect a Board Member to be ~~Chairperson~~chairperson of the meeting.

22. ~~(b) If no Board Member is willing to act as Chairperson, or if no Board Member is present within fifteen minutes after the time appointed for holding the meeting the Members present and entitled to vote shall choose one of their number to be Chairperson provided that if~~ if the Chairperson arrives after the meeting has commenced, he/she will take over as ~~Chairperson~~ chairperson of the meeting as soon as the current agenda item is concluded.

~~(c) Any Board Member shall, notwithstanding that he is not a Member, be entitled to attend and speak at any General Meeting or meeting of a class or type of Member.~~

23. ~~(d)~~(1) The Chairperson may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place.

(2) The Chairperson may also, without the consent of the meeting, adjourn the meeting (whether or not it has commenced or is quorate) either indefinitely or to such other time and place as he/she or the Board Members decide if it appears to him that:-

(a) the number of persons wishing to attend cannot be conveniently accommodated in the place appointed for the meeting; or

(b) the conduct of persons attending the meeting prevents or is likely to prevent the orderly holding or continuance of the meeting; or

(c) ~~(1)~~ an adjournment is otherwise necessary for the business of the meeting to be properly conducted; or

(d) ~~(2)~~ a proposal of such importance is made that the consideration of a larger number of members is desirable.

(3) ~~(16)~~ When a meeting is adjourned indefinitely, the time and place for the adjourned meeting shall be fixed by the Board. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. Otherwise, it shall not be necessary to give notice of an adjournment or of the business to be transacted at the adjourned meeting to any other person except the Parent. Failure to provide notice to the Parent in accordance with this Article ~~24~~23 will invalidate proceedings of the meeting.

(4) ~~(17)~~ If the Chairperson considers that the meeting place specified in the notice convening the meeting is inadequate to accommodate all those entitled and wishing to attend, the meeting shall nevertheless be duly constituted and its proceedings valid provided that the Chairperson is satisfied that adequate facilities are available to ensure that members who cannot be accommodated are able to participate in the business of the meeting and to see and hear all persons present who speak (whether by the use of microphones, loud-speakers, audio visual communications equipment or otherwise), whether in the meeting place or elsewhere, and to be seen and heard by all other persons in the same manner.

VOTES OF MEMBERS

~~25~~24. (1) A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:-

(a) ~~(25)~~ by the Chairperson;

(b) ~~(26)~~ by one-tenth of the Members present having the right to vote at the meeting; or

(c) ~~(27)~~ the Parent.

and a demand by a person as proxy for a Member shall be the same as a demand by a Member.

(2) Except in relation to the special resolutions in ~~article 26A~~Article 25, on a show of hands, every Member present in person, including the Parent, shall have one vote.

Where, however, an appointed proxy is present in accordance with Article 18(4), and so declares, the Chairperson shall direct a poll.

(3) Where a vote is by a poll every Member present in person, including the Parent, or who has appointed a representative has one vote. Where an appointed proxy is present, he/she must advise the Chairperson and the Chairperson shall direct that the vote be by poll.

(4) ~~In~~Except where a resolution is passed in accordance with the provisions of Article 25(2), in the case of an equality of votes, whether on a show of hands or on a poll, the Chairperson shall be entitled to a casting vote in addition to any other vote he/she may have.

~~26~~25.A At any meeting called for the passing of a special resolution by the Secretary in accordance with these Articles for the purpose of considering and, if appropriate, approving:

~~26A.1.1~~(1) any amendments, additions or deletions to any of these Articles;

~~26A.1.2~~(2) the winding up or dissolution of the Company; and/or

~~26A.1.3~~(3) any change of name of the Company,

the Parent shall be allocated and shall be entitled to cast three quarters of the votes available to be cast on the relevant special resolution at the meeting and the other Members of the Company (collectively the "Other Members") shall among them be entitled to cast one quarter of the votes available to be cast on the relevant special resolution at the meeting (including by way of poll). Votes exercisable by the Other Members in terms of this ~~article 26A~~Article 25 shall be counted for and against the relevant special resolution(s) in the proportions for and against actually cast by each of the Other Members who are present and voting at the meeting in person or by proxy respectively. The Secretary shall make arrangements for such Other Members to vote on the special resolution(s) separately and shall count the number of votes in favour and against the special resolution(s) and shall notify the meeting of the totals and accordingly the manner in which the one quarter of votes available to be cast on the relevant special resolution at the meeting and exercisable by the Other Members have been cast. The Secretary shall notify the meeting of the decision of the vote having regard to the votes cast by the Parent.

26. Unless a poll is duly demanded, a declaration by the Chairperson that a resolution: has been carried; or carried unanimously or by a particular majority; or lost; or not carried by a particular majority, together with an entry to that effect in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
27. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairperson and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
28. A poll shall be taken as the Chairperson directs and he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
29. A poll demanded on the question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the Chairperson directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
30. Other than the Parent being given notice ~~to~~, no notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
31. A resolution in writing executed by or on behalf of each Member who would have been entitled to vote upon it if it had been proposed at a General Meeting at which he/she was present shall be as effectual as if it had been passed at a General Meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more Members.
32. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairperson whose decision shall be final and conclusive.
33. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointer and shall be in the form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Board may approve) set out in Appendix A to these Articles.
34. Where it is desired to afford Members an opportunity of instructing the proxy how he/she shall act the instrument appointing a proxy shall be in the form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Board Members may approve) set out in Appendix B to these Articles. The maximum number of proxy votes that can be cast by one person shall be 10.
35. This instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board Members may:-

- (1) ~~(a)~~ be deposited at the Office ~~or at~~ submitted to the Company by Electronic Communication or delivered to such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (2) ~~(b)~~ in the case of a poll taken more than 48 hours after it is demanded, be deposited, submitted or delivered as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (3) ~~(c)~~ where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairperson or to the Secretary or to any Board Member; and
- (4) ~~(d)~~ an instrument of proxy which is not deposited, submitted or delivered in a manner so permitted shall be invalid.
36. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Office or ~~at such other place~~ otherwise, at which the instrument of proxy was duly deposited, submitted or delivered before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.
- 36A. The Chairperson will report to the meeting the details of any documents seeking to appoint a proxy received but which are not valid.

COMPOSITION OF THE BOARD

37. (1) The Company shall have a Board. The minimum number of Board Members shall be seven ~~(subject to the terms of Article 55.4)~~ and the maximum number of Board Members (including co-optees appointed pursuant to Article ~~45~~43) shall ~~until the end of the 2019 AGM~~, be fifteen, unless additional Board Members are appointed after nomination by The Scottish Housing Regulator under Article 37(~~84~~). The Board shall comprise:
- ~~1. From the end of the 2019 AGM, the maximum number of Board Members shall be eleven, of whom:~~
- (a) no more than three Tenant Board Members ~~may be Tenants~~;
- (b) ~~2.~~ no more than ~~seven~~six Independent Board Members ~~may be Independent Members~~; and
- (c) ~~3. from the Effective Date, and~~ if appointed, one Board Member shall be the Parent Appointee.
- (2) ~~4. In the event that at any time until the 2019 AGM there shall be fewer than seven Tenant Board Members or eight Independent Board Members then (subject to the terms of Article 55.4) the remaining Board Members shall use reasonable endeavours to appoint further Board Members and may continue to act and exercise all of the powers of the Board. In the event that at any time after the 2019 AGM~~

there shall be fewer than three Tenant Board Members on the Board or fewer than ten Board Members in total then ~~(subject to the terms of Article 55.4)~~ the remaining Board Members shall use reasonable endeavours to appoint further Tenant Board Members and / or Independent Board Members so as to bring the number of Tenant Board Members up to three or the total number of Board Members up to ten and may continue to act and exercise all of the powers of the Board.

- (3) ~~5.~~ No person may act as a Tenant ~~Board Member or an Independent~~ Board Member unless they are a Member of the Company.
- (4) ~~6.~~ The Board may from time to time appoint additional Board Members nominated by The Scottish Housing Regulator for such period and on such terms as The Scottish Housing Regulator may specify. Such Board Members shall be entitled to take part in the deliberations of the Board and vote at any Board meetings thereof on all matters and from the date of such appointment shall be included in the expression "Board Member".
- (5) ~~7.~~ From the Effective Date no Board Member may act as such until their appointment has been ratified by the Parent and they have signed and delivered to the Board a statement, confirming that they will meet their obligations to the Board and the Company as set out in the Code of Conduct. Except in the case of the Parent Appointee any Board Member who has, without good cause, failed to sign such a statement within four weeks of appointment to the Board shall immediately cease to be a Board Member.

RETIREMENT AND APPOINTMENT OF BOARD MEMBERS

- ~~38. (1) At the Appointment Board Meeting to be held in calendar year 2019:~~
- ~~(a) the Board shall appoint up to ten Board Members, up to three of whom shall be Tenant Board Members and up to seven of whom shall be Independent Board Members, such appointments to take effect from and after the end of the 2019 AGM;~~
- ~~(b) the persons appointed by the Board as Tenant Board Members and Independent Board Members in terms of Article 38(1) shall be those persons who have been recommended to the Board by the Recruitment Panel and approved by the Board for appointment as Board Members; and~~
- ~~(c) any Board Member holding office immediately prior to the 2019 AGM who has not been appointed as either a Tenant Board Member or an Independent Board Member in terms of Article 38(1) shall resign from office, such resignation to take effect from the end of the 2019 AGM.~~
- ~~(2) At each subsequent Appointment Board Meeting then with the exception of the Parent Appointee:~~
38. (a1) With the exception of the Parent Appointee, each Board Member who has served their Fixed Term (as defined in Article 39) shall retire from office, ~~any such retirement to take effect from the end of the next Annual General Meeting following the relevant Appointment Board Meeting;~~ after expiry of their Fixed Term.

- (b2) ~~the~~The Board shall appoint Tenant Board Members or, as the case may be, Independent Board Members, to fill the vacancies created by any retirements under Article 38(2)(a), ~~such appointments to take effect from and after the end of the next Annual General Meeting following the relevant Appointment Board Meeting; and~~1.
- (e3) ~~the~~The persons appointed by the Board as Tenant Board Members and Independent Board Members in terms of Article 38(2)(b) shall be those persons who ~~have been recommended to the Board by the Recruitment Panel for appointment as Board Members~~considers meet the requirements of Article 38(4) and whose appointment ~~from the~~ has been ratified by the Parent.
- (34) No person shall be eligible for appointment as a Board Member in terms of this Article 38 unless ~~he or she is recommended to the Board by the Recruitment Panel. Individuals recommended for Board Membership by the Recruitment Panel shall be individuals who have~~the Board is satisfied that he or she is an individual who has the skills, experience and / or objectivity that are necessary or desirable to further the objects of the Company. The skills, experience and objectivity which prospective Tenant Board Members and / or Independent Board Members must have shall be determined by the Board ~~and the Recruitment Panel~~ from time to time.
- (5) The Parent may from time to time and at any time by written notice to the registered office of the Company appoint up to one person as a Board Member (the "Parent Appointee") and by like notice remove or replace the Parent Appointee and in each case, such appointment or removal shall take effect upon the date of lodgement of such written notice at the Company's registered office or such later date as may be specified in the notice.
- (6) Notwithstanding any other provision of these Articles:
- (1a) the Parent is the parent body of the Company and shall be entitled to appoint any number of Board Members and remove from office any and all Board Members as it may in its sole discretion determine;
- (2b) any appointments and removals from office in terms of ~~article~~Article 38(6)(i) may be made from time to time and at any time by notice in writing ~~signed~~or by Electronic Communication on behalf of the Parent ~~and served on the Company~~ and, in each case, shall take effect upon the date of ~~lodgement of written receipt of the~~ notice at by the ~~Company's registered office~~Company or such later date as may be specified in the notice; and
- (3c) all candidates for ~~election, re-election,~~ appointment, or re-appointment as Board Members in terms of these Articles shall first be approved in writing or by Electronic Communication by the Parent and any such ~~election, re-election,~~ appointment or re-appointment of a Board Member shall not take effect unless and until such approval has been given.
39. The Tenant Board Members and Independent Board Members appointed by the Board in terms of Article 38(1) ~~or Article 38(2)~~ shall be appointed for a fixed term of ~~office expiring at the conclusion of an Annual General Meeting~~three years (a "Fixed Term"). ~~Subject, unless the Board has set a lower number of years for the relevant Board Member on their appointment, subject~~ to the terms of Article 40, ~~the Fixed Term shall be three years unless~~

~~the Board determines otherwise.~~ No Fixed Term shall be set which would cause a the relevant Board Member to serve ~~beyond their ninth consecutive year of office as a Board Member~~ for more than a period of nine years (whether continuous or in aggregate), unless otherwise approved by the Parent in accordance with Article 44(27).

40. For the purposes of Article 39, the Fixed Term of a Board Member shall be calculated taking into account any period of service as a Board Member since the date on which the relevant Board Member was first elected or appointed as a Board Member.
 41. Any Board Member who retires from office ~~at an Appointment Board Meeting~~ under Article 38(2)(a1) shall, subject to the terms of Article 42, be eligible for ~~reappointmentre-~~re-appointment by the Board ~~at an Appointment Board Meeting~~.
 42. ~~Where any(1)~~ Any Board Member who retires from office under Article 38(21)(a), ~~that Board Member will shall~~ be eligible for ~~reappointmentre-~~re-appointment by the Board ~~at an Appointment Board Meeting~~, provided that:
 - (4a) ~~where the relevant Board Member has only served one Fixed Term, that Board Member has been recommended to the Board by the Recruitment Panel and approved~~ can be re-appointed by the Board ~~for reappointment as a Board Member~~;
 - (2b) where the relevant Board Member has served two Fixed Terms, he/she shall only be eligible for ~~reappointmentre-~~re-appointment for one further Fixed Term, but only with the prior approval of the Parent; and
 - (3c) where any Board Member has nine years' service on the Board, that Board Member shall retire with effect from the end of the Annual General Meeting which occurs at the expiry of their ninth year of office and shall not be eligible for ~~reappointmentre-~~re-appointment as a Board Member, unless otherwise approved by the Parent in accordance with Article 44(27).
- (2) If a Board Member leaves the Board for any reason other than by virtue of Articles 38(1) or 42, that Board Member will not be eligible to stand for re-appointment or to be co-opted onto the Board until the expiry of five years following the date on which they left the Board, unless otherwise approved by the Parent.
 - (3) Other than the Parent Appointee (if appointed) no Board Member shall serve more than nine years' service in total on the Board, whether continuously or in aggregate, unless otherwise approved by the Parent. The Parent shall be entitled to approve a longer fixed term for any Board Member following the expiry of nine years' service where the Parent is satisfied that a Board Member is able to demonstrate his/her continued effectiveness as a Board Member. Where the Parent approves the re-appointment of a Board Member in terms of this Article 42(3), the Parent shall review that Board Member's appointment on an annual basis.
 - (4) If a Board Member retires from the Board in terms of these Articles and is re-appointed, subject to Article 42(2), any time previously served on the Board shall count towards their period of service for the purposes of Article 42(3).
 - (5) The other terms of this Article 42 shall not apply to the Parent Appointee (if appointed) who shall not be required to retire.

- (6) The Board shall determine the appointment process for Board Members from time to time, subject to the approval of the Parent.
- (7) An application for appointment to the Board can be rejected by a decision of not fewer than three quarters of the Board Members on one of the following grounds:
 - (a) where appointment to the Board would be contrary to these Articles or the Company's policies;
 - (b) where a conflict of interest may exist which, even allowing for the disclosure of such an interest may adversely affect the work of the Company; or
 - (c) where there is clear evidence of relevant circumstances from which it is concluded that appointment to the Board would not be in the best interests of the Company.
- (8) The rejection of an application for appointment to the Board shall be notified to the person concerned in writing following the relevant Board Meeting.
- (9) The Board can require that a Board Member who is being investigated for a potential breach of the Company's Code of Conduct for Board Members take leave of absence and not attend any meeting in his/her capacity as a Board Member until the Board has completed its consideration of the potential breach. When on such leave of absence, the Board Member will not be entitled to receive minutes and/or documents in his/her capacity as a Board Member relating to the business of the Company.

CASUAL VACANCIES AND CO-OPTIONS

43. (1) Subject to Article 37 the Board may appoint a person who is willing to act to be a Board Member to fill a vacancy. A Board Member so appointed shall hold office only until the next following annual general meeting. If not re-appointed at the first ~~Appointment~~ Board Meeting which occurs after their appointment then they shall vacate office at the conclusion of the next Annual General Meeting following that ~~Appointment~~ Board Meeting.
- ~~1.~~(2) Subject to approval by the Parent, the Board may from time to time co-opt persons to the Board and may at any time revoke such co-option. Co-optees ~~cannot be Tenants or executive officers of the Company~~do not need to be Members, but they can only serve as co-optees on the Board for a period of one year or until removed by the Board. No more than one-third of Board Members shall be co-opted PROVIDED THAT nothing in this Article 43(2) shall preclude or prevent a Tenant from being co-opted to fill a vacancy amongst the Tenant Board Members and any such Tenant shall not be treated as a co-optee for the purposes of this Article 43(2) or Article 43(3) or Article 44(24). The presence of co-optees at Board Meetings will not be counted when establishing whether a quorum is present to allow the meeting to take place as required by Article 53(1).
- ~~2.~~(3) Co-optees can take part in the Board's discussions and vote at Board meetings on all matters except those which directly affect these Articles, the membership of the Company or the election of the Company's Office Bearers.

DISQUALIFICATION AND REMOVAL OF BOARD MEMBERS

44. Except in the case of the Parent Appointee, a Board Member must leave the Board if the majority of the Members voting at a General Meeting decide this. The Board will then appoint someone to take his/her place.

A person cannot become or remain or be re-appointed as a Board Member if that person:-

- (1) ~~1.~~ ceases to be a Board Member by virtue of any provision of the Act or becomes prohibited by law from being a company director; ~~or~~
- (2) ~~2.~~ becomes bankrupt or makes any formal arrangement or composition with all of his creditors; ~~or~~

~~3. is, or may be, suffering from mental disorder and either:-~~

~~1. is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or~~

~~(b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his/her detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or~~

- (3) ~~2.~~ except in the case of the Parent Appointee, is removed from office by a resolution of (or written notice signed by) at least half of all the other Board Members from time to time provided that the vote to ask a Board Member to leave the Board must relate to one of the following issues:-

~~1.~~ (a) failure to perform to the published standards laid down from time to time by the Scottish Federation of Housing Associations, The Scottish Housing Regulator and the Office of the Scottish Charity Regulator;

~~2.~~ (b) failure to comply with the Code of Conduct and/or the Financial Regulations; or

~~3.~~ (c) serious or persistent breach of the Company's Articles or Standing Orders.

- (4) ~~4.~~ in the case of a Board Member who is a Member or representative of a Member ceases to be a Member of the Company or the representative of a Member (as the case may be) or if the Member whom the Board Member represents ceases to be a Member;

(5) ~~5.~~ except in the case of the Parent Appointee, shall for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period;

(6) ~~6.~~ in the opinion of a qualified medical doctor, is unable to go to Board Meetings for 12 months because of incapacity due to a physical or mental illness;

(7) ~~7.~~ is involved in litigation with the Company (other than litigation between the Relevant Council and the Company);

- (8) ~~8.~~ has been convicted of an offence involving dishonesty which is not spent by virtue of the Rehabilitation of Offenders Act 1974 or an offence under the 2005 Act;
- (9) ~~9.~~ is or will be away for a period of 12 months and are thus unable to attend the Board Meetings;
- (10) ~~10.~~ has been removed by The Scottish Housing Regulator, Tai Cymru or any successor regulatory body from the Board of another Registered Social Landlord;
- (11) ~~11.~~ is or becomes disqualified from being a charity trustee pursuant to section 69 of the 2005 Act or have been suspended or removed as a charity trustee pursuant to section 34 of the 2005 Act;
- (12) ~~12.~~ is under the age of 18;
- (13) ~~13.~~ is or has within the last six months been in significant arrears in respect of any of their obligations to the Company for a reason which was not due to housing benefit processing delays PROVIDED THAT in assessing any such issue the Board shall act reasonably;
- (15) (a) has been in serious or persistent breach of their tenancy agreement with the Company PROVIDED THAT in assessing any such issue the Board shall act reasonably;
- ~~1.~~(b) has damaged property leased to them by the Company or caused distress or nuisance to neighbours;
- ~~2.~~(c) has during the past six months received housing benefit which they were not entitled to because they gave false information;
- (16) ~~1.~~ breaches any rules of confidentiality to which Board Members may be subject in terms of the Code of Conduct or otherwise;
- (17) ~~2.~~ has deliberately claimed expenses to which they were not entitled;
- (18) ~~3.~~ has failed to disclose a financial interest personally or in respect of a Relevant Business or in any other way whatsoever in a contract or other transaction with the Company under Article ~~51~~52(2);
- (19) ~~4.~~ has failed to disclose a relevant interest in accordance with Article 55;
- (20) ~~5.~~ in the case of a Tenant Board Member ceases to be a Tenant PROVIDED THAT this Article 44(20) shall not apply in respect of a Tenant Board Member temporarily ceasing to be a Tenant as a result of the demolition of or works carried out to that Tenant Board Member's home;
- (21) ~~6.~~ is a Tenant Board Member and becomes a Local Authority Person;
- (22) ~~7.~~ is an Independent Board Member and becomes a Tenant;
- (23) ~~8.~~ is a Tenant and wishes to stand as an Independent Board Member;
- (24) ~~(24)~~ is a co-optee pursuant to Article 43 and their co-option is revoked by the other Board Members;
- (25) ~~1.~~ is or becomes an employee of the Company or, unless otherwise approved by the Parent, is or becomes Closely Connected to such an employee;

(25) ~~2.~~ following an investigation carried out in accordance with the terms of the Code of Conduct, is found to be or have been in serious or persistent breach of any duties imposed on charity trustees pursuant to section 66 of the 2005 Act; or

~~3. has served as a Board Member for a continuous period of nine years~~

(26) ~~4.~~ has been removed from the governing body of any other member of the Group; or

(27) ~~5.~~ has left the Board and a period of five years has not expired since their departure and the Parent has not approved their return within that period;

(28) ~~6.~~ is the Parent Appointee and the Parent subsequently removes them from the Board;

(29) ~~7.~~ resigns his/her position as a Board member in writing; or

(30) his/her application for appointment to the Board has been rejected in accordance with Article 42(7).

