WHEATLEY HOUSING GROUP LIMITED
BOARD MEETING

22 June 2023
10.30am

AGENDA

1. Apologies for absence
2. Declarations of interest
3. a) Minutes of meetings held on 26 April 2023 and matters arising
   b) Action list
4. Group CEO update
5. Chair updates

Main Business

6. [redacted]
7. Customer First Centre – Independent Evaluation
8. [redacted]
9. Regeneration update (Verbal)
10. 2022/23 Annual Charter Returns and year-end update

Other business

11. Governance update
12. Finance report
13. [redacted]
14. AOCB

Report

To: Wheatley Housing Group Board

By: Laura Pluck, Group Director of Communities

Approved by: Steven Henderson, Group Chief Executive

Subject: Customer First Centre – independent evaluation

Date of Meeting: 22 June 2023

---

1. Purpose

1.1 The purpose of this report is to:

- outline the findings of the independent evaluation of the first full year of the Customer First Centre ("CFC") and;
- outline the recommendations highlighted in the evaluation report and our response to these.

2. Authorising and strategic context

2.1 Under the Group Standing Orders, the Board is responsible for setting our Group strategy and monitoring performance against strategic projects. The Group Chief Executive is tasked with implementing strategy. The report provides the findings of the evaluation, a Group Delivery Plan strategic project, following its first full year of operation.

2.2 As the first point of contact for our customers the CFC is critical to achieving our strategic aims of; 'Delivering Exceptional Customer Experience' and 90% overall customer satisfaction.

3. Background

3.1 The CFC was created in December 2021 and launched to our customers in April 2022 as part of our revised operating model. A key aim of our new operating model was to ensure that our frontline teams were visible and even more present within their local communities by directing everyday interactions with customers to our new specialist and enhanced CFC. The CFC is focused on resolving 90% of all queries and service requests at the first point of contact. The CFC currently offers a service to customers 24/7 across 365 days of the year.

3.2 Prior to the launch of the CFC there was a basic call centre operating across all subsidiaries with a headcount of c60 call handlers. The launch of the CFC saw the headcount of Customer Service Advisors increase to 150 and the creation of two additional specialist support teams within the CFC comprising of Housing Officers and Lowther Agents. In January 2023 an additional distinct Repairs Specialist Team (My Repairs) was created.

3.3 In establishing our bespoke Advisor and Specialist model it was envisaged that the CFC would be much better equipped to provide an exceptional customer experience while responding to and more importantly resolving customer issues. This would enable housing officers to invest more time in enhancing the face-to-face service offering in customers' homes and communities.

3.4 As the ‘front door’ for customers to access our wide suite of services, the quality of the CFC operations and performance is of increasing importance in driving overall customer satisfaction.

3.5 An independent evaluation of the CFC following its first full year of operation was approved by the Board as part of the strategic delivery plan. In March 2023 we commissioned Ennovate Consultancy to carry out the evaluation. The project brief required Ennovate to:

- Carry out a desktop review of the CFC’s performance against targets over the first year of operation.
- Assess the CFC across its functions and role as a Contact Centre; and
- Highlight any opportunities for improvement.

3.6 Ennovate is a consultancy firm operating in all aspects of Contact Centre Operations. The report author is an experienced Contact Centre professional with over 30 years' experience, operating at an Executive level for the last 10 years across both the public and private sectors. Ennovate aims to work with clients to drive sustainable improvements aligned with their specific corporate goals.

4. Discussion

4.1 Ennovate began its review at the end of March 2023. The review was structured and included an assessment of operational data, with multiple interviews and focus groups with a range of CFC staff and senior leaders across the Housing and Property Directorate. The evaluation report contains a wide range of both strategic and detailed operational points, with the key issues summarised in this report. Recommendations for improvement from the evaluation are summarised across each key focus area and are also detailed below. A copy of the full report is available on request.

4.2 Overall, Ennovate assessed that there has been significant progress in developing the CFC in its first 12 months of operations. **‘Overall, a very strong first year, implementing and embedding new people, new processes and systems in a relatively short space of time.’**

4.3 The report outlines that robust foundations have been laid that will pave the way for further evolution of the CFC including the significant strengthening of the senior team and investment in the operational leadership team. **‘Over the last 6 months the Leadership Team has been strengthened, with key appointments and some strong hires bringing a broad and deep Contact Centre experience, putting the CFC in a position to further maximize the opportunity to continuously improve and develop the CFC offering.’**

4.4 Performance was outlined as having been strong, with marked improvements across all key metrics and in some areas, bucking the national trends for Contact Centres. Nationally Contact Centres are reporting an increase to c9% of calls being abandoned and Average Wait Times increasing to 100 seconds with some organisations reporting Average Wait Times of 350 seconds.

4.5 Our key performance highlights include:

- 8% increase on calls being offered and overall, a 23% increase in inbound calls handled.
- 18% increase in the number of calls being answered in 30 seconds.
- c75% reduction in Average Wait Times to <60 seconds.
- c75% reduction in calls being abandoned to 4.7%.