POWERS OF THE BOARD

45. Subject to the provisions of the Act and the Articles, the business of the Company shall be managed by the Board who may exercise all the powers of the Company. No alteration of the Articles shall invalidate any prior act of the Board which would have been valid if that alteration had not been made. The powers given by this regulation shall not be limited by any special power given to the Board by the Articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board. The Board is responsible for ensuring that the Company can demonstrate its governance and financial arrangements are such as to allow The Scottish Housing Regulator to regulate effectively and exercise its full regulatory powers.
46. The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

BORROWING POWERS

47. The Board may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and to grant any heritable security, floating charge or other security over its undertaking and property, or any part thereof, and to issue any debenture, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

DELEGATION OF BOARD MEMBERS' POWERS

48. The Board may delegate any of their powers to its Committees. The Board may also delegate any of their powers to any committee consisting of Board Members provided that no more than a third of the Members of such a committee may be co-optees. They may also delegate to the Chairperson/or any vice or deputy Chairperson or to any Office Bearer such of their powers as they consider desirable to be exercised by them. Any such delegation to any committee may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee shall be governed by the

Articles regulating the proceedings of the Board so far as they are capable of applying. [The creation of any new committees by the Board is subject to the prior approval of the Parent.](#)

ALTERNATE BOARD MEMBERS

49. No Board Member shall be entitled to appoint any person as an alternate Board Member.

BOARD MEMBERS' EXPENSES

50. The Board Members may be paid all travelling, hotel, and other expenses reasonably and properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board or general meetings or separate meetings of classes or types of Member or of the holders of debentures of the Company or otherwise in connection with the discharge of their duties.

BOARD MEMBERS' APPOINTMENTS AND INTERESTS

51. Each of the Board Members shall, in exercising his/her role as a Board Member, act in the best interests of the Company, its tenants and service users and will not place any personal or other interests ahead of his/her primary duty to the Company; and, in particular, must:

~~51.1~~[\(1\)](#) seek, in good faith, to ensure that the Company acts in a manner which is in accordance with its objects;

~~51.2~~[\(2\)](#) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;

~~51.3~~[\(3\)](#) in circumstances giving rise to the possibility of a conflict of interest between the Company and any other party:

~~51.3.1~~[\(a\)](#) put the interests of the Company before that of the other party, in taking decisions as a Board Member; and

~~51.3.2~~[\(b\)](#) where any other duty prevents him/her from doing so, disclose the conflicting interest to the Company and refrain from participating in any discussions or decisions involving the other Board Members with regard to the matter in question; and

~~51.4~~[\(4\)](#) ensure that the Company complies with any direction, requirement, notice or duty imposed on it by the ~~Charities and Trustee Investment (Scotland)~~[2005](#) Act ~~2005~~.

~~52.1~~[52. \(1\)](#) The Board shall set and periodically review its policy on payments and benefits. If a person is a Member, employee of the Company or serves on the Board or any ~~sub-committee~~[committee of the Board](#) he/she must not receive any payment or benefit unless it is permitted by the policy. In making any payment or conferring any benefit the Company shall act at all times with transparency, honesty and propriety.

~~52.2~~[\(2\)](#) If a person serves on the Board or any ~~sub-committee~~[committee of the Board](#) he/she must declare any personal or other external interests on an annual basis in

accordance with the Company's code of conduct for Board Members. If while serving on the Board that person has any conflict of interest in any contract or other matter about to be discussed at a meeting, he/she must tell the Board. He/she will be required to leave the meeting while the matter is discussed and will not be allowed to vote on the matter or to stay in the meeting while any vote on the matter is being held. If that person is inadvertently allowed to stay in the meeting and vote on the matter, his/her vote will not be counted. If no quorum exists for the purpose of voting on a matter only because of the operation of this ~~article 52.2~~[Article 52\(2\)](#), provided that there are at least three remaining Board Members who are entitled to remain in terms of this ~~article 52.2~~[Article 52\(2\)](#), such remaining Board Members are deemed to constitute a quorum for the purposes of voting and may proceed to make a decision as a quorate Board.

~~52.3~~[\(3\)](#) If a person serves on the Board or any ~~sub-committee~~[committee of the Board](#) he/she must not receive any payment or benefit unless it is permitted by the ~~Charities and Trustee Investment (Scotland) 2005~~ Act ~~2005~~ and as set out in the Company's policy referred to in ~~article 52.1~~[Article 52\(1\)](#). He/she shall also comply with the requirements of the ~~Charities and Trustee Investment (Scotland) 2005~~ Act ~~2005~~ in respect of any conflict of interest that might arise.

BOARD MEETINGS

53. (1) The Board may regulate its proceedings as it thinks fit provided that it must meet at least six times ~~aper~~ [calendar](#) year and the quorum for the transaction of the business of the Board at the time when the meeting proceeds to business shall be ~~five~~[four](#) including (if appointed) the Parent Appointee (unless the Parent Appointee has presented their apologies in advance of the meeting), provided that co-optees shall not be counted towards the quorum.
- (2) Board members must be sent written notice of Board Meetings posted, or delivered, by hand [or sent by Electronic Communication](#) to the last such address for such communications given to the Secretary at least seven days before the meeting [unless the Chairperson determines, in relation to a specific proposed Board Meeting, that a shorter period is required](#). The accidental failure to give notice to a Board Member (other than the Parent Appointee) or the failure of the Board Member to receive such notice shall not invalidate the proceedings of the relevant meeting.
- (3) Board Meetings can take place in any manner which permits those attending to hear and comment on proceedings. A Board Member may participate in a Board Meeting by means of conference telephone, video conferencing facility or similar communications equipment whereby all the Board Members participating in the Board Meeting can communicate with each other. A Board Member participating in a Board Meeting in this manner shall be deemed to be present at the Board Meeting.
- [\(4\) All speakers must direct their words to the Chairperson. All Board Members must remain quiet and maintain order while this is happening. The Chairperson will decide who can speak and for how long.](#)

(5) If any point arises which is not covered in these Articles, the Chairperson will give his/her ruling which will be final.

(6) All acts done in good faith as a result of a Board Meeting or committee of the Board meeting will be valid even if it is discovered afterwards that a Board Member was not entitled to be on the Board.

~~(27)~~ If a quorum is not present within half an hour from the time appointed for a Board Meeting the Board Meeting shall, if requested by a majority of those Board Members present, be adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board Members present may determine. The Chairperson may also, with the consent of the meeting, adjourn the meeting (whether or not it has commenced or is quorate) either indefinitely or to such other time and place as he or the Board Members decide if it appears to him that:

(a) ~~1-~~the number of persons wishing to attend cannot be conveniently accommodated in the place appointed for the meeting;

(b) ~~2-~~the conduct of persons attending the meeting prevents or is likely to prevent the orderly holding or continuance of the meeting;

(c) ~~3-~~an adjournment is otherwise necessary for the business of the meeting to be properly conducted; or

(d) ~~4-~~a proposal of such importance is made that the consideration of a larger number of Board Members is desirable.

~~1-(8)~~ If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting then notwithstanding Article 53(1) the Board Members present shall constitute a quorum.

~~2-(9)~~ The Board will continue to act while it has vacancies for Board Members. However, if at any time the number of Board Members falls below seven, the Board can continue to act only for another two months. If at the end of that period the Board has not found new Board Members to bring the number of Board Members up to seven, the only power it will have is to act to bring the number of Board Members up to seven

54. Questions arising at a Board Meeting shall be decided by a majority of votes and each Board Member present in person shall be entitled to one vote. In the case of an equality of votes, the Chairperson shall have a second or casting vote.

55. (1) A Board Member must declare any personal or other external interests on an annual basis in accordance with the Code of Conduct. If any Board Member has: (a) any conflict of interest; or (b) a financial interest ~~as described in Article 51(1);~~ or (c) an interest other than a financial interest in any contract or other agreement about to be discussed at a meeting, which, in any case, is not permitted under these Articles, that Board Member must tell the Board. The Board Member in question will be required to leave the meeting while the matter is discussed and will not be allowed to vote on the matter or to stay in the meeting while any vote on the matter is being held. If the Board Member in question is inadvertently allowed to stay in the meeting and vote on the matter, his vote will not be counted.

(2) For the avoidance of doubt, each of the following shall constitute a conflict of interest in terms of Article 55(1):

- (a) ~~1-~~a contractual arrangement (proposed or actual) between the Company and any statutory body of which the Board Member is an official or elected member;
- (b) ~~2-~~a proposed contractual arrangement between the Company and any ~~subsidiary~~Subsidiary or associate of the Company, where the Board Member is also a director or officer of the ~~subsidiary~~Subsidiary or associate;
- (c) ~~3-~~consideration by a Tenant Board Member of their own tenancy or housing arrangements or those of any person Closely Connected to any such Tenant Board Member;
- ~~4-~~consideration by a Board Member of any payments or benefits to be made to: that Board Member; any person Closely Connected to any such Board Member; or to a Relevant Business in accordance with the terms of the Code of Conduct.

56. If a question arises at a meeting of the Board or of a committee of the Board as to the right of a Board Member to vote in respect of a particular matter, the question may, before the conclusion of the meeting, be referred to the remaining Board Members and the question shall be decided by a majority of votes. In the case of an equality of votes, the Chairperson shall be entitled to a casting vote in addition to any other vote he may have.
57. ~~Not used~~Subject to these Articles, the Board may agree any arrangements which it thinks fit about how it takes decisions, and about how such arrangements are to be recorded or communicated to Board Members, subject to the prior approval of the Parent.
58. All acts done by a meeting of the Board, or of a committee of the Board or by a person acting as a Board Member shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Board Member or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Board Member and had been entitled to vote.

WRITTEN RESOLUTION

59. A resolution in writing or by Electronic Communication signed by ~~at~~not fewer than three quarters of the Board Members entitled to receive notice of a meeting of the Board or of a committee of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held.

SECRETARY AND CHAIRPERSON

- ~~60-1~~60. (1) Subject to the provisions of the Act, the Secretary and any deputy or alternate Secretary and any other Office Bearers shall be appointed by the Board for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by them. An employee of the Company, the Parent or any other member of the Group may hold the office of Secretary although shall not be a Board Member. If the Secretary cannot carry out his/her

duties, the Board, or in any emergency the Chairperson, can ask another Office Bearer or employee to carry out the Secretary's duties. The appointment of an Office Bearer in terms of these Articles is subject to the prior written approval of the Parent.

CHAIRPERSON

- ~~60.2~~ (2) The Chairperson will be appointed in accordance with ~~article~~this Article 60 for a period which shall commence on the date of the Chairperson's appointment and shall expire immediately prior to the next scheduled Board Meeting held after the expiry of three years from the date of the appointment (the "office term"), subject always to the provisions of ~~article 60.4~~Article 60(4).
- ~~60.3~~ (3) The Chairperson is responsible for the leadership of the Board and ensuring its effectiveness in all aspects of the Board's role and to ensure that the Board properly discharges its responsibilities as required by law, these Articles and the standing orders of the Company. The Chairperson will be delegated such powers as is required to allow the Chairperson to properly discharge the responsibilities of the office.:-
- ~~60.4~~ (4) The Chairperson must be elected from the Board Members (excluding co-optees) which election must ~~then~~ be approved ~~in writing~~ by the Parent. The Chairperson must be prepared to act as Chairperson until the end of their office term (unless he/she resigns the post). The Chairperson can only be required to resign if a majority of the remaining Board Members present at a Board Meeting agree to this.
- ~~60.5~~ (5) If the Chairperson is not present at a Board Meeting or is not willing to act, the Board Members present will elect another Board Member to be chairperson for the Board Meeting. If the Chairperson arrives at the meeting late, he/she will take over as chairperson of the Board Meeting as soon as the current agenda item is concluded.
- ~~60.6~~ (6) If the votes of the Board Members are divided equally for and against an issue, the Chairperson will have a second and deciding vote.
- ~~60.7~~ (7) The Chairperson can resign his/her office in writing to the Secretary and must resign if he/she leaves the Board or is prevented from ~~standing for~~ or being ~~elected~~appointed to the Board under ~~article~~Article 44. The Board will then elect another Board Member as Chairperson.
- ~~60.8~~ (8) The Chairperson can be re-elected upon expiry of their office term for a further maximum of two years and must not hold office continuously for more than five years, unless otherwise approved by the Parent, subject always to the provisions of ~~article~~Article 38.
- ~~60.9~~ (9) Upon expiry of their period of service as Chairperson, the Chairperson must resign as a Board Member and leave the Board. If the Chairperson resigns under ~~article 60.7 or~~Articles 60(4) or 60(7) then they shall also be deemed to have resigned as a Board Member, regardless of the length of their period of service as Chairperson.

MINUTES

61. (1) The Board shall cause minutes to be made in books kept for the purpose:-
- (a) ~~1.~~ of all appointments of officers made by the Board Members; and
 - (b) ~~2.~~ of all proceedings at meetings of the Company and of the Board, and of committees of the Board and of any class or type of Member, including the names of the Board Members present at each such meeting.
- (2) Minutes must be presented at the next appropriate meeting and signed by the Chairperson of the meeting at which they are presented. All minutes signed by the Chairperson of the meeting shall be conclusive evidence of the proceedings of the meeting.

RECORDS ACCOUNTS AND RETURNS

62. (1) The Board shall cause accounting records to be kept by the Company in accordance with Part 15 of the Act.
- (2) ~~1.~~ Auditors of the Company shall be appointed and their duties regulated in accordance with the Act.
 - (3) ~~2.~~ The Board shall take such steps as the Board considers necessary to ensure the continuing independence of the Company's auditor, including the periodic review of the need for audit rotation.
 - (4) ~~1.~~ The Board shall submit the Company's accounts and balance sheet for audit to the Company's auditor and the Company's auditor shall make a report to the Company on the accounts examined by him and on the revenue account or accounts and the balance sheet for the year of account in respect of which he is appointed.
 - (5) ~~2.~~ The Company shall furnish to the Scottish Housing Regulator, to OSCR and to such other organisations as the Board deems appropriate, a copy of its accounts and auditor's report within 6 months of the end of the period to which they relate or such other period as may be permitted by the applicable regulatory authority from time to time.
 - (6) ~~3.~~ Every year within the time allowed by law, the Secretary shall send to the Registrar of Companies the annual return, in the form prescribed by the Registrar, together with all such documentation as is required under the Act.
 - (7) ~~4.~~ A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in General Meeting, together with a copy of the auditor's report and a copy of the report of the Board, shall, not less than 21 clear days before the date of the meeting, be sent to all persons entitled to receive notice of General Meetings of the Company, provided that this Article 62 shall not require a copy of those documents to be sent to any person of whose address the Company is not aware. The accidental omission to send a copy of these documents to, or the non-receipt of the documents by, any person entitled to receive them shall not invalidate the proceedings at that General Meeting.

THE SEAL

63. (1) If the Company has a seal it shall only be used with the specific or general authority of the Board or of a committee of the Board. The Board may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined

it shall be signed by a Board Member and by the Secretary or a second Board Member.

- (2) The Company may exercise the powers conferred by Section 49 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Board Members.

NOTICES

64. Any notice to be given to or by any person pursuant to the Articles shall be in writing or by way of an Electronic Communication except that a notice calling a meeting of the Board or of a committee of the Board need not be in writing.
65. The Company may give any notice to a Member either personally or by sending it by post in a prepaid envelope addressed to the Member at ~~his registered address or by leaving it at that address~~ the address last intimated by him/her to the Company or (in the case of a Member who has notified the Company of an address to be used for the purposes of Electronic Communications) may be given to the Member by way of an Electronic Communication. A Member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him/her shall be entitled to have notices given to him/her at that address, but otherwise no such Member shall be entitled to receive any notice from the Company.
66. A Member present, either in person or by proxy, at any meeting of the Company or any class or type of Member shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
67. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted
68. Any notice contained in an Electronic Communication shall be deemed to have been given on the day it is sent. For the purpose of proving that any Electronic Communication was sent, it shall be sufficient to provide any of the evidence referred to in the relevant guidance issued from time to time by the Chartered Institute of Secretaries and Administrators.

DISPUTES

- ~~68~~69. Every dispute between the Company or the Board and:

- (1) ~~1~~-a Member;
- (2) ~~2~~-a person aggrieved who has ceased to be a Member within the previous six months; or
- (3) ~~3~~-a person claiming under these Articles,

shall be dealt with in accordance with these Articles and any procedures determined by the Board from time to time but without prejudice to all rights which any person may have to raise an action on the matter in any court with competent jurisdiction, including without

prejudice the Sheriff Court in the Sheriffdom in which the Company's registered office is located.

DISSOLUTION

~~69~~70. (1) The Company may be dissolved with the prior written consent of the Parent) by the Company making an application to the Registrar of Companies pursuant to Part 31 of the Act to have the Company's name struck off the register of companies maintained by the Registrar of Companies under the Act.

~~70~~. (2) If on the dissolution of the Company any property remains after satisfaction of all the

Company's debts and liabilities, such property shall not be paid to or distributed among the Members but shall:

~~1~~(a) if the Company is at the time of dissolution a Registered Social Landlord, be transferred to such other charitable Registered Social Landlord as The Scottish Housing Regulator may direct; or

~~2~~(b) if the Company is not at the time of dissolution a Registered Social Landlord, be transferred to some other charitable body or bodies (whether incorporated or

unincorporated) whose objects are similar (wholly or in part) to the objects of the Company.

~~71~~. (3) To the extent that effect cannot be given to the provisions of Article ~~70~~(2), the relevant property shall be applied to some other charitable object or objects as determined by the Members at or before the time of dissolution or, failing such determination, by such court as may have jurisdiction at the time.

INDEMNITY

~~72~~71. (1) Every Board Member or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto (including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 1157 of the Act in which relief is granted to him), and no Board Member or other officer shall be liable for any loss, damage or misfortune which may happen to, or be incurred by, the Company in the execution of the duties of his office, or in relation thereto PROVIDED THAT this Article ~~72~~71 shall only have effect in so far as its provisions are not avoided by Sections 532 and 533 of the Act.

(2) The Board shall have the power to purchase and maintain for Board Members or officers or employees of the Company insurance against any such liability as is referred to in Section 532 of the Act.

AMENDMENT OF ARTICLES

~~73~~72. These Articles may be amended provided that:

- ~~(1)~~ ~~1.~~ three quarters of the votes at a special general meeting are in favour of the amendment(s); and
- ~~(2)~~ ~~2.~~ the Parent has approved the amendment(s) in writing.

~~74~~73. Where an amendment of these Articles affects the charitable purposes of the Company the prior approval of the Office of the Scottish Charity Regulator ("OSCR") is required. The Company must submit its application for approval to the Office of the Scottish Charity Regulator not less than 42 days before the date on which the Company intends to amend its objects. Any other amendment of these Articles requires to be notified to OSCR within 3 months of the amendment having been made.

74. The Company must notify The Scottish Housing Regulator within 28 days of the change or amendment being made to these Articles.

75. The name of the Company may be changed if:

- ~~(1)~~ ~~1.~~ ~~Three~~three quarters of the votes at a special general meeting are in favour of the change; and
- (2) the Parent has provided its written consent; and
- (3) OSCR have given their approval. The Company must submit its application for approval to the Office of the Scottish Charity Regulator not less than 42 days before the date on which the Company intends to change its name.

~~CONDUCT OF BOARD MEMBERS~~

~~76. Each of the Board Members shall, in exercising his/her functions as a director of the Company, act in the interests of the Company and, in particular, must:~~

- ~~(1) seek, in good faith, to ensure that the Company acts in a manner which is in accordance with its charitable objects (as set out in these Articles);~~
- ~~(2) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;~~
- ~~(3) in circumstances giving rise to the possibility of a conflict of interest between the Company and any other party:
 - ~~1. put the interests of the Company before that of the other party, in taking decisions as a Board Member; and~~
 - ~~2. where any other duty prevents him/her from doing so, disclose the conflicting interest to the Company and, subject to the terms of Articles 51 and 55, refrain from participating in any discussions or decisions involving the other Board Members with regard to the matter in question;~~~~
- ~~(4) ensure that the Company complies with any direction, requirement, notice or duty imposed on it by the 2005 Act; and~~

- (5) ~~take such steps as are reasonably practicable for the purposes of ensuring:~~
- ~~1. that any breach of a duty under Articles 76(1) to 76(4) inclusive is corrected by the Board Member concerned and not repeated; and~~
 - ~~2. that any Board Member who has been in serious or persistent breach of any such duties is removed as a Board Member in terms of Article 44.~~

EQUAL OPPORTUNITIES

~~7776.~~ The Company shall at all times take into consideration the principles of equality of opportunity irrespective of age, gender, race, nationality, ethnic origin, religion, sexual orientation or disability.

COMMUNICATIONS

~~7877.~~ Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the ~~Companies Act 2006~~ provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company, including, without limitation, by sending or supplying documents or information by making them available on a website.

~~7978.~~ Subject to the Articles, any notice or document to be sent or supplied to a Board Member in connection with the taking of decisions by Board Member may also be sent or supplied by the means by which that Board Member has asked to be sent or supplied with such notices or documents for the time being.

~~8079.~~ A Board Member may agree with the Company that notices or documents sent to that Board Member in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

~~8180.~~ For the purposes of these Articles, a person shall be deemed to be "present" or "present in person" at a meeting if such person is participating in the meeting by virtue of some form of ~~electronic communication~~Electronic Communication, including, without limitation, by way of: telephone; video link; internet video facility; or any other similar communications system by means of which all persons participating in the meeting are able to communicate with each other.

SignedDirector, ~~DGHP~~WHS

Signed

APPENDIX A

~~"Dumfries and Galloway Housing Partnership~~ Wheatley Homes South Limited

I/We, being a Member/Members of the above-named company, hereby appoint

, or failing him,

of , as my/our proxy to vote

in [my/our name[s] and on [my/our] behalf at the annual/extraordinary general meeting of the

Company to be held on [] , and at any adjournment thereof.

Signed on this day of 20[]."

APPENDIX B

~~"Dumfries and Galloway Housing Partnership~~ Wheatley Homes South Limited

I/We,

being a Member/Members of the above-named company, hereby appoint

of _____, or failing him, of _____, as

my/our proxy to vote in [my/our name[s]] and on [my/our] behalf at the annual/extraordinary

general meeting of the Company to be held on _____ [20[]], and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1 *for *against

Resolution No. 2 *for *against

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed this _____ day of _____ 20[],"

ARTICLES OF ASSOCIATION

OF

**~~DUMFRIES AND GALLOWAY HOUSING PARTNERSHIP~~ WHEATLEY HOMES
SOUTH LIMITED**

Registration Number: SC220297

Summary report: Litera® Change-Pro for Word 10.9.2.0 Document comparison done on 02/08/2022 14:34:15	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: DGHP Articles of Association - Clean -December 2019.DOCX	
Modified filename: DGHP Articles of Association - HM Clean Revised 02.08.2022.DOCX	
Changes:	
Add	386
Delete	390
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	776



Report

To: DGHP Board

By: Anthony Allison, Director of Governance

Approved by: Steven Henderson, Group Director of Finance

Subject: Strategic governance review update

Date of Meeting: 17 August 2022

1. Purpose

- 1.1 To update the Board on progress with the strategic governance review implementation plan and seek feedback and, where applicable, approval of:
- Board and Committee Terms of Reference;
 - The Chair of the Group RAAG Committee
 - Group Standing Orders;
 - Board and Committee effectiveness review and governing body member individual appraisal policy;
 - Group recruitment and succession planning process;
 - Group Policy on non-executive director conflicts of interest;
 - Disposals and acquisitions policy framework;
 - Group Policy on Gifts, Hospitality, Payments and Benefits; and
 - Template Intra-Group Agreement

2. Authorising and strategic context

- 2.1 The Group Board has overall responsibility for the Group's governance arrangements. Under the Intra Group Agreement the Group Board may designate policies as applying Group wide, with each organisation responsible for ensuring it is implemented within their own operating context.
- 2.2 The Intra-Group Agreement documents the relationship between us and the Group, including our operational independence. It requires approval from all parties, those being Wheatley housing Group Limited, DGHP and Wheatley Solutions as the designated corporate services provider.

3. Background

- 3.1 The Group Board considered the implementation plan at its meeting in June 2022 and approved a number of updates which it agreed drew the implementation of the review to a conclusion.

- 3.2 In approving the Group Standing Orders and risk appetite statements the Group Board took into account the feedback from this Board's discussion on both at its previous meetings.
- 3.3 Alongside the strategic governance review we have also taken the opportunity to review our group governance policies, considering any changes or refinements needed to existing policies or where we may need a new policy

4. Discussion

- 4.1. An updated position on the implementation of the strategic governance review recommendations relevant to us is set out in **Appendix 1**. A more detailed update on implementation of the recommendations most relevant to us is set out below:

Board and Committee Terms of Reference

DGHP Terms of Reference

- 4.2T The introduction of Board Terms of Reference ("ToR") sought to strengthen our governance by:
- Clearly defining our core role within the Group, including matters reserved to our Board;
 - Responding to feedback from that a single document detailing the role of each individual Board would assist Board members to more easily understand their role; and
 - Formally setting out the role and responsibilities of the Chair, including setting (non-exhaustive) parameters for escalating matters to the Group Board;
- 4.3 Following review and approval by the RAAG Committee the Group Board has approved the ToR with no material changes or points of clarification. The ToR have been incorporated into the refreshed Group Standing Orders discussed later in the report.

Group Committee Terms of Reference

- 4.4 The RAAG Committee undertook a review of the Committee's ToR. An updated version, with relatively minor wording changes to improve clarity and bring into the new style, is included in the Group Standing Orders.
- 4.5 The RAAG Committee and Group Audit Committee both considered and agreed to recommend changes to the Group Audit Committee ToR. The changes seek to respond to the recommendations or suggestions arising from the review which are relevant to the Committee ToR, including:
- Committee chairs should report to the Group Board following each meeting of a committee;
 - The roles of the Board and Group Audit Committee in relation to risk management should be made clearer and explained in more detail in documentation; and
 - Deep dives into potential risk areas should be included in the remit of Group Audit Committee.

- 4.6 The Committee ToR were been reviewed to take the above into account, as well as wider good practice. Other changes included clarification of:
- the role and responsibilities of the Committee;
 - membership of the Committee;
 - Committee activities, including oversight of internal and external audit performance and effectiveness;
 - The Committee's role in relation to risk management;
 - Reporting and escalation arrangements to the Group Board; and
 - The role and responsibilities of the Committee Chair.

Matters reserved and delegations/updated Group Standing Orders

- 4.7 A full refresh of the Group Standing Orders has also been undertaken. This included addressing the following specific recommendations from the review:
- a) Matters reserved to and key responsibilities of the Group Board, which now include the subsidiary oversight as an explicit element of the Group Board's role;
 - b) Delegations to the Group CEO; and
 - c) The new/refreshed Terms of Reference of our Board, each partner Board and Group Committees, which now formally include in the role of the Chair the routes and parameters for escalation of issues and risks arising in subsidiaries.
- 4.8 The new Group Standing Orders are attached at **Appendix 2**.
- 4.9 As well as the changes relating to review recommendations the following main changes have also been made:
- d) Removed all content that is already documented/duplicated elsewhere such as individual constitutions;
 - e) Incorporated our approach to virtual and hybrid meetings in the Proceedings of Board and Committee meetings section;
 - f) Removed the Group Authorising Framework and Group Authorise, Manage, Monitor Matrix on the basis that it is now all covered in Board and Committee ToR;
 - g) Removed the Board appraisal, recruitment and succession sections into standalone documents; and
 - h) Updated the Scheme of Financial Delegation to reflect our current Group structure and reflect the role of Wheatley Developments Scotland.
- 4.10 The Scheme of Financial Delegation levels have not changed from the existing arrangements on the basis we have not identified any issues with the number of matters requiring Board approval being excessively high or low.

Governance policy reviews

- 4.11 As part of the strategic governance review implementation and the wider policy review process we have identified governance related matters where we propose to evolve the policy environment.

- 4.12 Firstly, the approach to appraisal, succession and recruitment are contained in standalone documents. We have now introduces a standalone policy that covers Board and Committee effectiveness review and individual appraisal. A copy of the policy is attached at **Appendix 3** This has been approved and designated by the Group Board as a group wide policy.
- 4.13 The policy now incorporates our agreement to introduce annual Board effectiveness reviews. In order to retain flexibility the policy envisages that the RAAG Committee agrees the process and approach annually. The same approach, as is the case currently, is proposed for individual appraisals.
- 4.14 A suggestion from Campbell Tickell was that in relation to Board recruitment:
“there should be a policy and procedure which is distinct from the role of the committee.
- 4.15 The Group Board agreed that rather than a policy, we should have a procedure and that the procedure should also be linked to our succession planning approach. A copy of the Group approved policy is attached at **Appendix 4**.
- 4.16 The rationale for combining the two is that succession planning should be directly informing our recruitment. This includes the impact on Board diversity being a specific consideration in succession planning and Board recruitment. It is proposed that the procedure is designated applicable group wide.
- 4.17 By having a procedure rather than a policy we have more flexibility, including where there is an exceptional circumstance where we consider it necessary to depart from the process. In this circumstance agreeing to deviate from the procedure would be preferable to requiring a change of policy.
- 4.18 We have also taken the opportunity to clarify our policy position in relation to (1) managing conflicts of interest and (2) disposals and acquisitions.
- 4.19 At present conflicts of interest are addressed in our constitution, Code of Conduct, and partly through other policies such as Payments, Benefits, Gifts and Hospitality. However, to help manage potential conflicts then it is appropriate to codify this in a clear formal policy.
- 4.20 A new conflicts policy has now been approved by the Group Board and designated as a Group policy. The policy is, is attached at **Appendix 5**. The policy adopts a cautious approach in terms of what we consider constitutes a conflict of interest. The legal and regulatory context section are reflective of the need to have a clear approach in this area. The policy has been reviewed and informed by our external legal advisors.
- 4.21 Disposals and acquisitions is an area where it is also useful to have a consistent policy applied on a Group wide basis. The Group Board approved that the attached policy (**Appendix 6**) be designated as a Group policy. Appendix 6B is the DGHP specific policy as a standalone RSL drawn from the Group version.
- 4.22 This reduces the complexity of applying a range of delegations, defines the parameters for acquisitions and disposals and provides a single reference point to refer to before any disposal or acquisition.

- 4.23 The policy also includes consistent templates to be used to record disposals and acquisitions. Additionally, it confers a requirement to report to the Board annually all disposals and acquisitions undertaken in the prior 12 months. This allows the Board to understand the scale of activity being undertaken under delegated authority. This provides a mechanism for the Board to understand if there is an unexpectedly high level of activity in any given year.
- 4.24 Lastly, the Group Policy on Gifts, Hospitality, Payments and Benefits has also been updated. The changes are relatively minor, with the wording tweaked to reflect, for example, the position established during our last review of our Rules for recruitment of individuals closely connected to Board members (that it is permissible, but subject to Group RAAG Committee approval). A copy of the updated policy, approved by the Group Board and designated as a Group policy, is attached at **Appendix 7**.

Template Intra-Group Agreement

- 4.25 The Group has also taken the opportunity to review the form of Intra Group Agreement (“IGA”). The existing version remains relevant and as such only minor changes are proposed, including:
- Reflecting the new Board ToR and documenting an agreement to act in accordance with them; and
 - Reflecting in the language the assumption there will be no sub-Committees of subsidiary Boards.
- 4.26 A track changed copy of the existing template IGA is attached at **Appendix 8**. Having been approved by the Group Board, we are now also asked to consider and approve entering into the revised IGA.

5. Customer Engagement

- 5.1 As a corporate governance related matter, there has been no direct engagement with customers. The review does however reiterate that customer engagement informing decision making is a core facet of good governance.

6. Environmental and sustainability implications

- 6.1 There are no environmental or sustainability implications directly associated with this report. As with equalities, in recognition that sustainability is an important issue for the Group, the ToR for the Wheatley Solutions Board includes it being given governance responsibility for overseeing the delivery of our sustainability framework once approved by the Board.
- 6.2 The feedback from the Board during the review in relation to a desire to have a stronger focus at Board level on sustainability has already been factored into our 2022/23 Group Delivery Plan strategic projects.

7. Digital transformation alignment

- 7.1 There are no direct digital transformation implications associated with this report. In terms of our governance more widely, the Wheatley Solutions Board has a clearly defined role in scrutinising the delivery of our digital transformation programme on behalf of the Group. This is a standing item at all Wheatley Solutions Board meetings with updates provided to us where relevant.

8. Financial and value for money implications

8.1 There are no financial implications arising from this report.

9. Legal, regulatory and charitable implications

9.1 The strategic governance review implementation plan seeks to support our continued compliance with relevant legal, charitable and regulatory requirements. A number of the changes will support and strengthen our Scottish Housing Regulator Assurance Statement for 2022.

10. Risk Appetite and assessment

10.1 Our agreed risk appetite for governance is “cautious”. This level of risk tolerance is defined as a “preference for safe delivery options that have a low degree of inherent risk and have only limited potential for reward”. This reflects our risk appetite in relation to laws and regulation, which is “averse”, with the avoidance of risk and uncertainty a key organisational objective and a priority for tight management controls and oversight.

10.2 Our strategic risk register contains the risk *“The governance structure is not clearly defined, is overly complex and lacks appropriate skills at Board and Committee levels to govern the Group effectively. Failure of corporate governance arrangements could lead to serious service and financial failures.”*

10.3 As part of our mitigation of this risk we commissioned the strategic governance review and submitted our governance arrangements to independent external review. As part of the review, Campbell Tickell made a series of recommendations on steps we could take to enhance our risk mitigation. We have now concluded an implementation plan to respond to those recommendations.

11. Equalities implications

11.1 There are no equalities implications directly associated with this report. In recognition that equalities is an important issue for the Group, the proposed ToR for the Wheatley Solutions Board include it being given governance responsibility for overseeing our Group approach.

12. Key issues and conclusions

12.1 Our implementation plan for the review has now been delivered. The changes made will further strengthen what was recognised in the strategic governance review as already strong, robust governance arrangements.

12.2 The review will strengthen our evidence base for the 2022 Annual Assurance Statement regarding compliance with the SHR’s Regulatory Framework. We have kept the SHR up to date throughout the process.

13. Recommendations

13.1 The Board is asked to:

- 1) Note the revised Group Standing Orders and their applicability to DGHP;
- 2) Note the Board and Committee effectiveness review and governing body member individual appraisal policy and applicability to DGHP;
- 3) Note the Group recruitment and succession planning process and its applicability to DGHP;
- 4) Note the Group Policy on Non-Executive Director conflicts of interest and its applicability to DGHP Board members;
- 5) Note the Disposals and Acquisitions Policy and its designation as a Group wide policy and approve the DGHP specific policy;
- 6) Note the refreshed Group Policy on Gifts, Hospitality, Payments and Benefits and its applicability to DGHP;
- 7) Approve the refreshed Template Intra-Group Agreement and that we enter into it with Wheatley Housing Group Limited; and
- 8) Delegate authority to any of the Chair, any Board member, Group Company Secretary or Group Chief Executive to execute the Intra-Group Agreement on our behalf.

LIST OF APPENDICES: [policies redacted. Available under publication scheme: [Publication scheme | Wheatley Homes South \(wheatleyhomes-south.com\)](https://www.wheatleyhomes-south.com)]

Appendix 1	Strategic governance review implementation update
Appendix 2	Revised Group Standing Orders
Appendix 3	Board and Committee effectiveness review and governing body member individual appraisal policy
Appendix 4	Group recruitment and succession planning process
Appendix 5	Group Policy on Non-Executive Director conflicts of interest
Appendix 6	Disposals and Acquisitions Policy
Appendix 7	Group Policy on Gifts, Hospitality, Payments and Benefits
Appendix 8	Template Intra-Group Agreement



Report

To: DGHP Board

By: Alan Glasgow, DGHP Managing Director

Approved by: Martin Armstrong, Group Chief Executive

Subject: Performance update (Q1)

Date of Meeting: 17 August 2022

1. Purpose

- 1.1 This report presents an update on performance delivering against targets and strategic projects for 2022/23 as of the end of quarter 1.
- 1.2 The measures and strategic projects dashboards are presented in Appendix 1 and 2 respectively.

2. Authorising and strategic context

- 2.1 Under the terms of the Group Authorising Framework, the approval of the Group strategy is reserved to the Group Board with each individual Board responsible for agreeing their own 5-year strategy within the overarching group strategic context. The Group Board agreed the 2021-26 strategy in October 2020 and the Dumfries and Galloway Housing Partnership strategy was approved by this Board in November 2020. A strategy refresh is being undertaken in 2022/23.
- 2.2 The Group Board approved the overarching structure for the implementation of our five-year strategy via our Group Performance Management Framework (“PMF”) at its meeting in June 2021. Given the need to remain agile and flexible through the life of the strategy our PMF is subject to annual review. The Group Board agreed an updated programme of strategic projects and performance measures and targets for 2022/23 at its meeting in April 2022; reflecting what has been delivered to date, our business operating context and the external operating environment. This Board subsequently agreed the DGHP specific performance measures at its meeting on 25 May 2022.
- 2.3 Under the terms of the Intra-Group Agreement with Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, our Board is responsible for approving regulatory returns including the Charter. It is also responsible for monitoring performance against agreed targets.

3. Background

- 3.1 This report outlines our performance against targets and strategic projects for 2022/23 as of the end of quarter 1. This includes quarterly progress with those measures that will be reportable to the Scottish Housing Regulator as part of the Annual Return on the Charter 2022/23. It also includes new measures for 2022/23 covering areas of performance related to the implementation of our engagement model, visibility of the Customer First Centre and monitoring of the strength of our Boards and administration.
- 3.2 Several strategic results were new in 2021/22 for the Group's 2021-2026 strategies and therefore involve work to establish baselines. As recently reported to Board, where baselines are outstanding, work will continue through 2022/23 to develop new approaches to collection, collation and reporting of these measures. The measures will be reported once available and based on the appropriate frequency (quarterly or annual).

4. Discussion



Delivering Exceptional Customer Experience

Customer First Centre

- 4.1 The Customer First Centre was fully launched to customers on 1st April 2022. Quarter 1 results to the end of June demonstrate the CFC is performing well against the new measures and targets. During April, several of our results were impacted by the need for CFC staff to learn new systems and approaches following DGHP migration. However, there has been subsequent improvement in May and June.
- 4.2 During the first quarter, the CFC answered 78.01% of calls from our customers within 30 seconds, slightly below the target of 80%. Encouragingly however, May and June in-month performance for DGHP customers exceeded target at 86.4% and 87.08% respectively. Group-wide during the quarter, 86.94% of calls were answered within 30 seconds.
- 4.3 While our customers waited an average of 46 seconds during the quarter, June in-month performance was at the target of 30 seconds. Nonetheless, the call abandonment rate for our customers this quarter is 6.08% and Group-wide 3.66%, within the target of 7%.
- 4.4 The percentage of calls to CFC resolved at first contact, by Customer Service Advisors, is 88.45% Group-wide against a target of 90%. Importantly, only 6.13% of CFC customer interactions are being passed to Housing and Lowther staff on the frontline, against a target of <10%. The Group-wide performance is summarised in Table 1.

Table 1

Measure	2021/22	2022/23		
	Value	Value	Target	Status
Group - % calls answered <30 seconds (Grade of Service)	85.42% (March 2022)	86.94%	80%	✔
Group - Average waiting time (seconds)	30 (March 2022)	25.75	30	✔
Group - Call abandonment rate	3.81% (March 2022)	3.66%	7%	✔
Group - % first contact resolution at CFC (Customer Service Advisors)	92.33% (March 2022)	88.45%	90%	⚠
Group - Percentage of CFC customer interactions that are passed to Housing and Lowther staff for resolution	N/A	6.13%	<10%	✔

Tenancy Sustainment

4.5 We continue to support our customers to stay in their tenancies, making best use of wrap around supports available, including fuel and welfare benefit advice. Our performance in tenancy sustainment continues to improve period on period. We are currently 23 sustained tenancies short of the ARC target of 88% and 12 below the revised target of 89%.

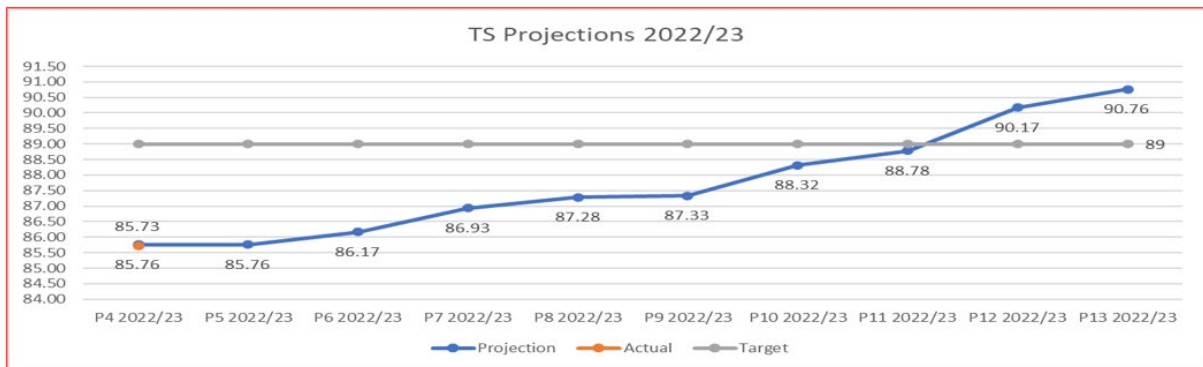


Table 2






Tenancy Sustainment	Charter	2022/23 Target	Revised	2022/23 Target
DGHP	85.73%	88%	87.79%	89%
Group	90.40%	90%	92.07%	91%

4.6 We have projected ARC tenancy sustainment rates for the remainder of this year and expect to meet the 88% target by 3rd quarter and Group target of 90% by year end.

Complaints Handling

- 4.7 We are on target for 4 of the 5 complaints measures in Table 3 and have improved for all compared to 2021/22. Performance has improved considering the number of complaints received being higher than quarter one of last year 74 tenant complaints compared to 134 in the same period last year.

Table 3

Measure	2021	2022		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - overall (ARC)	5.94	4.47	6	
Average time for full response to all complaints (working days) - Stage 1 (ARC)	4.74	3.59	5	
Average time for full response to all complaints (working days) - Stage 2 (ARC)	21.95	17.88	20	
Percentage of stage 1 complaints responded to within 5 working days (SPSO)	81.58%	96.69%	100%	
Percentage of stage 2 complaints responded to within 20 working days (SPSO)	64.10%	100%	100%	

Customer Voices

- 4.8 The aim of the Stronger Voices approach is to empower everyone in our communities to make their own choices about the services they want us to deliver. As part of this new way of engaging, staff will look to find ways of actively involving tenants, of all ages and backgrounds, including using digital channels.
- 4.9 Table 4 below details the new Customer Voices measures introduced for 2022/23 to monitor progress against annual targets set in our commitments to tenants and shows that all are on target for quarter one.

Table 4

Customer Voices Measure	Target YTD	Actual YTD		Annual Target
Number of Customers involved in the Customer Voices programme	222	255	■	250
Number of the Customer Voices activities carried out	48	70	■	98
Number of Geographical/ Regional panels	0	0	N/A	3
Number of customers involved in Geographical/ Regional panels	0	0	N/A	150
Number of Scrutiny panels	0	0	N/A	2

- 4.10 This quarter, customers worked together with staff in a range of activities across the region as outline in the table below:

Q1 Activities
In June 2022 we held a community event celebrating the success of their 'You Choose Challenge' where 12 residents (100%) of Sanquhar, Old School Development had submitted ideas and subsequently voted for benches and additional lighting to be installed in their area
In July 22 we held Community Fun days in Annan and Lochside where we had 200 customer attend events. The event in Annan was centred around customer feedback with dog fouling. We invited customers to come along with their dogs to meet council environmental teams to raise awareness around dog fouling. We also had our external partners from police and fire services and ran a DGHP Cruft style competition. In Lochside we held a community family day where we had colleagues from DG Council, Police and Fire Services with lots of fun activities for the kids.
53 customers were involved in local community events and walkabouts in the first Quarter of the year with our Housing, Repairs, NETs, and Investment Teams Identifying Community Improvements.
71 Customers from across Dumfries and Galloway attended our Allocation Policy Review focus groups in July 22 with 56 in person and 15 online.
Over 400 Secondary School Pupils have taken part in a Housing and Career Path Workshop with DGHP at Lockerbie Academy, Dumfries High School and Douglas Ewart High School, Newton Stewart.
Q2 Activities Planned
We will hold 4 'in person' Customer voice workshops in September to be held in Dumfries, Annan, Castle Douglas and Stranraer, with all 255 customers who have signed up to be a Customer Voice being invited. At the workshops we will show how their voice can make a difference as part of focus areas including Repairs, Investment, ASB and New Build and how we can co-create customer focused solutions and that their voice can be heard.
39 Customer have been invited to take part in training to become a Keep Scotland Beautiful assessor with sessions beginning in September.

Customers would then be able to gain accreditation for being an assessor to help score our communities.
In August we will be hosting 4 Lochside Regeneration Drop-In sessions with our customers and stakeholders in conjunction with our partners at D&G Council to gain customer views and feedback on future housing and how Lochside is shaped as part of the Community Led Masterplan.
12 Community Walkabouts with Housing, Repairs, Nets, Investment and Customers to identify potential areas of improvement.

- 4.11 A review of the first quarter of the programme, including lessons learned, is being undertaken and will inform planning and targets, and support us in increasing the number of customers involved as the year progresses.



Making the Most of Our Homes and Assets

New Build Programme

- 4.12 Our target is to deliver 37 new social rent homes in 2022/23.
- 4.13 As shown in Table 5, no handovers were due by the end of June. Handovers are expected in quarter two at both sites, Gillwood Road and Nursery Avenue.

Table 5

Sites	TYD Handovers	YTD Target	Diff.
DGHP	0	0	0
Gillwood Road, Eastriggs (Social)	0	0	0
Nursery Avenue (Social)	0	0	0

Planned to Reactive Spending

- 4.14 We set a Strategic Result to achieve a ratio of planned to reactive spend on maintaining our properties of 60% to 40%. Spend figures are subject to investment programme profiling throughout the year.
- 4.15 As shown in Table 8, our planned spend ratio has reduced compared to last year. This is due to priority being given to reducing the repairs backlog from 2021/22 during Q1 2022/23 and the resultant lower investment output in this period.

Table 6

Percentage Spend	2021/22 Planned spend	2022/23 YTD Planned	2022/23 YTD Reactive
DGHP	69.1%	36.1%	63.9%
Group total	65.9%	47.1%	52.9%

- 4.16 Planned spend will increase from Q2 in line with delivery on investment programmes. It will however remain a challenge to achieve 60% by year end.

Volume of Emergency Repairs

- 4.17 The table below shows our position against the Strategic Result to reduce the volume of emergency repairs by 10% by 2026 compared to the new agreed baseline year of 2021/22. We are showing a good variance reduction of 11.43% compared to quarter one of 2021/22.





Table 7

Completed emergency repairs to end of June 2022	YTD 21/22	YTD 22/23	Variance
DGHP	4,242	3,757	-11.43%
Group total	26,408	25,407	-3.79%

Repairs Timescales and Right First Time

- 4.18 We have a strategic aim to reduce the volume of emergency repairs as a percentage of all repairs to below 35% this year and to below 30% by 2025/26. Our result for quarter 1 is 37.2% which is an improvement on 40.2% for 2021/22.
- 4.19 Demand continues to be high for repairs for DGHP with 13,148 raised between April and June this year compared to 10,290 last year. Difficulties with the supply of materials saw numbers of live and overdue repairs increase in quarter 1 from a low of 987 live and 248 overdue repairs at end of April to 1,585 live and 583 overdue at end of June. Action has been taken improve the supply of materials and the backlog is reducing into July.
- 4.20 The average time taken to complete our emergency and non-emergency repairs is detailed in the table below. We are within target for emergency repairs but remain higher than target for non-emergency repairs. In-month improvement was recorded for June, at 5.8 days.

Table 8

Repairs completion timescales (Charter)	Emergency (hours)		Non-emergency (days)	
	Target	Current Value	Target	Current Value
DGHP	3.00	2.17 	5.50	6.11 
Group	3.00	2.61 	5.50	8.51 

- 4.21 Right first time performance is at 90.47% and on target. Further improvements in non-emergency repair timescales will positively impact performance in the right first time measure.

Table 9

Percentage of repairs right first time (Charter)	2021/22	2022/23 YTD	Target	
DGHP	83.10%	90.47%	88%	
Group	90.42%	90.72%	N/A	

Repairs Satisfaction

- 4.22 Targets for satisfaction with the repairs service have been set to incrementally increase annually to 95% by 2026. The target for 2022/23 has been increased from 87% last year to 89% this year and we are currently meeting this target.

Medical Adaptations

- 4.23 Time to complete medical adaptations has improved to 35 days compared to 2021/22 at 55.35 days and are now within the targeted timescale. We have completed 158 adaptations in the year to date and currently have 67 household waiting, these are for complex adaptations and wet floor installations. There has been a significant improvement in timescales at Group level with 31.25 days in quarter one, compared to 42.6 days in 2021/22.

Table 10

Medical Adaptations (Charter)	Current Households Waiting	Number Completed YTD	Average Days to Complete	Target	
DGHP	67	158	35.01 days	35	
Group	152	619	31.25 days	35	

Gas Safety

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

Table 11

Gas Safety Checks Unmet	2021/22	YTD 2022/23
DGHP	0	0
Group	0	0



Changing Lives and Communities

Peaceful Neighbourhoods

- 4.25 Our Group strategic measure is Over 70% of our customers live in neighbourhoods categorised as peaceful. Peaceful communities are defined as communities where customer reported incidents of antisocial behaviour to Police Scotland are reducing and social deprivation indicators (SIMD) in the associated data zone are improving.
- 4.26 The proven most effective way to achieve this target is by reducing the incidence of customer reported antisocial behaviour by our customers to Police Scotland. Currently, 67.9% of our communities are categorised as 'Peaceful' against a target of 68.5% for 2022/23.

Accidental Dwelling Fires

- 4.27 We set a Group-wide Strategic Result to reduce accidental dwelling fires (ADFs) by 10% by 2025/26, this is against the baseline of 215 ADFs in 2020/21. We have had 4 ADFs in the first quarter of 2022/23 compared to 6 in the first quarter of 2021/22.

Table 12

Number of recorded accidental dwelling fires	2021/22	2022/23
		Q1
DGHP	12	4
Total Group YTD	148	24
Upper limit this year to achieve strategic result	210	205

- 4.28 To support this reduction, there is an additional Strategy Measure to ensure 100% of applicable properties have a current fire risk assessment in place. This continues to be achieved. Slight increase in first quarter in comparison to last year. We have identified an issue with Youth fire raising in Lochside with blocks of flats to be demolished along with fires at the local primary school. We have been working with our partners in Police and Fire Services to identify potential links to DGHP tenancies and have had increased patrols across the summer holidays.



Table 13

Fire Risk Assessments	YTD	Target
The percentage of relevant premises - HMOs that have a current fire risk assessment in place	100%	100%

Reducing Homelessness

- 4.29 During the first quarter, we have made 137 lets to homeless applicants, this contributes to the Group total of 703 lets made this year, against the Group target of 500.
- 4.30 When we consider the targeted measure of percentage of relevant lets made to homeless applicants – ‘relevant lets’ exclude mutual exchange, transfers and Sheltered lets for which we are limited to let to homeless applicants – we are at 61.4% above our target of 45%.

Table 14

Percentage Lets to Homeless Applicants	Relevant Lets			Charter	
	YTD 2022/23	Target	2021/22 Result	YTD 2022/23	2021/22 Result
DGHP	61.4%	45%		52.1%	51.0%
Group	51.7%	56%		57.2%	54.2%

- 4.31 Partnership working with Dumfries and Galloway Council (DGC) is strong, with shared ambitions for customers across the region. These relationships support the delivery of our strategic targets and performance. Joint workshops with DGC, Homeless Casework teams are scheduled for October 2022, where we will focus on the homeless customer journey and how we can improve both customer experience and tenancy sustainment.





Developing our Shared Capability

Sickness Absence

- 4.32 We remain within the 3% sickness target at 2.56% for the year to date.

Table 15

Sickness Rate	Target	2022/23 YTD	2021/22
DGHP	3%	2.56%	 1.94%
Group	3%	4.19%	 4.07%

- 4.33 Our top two reasons for absence across Group are Stress/Anxiety (39%) and Minor Illness (21%). 37% of stress/ anxiety absence was work related.
- 4.34 To support staff the Group’s new Employee Assistance Programme provider PAM assist was rolled out in May this year, this includes a helpline and a PAM Assist App.
- 4.35 As part of our on-going support to colleagues suffering from Long Covid we are providing access to professional treatment specifically designed to combat several of the common symptoms associated with Long Covid - respiratory disorders, chronic fatigue, chest pains etc. The treatment is provided by

Hampden Sport Clinic and comprises of a combination of traditional physiotherapy and hydrotherapy treatments with each employee receiving, on average, 6 sessions. Hydrotherapy is a medically supported intervention for Covid-19 recovery which is known to provide positive health outcomes. Colleagues diagnosed with Long Covid will be automatically referred for this treatment.

Board Governance and Administration

4.36 The following measures are indicators of the underlying strength of our Boards and administration and will be reported quarterly in line with the Board timelines:

- Number of vacancies across Group and Subsidiary Boards
- Attendance levels across Group and Subsidiary Boards
- Instances where Board reports are not issued 7 days in advance of Group and Subsidiary Boards.

4.37 This quarter there were six vacancies across Group and Subsidiary Boards. Average attendance levels across Group and Subsidiary boards in Q1 was 79%. There were also no instances where board reports were not issued 7 days in advance of Group and Subsidiary Boards.

Table 16

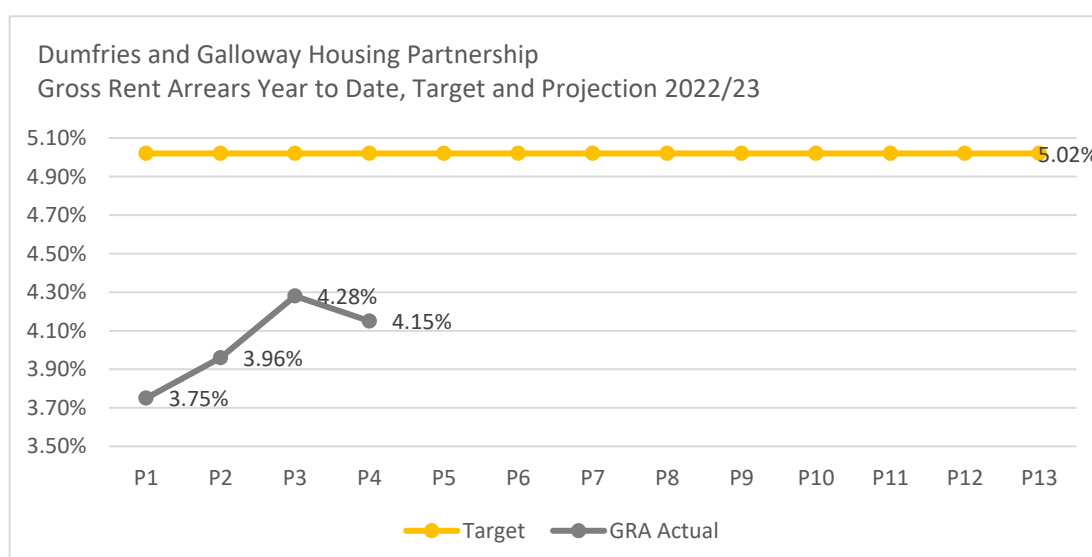
Indicator	Target	2022/23 (YTD)
Instances where Board reports are not issued 7 days in advance of Group and Subsidiary Boards	5%	0% ■



Enabling our Ambitions

Gross Rent Arrears

Chart 1



- 4.38 Group’s strategic aim, as agreed in the annual review of our 5-year strategy, is to reduce gross rent arrears to 4.5% by 2026. In DGHP our target is to reduce gross rent arrears to 3.64% by 2026, with our target for this financial year being 5.02%. We are currently at 4.15% and continue to make sure that we are working to get our customers out of arrears as well as supporting them with any other debts they may have.
- 4.39 The Scottish Housing Regulator published their final quarterly dashboard of 2021/22 for Social Landlords on 25 May 2022. This reported that average arrears levels ended the year at 6.53% and for larger housing providers (>10,000 homes) this was 8.48%. We continue to outperform sector and peer group averages.
- 4.40 As reported by Housemark, arrears have increased over the last two years of the pandemic and the expectation is they will continue to increase due to the higher cost of living and the impact this is having on our customers. We have increased visibility of customers support needs and recognise our ‘can’t pay’ and ‘won’t pay’ tenancies which allows housing officers to support and escalate as appropriate, maximising income while supporting customers out of debt. We continue to offer our wraparound services for customers that help customers who are facing various financial challenges within the current climate, this is driven by the conversations that Housing Officers are having within their patch.

Average Days to Re-Let (Charter)

- 4.41 Letting performance has improved each period this year, with performance currently at 14.11 days against a target of 16 days. We continue to drive improvements in letting across all teams in DGHP, to ensure continued excellent performance. Our new approach creates visibility at every stage of the process, identifies blockages and shares best practice which has supported us to deliver best letting performance across Group in Q1.

Table 17

Average days to re-let (Charter)	2022/23 YTD		2022/22 Target	2021/22 Results
DGHP	14.11	■	16	17.73
Group RSLs	23.40	■	16	21.55

Summary of Strategic Project Delivery

- 4.42 An update on progress with strategic projects is attached at Appendix 2.
- 4.43 The following table summarises the current status of projects by programme stream. One project has completed, 16 are on track and one is overdue.

Programme Stream	Complete	On track	Slippage	Overdue
Repairs	0	3	0	1
CFC	1	2	0	0
Engagement	0	3	0	0
Assets & Sustainability	0	3	0	0
Governance	0	2	0	0
Other	0	3	0	0
Total	1	16	0	1

4.44 The project which completed was:

- *CFC interim review* (CFC Programme Stream).

4.45 The project which is overdue is:

- *Service & process redesign* (Repairs Programme Stream)

4.46 It is proposed that the project *CFC year 1 evaluation*, part of the CFC Programme Stream, be redefined for 2022/23 as *CFC second interim review*. This would support a full external evaluation to be carried out after one full year of operation in Q1 2023 with a second interim review carried out in Q4 2022 for purposes of updating ET and Boards on progress during 2022/23.

5. Customer Engagement

5.1 We presented an overview of the 2021/22 Charter results to the Tenant Scrutiny Panel in May 2022. We will also present a comparison with the national average – once SHR publish the returns in Autumn – and provide an update on performance in the first part of 2022/23.

5.2 Our new engagement model continues to imbed, with all Q1 targets met, including the number of Customer Voices recruited across the region. This approach continues to evolve, with learning on both improved and increased ways we can engage, maximising the number of customers we reach. In Q2 we have scheduled workshops with Customer Voices where we will focus on key business areas and how we can improve across each. Customer Voice scrutiny panels are scheduled for Q3 and Q4 will provide assurance on our approach and the impact it delivers in communities.

5.3 Several strategic projects facilitate opportunity for customer engagement, as reflected in the progress notes in Appendix 2. This will directly impact the way we deliver services or the way they can be drawn down by customers.

6. Environmental and sustainability implications

6.1 We have added two new sustainability measures to support our ambitions in this area; the first to monitor the average new build CO2 output and the second to increase the percentage of stock at EPC 'B' rating. These will be reportable annually and are therefore not included in quarterly updates.

- 6.2 A key project for 2022/23 is the development of a strategic sustainability framework. As part of this we anticipate further measures will be developed for future incorporation into our PMF.

7. Digital transformation alignment

- 7.1 Our strategy is underpinned by digital transformation. The measures and strategic projects for 2022/23 have 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 The measures, targets and projects included in this report were agreed as part of the PMF and Delivery Plan for 2022/23. This approach focuses service delivery and improvement on the key priorities within the Group Strategy to make sure that financial and other resources are aligned with these priorities.
- 8.2 There are no direct financial implications arising from this report. Any financial requirements related to actions and projects within the report are subject to separate reporting and agreement

9. Legal, regulatory and charitable implications

- 9.1 The Scottish Housing Regulator requires an Annual Return on the Charter from each RSL. Key indicators within this return are also included in quarterly performance reporting. RSL Subsidiary Boards approve the returns, and the figures are included in the year-end performance report to the Board. RSLs are also required to involve tenants in the scrutiny of performance, which the Group does through its Tenant Scrutiny Panel, and to report to tenants on performance by October each year.

10. Risk Appetite and assessment

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

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.
- 11.2 There is a project under the governance programme stream dedicated to advancing our commitment to equality, diversity and inclusion.

11.3 Additionally, the expansion of our Customer Voices is focused on creating a more diverse range of voices actively participating in our engagement structures. In turn, this will support co-creation and influencing which is based on a more diverse range of perspectives.

12. Key issues and conclusions

12.1 DGHP continue with strong performance across a number of key areas. Letting performance has remained consistently strong at 14.11 days to let YTD against a 16-day target. We are exceeding our target of percentage of relevant lets to homeless applicants. Arrears performance continues to improve despite the current challenges within the cost-of-living crisis, with gross rent arrears performance within target. Complaint response timescales are improving and performance is visible across all teams. Emergency repair timescales on average are being completed in less than three hours, right first time repairs are better than target and medical adaptation completion timescales are now on target. Staff absence is 2.56%, below our target of 3%.

12.2 Areas remaining in focus include CFC, tenancy sustainment and non-emergency timescales.

12.3 Our project delivery is on track for the first quarter of the year.

13. Recommendations















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



List of Appendices:

Appendix 1 - Strategic Results Dashboard












Appendix 2 - Strategic Projects Dashboard


Appendix 1 - DGHP Board - Delivery Plan 22/23 - Strategic Measures

1. Delivering Exceptional Customer Experience				
Measure	2021/22	YTD 2022.23		
	2021	2022		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - overall	5.94	4.47	6	
Average time for full response to all complaints (working days) - Stage 1	4.74	3.59	5	
Average time for full response to all complaints (working days) - Stage 2	21.95	17.88	20	
Percentage of stage 1 complaints responded to within 5 working days (SPSO)	81.58%	96.69%	100%	
Percentage of stage 2 complaints responded to within 20 working days (SPSO)	64.10%	100%	100%	
Group - Percentage of calls to the CFC resolved at first contact	92.33% (March 2022)	88.45%	90%	
Group - Call abandonment rate	3.81% (March 2022)	3.66%	7%	
Group - Percentage of CFC customer interactions that are passed to Housing and Lowther staff for resolution	N/A	8.77%	10%	
Group - % calls answered <30 seconds (Grade of Service)	85.42% (March 2022)	86.94%	80%	
Group - Average waiting time (seconds)	30 (March 2022)	25.75	30	
% new tenancies sustained for more than a year - overall	86.04%	85.73%	88%	
Number of customers involved in Customer Voices Programme	New	222	61	
Number of customer voices activities carried out	New	48	25	
Number of DGHP Regional panel sessions	New	0	0	







Measure	2021/22	YTD 2022.23		
	2021	2022		
	Value	Value	Target	Status
Number of customers involved in DGHP Regional panel	New	0	0	
Number of Scrutiny focus groups	New	0	0	

2. Making the Most of Our Homes and Assets

Measure	2021/22	YTD 2022.23		
	2021	2022		
	Value	Value	Target	Status
Reduce volume of emergency repairs by 10% by 2025/26	4,242 (Apr to Jun 2021/22)	3,757	-11.43%	
Reduce the volume of emergency repairs to less than 30% of overall reactive repairs	40.2%	37.2%	35%	
Average time taken to complete emergency repairs (hours) – make safe	2.21	2.17	3	
Average time taken to complete non-emergency repairs (working days)	9.91	6.11	5.5	
% reactive repairs completed right first time	83.1%	90.47%	88%	
Number of gas safety checks not met	0	0	0	
Average time to complete approved applications for medical adaptations (calendar days)	55.35	35.01	35	
% Planned repair spending	69.06%	36.08%	60%	
% Reactive repair spending	30.94%	63.92%	40%	
New build completions - Social Housing	37	0	0	
Number of HSE or LA environmental team interventions	0	0	0	
Group - Number of open employee liability claims	8	8	Contextual	



Measure	2021/22	YTD 2022.23		
	2021	2022		
	Value	Value	Target	Status
Group - Number of days lost due to work related accidents	211	78	Contextual	
Number of new employee liability claims received	0	0	0	

3. Changing Lives and Communities





Measure	2021/22	YTD 2022.23		
	2021	2022		
	Value	Value	Target	Status
% ASB resolved	99.17%	100%	98%	
% Lets Homeless Applicants - overall (ARC)	50.99%	58.72%	Contextual	
% Relevant lets to Homeless Applicants	52.11%	61.43%	45%	
Number of lets to homeless applicants	443	137	Contextual	
DGHP - Total number of jobs, training places or apprenticeships created including Wheatley Pledge	74	38	54	
Group - Over 70% of our customers live in neighbourhoods categorised as peaceful	70.1%	67.9%	68.5%	
Group - 100% of relevant properties 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	12	4	Contextual	

4. Developing Our Shared Capacity


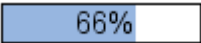



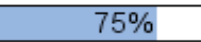
Measure	2021/22	YTD 2022.23		
	2021	2022		
	Value	Value	Target	Status


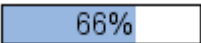
Measure	2021/22	YTD 2022.23		
	2021	2022		
	Value	Value	Target	Status
Group - Number of vacancies across Group and Subsidiary Boards	New	6	Contextual	
Group - Attendance levels across Group and Subsidiary Boards	New	79%	Contextual	
Group - Instances where Board reports are not issued 7 days in advance of Group and Subsidiary Boards	New	0%	5%	
% Sickness rate	1.94%	2.56%	3%	

5. Enabling Our Ambitions

Measure	2021/22	YTD 2022.23		
	2021	2022		
	Value	Value	Target	Status
% lettable houses that became vacant	8.39%	8.32%	8%	
% court actions initiated which resulted in eviction - overall	20%	200%	25%	
Average time to re-let properties	17.73	14.11	16	
Gross rent arrears (all tenants) as a % of rent due	4.1%	4.15%	4.57%	






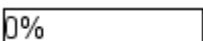
Appendix 2 - DGHP Board - Delivery Plan 22/23 - Strategic Projects

A. Repairs Programme Stream							
Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Improve Customer Contact & Communications	31-Dec-2022			01. Taking into account customer feedback, implement revised customer comms for all repair types (including owner repairs)	30-Jun-2022	Yes	Milestones 1 and 2 complete. In progressing Milestone 3, work is on-going with Localz on messages to customers and the repairs event (e.g. agreeing an appointment, reminder on day of repair, operative on route, etc.) that will trigger a message being sent. Detailed technical design work is underway and the full action plan will be reprogrammed to reflect implementation timescales.
				02. Proposals for customer feedback to Boards developed and agreed	30-Jun-2022	Yes	
				03. Approach to real time repairs feedback on repairs agreed	31-Dec-2022	No	
Develop IT & Systems	31-Dec-2022			01. CBG Servitor upgrade implemented	31-May-2022	Yes	Milestone 1, the Servitor upgrade, is now complete..
				02. Localz phase 1 installation (pilot with CBG)	31-Oct-2022	No	
				03. Localz phase 1 full roll out programme agreed	31-Dec-2022	No	
Service & process redesign	30-Jun-2022			01. DGHP improvement plan defined and agreed	31-May-2022	Yes	DGHP elements completed on schedule.
				02. Quick wins for the repairs service in the West implemented (opening up appts, better communication between CBG and CFC,	30-Jun-2022	No	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				approach to customer comms)			
				03. Planning complete for implementing redesigned repairs delivery model	30-Jun-2022	Yes	
				04. DC approach to migrate to Group Servitor agreed	30-Jun-2022	Yes	
Meet the needs of owners	31-Mar-2023			01. Review owner billing inc. suitability of existing SoRs and approach to lower value jobs	30-Jun-2022	Yes	Milestones 1 to 4 are now complete.
				02. Review current approach to owner repairs and define & agree reshaped owner repairs service delivery model	30-Jun-2022	Yes	During May and June this involved: • Lowther staff reviewing bills
				03. Review processes that support owner repairs service and refine	30-Jun-2022	Yes	• meetings with senior staff in Lowther, CB and My Repairs
				04. Design and deliver customer engagement focus groups involving Lowther Tenants, that will improve communication and shape Lowther's repair service	31-Jul-2022	Yes	• cross Group staff Focus Groups • customer focus groups.
				05. Implement revised processes to support owner repairs	31-Dec-2022	No	Improvements to current owner repairs approach and processes identified and work has begun on implementing quick wins.
				06. Deploy revised owner repair service delivery model	31-Mar-2023	No	Customer focus groups included both Tenant and Owner customers and were in-person, online and some via telephone. Sessions focused on overall Lowther repair service and


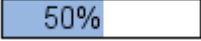


Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
							communication, including billing. Improvements identified to billing include wording/description of location of works & quantities


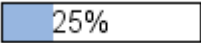
B. CFC Programme Stream

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
CFC interim review	31-May-2022			01. External interim review concluded	30-Apr-2022	Yes	Project is complete.
				02. Present findings of interim review to Group Board	30-Apr-2022	Yes	Full external interim review now concluded, and findings reported to Group and subsidiary Boards.
				03. Present findings of interim review to RSL Boards	31-May-2022	Yes	
CFC year 1 evaluation	31-Mar-2023			01. Scope of full evaluation agreed by ET	31-Dec-2022	No	It is proposed that the full year 1 evaluation is moved to Quarter 1 of the 2023/24 reporting year to allow for one full year of operation.
				02. Undertake evaluation of the first year of the CFC including customer experiences	28-Feb-2023	No	
				03. Present findings to ET	31-Mar-2023	No	It is anticipated that a further interim review will be carried out across Quarter 4 of this reporting year and this will be defined across Quarter 3.
RSL digital services model	31-Mar-2023			01. Review existing digital services offering with customers, including existing usage rates, functionality, and	31-Aug-2022	No	Work is ongoing towards completion of milestone 1. A draft service catalogue spanning our main

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				projected future lifespan			customer engagement channels has been defined, and Group Board have agreed key digital metrics (June Board).
				02. Scope future RSL digital services model, including role of apps, online services, repairs digital offering and self-service	31-Oct-2022	No	
				03. Undertake themed engagement discussions with Glasgow 1000 Panel on digital services	28-Feb-2023	No	
				04. Present recommendations to ET for next 3 years	31-Mar-2023	No	


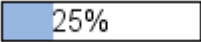


C. Engagement Programme Stream

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Wheatley Whole Family approach	30-Sep-2022			01. Complete the research phase, including survey of households with children and follow up focus groups	31-May-2022	Yes	Milestones 1 and 2 are complete.
				02. Present findings and proposed approach to ET	30-Jun-2022	Yes	
				03. Engagement with customer voices on the proposed Whole Family approach	31-Aug-2022	No	
				04. Final implementation approach agreed by ET	30-Sep-2022	No	
Engagement Framework – Phase 2	31-Mar-2023			01. Develop a programme of engagement using customers' preferred methods	31-May-2022	Yes	Milestones 1 and 2 are complete. Most recently, Engagement Plans, including funding mechanisms, were agreed
				02. 2022/23 Engagement plans, including mechanisms	31-May-2022	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				for allocation of funding, agreed by Boards			by Boards in May.
				03. Develop learning and development programme for staff as well as Customer and Community Voices	30-Sep-2022	No	Work on the Learning and Development programme (Milestone 3) is now well underway and the programme will now be launched by the end of September.
				04. Customer voices feedback to group wide governance event(s)	31-Mar-2023	No	
				05. Complete recruitment of Customer and Community Voices	31-Mar-2023	No	
Customer data collection exercise (Contact info, equalities and communication preferences)	30-Nov-2022			01. Project approach and proposed resource requirements agreed Group Executive	31-May-2022	Yes	Milestone 1 is complete, with the project approach and resource requirements approved by ET end of June.
				02. Data collection exercise undertaken (RSL tenants, Lowther tenants & Care customers)	30-Sep-2022	No	
				03. Update to Group Executive on outcome of data collection exercise and proposed actions	31-Oct-2022	No	
				04. Update to Boards on outcome of data collection exercise	30-Nov-2022	No	


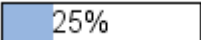
D. Assets & Sustainability Programme Stream


Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Corporate Estate	31-Mar-2023			01. East Glasgow and Bathgate Hubs complete	31-Jul-2022	No	Work is ongoing towards completion of milestones.

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				02. West Glasgow Hub complete	30-Sep-2022	No	This includes work on site currently for milestones 1 to 3 and proposal for Lipton House being developed.
				03. East Hub (NMR) complete	30-Sep-2022	No	
				04. CFC Lipton House complete	31-Dec-2022	No	
				05. South Hub (Dumfries) complete	31-Mar-2023	No	
Strategic Sustainability Framework	31-Jan-2023			01. Pathway to Net Zero Advisory Group recruited and in place	31-May-2022	Yes	Milestones 1 and 2 complete, with: <ul style="list-style-type: none"> • The Pathway to Net Zero Advisory Group held its first meeting on 13 May. • Supplier to undertake independent review identified and proposal agreed.
				02. Commission an independent review of energy efficient technologies and low emission heating systems installed to date	31-May-2022	Yes	
				03. Draft framework reviewed by Advisory Group	31-Jul-2022	No	
				04. Update on sustainability framework and independent review to Group Board	31-Aug-2022	No	
				05. Independent review complete	30-Sep-2022	No	
				06. Draft framework and outcome of independent review to ET	31-Oct-2022	No	
				07. Draft framework approved by Group Board	31-Dec-2022	No	
				08. Group wide launch of strategic sustainability framework	31-Jan-2023	No	
DGHP TRA including reprovioning strategy	31-Mar-2023			01. Appoint Masterplan Consultant	30-Sep-2022	No	Work is ongoing towards completion of milestone 1


Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				02. Commence community consultation with Customer & Community Voices	31-Dec-2022	No	and 2, with: <ul style="list-style-type: none"> • Masterplan consultant brief agreed with DGC. Procurement to take place from WHG Framework. • Community Consultation leaflets drafted for release, to be supported by Stronger Voices.
				03. Complete Masterplan Consultation	31-Mar-2023	No	


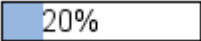
E. Governance Programme Stream

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Equality, Diversity & Inclusion	31-Oct-2022			01. ET agree proposed survey approach for staff and tenants	31-May-2022	Yes	Milestone 1 complete.
				02. EDI update to Group Board, including revised Equality, Diversity and Inclusion Policy for approval	25-Aug-2022	No	ET agreed we should undertake a mailing to tenants in August, providing a clear audit trail for our SHR compliance and in keeping with revised SFHA guidance.
				03. Equalities results from customer data collection exercise analysed and proposed actions to Group Executive	30-Sep-2022	No	We have undertaken 3 focus groups (totalling 20 tenants) to co-create the content for the tenant mailing. The mailing will be undertaken during August.
				04. Update SHR Annual Assurance Statement on progress with equalities	31-Oct-2022	No	Policy and update on track for ET in early August pre Group Board. The policy


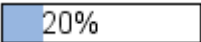
Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
							was rescheduled to the September Group Board as part of the Group Board agenda planning..
Strategic agreement with Dumfries and Galloway Council	31-Mar-2023		<input type="text" value="0%"/>	01. Group Executive agree an outline strategic agreement for discussion with DGC	30-Sep-2022	No	
				02. Present outline strategic agreement to Group Board for consideration	31-Oct-2022	No	
				03. Update to DGHP Board	30-Nov-2022	No	
				04. Board approvals of draft strategic agreement with DGC	28-Feb-2023	No	
				05. Present to DGC for approval	31-Mar-2023	No	

H. Other - Changing Lives & Communities

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Implement year 2 of the Group Homelessness Framework	31-Mar-2023		<input type="text" value="25%"/>	01. Undertake a review of existing customer engagement in homelessness service design and delivery	30-Jun-2022	Yes	Milestone 1 complete on target. review of existing engagement has been undertaken. slides on findings have been prepared. Project plan has been drafted which details key tasks to deliver each milestone.
				02. Develop an action plan to maximise engagement opportunities	30-Nov-2022	No	
				03. Undertake a review of existing tenancy sustainment performance reporting and develop and agree a new consistent group wide approach to reporting	31-Dec-2022	No	
				04. Proposal drafted and	31-Mar-2023	No	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				available for ET review			
Review of group allocations policy and systems	31-Mar-2023			01. Updates to policy agreed by ET and RSL Boards for consultation with tenants	31-May-2022	Yes	Milestone 1 complete with staff and customer focus groups undertaken. We are now analysing focus group responses.
				02. Undertake customer consultation	31-Jul-2022	No	
				03. Present findings to Wheatley Board	31-Aug-2022	No	
				04. Present findings to RSL Boards	30-Sep-2022	No	
				05. Undertake testing of the new system in D&G	31-Mar-2023	No	

J. Other - Enabling our Ambitions

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
NETs Digital service	30-Nov-2022			01. Undertake build phase	31-Jul-2022	Yes	Milestone 1 complete. Work towards completion of Milestone 2, User Testing Phase 1, commenced June 2022.
				02. Undertake testing of the product	31-Aug-2022	No	
				03. Commence pilot	30-Sep-2022	No	
				04. Go Live	30-Nov-2022	No	
				05. Provide update to Board	30-Nov-2022	No	



Report

To: Dumfries and Galloway Housing Partnership Board

By: Louise Morrison, Finance Manager (DGHP)

Approved by: Steven Henderson, Group Director of Finance

Subject: Finance Report

Date of Meeting: 17 August 2022

1. Purpose

- 1.1 The purpose of this report is to provide the DGHP board with:
- An overview of the management accounts for the period to 30 June 2022 and Q1 forecast;
 - To seek approval to amend loan agreements, arising from the business transfer agreement between WLHP and DCH;
 - To note the amendments to the Treasury Management Policy.

2. Authorising and strategic context

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

3. Background

Financial performance to 30 June 2022

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

	Year to Date (Period 3)		
	Actual £k	Budget £k	Variance £k
Turnover	11,762	11,743	19
Operating expenditure	(9,652)	(9,730)	78
Operating surplus	2,110	2,013	97
<i>Operating margin</i>	<i>18%</i>	<i>17%</i>	
Net interest payable	(1,481)	(1,485)	4
Surplus	629	528	101
Net Capital Expenditure	4,695	4,855	160

4. Discussion

4.1 We have reported a statutory surplus of £629k for the period to 30 June 2022, which is £101k favourable to budget. The key drivers of the variance are higher net rental income driven by lower than budgeted voids coupled with timing of various expense lines. The underlying financial performance of DGHP remains within the parameters of its business plan. Key points to note:

- Net rental income of £11,305k is £175k higher than budget at 30 June 2022, with the favourable variance driven by timing of properties being cleared for demolition and lower void losses (0.5% vs 1.5% in budget).
- Other income is £156k lower than budget driven by timing of adaptation claims which are reported when the funds are received.
- Operating expenditure is £78k favourable to budget:
 - Bad debts are £145k lower than budget driven by timing of arrears and recognising the prudent budget assumptions.
 - Revenue repairs and maintenance is £41k lower than budget driven by the timing of gas servicing work (prior year capital spend now yielding savings).
 - Direct and group running costs are £10k unfavourable to budget driven by higher vehicle hire & fuel spend offset by savings in group costs.
 - Demolition costs (Lochside) are £55k higher due to phasing of budget.
- Net capital expenditure is £4,695k for the year, £160k lower than budget. The core programme is unfavourable to budget by £456k driven by higher capitalised voids, higher spend on adaptations and the acceleration core programme works, specifically the bathroom programme. This is timing in nature and adaptations spend will be funded through grant claims.
- The new build programme is in line with budget with the majority of spend at Eastriggs and Nursery Avenue.

4.2 Q1 2022/23 Full Year Forecast

	Full year 2022/23		
	Forecast £k	Budget £k	Variance £k
Turnover	51,161	50,893	268
Operating expenditure	37,269	37,608	339
Operating surplus	13,892	13,285	607
<i>Operating margin</i>	<i>27.2%</i>	<i>26.1%</i>	
Net interest payable	(5,180)	(5,180)	-
Surplus	8,712	8,105	607
Net Capital Expenditure	25,400	26,019	619

The forecast reflects the results in the year to date as well as expected expenditure for the remaining 9 months of the year. The forecast statutory surplus of £8,712k is £607k favourable to budget. Key points to note:

- Net rental income is expected to be £268k favourable to budget and includes the reprofiled rental income from properties planned for demolition and lower rent loss on voids recognising void losses are lower than budget at P3.
- Expenditure includes ER/VR costs from P1 partly offset by savings from group service running cost recharges and lower bad debts adjusting the prudent budget provision set. Repairs and maintenance are at this stage of the year forecast to be in line with budget.
- Capital spend on the core programme has decreased by £116k as a result of the deferral of works to 2023/24 partly offset by higher forecast capitalised void spend.
- New Build forecast has reduced by £681k by removing Corsbie Road from the current year programme and adding in Curries Yard. Springholm and Glenluce have been pushed back to Q4. Eastriggs and Nursery Avenue remain unchanged. Grant income is £178k lower, linked to the reprofiling of projects.
- It is our aim to manage the forecast variations to budget on individual lines within the parameters of the overall budget for 2022/23. The Q1 forecast presented to the Board has been prepared on a prudent basis and reports an underlying surplus of £2,078k, £723k favourable compared to the budgeted underlying surplus of £1,355k.
- Further support to customers in light of the cost of living situation is under consideration, and the Board will be updated at its next meeting, including any budgetary impact.

4.3 Funder consents

WLHP/DCH business transfer consent

- Following a successful tenant ballot, the dissolution of West Lothian Housing Partnership Limited (WLHP) is to proceed by way of a business transfer to Dunedin Canmore Housing Limited on 5 September 2022, following regulatory approvals. Our funders have consented to the reorganisation, subject to provision of various documentation (including the Business Transfer Agreement).
- On winding up, WLHP will no longer be a member of the RSL borrower group and will be removed as a Guarantor in Wheatley's funding arrangements.

Strathclyde Camphill Housing Association – consent to acquisition

- Wheatley Homes Glasgow is proposing to proceed with the transfer of engagements of a small 15 unit housing association in Glasgow. This acquisition has been approved in principle by the Boards of WH Glasgow and Wheatley Housing Group, subject to the conclusion of the due diligence and final Board approval.
- Upon acquisition, the units of Camphill will become owned by WH Glasgow. These units will remain unsecured.
- As a Guarantor in the borrower group the DGHP Board is required to approve the Amendment Letter, Officer's Certificate and proforma minute for each of our lenders to remove WLHP. These documents are included in Appendix 2 and have been prepared by our solicitors. These documents will amend our debt facilities with our lenders to allow the proposed reorganisation.

4.4 Update to Treasury Management Policy

- The Treasury Management Policy (TMP) applies to the whole Group. Periodic updates are required every 5 years, most recently in June 2020. Several material changes have been made to the Group's funding arrangements since 2020 which have accelerated the requirement to update the TMP ahead of schedule. The key areas which have been changed and/or are introduced for the first time in the 2022 version of the TMP are set out below:
 - Changes resulting from the accession of DGHP and Wheatley Developments (Scotland) Limited to the RSL Borrower Group and WFL1 funding arrangements which took effect on 1 April 2022; and
 - The increase of £15m to the on-lending agreement between GHA and Lowther which was agreed in May 2021.
- The TMP makes clear that any new funding, whether at WFL1, WFL2 or for any RSL on a bilateral agreement (such as new lending with Allia or THFC) is subject to the approval of Wheatley Group Board, prior to the relevant subsidiary board approvals.

- The 2020 TMP was reviewed by independent treasury risk consultants, Chatham Financial Europe (formerly, JC Rathbone Associates) who confirmed it was comprehensive and met best practice for the sector. The proposed amendments to the TMP do not fundamentally alter the processes and procedures set out in the policy documentation and, accordingly, we have not submitted these relatively minor revisions for external review. The Group Board approved the revised TMP (Appendix 4) at their June 2022 meeting.
- The approved June 2022 TMP is appended to this paper (clean version) as is the redline version which sets out the formatting and content changes from the June 2020 policy document.

5. Customer Engagement

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

6. Environmental and sustainability implications

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

7. Digital transformation alignment

- 7.1 There are no digital transformation alignment implications arising from this report.

8. Financial and value for money implications

- 8.1 The statutory surplus for the period to 30 June 2022 is £101k favourable to budget. Delivery of our cost efficiency targets is a key element of continuing to demonstrate value for money. The underlying results for the period to 30 June 2022 were £354k unfavourable to budget driven by timing of capital spend.

9. Legal, regulatory and charitable implications

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

11. Equalities implications

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

12. Key issues and conclusions

12.1 This paper presents the financial performance position for the period to 30 June 2022 and the Q1 full year 2022/23 forecast.

13. Recommendations

13.1 The Board is requested to:

- 1) Note the management accounts for the period to 30 June 2022 and the Q1 forecast at Appendix 1;
- 2) Seek approval for an amendment to our loan agreements at Appendix 2; and
- 3) Note the update to the Treasury Management Policy at Appendix 3 and 4.

LIST OF APPENDICES:-

Appendix 1: Period 3 – 30 June 2022 Finance Report

Appendix 2: Amendment to loan agreement documents [redacted]

Appendix 3: June 2022 TMP clean [redacted: available under publication scheme [Publication scheme | Wheatley Homes South \(wheatleyhomes-south.com\)](#)]



Period to 30 June 2022
Finance Report

1a) Operating statement P3 – June 2022

OPERATING STATEMENT	Year to June 2022			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INCOME				
Rental Income	11,362	11,293	68	45,184
Void Losses	(56)	(163)	107	(654)
Net Rental Income	11,305	11,130	175	44,529
Grant Income	-	-	-	3,624
Other Income	457	613	(156)	2,740
TOTAL INCOME	11,762	11,743	19	50,893
EXPENDITURE				
Employee Costs - Direct	1,254	1,246	(8)	4,933
Employee Costs - Group Services	702	704	2	2,807
ER/VR	37	-	(37)	-
Direct Running Costs	663	612	(50)	2,528
Running Costs - Group Services	413	453	40	1,813
Revenue Repairs and Maintenance	2,995	3,037	41	10,248
Bad debts	90	236	145	943
Depreciation	3,413	3,412	(0)	13,649
Demolition	86	31	(55)	688
TOTAL EXPENDITURE	9,652	9,730	78	37,608
NET OPERATING SURPLUS	2,110	2,013	97	13,285
<i>Net operating margin</i>	18%	17%	1%	26%
Interest Receivable and similar income	12	8	4	33
Net interest payable & similar charges	(1,493)	(1,493)	(0)	(5,213)
STATUTORY SURPLUS	629	528	101	8,105
INVESTMENT				
TOTAL CAPITAL INVESTMENT INCOME	-	-	-	5,063
Core Programme	2,801	2,345	(456)	16,775
New Build Programme	1,623	1,601	(22)	9,391
Other Fixed Assets	271	909	638	4,916
TOTAL CAPITAL INVESTMENT EXPENDITURE	4,695	4,855	160	31,082
NET CAPITAL EXPENDITURE	4,695	4,855	160	26,019

Key highlights :

Net operating surplus of £2,110k is £97k favourable to budget. Statutory surplus for the period to 30 June is £629k, which is £102k favourable to budget. The key drivers of the variance are higher net rental income driven by lower than budgeted voids coupled with timing of various expense lines.

- Net Rental income is £175k favourable to budget. Rental income is £68k favourable to budget driven by the timing of the clearance of the demolition units at Summerhill and Newington. YTD Void losses are £107k lower than budget and represent a 0.50% void loss rate compared to the budgeted rate of 1.44%.
- Other income is £156k lower than budget driven by aids & adaptations grant claimed which is accounted for when the cash is received, £125k.
- Employee costs are £6k adverse to budget between direct and group services due to the timing of claims for Homeworking Allowances. Employees recharged from Group Services are for DGHP's share of Wheatley Solutions staff.
- ER/VR costs are £37k adverse to budget following the commitment of one member of staff to take ERVR in 2022/23. This cost will yield future revenue savings.
- Direct running costs are £50k adverse to budget driven by higher consultancy fees, costs associated with the DGHP conference and timing of spend on equipment and fixtures. Group running costs are favourable to budget driven by savings across various departments within Solutions.
- Repair costs of £41k are favourable to budget due to savings on gas servicing as a result of prior year capital investment partly offset by variances from the timing of spend against budget.
- Demolition costs are £55k higher than budget and relates to earlier than anticipated timing of spend at Lochside (owner buyback).

Gross interest payable of £1,493k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders.

Net capital expenditure of £4,695k is £160k lower than budget. The variance is driven by the lower level of spend in office premises.

- Total core investment spend of £2,801k is £456k higher than budget due to the acceleration and timing of the bathroom programme and higher than budgeted spend on adaptations which will be funded by grant claims.
- New Build expenditure is £22k higher than budget driven primarily by demolition works completed at Glenluce.
- Other capital expenditure of £271k is £638k lower than budget. Other capital spend includes DGHP share of IT costs and office premises. The variance against budget is driven by a delay in planning for the new Dumfries office.

1b) Underlying surplus – P3 June 2022

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 period to June 2022, an underlying surplus of £1,241k has been generated which is £354k adverse to budget. The variance is driven by accelerated spend on capital investment programme which is timing in nature.

DGHP Underlying Surplus - June 2022				
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks	FY Budget £ks
Net operating surplus	2,110	2,013	97	13,285
add back:				
Depreciation	3,413	3,412	1	13,649
less:				
Grant income	0	0	0	(3,624)
Net interest payable	(1,481)	(1,485)	4	(5,180)
Total expenditure on Core Programme	(2,801)	(2,345)	(456)	(16,775)
Underlying surplus	1,241	1,595	(354)	1,355

2. Period 3 – In House Repairs service (IHR)

In House Repairs	YTD June			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INCOME				
Internal Subsidiaries	3,392	3,119	273	11,587
External Customers	245	348	(103)	1,392
TOTAL INCOME	3,637	3,467	170	12,979
COST OF SALES				
Staff Costs	1,449	1,575	126	6,302
Materials	458	840	382	1,820
Subcontractor & Other Costs	1,292	597	(695)	2,990
TOTAL COST OF SALES	3,199	3,012	(187)	11,112
GROSS (LOSS)/PROFIT	438	455	(17)	1,867
Margin %	12%	13%	-10%	14%
Overheads	438	455	17	1,867
NET (LOSS)/PROFIT		-		-

Key Comments:

- Income for the in house repairs service is £170k higher than budget. External customers income represents Home Group income generated in the period to June 2022.
- Subcontractor costs are higher than budget as City Building Glasgow have carried out the void work in Q1.
- In house repairs service achieved a break even position for the period in line with budget.

3. Period 3 – Repairs and Investment

Revenue Repairs and Maintenance	YTD June			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
Reactive	2,417	2,419	2	6,687
Gas planned maintenance	256	287	31	1,335
Landscaping and cyclical maintenance	178	111	(67)	719
Compliance	144	220	76	1,507
Loss/(profit) on IHR	-	-	-	-
TOTAL	2,995	3,037	41	10,248

Repairs

- Repairs and maintenance costs are £41k favourable to budget.
- Gas planned maintenance favourable to budget by £31k driven by savings from prior year investment spend in new energy efficient boilers.
- Reactive repairs are in line with budget.
- Overall compliance expenditure is £76k under budget due to timing of the play park programme v budget.
- Landscaping and cyclical maintenance spend is £67k higher than budget due to accelerated spend in landscaping.

Core Investment Programme	YTD			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
Core Programme	1,424	1,305	(120)	12,106
Capitalised Voids	786	650	(136)	2,987
Adaptations	320	120	(200)	600
Capitalised Staff	271	271	-	1,082
TOTAL	2,801	2,345	(456)	16,775

Investment

- Overall the capital costs are £456k adverse to the budget.
- Core investment is £120k adverse to budget due the progression of bathroom installations and cavity wall insulation programme. The Cavity Wall Installation programme is 50% funded by SG and a grant claim is due to be submitted.
- A significant number of major adaptations have been installed, an application to draw down funding via HARP is due to be made.
- Void spend is being monitored by the Investment team.

4. Period 3 – New Build

Development Name	Status	Contractor	YTD June (£K)			FY Budget
			Actual	Budget	Variance	
Nursery Avenue	On Site	McTaggart	913	923	10	1,397
Eastriggs	On Site	Ashleigh	338	379	41	453
Queensberry Brae Thornhill	In development	Springfield	1	-	(1)	-
Herries Avenue, Dumfries	Not approved	TBC	8	-	(8)	-
Springholm	In development	Ashleigh	1	-	(1)	1,909
Main St. Glenluce	In development	Ashleigh	81	-	(81)	1,078
Catherinefield Farm	Not approved	TBC	-	-	-	-
Curries Yard Heathhall	In development	CCG	22	-	(22)	-
Johnstonebridge	In development	Ashleigh	16	-	(16)	-
Corsbie Road	Not approved	McTaggart	-	-	-	1,908
Ashwood Drive, Stranraer	In development	Ogilvie	7	-	(7)	831
Lochans, Stranraer	Not approved	TBC	5	-	(5)	-
Completed PY	Completed		7	75	68	170
Total Cost			1,399	1,377	(22)	7,746
Capitalised Staff			224	224	-	895
Capitalised Demolition			-	-	-	618
Capitalised Interest			-	-	-	132
Total New Build Costs			1,623	1,601	(22)	9,391
Grant Income						5,063

Development spend at end of June 2022 totalled £1,399k, against a budget of £1,377k, a variance of £22k against budget.

- **Nursery Ave (SR/19):** The site start was achieved on 31 May 2021. Contractor is still forecasting completion in September 2022 but a delay is likely based on progress to date.
- **Eastriggs (SR/18):** Site start was achieved on 12 July 2021 and will complete, as programmed, in July 2022.

Future Developments – awaiting approval:

- **Thornhill (SR/60):** Seeking agreement with other landowners on alternative access. New access Planning application being held to allow community engagement. Plan developing as a single phase and increase to circa 100 units.
- **Springholm (SR/47):** Pre-contract items progressing, discussions with Scottish Water and Transport Scotland ongoing to address key constraints. Planning application submitted in February 2022 was being pursued. Planning approved 11 July 2022.
- **Glenluce (SR/10):** Demolition works complete. Site start delayed as a consequence of time taken to receive Planning Permission, decision being pursued.
- **Currie's Yard (SR/89):** Full planning permission granted in January 2022. Revised Tender Application approved by Scottish Government June 2022, project approval given at WDSL Board meeting on 21 June 2022. Start on site programmed for August 2022.
- **Corsbie Road (SR/60):** Development partner has been switched to McTaggart. Site design being reviewed to maximise layout.
- **Ashwood Drive (SR/11):** Feasibility study completed and cost report prepared for mixed use housing and office hub proposals. Agreed an 11 unit general needs layout subject to parking requirements. Planning pre-application enquiry being prepared. Demolition contractor appointed.
- **Johnstonebridge (SR/33):** Planning application submitted in May 2022.
- **Lochans (SR/16):** opportunity site in Council ownership being considered.

5. Balance Sheet P3

Balance Sheet	30 June 22	31 March 22
Fixed Assets		
Social Housing Properties	411,612	410,930
Other Fixed Assets	1,173	901
Investment Properties	12,940	12,940
	<u>425,725</u>	<u>424,771</u>
Current Assets		
Stock	695	695
Rent and service charge arrears	2,976	2,813
less: provision for rent arrears	(1,318)	(1,228)
Prepayments and accrued income	740	648
Other debtors	3,648	5,776
	<u>6,046</u>	<u>8,010</u>
Total Debtors		8,010
Due from other group companies	825	753
Cash & Cash Equivalents	4,279	42,534
	<u>11,845</u>	<u>51,992</u>
Creditors: within 1 year		
Trade Creditors	(1,338)	(10,048)
Accruals & Deferred Income	(9,229)	(4,197)
Prepayments of Rent and Service Charge	(567)	(567)
Other Creditors	(3,417)	(3,364)
	<u>(14,552)</u>	<u>(18,176)</u>
Total Creditors		(18,176)
Amounts due to Group Undertakings	(3,641)	(3,487)
	<u>(18,193)</u>	<u>(21,663)</u>
Net Current Liability	(6,349)	30,329
Long Term Creditors		
Long term loans	(153,683)	(188,683)
Loan interest	(3,110)	(3,100)
Grants	(5,540)	(5,540)
Other provisions	(88)	(88)
Pension		
Net Assets	256,955	257,689
Capital and Reserves		
Share Capital		
Revenue Reserve	105,632	106,366
Revaluation Reserve	151,323	151,323
Shareholders' funds	256,955	257,689

Key Comments:

- **Fixed assets** of £425.7m – representing new build works added less depreciation of existing assets. Other fixed assets have increased in value due to IT capital investment spend and premises spend on the Brasswell office in Dumfries.
- **Trade & other debtors** –the bad debt provision has increased by £90k year to date due to an increase in debtors driven by timing of payments.
- **Stock** relates to repairs stock purchased from Saint Gobain and materials on site related to the investment program.
- **Cash at Bank** of £4.3m has reduced since 31 March reflecting the repayment of £35m of debt and the management of cash balances by WFL1.
- **Creditors: within 1 year** Includes
 - Amounts due to Wheatley Group and WDSL.
 - Trade creditors are lower than 31 March driven by timing of supplier payments. 31 March was higher due to CBG invoices outstanding at the year end.
 - M&G interest accrued and paid twice annually.
 - Deferred income £4.1m will be released upon completion of new builds.
 - Payroll is accrued monthly for second half of the month as pay date is 15th.
- **Long-Term Creditors** This relates to
 - Capital loans of £153.7m following £35m repayment in P1. DGHP joined the WFL 1 borrower group on 1 April 2022.
 - The roll up of accrued interest on Allia loans not payable until end date £3.1m incurred since drawdown
 - Grant income received is deferred until the completion of new build properties.
 - Provision of £88k relates to the remaining balance made for dilapidation liabilities for offices.

6. Quarter 1 Forecast to 31 March 2023

Operating statement	Full Year 2022/23		
	Forecast £k	Budget £k	Variance £k
INCOME			
Rental Income	45,252	45,184	68
Void Losses	(454)	(654)	200
Net Rental Income	44,797	44,529	268
Other Income	2,740	2,740	0
Grant Income	3,624	3,624	0
Total Income	51,161	50,893	268
EXPENDITURE			
Employee Costs - Direct	4,933	4,933	0
Employee Costs - Group Services	2,807	2,807	0
ER / VR	37	0	(37)
Direct Running Costs	2,528	2,528	0
Running Costs - Group Services	1,787	1,813	26
Revenue Repairs and Maintenance	10,248	10,248	0
Bad debts	593	943	350
Depreciation	13,649	13,649	0
Demolition	688	688	0
TOTAL EXPENDITURE	37,269	37,608	339
OPERATING SURPLUS / (DEFICIT)	13,892	13,285	607
Interest Payable	(5,180)	(5,180)	0
STATUTORY SURPLUS / (DEFICIT)	8,712	8,105	607

Investment	Full Year 2022/23		
	Forecast £k	Budget £k	Variance £k
Total Capital Investment Income	4,885	5,063	(178)
Investment Works	16,659	16,775	116
New Build	8,710	9,391	681
Other Capital Expenditure	4,916	4,916	0
TOTAL CAPITAL EXPENDITURE	30,285	31,082	797
NET CAPITAL EXPENDITURE	25,400	26,019	619

Key Comments:

This table shows the 2022/23 budget presented to the Board compared to the Q1 forecast for 2022/23. The forecast reflects the results in the year to date as well as expected expenditure for the remaining 9 months of the year.

The forecast statutory surplus of £8,712k is £607k favourable to budget.

- Net rental income is expected to be £268k favourable to budget and includes the reprofiled rental income from properties planned for demolition and lower rent loss on voids recognising void losses are lower than budget at P3.
- ER/VR unbudgeted costs were incurred in April 2022 and will yield future revenue savings.
- Direct running costs are in line with budget. Group running costs are favourable by £26k due to central cost savings which have been allocated appropriately across the Group.
- Repairs and maintenance remains in line with budget driven by the current progress of the R&M programme.
- Bad debts are £350k lower than budget with the forecast reflecting a continuation of the favourable performance at June.

Investment:

New build expenditure and grant income as well as core investment programme expenditure have been updated to reflect the revised spend profile.

- The core programme £116k is lower than budget as a result of the deferral of works to 2023/24 partly offset by higher forecast capitalised void spend.
- New Build expenditure is forecast to be £0.7m lower than budget related to the reprofiling spend at Corsbie Road, reduced spend at Springholm and Glenluce, partly offset by Curries Yard added to the 2022/23 programme (+£3.5m). Nursery Avenue and Eastriggs remain unchanged.



DGHP



Report

To: DGHP Board

By: Alan Glasgow, Managing Director

Approved by: Hazel Young, Group Director of Housing and Property

Subject: Risk Register

Date of Meeting: 17 August 2022

1. Purpose

- 1.1 This report asks the Board to:
- Note the summary of risk management activity; and
 - Consider and approve the proposed changes to the Corporate Risk Register at **Appendix 1**.

2. Authorising and strategic context

- 2.1. In accordance with the Group Authorise/Monitor/Manage Matrix, the Board is responsible for managing and monitoring its Corporate Risk Register and Risk Appetite. The Group Board is responsible for managing and monitoring the Wheatley Group Risk Management Framework.
- 2.2. Risk registers are in place across the Group and are reported to each subsidiary board on a quarterly basis. These capture risks that may impact on the delivery of the Board's strategic aims.

3. Background

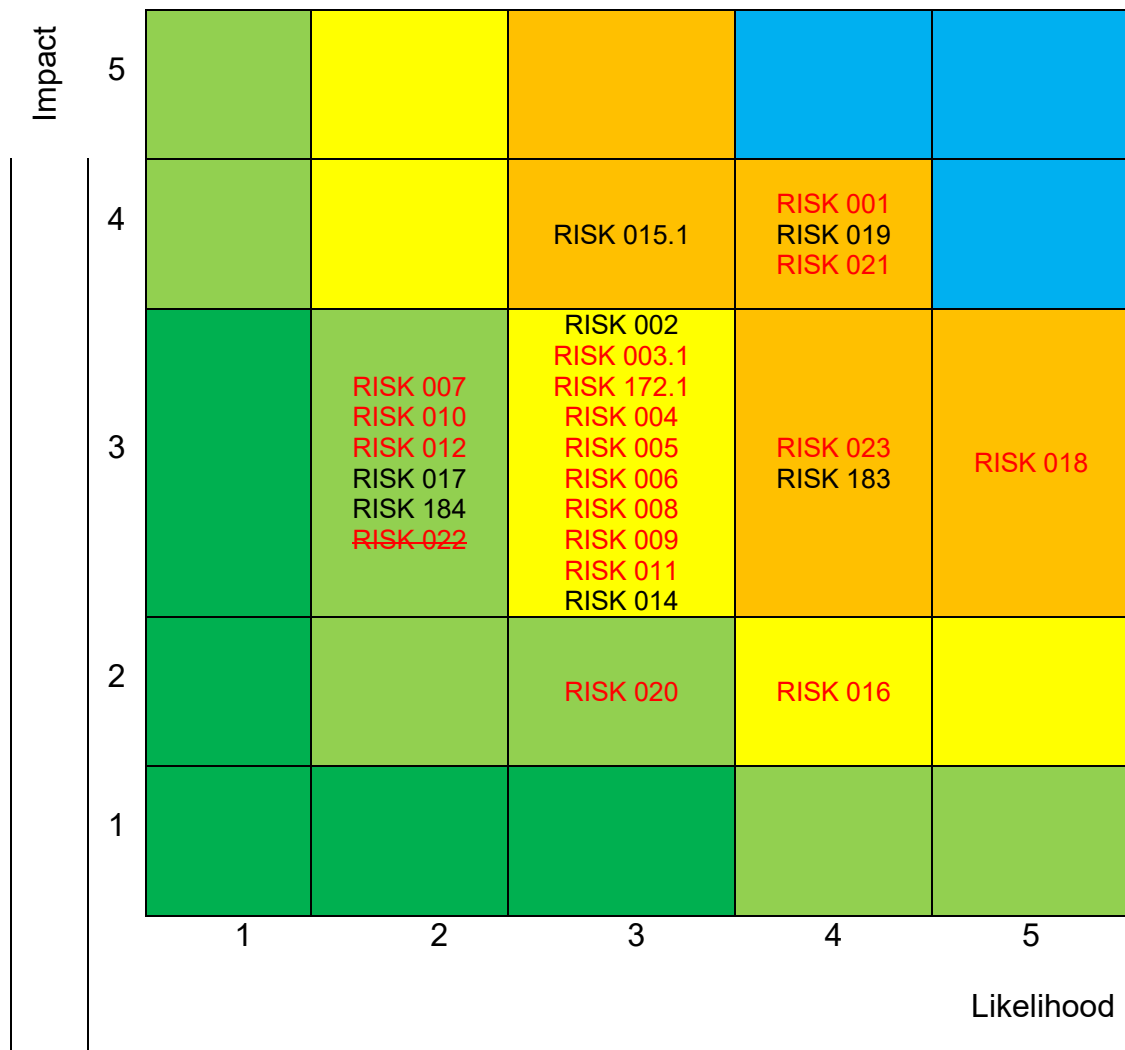
- 3.1. This paper summarises the proposed changes to the Corporate Risk Register, for consideration by the Board.
- 3.2. The Internal Audit team facilitated a risk workshop on 24 May 2022 to discuss the Board's proposed risk appetite statements and to review the Corporate Risk Register to identify any additional risks that may impact on the achievement of the Board's Strategic Outcomes. A Board risk appetite statement was approved and has been incorporated into this quarterly risk update to the Board, as have the identified changes to the risk register.

4. Discussion

4.1. There are currently 25 risks within the Corporate Risk Register, with residual risk scores ranging from 6 to 16, as shown in the chart below. These risks have been identified for inclusion in the Corporate Risk Register following discussion with the Board, the Managing Director and the Group Director.

4.2. The risks highlighted in red font for further discussion relate to:

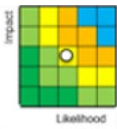
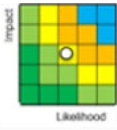
- Risk with a residual risk score that is outwith risk appetite; and
- Risks with proposed changes.



4.3. All of the risks within the Corporate Risk Register have been reviewed and updated where required by the relevant risk owner. The full Register is shown at **Appendix 1**.

Risks outwith Risk Appetite

- 4.4. For the first time we are reporting risks that are outwith the new risk appetite statements. As this is a new process, we will expect to see instances where clarification is required. Where risks are outwith risk appetite, management is asked to consider the following: i) is the residual risk score correct; ii) has the correct risk appetite statement been used; iii) are additional controls required to further mitigate the risk?
- 4.5. There are four risks with a residual risk score that is greater than the approved risk appetite. These are set out in the table below:

Risk	Residual Risk Score	Risk Appetite Score	Commentary
[redacted]			
RISK 005: Care and Support Services		Minimal	Management will review the scoring of this risk following the full roll out of the Care Quality Framework, approved by the Care Board in April 2022. It is anticipated that the fully-embedded Framework will result in a reduced residual risk score.
RISK 003: Fire Safety		Minimal	The residual risk score has been reduced, following review by management, although this remains outwith risk appetite. The risk scoring reflects the high potential impact associated with fire and the Group's limited ability to influence the behaviour of those external to the organisation.

- 4.6. The implementation of any identified actions will be monitored by management and residual risk scores will be reviewed as part of the scheduled quarterly review of all risks.

Changes to the risks within the Corporate Risk Register

- 4.7. The following table summarises management's proposed changes to the Corporate Risk Register.

Risk	Commentary
RISK 001: Impact on our customers of the cost-of-living crisis.	A new risk added to reflect the potential impact which the cost-of-living crisis may have on the Group's ability to support the economic resilience of all customers in need due to increased demand for wrap-around and/or Wheatley Foundation services.

Risk	Commentary
RISK 021: Reduced availability of financial support from Scottish Government and/or local government	Revised title and risk type and update to risk description.
RISK 018: Supply Chain Disruption	Revised wording of risk description and additional controls added.
RISK 023: Climate Change impact on Group assets and services	Update to controls.
RISK 004: New operating model implementation	Update to risk description and controls.
RISK 005: Care and Support Services	Update to controls.
RISK 172.1	Update to risk score
RISK 003.1: Fire Safety	Update to risk score and controls.
RISK 008: Compliance with funders' requirements	Update to controls.
RISK 011: Securing new funding and adverse market changes	Risk description updated.
RISK 009: Governance Structure	Update to controls
RISK 006: Customer Satisfaction	Update to controls
RISK 016: Laws and Regulations	Update to controls.
RISK 007: Rent arrears arising from Universal Credit	Revised title and scoring, and updates to risk description and controls.
RISK 012: Business Continuity/ Disaster Recovery	Update to controls.
RISK 010: Group Credit Rating	Update to controls and revised scoring.
RISK 022: Covid-19 vaccination roll out	Deleted as no longer required.
RISK 020: Implementation of Partnership Promises	Update to risk score.

4.8. The Board is asked to consider and approve the proposed changes.

5. Customer Engagement

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

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

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

10. Risk appetite and assessment

10.1. There is no single risk appetite associated with this paper. Instead, the review of risks within the Corporate Risk Register, as outlined in this paper is designed to provide assurance on the controls in place to manage risks such that the residual risk score is within risk appetite and to identify additional actions management plans to reduce residual risk further, where required.

11. Equalities implications

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

12. Key issues and conclusions

12.1. Management's review of the Corporate Risk Register has identified three risks outwith risk appetite, where additional commentary has been provided. There is one proposed new risk, one risk identified for deletion, and proposed changes to a further 14 risks for Board consideration.

13. Recommendation

13.1. The Board is asked to:

- 1) Note the contents of this report; and
- 2) Review and approve the proposed changes to the Corporate Risk Register.

LIST OF APPENDICES:

Appendix 1 – DGHP Corporate Risk Register - Draft for Approval



Better homes, better lives

Corporate Risk Register

17 August 2022

DGHP Risk Register at 17 August 2022

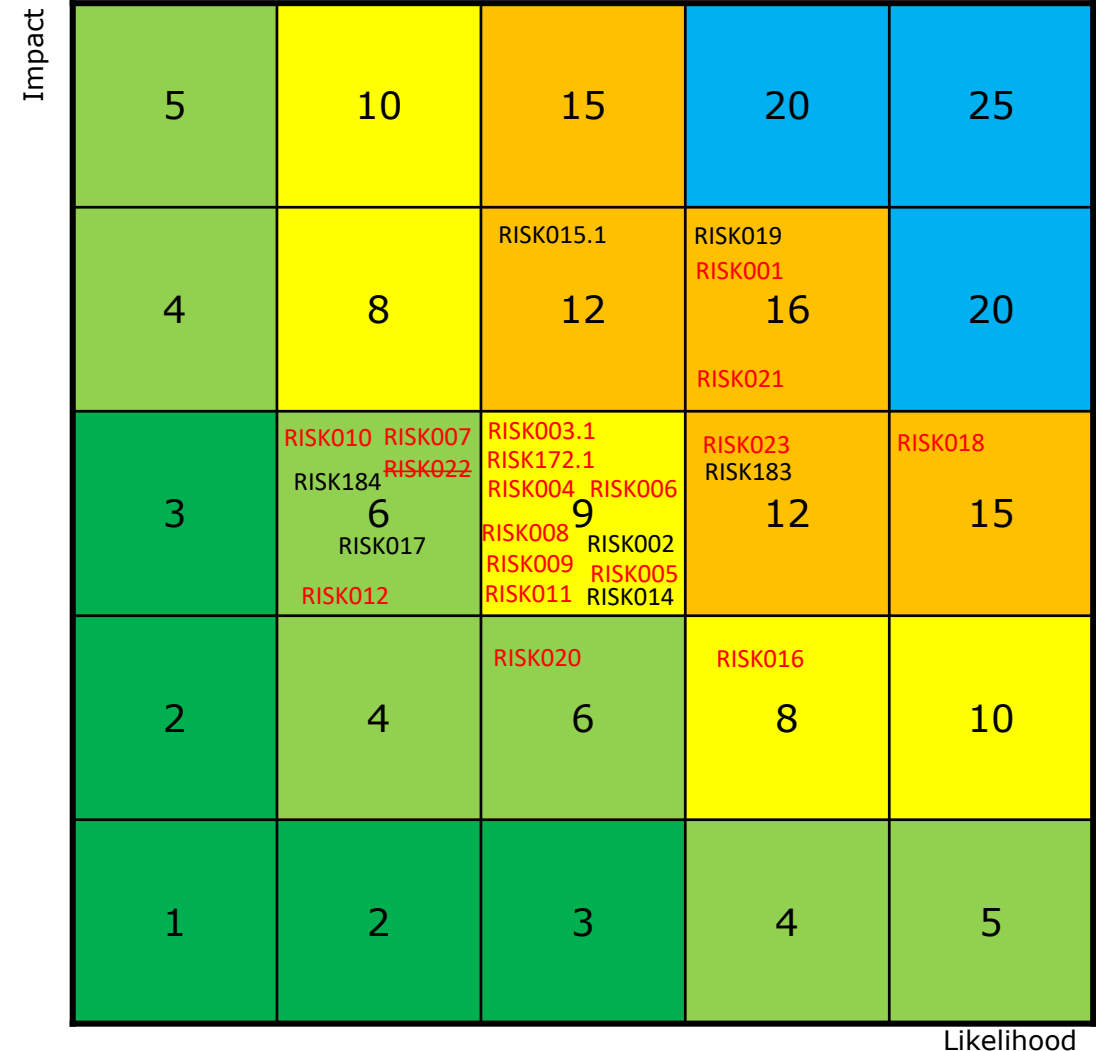


The following slides set out the risks within the risk register in descending order of residual risk score. Where risks have the same residual risk score, they are shown in descending order of inherent risk score.

Any risks with a residual risk score of 12 or more have been highlighted in the page header as high residual risks. Any risks with an inherent risk score of 20 or more have been highlighted in the page header as high inherent risk. Any risks with proposed changes have been highlighted in the page header, with the proposed changes being identified in red font. Risks in these three categories are highlighted in red text in the chart to the right, which shows the spread of risks within the Corporate Risk Register by residual risk score (e.g. RISK019 has a residual risk score of 16).

Risk appetite is a statement of how much risk each Board is willing to take in pursuit of its strategic objectives. The Group approach defines appetite in 5 levels ranging from Averse to Hungry. Each appetite level corresponds to scores within the 5x5 risk matrix. The background colours in the chart represent the following risk appetite classifications.

Appetite Classification	Score	Definition
Averse	1 - 3	Avoidance of risk and uncertainty is a key Organisational objective.
Minimal	4 - 6	Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.
Cautious	7 - 10	Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.
Open	11 - 19	Willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward.
Hungry	20 - 25	Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk).



DGHP Risk Register – high inherent and residual risk scores and outwith risk appetite [redacted]



DGHP Risk Register – proposed new risk, high inherent and residual risk scores



RISK001 – Impact on our customers of the cost of living crisis		Risk type: Operational		Strategic Outcome: Supporting economic resilience in our communities		
<p>Description: The cost of living crisis will result in increased financial hardship for some of our customers. There is a risk that the Group will not be able to deliver its strategic outcome to support economic resilience for all customers in need due to the increased level of demand for wrap-around and / or Wheatley Foundation services.</p>				<p>Controls: New Rent and Income Framework rolled out from April 2022, which emphasises support for customers. Analysis carried out by UC team of impact on customers and expected pressures presented for ET for consideration. Wrap-around services tailored for the needs of our customers.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Hungry	Yes	Proposals for the Group’s response to the crisis will be presented to Group Board / Subsidiary Boards in August and September.	August / September 2022	Group Director of Communities

DGHP Risk Register – proposed changes, high inherent and residual risk scores



RISK021– Post-2021 Housing Policy and Grant availability-Reduced availability of financial support from Scottish Government and / or local government		Risk type: Financial		Strategic Outcome: Raising funding to support our ambitions		
<p>Description: There is a risk that without sufficient Scottish Government financial support we may be unable to deliver some of the Scottish Government and EESSH2 targets in relation to energy efficiency. This is compounded by the impact of increased inflation on the funding available and the costs of required work. Inflation will also impact on the Scottish Government and / or local authority financial support available for new build targets resulting in an inability to deliver strategic outcomes.</p>				<p>Controls: Wheatley Group staff are meeting with Scottish Government representatives regularly to proactively present the case for housing investment to Ministers and senior officials directly and through our representative bodies SFHA and CIH. This includes participating in the Scottish Government review of grant availability. A Green Investment Plan proposal has been developed and will form the basis of direct discussions with the Scottish Government. Financial scenario planning in place to understand potential impact on our investment programme under a variety of grant scenarios.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Open	Yes	Group Board (funding session including research/presentation from Prof Sean Smith) Group Board (themed on development, investment and finance) Group Board sustainability / EESSH 2 workshop	October 21 Feb 22 Mar 22	Group Director of Finance and Digital Services

DGHP Risk Register – proposed changes, high inherent and residual risk scores



RISK018– Supply chain disruption		Risk type: Operational		Increasing the supply of new homes		
<p>Description: There is a risk of delays in the sourcing of goods and materials, or of Wheatley Care workforce challenges arising from the impact of macroeconomic events such as the post-Brexit trade deal, Covid manufacturing productivity challenges and global purchasing behaviours such as US/Asia mega-purchasing; resulting in increased costs and / or delays for new build and property investment and repairs works, or negative impacts on the wellbeing and satisfaction of People We Work For.</p> <p>There is a risk that the Group faces disruption to its supply chain (including delays to supply deliveries, increased costs of supplies, or supplier business failure) due to global events such as the war in Ukraine, ongoing post-Covid manufacturing challenges, the UK cost of living crisis and rising inflation, resulting in delays or an inability to deliver operational targets and potential financial loss or reputational damage.</p>				<p>Controls: General Procurement procedures include assessment of suppliers’ financial health. Contract and supplier management guidance and e-learning module available. Active use of Contract Management System which contains system generated alerts to flag risk. Proactive monitoring of supply chains by Operational leads with regular contract management meetings. Regular engagement with Scottish Government on cost or delay impact potential as issues emerge. In the event of supplier insolvency, procurement frameworks / approved supplier listings would be used to identify alternative suppliers.</p> <p>Repairs Service Manage stock levels including, where possible, advance purchase of components and materials. Engagement with key suppliers. Specific contingency plans for key services e.g., lifts. Local staff directly employed by DGHP repairs team.</p> <p>Investment Programme Manage stock levels of components and materials. Engagement with key suppliers.</p> <p>New Build Regular engagement with new build contractors where the Group’s financial exposure is greatest to test financial standing. Monitor on a site basis the availability and adequacy of contractor’s resource on site – consider increased clerk of works site monitoring to ensure quality of workmanship.</p> <p>Operational Supplies Utilisation of Group and 3rd party frameworks to minimise price increase risk. Engagement with key suppliers on stock levels.</p> <p>Wheatley Care Working with SG via membership organisations to understand potential level of risk. Contingency plans to mitigate locally and maintaining a 15-week stock of PPE.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
<p>Impact</p> <p>Likelihood</p>	<p>Impact</p> <p>Likelihood</p>	Open	Yes	<p>Group DevCo and Group Board (Prof Sean Smith supply chain research)</p> <p>CBG Board (Operational update and repairs transformation programme)</p> <p>Group DevCo - tenders/ programme performance/Contractor financial exposure. These are standing items at each meeting</p> <p>Wheatley Solutions Board (Procurement strategy)</p> <p>All Boards performance, finance and development updates</p>	<p>Sept / Oct 21</p> <p>November 21</p> <p>Ongoing</p> <p>Jan 22 / Feb 22</p> <p>Ongoing standing items</p>	Group Director of Repairs and Assets

DGHP Risk Register – high residual risk score



RISK015.1 – Failure to recruit, develop, retain and succession plan		Risk type: Operational		Strategic Outcome: W.E. Work – strengthening the skills and agility of our staff		
<p>Description: Failure to recruit, develop, retain and succession plan for high quality / qualified staff, resulting in reduced levels of service provision, staff not competent to perform their job to expected standard and achieve strategic objectives. The Group is currently entering a period in which significant changes in the Group’s most senior management team are planned, increasing the potential impact and likelihood of this risk materialising.</p>				<p>Controls: Managing Director in place and new Head of Repairs, Investment and Compliance started in April 2022. Recruited to 20 trades posts since June 2021. MyContribution process for all staff and integrated with MyAcademy. Training courses at the Academy and online Leadership Development programme, succession planning and talent management programme. IGNITE Graduate Programme to bring in new talent across Group RSLs and Wheatley Solutions. HR policies on recruitment and selection. Employee satisfaction surveys. Any jobs shared with local networks / ask staff to share with their networks / use agencies for specialised roles. Working with schools to promote “career of choice” opportunities. There is a detailed succession and recruitment plan in place for managing the planned changes within the Executive Team.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Hungry	Yes	An update on the ET succession and recruitment plan was scrutinised at the December 2021 meetings of the RAAG Committee and Group Board. Further updates will be provided at each 2022 meeting of RAAG and Group Board. Group Board workshop	All meetings March 22	Group Director of Finance and Digital Services

DGHP Risk Register – proposed changes, high residual risk score



RISK023– Climate Change impact on Group assets and services		Risk type: Financial	Strategic Outcome: Setting the benchmark for sustainability and reducing carbon footprint			
<p>Description: There is a risk that the Group's inability to adapt to results of climate change results in damage to the value of our assets and our ability to deliver services. Additionally, the Group is not able to deliver climate-change mitigation activities that meet the expectations of key stakeholder requirements and regulatory requirements.</p>		<p>Controls: Business continuity plans (both at Group and local level) provide for operational responses to extreme weather events such as flooding and severe winter snow (e.g., “Beast from the East” type events). Climate Impact Assessment report commissioned from external consultants (Foresight report). Performance Reporting team has commissioned report to overlay climate change impacts on Group's geographic locations. Our strategy includes an objective to reduce emissions from our corporate activities to be carbon neutral by 2026. We have detailed asset information and baseline data, an EESSH 2 plan is under development, and we are in discussions with the Scottish Government about funding to accelerate investment in our properties through a Wheatley Green Investment Plan a bid to the SHNZ (Social Housing Net Zero Fund). We produce an annual ESG report for investors setting out our progress on the environmental agenda and will have produced a sustainability framework for investors to support the raising of sustainability-linked finance in future. In addition to ESG reporting, increased public messaging around our work in relation to climate change is on-going and we are in the process of developing a group sustainability strategy.</p>				
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Open	Yes	Group Board (pandemic review) All Boards – business plan including detailed 5 year capital investment plan and climate impact Group Board workshop (sustainability as one of the themes) Funding update to Board, including how we are developing ESG measures to meet our funders’ expectations Board workshop scheduled which will consider our wider sustainability strategy. Sustainability Strategy	September 21 Feb 22 March 22 15 December 21 9 March 22 October 22	Group Director of Repairs and Assets

DGHP Risk Register – high residual risk score



RISK183 – Property Services		Risk type: Operational		Strategic Outcome: Developing a Customer Led Repairs Service		
<p>Description: Failure to effectively manage supply chain, repairs service and contractors results in interruption of services to customers with potential consequences as follows:</p> <ul style="list-style-type: none"> - Loss of key personnel; - Financial objectives are not achieved; - Reduced customer satisfaction; - Reputational damage; - Lack of ability to attract and retain skilled workforce; - Lack of opportunity to plan for succession; - Inability to maintain stock. 				<p>Controls: DGHP repairs service now delivered in house. Heating servicing and maintenance now delivered in house Apprenticeship programme being developed Annual business planning Monitoring performance internally with partners Focussed activity for materials supply chain with detailed action plans in place. Review of IT systems for repairs Procurement strategy Third party contractor framework Support from Group Health and Safety Management support from Wheatley Director of Investment, Repairs and Compliance</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Open	Yes	Update on DGHP Repairs transformation to DGHP Board	August 2022	Group Director of Repairs and Assets

DGHP Risk Register – proposed changes, high inherent risk score



RISK004– New operating model implementation		Risk type: Operational		Strategic Outcome: W.E. Work- strengthening the skills and agility of our staff		
<p>Description: The implementation of a new operating model as we emerge from the Covid-19 crisis, including changing staff patterns/places of work, reducing the number of offices and placing greater reliance on technology could be poorly implemented and communicated, leading to staff disengagement and lack of support from our trade union partners.</p>				<p>Controls: The Customer Consultation on the new operating model continues, and results of the completed consultation will be reported to Boards for consideration.</p> <p>Operational planning for The implementation is in progress, including the delivery of the Customer First Centre has now been delivered and will continue to be regularly reviewed to ensure this model meets business need. A New Business Model Steering Group meets fortnightly to facilitate this planning.</p> <p>Executive team receives regular reporting of plans and has oversight of plans, including for the Customer First Centre, rollout of the Centres of Excellence and delivery of the Digital Programme. Continued roll-out of the new operating model has been incorporated into the 2022-23 Delivery Plan and progress against the Plan will be reported to Boards at regular intervals throughout the year.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Hungry	Yes	Group Board CFC implementation update CFC implementation update to all Boards Quarterly performance reports with CFC KPIs as a standing item	Dec 21 Feb 22 Ongoing	Group Chief Executive Officer

DGHP Risk Register – proposed changes, high inherent risk score

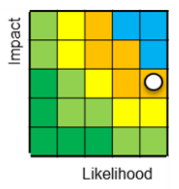
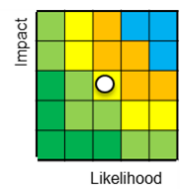


RISK005: Care and Support Services		Risk type: Regulatory		Strategic Outcome: Shaping Care Services for the future		
<p>Description: A failure in the care of an individual could result in serious personal harm, leading to risk to life and limb, financial liability and loss of future work due to reputational damage. The commissioning environment relating to care and support services creates risks that funding is insufficient to allow services to break-even while paying staff fair wages.</p>				<p>Controls: Care and support services governance arrangements, including the authorising environment, are clear and have been approved. These include regular reviews of service financial positions and processes to hand back services which cannot be delivered in a financially viable manner. Care Assurance Framework (which includes monitoring the results from Care Inspectorate service visits and Group Assurance inspections) in place which assesses the quality of care and adherence to Care policies and procedures across Group. Care Quality Framework approved by Care Board April 2022 is being implemented. The Care Inspectorate has remobilised inspections of registered services as part of its scrutiny arrangements. There are also regular formal calls between inspection officers and registered managers. Regular management review of service users’ care packages to monitor where people are leaving the services and how to redeploy resources or attract new users. The Protecting People Policy Framework sets out arrangement for protecting the People We Work For, including those considered to be vulnerable. Work to deliver against the Framework is reported to the Wheatley Care Board.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Minimal	No	Finance reports are standing items at the Wheatley Care and Group Boards Care business plan and ongoing care performance reporting to Group and Wheatley Care Board (minimum quarterly) Group and Care Boards approved care strategic review with outcome reported Apr 22	Ongoing Feb 22 and ongoing Dec-22 Apr-22	Group Director of Communities

DGHP Risk Register – high inherent risk score



RISK172.1 – DGHP Development Programme		Risk type: Reputational		Strategic Outcome: Increasing the supply of new homes		
<p>Description: Appropriate viable development sites with housing demand fail to be identified and acquired resulting in non-delivery of partnership promise to build 1000 new homes and results in reduced income flow and loss of reputation, with potential consequences as follows:</p> <ul style="list-style-type: none"> - Inability to attract new customers - Loss of confidence by stakeholders - Reduced income stream 				<p>Controls: Development of new build strategy for DGHP which considers different routes to delivery.</p> <ul style="list-style-type: none"> Analysis of demand by Indigo House to inform programme. Political lobbying and support. Good design and cost planning, aligning to the Group design standard. Access to the Group Contractor and Consultant Frameworks. Increasing Contractor base in Dumfries and Galloway. Developing and maintaining positive relationships with Scottish Government, Funders and D&G Council. Governance structure reporting to the group development committee. Asset Strategy development is underway to assist in identification of viable regeneration and new build sites. 		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
<p>Previous:</p> <p>Proposed:</p>	<p>Previous:</p> <p>Proposed:</p>	Minimal	Yes	Asset Strategy paper for approval by DGHP Board	May 2022	Group Director of Repairs and Assets

RISK002– Ongoing threat of future waves of Covid-19 and/or another pandemic		Risk type: Operational		Strategic Outcome: W.E. Work- strengthening the skills and agility of our staff		
<p>Description: The risk of a future waves of Covid-19 and / or another pandemic along with the risk of further periods of lockdown (either Scotland wide or by geographical area) may result in previously remobilised services being paused.</p>				<p>Controls: Through lessons learnt from previous lockdown and remobilisation, services now have contingency plans (both Group wide and at a local level) in place for future waves and/ or another pandemic. These include protocols for different grades of service model depending on the level of government restrictions (according with the levels system), Operational Safety Manual amendments which can be reinstated at short notice depending on the situation and 15-week PPE forward supply stocks being maintained at all times. We have a clear set of links with Scottish Government and other stakeholders through our standing place on the sector resilience group which allows us to quickly input to and understand Scottish Government responses and guidance.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Hungry	Yes	Business updates have been standing Board agenda items through the last year and have set out any changes to service levels as the pandemic has progressed. This will continue to be the case through 2022.	Ongoing	Group Chief Executive Officer

DGHP Risk Register – proposed changes



RISK003.1 – Fire Safety		Risk type: Regulatory		Strategic Outcome: Investing in existing homes and environments		
<p>Description: There is a risk that a failure to comply with relevant fire safety standards for our buildings results in harm to the health or safety of our customers and/or staff, leading to injuries or fatalities, enforcement action and reputational damage.</p>				<p>Controls: Group Fire Safety Team focuses on identification of fire preventions actions for implementation by MDs in relation to DGHP’s 18 relevant premises. Quarterly Bi-annual reporting of implementation of actions to Group Audit Committee. Outwith relevant premises, Fire Prevention and Mitigation Framework and Fire Risk Assessments are completed on a rolling cycle. Daily, weekly and monthly inspections of high rise domestic premises maintained by Environmental Teams in between Fire Risk Assessments being completed. Extensive compliance and investment regime to achieve compliance with building safety regulations (as required) and best practice guidance. Increased referrals to Group Fire Safety Team. Fire Safety training for all staff delivered with SFRS in Dumfries and Galloway.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
	<p>Previous:</p> <p>Proposed:</p>	Minimal	No	Standing item at Group Audit Committee meetings Annual report to RSL Boards on Fire Prevention and Mitigation Framework Group, RSL and Lowther Boards - Fire safety performance related KPIs (ADFs and FRAs) as part of standing performance updates	Ongoing May 21 Ongoing	Group Director of People Services

DGHP Risk Register- proposed changes



RISK008– Compliance with funders’ requirements		Risk type: Financial		Strategic Outcome: Raising the funding to support our ambitions		
<p>Description: There is a risk of defaulting on loan agreements as a result of failing to meet or maintain compliance with loan agreements. This would result resulting in withdrawal of the funding, potential for cross-default on other facilities, and difficulty in obtaining future funding from other funders, and would likely result in higher cost of funding.</p>				<p>Controls: Regular meetings with funders and investor representatives to update on financial status of the Group. Financial performance monitored monthly and covenant compliance reviewed quarterly by the Group Board, before being submitted externally to funders. Covenant compliance monitoring tool introduced by Finance. Funder requirements document identifies key dates and requirements. Financial performance is monitored on an ongoing basis through monthly reporting cycle and Group/subsidiary Board review of management accounts. Subsidiary and Group Business Plans are subject to annual updates and review by respective Boards. Additional protection via ‘Golden Rules’ to produce forward-looking monitoring with headroom against loan covenants.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Open	Yes	Business plan projections in Feb and Sept Finance reports, including covenant compliance, are a standing item for all Boards Treasury update reports are presented quarterly to Group and WFL1 Boards Golden Rules and Covenants monitored and reported	Feb/Sept 21/22 Ongoing Quarterly Ongoing	Group Director of Finance and Digital Services

DGHP Risk Register – proposed changes



RISK011– Securing future funding and adverse market changes		Risk type: Financial		Strategic Outcome: W.E. Work- strengthening the skills and agility of our staff		
<p>Description: There is a risk that the Group's ability to raise borrowing at cost-effective rates or raise the funds required to meet our liquidity Golden Rules is limited by wider economic or political conditions such as another banking crisis, rising interest rates, prolonged high inflation, default in the sector, increasing focus on ESG credentials or constitutional changes; resulting in an inability to hold enough cash to meet our commitments or achieve our business objectives.</p>				<p>Controls: Our strategy is to diversify funding sources and relationships, providing a range of options for future funding in the event of adverse funding market changes. Our liquidity Golden Rules are designed to ensure that we have sufficient cash available for two years+ 25% contingency, and this rule is re-assessed annually by the Group Board. Compliance with these is reported to the Group and WFL Boards quarterly. We also review our approach to hedging in respect of interest rate risk on a quarterly basis. We do not borrow in currencies other than sterling to reduce exchange rate risks, including in the event of a potential future change in currency, nor do we borrow from non-UK domiciled investors (with the exception of the EIB). The Group's Internal Rate of Return (for appraising and approving projects) will be revised when finance costs increase to ensure new build projects do not become loss-making. Annual ESG reporting in place with reports issued alongside the statutory accounts. A Sustainability Financing Framework was published in Q3 2021/22, following accreditation by S&P.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Open	Yes	Group Board review of financing arrangements Treasury management update to WFL1/Board every quarter, which includes update on market conditions Annual scenario and stress testing of group business plan Revised Treasury Management Policy to Group Board	October 21 Ongoing Feb 22 June 22	Group Director of Finance and Digital Services

DGHP Risk Register – proposed changes



RISK014 – Political & Policy Changes		Risk type: Reputational		Strategic Outcome: Influencing locally and nationally to benefit our communities		
<p>Description: The risk that political and policy changes (within Scotland and the UK) affect the ability of Wheatley Housing Group to deliver strategic objectives resulting in significant adverse reputational impact.</p>				<p>Controls: The Group has an established stakeholder management framework in place and relevant Managers will be focussed on responding to changes in policy and administration as they arise. The Group’s policy of not building homes for sale also mitigates potential property market risk.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
<p>Likelihood</p>	<p>Likelihood</p>	Open	Yes	<p>Group CEO update to group Board as standing item includes update on political engagements Senior SG attendance at Board strategy event to engage on the policy landscape and Ministerial visit to Group Board Senior political presence at all GHA Board meetings through GCC drawn appointments Board sustainability workshop re zero carbon policy agenda Review of political / policy landscape and Group’s response at Board Residential</p>	<p>Ongoing Aug/Oct 2021 Ongoing Mar 2022 June 2022</p>	Group Chief Executive Officer

DGHP Risk Register – proposed changes



RISK009 – Governance Structure		Risk type: Operational		Strategic Outcome: W.E. Work- strengthening the skills and agility of our staff			
<p>Description: The governance structure is not clearly defined, is overly complex and lacks appropriate skills at Board and Committee levels to govern the Group effectively. Failure of corporate governance arrangements could lead to serious service and financial failures.</p>				<p>Controls: The Group’s authorising environment has been agreed. The Corporate Strategy highlights the importance of the need for continual Board development enabling the Board and Committee members to remain strategically focused. Governance training is provided as appropriate. Formal succession planning for Board members is in place. Governance arrangements regularly reviewed by the Scottish Housing Regulator, external consultants, internal and external audit functions. Subsidiary Board structures may be rationalised from time to time to reduce complexity, e.g., as has been done with Wheatley Care and Lowther/YourPlace.</p>			
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny		Scrutiny Date	Risk Owner
		Cautious	Yes	<p>Group Board approved governance review action plan Progress on governance review action plan a standing item to all RAAG meetings in 2022 Governance update is a standing item on all board agendas</p>		<p>Oct 2021 Ongoing through 2022 Ongoing</p>	<p>Group Chief Executive Officer</p>
RISK006– Customer Satisfaction		Risk type: Reputational		Strategic Outcome: Enabling customers to lead			
<p>Description: Customers do not feel our homes and services meet their needs and/or the standards they expect, leading to declining customer satisfaction.</p>				<p>Controls: Customer service excellence is a key element of DGHPs objectives and the 2021-26 strategy. We use a variety of methods to collect customer feedback, both during the year and annually. This information helps us understand customer views and informs our delivery and investment plans every year. This will be augmented by a range of new approaches to improve satisfaction among particular target groups such as young families. The new performance management framework will also include a stronger focus on measuring drivers of customer value in our key services. Small housing officer patch sizes of 1:200 allow housing staff to deliver personalised services under the Think Yes approach. Customer First Centre’s first time resolution for services. The Repairs Transformation Programme and new approach to stock condition analysis will also contribute to increased customer satisfaction.</p>			
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny		Scrutiny Date	Risk Owner
		Open	Yes	<p>Quarterly performance reports include details on complaints received from tenants</p>		<p>Ongoing</p>	<p>Group Director of Housing and Property Management</p>

DGHP Risk Register – proposed changes



RISK016 – Laws & Regulation		Risk type: Regulatory		Strategic Outcome: Progressing from excellent to outstanding		
<p>Description: Non-compliance with statutory laws and regulations, including but not limited to: (i) Scottish Housing Regulator and Care Inspectorate regulations, (ii) Financial Conduct Authority (FCA) regulations, (iii) compliance with Health and Safety Building Regulations, (iv) Freedom of Information (Scotland) Act (v) General Data Protection Regulations and (vi) OSCR, the Scottish Charities Regulator) resulting in adverse feedback and loss in confidence from regulators, funders, customers and potential partners, as well as potential fines and penalties.</p>				<p>Controls: A Group wide Scottish Housing Charter Assurance process is supported by the Strategic Tenant Scrutiny Panel reviewing outcomes which provides assurance on regulatory requirements for RSLs. We have introduced a similar approach for non-RSLs within the Group during 2022-23.</p> <p>FCA regulations are considered when new products and services are developed. Qualified personnel undertaking capital improvement works as well as suitable sign off and compliance checks of new installations (e.g., external wall coverings), to ensure these meet relevant building standards.</p> <p>New product offerings follow a clear route to governance, with approval required from the Executive Team before formal approval is requested from the Group Board. Legal and financial advice is obtained for all financial offerings to customers. Compliance Plan monitored on an on-going basis and any issues raised to Executive Team and Group Audit Committee on an exceptions basis. The Group has on-going relationship management with Regulator.</p> <p>Group-wide approach to how the Group manages information. Privacy Impact Statements to be implemented across the Group. Changes to existing legislation are identified and implemented by identified responsible officers across the Group.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?			
<p>Likelihood</p>	<p>Likelihood</p>	Cautious	Yes			
				Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
				An annual assessment of compliance against relevant regulatory and legislative requirements will be reported to relevant Boards for each non-RSL subsidiary during 2022.	Oct 2021, Aug 2022	Group Director of Finance and Digital Services

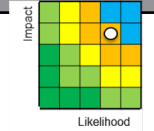
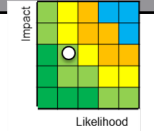
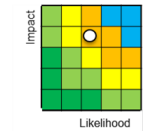
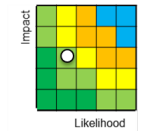
DGHP Risk Register – proposed changes, high inherent risk score



RISK007 – Rent arrears including arising from Universal Credit		Risk type: Financial	Strategic Outcome: Maintaining a strong credit rating and managing financial risks		
<p>Description: The impact of Covid-19, including legislation to prevent evictions, increased lead-in times and uncertainty around Sheriff eviction decisions, as well as the closure of the Furlough scheme and the continued expansion of Universal Credit, continue to impact on our rental income stream and increase our arrears.</p> <p>The Group's ability to collect all expected rental income, with minimal arrears, is impacted due to the continued migration of customers to Universal Credit, including through the planned mass migration announced for summer 2023, resulting in financial loss to the Group. This will also have negative impacts for customers, with increasing financial hardship.</p>		<p>Controls: Updated Rent and Income Framework rolled out from April 2022. Staff across the Group – including frontline housing teams, the customer service centre and communications – run ongoing campaigns and programmes of contact with customers affected by financial hardship and with problems in paying their rent, whether caused as a result of Covid-19, the wider issues with Universal Credit or for other reasons.</p> <p>This includes a dedicated Universal Credit team, use of mobile technology for staff to assist customers with online transactions and working with partners to influence the UK and Scottish policy and funding environment.</p> <p>Online service portals are more accessible and housing officers are becoming more available. Our small housing patch sizes of 1:200 from December 2020 provide a key mitigation, allowing staff to work proactively with customers before their debts become unmanageable, drawing in Wheatley 360 support services such as welfare benefits advice as required.</p> <p>The Group business plan also contains a significant buffer within its assumptions for risk in relation to bad debts and rent arrears. In addition, arrears performance is reviewed by Boards as part of quarterly performance reports.</p>			
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?		
	<p>Previous:</p> <p>Proposed:</p>	Minimal	Yes		
		Previous / Next detailed Board scrutiny		Scrutiny Date	Risk Owner
		The Group and RSL consider this on a quarterly basis through performance report RSL Five year financial projections and management accounts Research study on the impact of UC on our customers		Ongoing Feb 22 and standing item thereafter September / October 2022	Group Director of Housing and Property Management

DGHP Risk Register – proposed changes



RISK012 – Business Continuity & Disaster Recovery		Risk type: Operational		Strategic Outcome: W.E Work – Strengthening the skills and agility of our staff		
<p>Description: The Wheatley Housing Group does not have adequate or tested business continuity / disaster recovery plans in place for key business activities (for example: repairs service, care provision/staff cover, customer payment systems/technology) including those with significant contractors, resulting in significant disruption to service and avoidable reputational damage.</p>				<p>Controls: Business Continuity Plans are in place across all business areas. A business continuity implementation group is responsible for collating, reviewing and designing the Group’s Disaster Recovery and Business Continuity Plans in conjunction with colleagues in IT. Positive working relationships with D&G community resilience planning. The business continuity framework is being further developed in line with the Group’s new business operating model and in light of experience through the COVID-19 pandemic. Regular testing and exercising of the Business Continuity Plans will continue to be implemented across all business areas. DGHP has representation on the working group developing the framework.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Hungry	Yes	RSL Boards receive a bi-annual update under the Wheatley. Solutions Services Agreement on business continuity planning and testing. A business continuity plan refresh is underway, and an	Last update Nov 21 April 2022	Group Director of People Services
RISK184 – Stock Condition		Risk type: Reputational		Strategic Outcome: Investing in existing homes and environments		
<p>Description: Poor planning and supply chain challenges result in a failure to invest in DGHP stock to meet SHQS/ EESSH, investment promises and Compliance standards, leading to potential reputation damage and regulatory intervention.</p>				<p>Controls: Stock condition surveys and investment plan in place. Investment Programme developed and funding in place to meet and maintain standards in business plans. Developing Asset Management Strategy - Stock Appraisal being undertaken identifying regeneration and demolition opportunities. Support from group to draw down delivery capacity and expertise to support delivery of programme. Group provides regular updates against regulatory standards to Regulator. Regular updates on performance against compliance and investment delivery delivered to DGHP Board. Continue to work with CBG to manage resources and supply chain challenges.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Open	Yes	Asset Strategy paper for approval by DGHP Board	May 2022	Group Director of Repairs and Assets

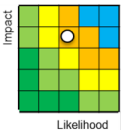
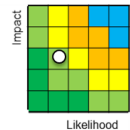
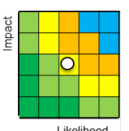
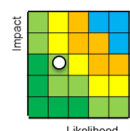
DGHP Risk Register – proposed changes



RISK010– Group Credit Rating		Risk type: Financial		Strategic Outcome: Maintaining a strong credit rating and managing financial risks		
<p>Description: There is a risk that external factors such as a downgrade of the UK's credit rating or a default by another organisation within the social housing sector results in a downgrading of the Group's credit rating to BBB+ or below, resulting in a potential requirement to repay our European Investment Bank loans, a reduction in the availability of future borrowing, and/ or an increase in the cost of current debt.</p>				<p>Controls: The Group's business plan is designed to maintain a strong credit rating, for example by excluding build for sale activity. Our Board-approved financial Golden Rules include maintaining strong levels of liquidity to mitigate refinance risks. Ongoing dialogue is maintained with relevant credit rating agencies in order to mitigate the risk of unexpected rating changes which are controllable.</p> <p><i>Mitigation drafting used in legal clauses</i> - in the event the rating fell to BBB+, the legal clauses are specific that this is not an event of default (thereby avoiding cross-default).</p> <p><i>Negotiation period</i> – the legal clauses provide for a period to negotiate with EIB on mitigating measures, such as revisions to covenants or posting of increased security/collateral.</p> <p><i>Standby funders to replace EIB if necessary</i> - A strong relationship is maintained with EIB to mitigate future risk from external factors causing a credit rating downgrade. Strong investor/lender relationships are maintained with a number of other organisations at all times in case of unanticipated funding need. Annual review (April) and quarterly meetings held with the S&P ratings team to enable pre-emptive actions where required.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?			
<p>Likelihood</p>	<p>Previous:</p> <p>Likelihood</p> <p>Proposed:</p> <p>Likelihood</p>	Minimal	Yes			
				Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
				Business plan projections for all Boards set out how we will maintaining financial position The Group and WFL1 Boards receive quarterly treasury reports on the current credit market conditions and any credit rating updates	Feb 2022 Quarterly through 2021 and 2022	Group Director of Finance and Digital Services

DGHP Risk Register – proposed changes



RISK022– Covid-19 vaccination roll-out		Risk type: Financial		Strategic Outcome: Maintaining a strong credit rating and managing financial risks		
<p>Description: There is a risk that a lack of clarity over employers' responsibilities in relation to the Covid-19 vaccine, including employment law and data protection implications of requiring staff to notify their employer and / or the vaccine being made mandatory for certain roles, results in reputational damage and / or potential breach of employment law or data protection regulations.</p>				<p>Controls: The Employee Relations team continues to consult with employment law advisers to obtain ongoing legal advice. The Group continues to liaise closely with trades unions and staff to develop its approach. Data privacy notices for Care staff have been updated to allow the Group to keep a record of which staff have received the vaccine, and work to updated privacy notices for all Group staff continues. Care management is monitoring uptake levels as part of a local risk assessment approach.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		TBC— <i>post risk workshops</i>	TBC— <i>post risk workshops</i>	Updates will be provided on vaccination to all boards as any law changes are announced, as was the case during 2021. Wheatley Care Board receives a care-specific update at each meeting.	Ongoing through 2021 and 2022	Group Chief Executive Officer
RISK017– Pension Contributions		Risk type: Financial		Strategic Outcome: Maintaining a strong credit rating and managing financial risks		
<p>Description: Increases in the required pension contributions for all Group pension funds may leads to potential cost pressures for the Group.</p>				<p>Controls: The Group's Pensions Policy sets out a range of measures to manage pension costs. We have established a Wheatley Group defined contribution scheme which is the default arrangement for new joiners and auto-enrolment for most subsidiaries. We are also consolidating SHAPS and LGPS schemes where possible to reduce the risk of cessation liabilities being triggered</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
		Minimal	Yes	Group pensions strategy was reviewed at Group Board Business plans with sensitivity analysis are reviewed by all Board who are members of pension schemes annually	Dec 21 Feb and Sept 2021 and 2022	Group Director of Finance and Digital Services

DGHP Risk Register- proposed changes



RISK020– Implementation of Partnership Promises		Risk type: Reputational		Strategic Outcome: Progressing from Excellent to Outstanding		
<p>Description: We may fail to deliver the tenant promises made in the DGHP ballot, including achieving compliance with regulatory standards (such as the Scottish Housing Quality Standard). This could lead to increased regulatory scrutiny, as well as falling customer satisfaction due to failure to deliver on promises made.</p>				<p>Controls: The DGHP implementation plan has now been mainstreamed into the Group’s strategy and are included with the Group’s performance framework. DGHP Strategic Projects are reported quarterly to Board.</p>		
Inherent risk	Residual risk	Risk appetite level:	Within Risk Appetite?	Previous / Next detailed Board scrutiny	Scrutiny Date	Risk Owner
	<p>Previous:</p> <p>Proposed:</p>	Minimal	Yes	Annual DGHP Board strategy workshops	May 22	Group Chief Executive Officer

Risk scoring definitions



Impact

5	10	15	20	25
4	8	12	16	20
3	6	9	12	15
2	4	6	8	10
1	2	3	4	5

Likelihood

Score	Impact	Likelihood
1	Insignificant - Short term disruption to operational activity which can be managed locally. No impact on the delivery of Group or Subsidiary objectives. Any financial, legal or reputational impact would have little or no consequence for the Group	Remote - Rare, may occur in exceptional circumstances. It hasn't occurred before.
2	Minor - Incident, event or disruption to operational activity which requires reporting to Departmental Management Team (DMT). No impact on the delivery of Group or Subsidiary objectives. Any financial, legal or reputational impact would have little or no consequence for the Group	Unlikely - Might occur at some point, it is possible but rarely occurs.
3	Moderate - Incident, event or disruption to operational activity which requires reporting to Executive Team (ET) and Board members. Reportable breach of regulatory or legal obligation which may result in minor penalties. May impact on the delivery of Subsidiary objectives, but the Group's overall strategic aims would still be achieved. Any financial or reputational impact would have little or no consequence for the Group, but may be damaging to the Subsidiary	Possible - Could occur. It is feasible but is not common.
4	Significant - Incident, event or disruption to operational activity which requires immediate reporting to Executive Team (ET) and Board members. Could cause significant damage or disruption to the Group and prevent it from achieving its Strategic Aims. Could result in Regulator intervention at a subsidiary, or closure of a Care Service. Ultimately could result in subsidiary being dissolved	Likely - Will probably occur. It has before and likely will again.
5	Extreme - Event which would have extreme consequences for the Group's future. Ultimately it could threaten the survival of the Group, but if successful, the outcome might bring high reward	Very Likely - Is expected to occur, almost certain. It has happened frequently before now.



DGHP



Report

To: DGHP Board

By: Frank McCafferty, Group Director of Repairs and Assets

Approved by: Steven Henderson, Group Director of Finance

Subject: Group Business Continuity Policy

Date of Meeting: 17 August 2022

1. Purpose

1.1 The purpose of this report is to provide the Dumfries and Galloway Housing Partnership Board with an update on the revised Group Business Continuity Policy.

2. Authorising and strategic context

2.1 Under the Group Standing Orders the Group Board is responsible for approving Group Policies. The Group Business Continuity Policy was approved by the Wheatley Group Board and designated as a Group Policy. The updated policy is being shared with us for implementation with immediate effect.

2.2 This report and the revised Business Continuity Policy also aims to satisfy the recommendations outlined in the Group Assurance Audit for Business Continuity Management, that reflects upon the approach and lessons learned for Business Continuity throughout the pandemic and as detailed in the recent Campbell Tickell report, *Nobody Left Behind (2021)*.

3. Background

3.1 The current approach to business continuity in Dumfries and Galloway Housing Partnership is outlined in the Business Continuity Strategy and Business Continuity Policy that was established and approved by the Wheatley Group Board in 2015 (revised 2018).

3.2 Business Continuity and its planning is well established across Dumfries and Galloway Housing Partnership, for the purpose of returning the business to normal levels of service following an incident which causes disruption and affects our ability to provide services to our customers, staff, and stakeholders.

3.3 Having reviewed our existing Business Continuity Policy and associated plans, and having due consideration to the Group response during the Pandemic, there is an opportunity for us to develop our approach to business continuity, to strengthen our level of control and consistency across all services in DGHP.

4. Discussion

International Standardisation Organisation (ISO) 22301: Security and Resilience – Business Continuity Management Systems

- 4.1 Our Business Continuity Strategy and Business Continuity Policy are aligned to the framework set out in ISO 22301: 2019 Security and Resilience: Business Continuity Management Systems:
- 4.2 ISO 22301, Security and Resilience was the first International Standard (ISO) for implementing and maintaining effective business continuity plans, systems, and processes.
- 4.3 ISO's high-level structure aligns with many other internationally recognised management system standards, such as ISO 9001 (quality) and ISO 14001 (environment) and ISO 45001 (health & safety). As such, it is designed to integrate with an organisation's existing management processes.
- 4.4 ISO 22301 is based on a cycle of continuous improvement that is consistent with the group approach to the management of health and safety e.g., Plan, Do, Check, Act.

Business Continuity Response

- 4.5 The existing business continuity strategy, policy and plans provided for a strong platform to navigate Dumfries and Galloway Housing Partnership through the pandemic, maintaining essential services and keeping our staff and customers safe in doing so.
- 4.6 As part of the response to the pandemic, a Business Continuity Management Team was established, reporting to the Executive Team and Chief Executive on a regular basis.
- 4.7 This team brought together key decision makers and provided a structure for the management of the business at a strategic and local level (Business Continuity Response Teams).
- 4.8 Having a Business Continuity Response Team in Dumfries and Galloway Housing Partnership, ensured that all business interests were considered in key decisions and, where inter-dependencies were critical in maintaining essential services.
- 4.9 The business-critical nature of our response to the pandemic meant that it was a primary focus of the Group Executive team, who had overall leadership in ensuring robust business and service responses throughout the pandemic and, in directing the work through the Business Continuity Management team, as necessary.
- 4.10 Following the pandemic, there was identified, an excess of business continuity plans that did not reflect our new operating model which, also involved high numbers of operational staff, giving rise to an increased risk of inconsistency and diminished quality control.

- 4.11 Moving forward, the review, development and consolidation of Business Continuity Plans across Dumfries and Galloway Housing Partnership, will be taken forward by a Business Continuity Response Team, whom shall be afforded, appropriate levels of training relevant to their respective roles, responsibilities, and involvement in business continuity.

Business Impact Analysis (Corporate Business Risks)

- 4.12 On reflection of our new operating model, there is an ongoing review of new and existing business risks.
- 4.13 Business Impact Analysis is a process that allows Dumfries and Galloway Housing Partnership, to consider the impact of business disruption with the aim of identifying relevant mitigation strategies, group wide interdependencies in order to return the business to normal levels of service in the soonest practical time.
- 4.14 Our Business Impact Analysis will bring a sharpened focus to our business continuity arrangements and the required mitigation for the following corporate business risks in addition to, those risks identified specifically within our business, as we move further into our new operating model.
- 4.15 Corporate business risks that are under review in all business impact analysis shall include but not limited to the following:
- Loss of Key Suppliers and Supply Chain
 - Loss of IT, Data Networks and Data Servers
 - Epidemic / Pandemic Outbreak
 - Severe Weather Event
 - Local and National Power Outage
 - Loss of Utilities
 - Fuel Supply Shortage

Communication and Escalation (3C Structure)

- 4.16 In the review of our business continuity policy and plans and having due consideration to the group response during the pandemic, our new operating model requires the ongoing development of business continuity management structures, to maintain control and oversight of our approach.
- 4.17 Notwithstanding existing business continuity plans, the revised business continuity policy proposes a revised management structure that is aligned to the generic 3C command structure, recognised, and used by the police, emergency services and other partner agencies, based on the gold, silver, bronze (GSB) hierarchy of command and control.
- 4.18 This structure, as practice has shown, can be applied to the resolution of both spontaneous incidents and planned operations and demonstrates a clear protocol for communication and escalation, from Business Leads to Group Directors and ultimately the CEO.
- 4.19 Our approach to the management of business continuity across Dumfries and Galloway Housing Partnership, shall therefore recognise and implement a 3C structure to further enhance our existing communication, escalation and decision making processes.

Testing and Exercising

- 4.20 The testing and regular exercising of our business continuity plans is critical to Dumfries and Galloway Housing Partnership readiness to respond and manage potential threats and risks to the delivery of services across our business.
- 4.21 The pandemic that seen our approach, steer Dumfries and Galloway Housing Partnership through a period of uncertainty with such vigour and achievement, provides an opportune moment to inject our learning and experience into the current business continuity framework, to further strengthen our resilience and ensure this is reflected in the regular testing and exercising of our business continuity plans.
- 4.22 Under the current business continuity strategy, business continuity leads are responsible for ensuring the regular testing and exercising of business continuity plans and emergency plans are undertaken and documented.
- 4.23 Lessons learned in the testing and exercising of plans shall continue to be undertaken and recorded in the ongoing review of our business continuity plans.
- 4.24 Testing and exercising of business continuity plans shall incorporate a combination of both corporate and business specific risks, led by the group health and safety team and business continuity co-ordinators respectively.

Staff Training

- 4.25 The provision of training in business continuity has been reviewed to reflect the roles and responsibilities under a new training model that will elevate understanding and competence of those identified in the business continuity response team in Dumfries and Galloway Housing Partnership.
- 4.26 Business continuity co-ordinators responsible for the development, management and maintenance of business continuity plans have undertaken more in-depth training delivered at Wheatley House by the Emergency Planning College. This will be further rolled out to business continuity leads over the coming year 2022/23.
- 4.27 Business continuity awareness training shall continue to be available to those not directly involved in business continuity management, via the group online e-learning platform, MyAcademy.

5. Customer Engagement

- 5.1 Business leads across Dumfries and Galloway Housing Partnership, responsible for the operation of their service, are customers of the support, advice and guidance provided by the group health and safety team on business continuity planning. As such it is key that Dumfries and Galloway Housing Partnership are represented in the development of the business continuity, strategy, and associated plans.

- 5.2 Terms of reference have been developed to establish a Business Continuity Implementation Working Group, where Dumfries and Galloway Housing Partnership have nominated a Business Continuity Co-ordinator to attend and represent Dumfries and Galloway Housing Partnership, to drive the ongoing management of business continuity arrangements.

6. Environmental and sustainability implications

- 6.1 Having robust business continuity arrangements in place will help support our new operating model and the environmental sustainability benefits this brings.

7. Digital transformation alignment

- 7.1 Currently all business continuity arrangements and business continuity plans are hosted on Sharepoint. In the event of Network failure or not gaining access, there is a risk that Business Continuity Plans will not be retrieved.

- 7.2 In line with our new operating model and the implementation of home-based agile workers, there is a different risk profile to information technology given our Digital Transformation and increased reliance on digital methods including accessing of networks remotely.

- 7.3 Consideration will be given through the proposed business continuity implementation working group and in updating and implementing plans to new and emerging risks and our ability to respond to business interruption events such as the loss of Network access and ransom ware attacks.

8. Financial and value for money implications

- 8.1 New training requirements for Business Continuity across the Group are likely to result in additional cost to the existing e-learning course that would be required in the next financial year 2022/23 of approximately £1.5k - £2k.

9. Legal, regulatory, and charitable implications

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

10. Risk appetite and assessment

- 10.1 Having a robust Business Continuity Plan in place helps mitigate the impact on our services following an unforeseen business interruption.

- 10.2 In keeping with this approach to risk, the group assurance team have undertaken an audit of the Business Continuity arrangements within the Group to include Wheatley Care and have made several recommendations in their conclusions, that this report aims to address through the revised Business Continuity Policy.

- 10.3 Specifically, there is a recommendation to review the existing Business Continuity Policy, learning lessons from the pandemic and ensuring tighter control over our Business Continuity across DGHP.

11. Equalities implications

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

12. Key issues and conclusion

- 12.1 The alignment of our business continuity policy with ISO 22301:2019 Security and Resilience provides for a strong framework and approach to business continuity across Dumfries and Galloway Housing Partnership that is critical to the ongoing delivery of essential services. Furthermore, it demonstrates a recognised national standard that will ensure our response to business interruption events is both robust and resilient.
- 12.2 The introduction of a business continuity response teams will also ensure tighter control and consistency across Dumfries and Galloway Housing Partnership for the immediate response to business interruption and allow for, the effective escalation of information to the group executive team and CEO, as necessary.
- 12.3 Driven by the business continuity implementation working group, our arrangements for the review of business continuity plans, staff training and regular testing and exercising regimes, shall ensure there is group wide representation and involvement to our approach that will strengthen our mitigation strategies and resilience in maintaining our essential services.
- 12.4 Business impact analysis will offer a process where, corporate business risks and those risks identified specifically to Dumfries and Galloway Housing Partnership, can be identified, and managed with the wider inter-dependencies across the group given full consideration.
- 12.5 Reflecting on the lessons learned during the recent pandemic and acting on the recommendations of the group assurance team, our business continuity policy has been updated. The updates in our policy and arrangements will ensure our response to business continuity remains strong, robust, and resilient to support our staff, customers, and stakeholders at times of business interruption.

13. Recommendations

- 13.1 The Board is asked to note the contents of the report and the revised business continuity policy.

List of Appendices:

Appendix 1 – Group Business Continuity Policy [redacted. Available under publication scheme here: [Publication scheme | Wheatley Homes South \(wheatleyhomes-south.com\)](#)]