Metric	2022/23	2021/22
Call volume (inbound)	854,527	793,751
Grade of Service	77%	58%
Average Wait Time	58 seconds	216 seconds
First Contact Resolution	89%	n/a
Average Handle Time	509 seconds	499 seconds
Webchat	15,578	12,196
Headcount	147	68

4.6 The evaluation assessed performance in key focus areas across the CFC functions with relevant recommendations for improvement included in each section. Overall, there are 17 recommendations for improvement, all without exception which are already being addressed or are detailed in the CFC or wider business improvement plans for 2023/24. The key areas in focus are outlined and the findings are summarised below:

- The Operating Model.
- Demand and Capacity Planning.
- Customer Insight and Quality.
- Reporting, Analytics and Metrics.
- Channels and Self-serve.

<u>The Operating Model</u>

4.7 The new Advisor and Specialist model and increased headcount of advisors was viewed as a real positive change which is making a difference to the CFC's ability to respond to customer demand, resolve customer issues promptly and improve the customer experience. ***'The Specialist Teams, including the addition of the more recent My Repairs Team, has really helped to get more complex customer issues resolved, more quickly.'*** This is not only improving the customer experience and the time taken to resolve their issues but also supporting a reduction in the average time taken to handle a call and as such freeing up advisors to answer calls more quickly.

4.8 Stakeholder feedback was cited as being almost universally positive with senior leaders and frontline staff clear about the benefits the operating model gives while noting that there is an opportunity for further support to be offered to frontline teams as the CFC develops and methodically and systematically drives out waste demand or service inefficiency.

4.9 This section recommended 4 key areas for improvement which centred on:

- Continued investment in staff development.
- Knowledge Management.
- Review of the hybrid working arrangements.
- Approaches to customer resolution and continuous improvement.

4.10 The report highlighted the high degree of complexity that has arisen from the amalgamation of the various RSLs and other subsidiaries over time, along with the pace of change in the organisation and the scope of service offering, meaning that the breadth of knowledge and skill required to be able to successfully respond and resolve 90% of customer issues is a constant challenge. It is therefore critical that staff are appropriately multi-skilled and supported to continuously develop their knowledge while having robust tools in place to support them in their daily interactions with customers.

4.11 In the last year we have enhanced our learning and development programme for the CFC teams with dedicated CFC Academy specialists working hand in hand with the leadership team to ensure this continues to develop and flex to meet staff needs. We have commenced work to fully review the end-to-end learning and development programme from induction to exit, across all roles in the CFC to ensure that it is effective and fit for purpose while balancing the need for staff to be available to interact with customers for the majority of their working day.

4.12 Knowledge Management systems across the Contact Centre industry are considered essential in minimising training effort and providing advisors with clear direction on the plethora of customer issues. CFC staff have a number of ways that they access knowledge when interacting with a customer including:

- knowledge articles on ASTRA
- the intranet
- our websites
- sharing knowledge and experience through teams
- specific project guidance; and
- written daily briefing by leads.

4.13 While this works in the main, as reflected in Customer Satisfaction with CFC interactions at 4.3/5 and 88% of customer issues resolved at the point of contact; we recognise this as a priority area for improvement. A Knowledge Management Strategy is under development which will set out our approach to managing knowledge within the CFC, including: how it is received and shared from across the business; how we ensure that knowledge can be easily accessible and succinct yet sufficient; and the processes for maintaining and updating this knowledge. The first iteration of the strategy will be concluded and implemented in the Autumn with a full review of our approach as we implement our new Contact Centre Platform in 2024 which has specific knowledge functionality within it.

4.14 The CFC (in its previous iteration) successfully worked from home throughout the pandemic with staff appropriately equipped to do their role from their home. As we established the new operating model including the revised CFC, hybrid working was adopted full time. This, along with the suite of terms and conditions, has allowed us to recruit with ease. The approach to hybrid working to date has been on a demand led basis with staff coming to the office when there is a specific need such as collaboration, training or staff events. We will review this approach to ensure that the CFC performance is not being hindered in any way.

4.15 The evaluation highlighted the need for further strengthening the resolution pathways that have been established in the first year of operations to ensure that the correct staff are dealing with the most relevant service queries at all times. A review of the guidance outlining what should be handled by different roles within the CFC is currently being carried out and will be revised further following work with Vanguard – expert consultants in business processes and productivity – which is planned during the Summer to review customer journeys within the CFC.

4.16 While our housing and property teams were very positive about the CFC, the evaluation highlighted the opportunities to continue to work together to ensure there is a clearly defined set of joint priority activities to ensure the CFC continues to evolve in the right way. Senior CFC and housing staff meet at a minimum monthly to discuss areas for improvement and agree on priority actions.

<u>Demand and Capacity Planning</u>

4.17 The report highlighted the critical nature of the resource planning functions to the smooth running of any Contact Centre. It is crucial that we understand customer demand across every operating hour so that we can have the right people in the right place at the right time. There are several contributing factors to good resource planning as highlighted in the evaluation including:

- Appropriate resource
- Skilled planners
- Appropriate planning processes
- Robust workforce management systems; and
- Processes for managing and controlling business activity that is likely to create a short-notice influx in demand.

4.18 The report draws attention to the need to develop the resource planning function across all these areas further to allow for a more robust approach to resource planning generally and maximise the efficiency of resources. Allowing for medium to long-term forecasts of service levels whilst resourcing anticipated peaks in demand. In the last 6 months, the resource and planning team has expanded. This includes the appointment of an experienced Head of Resource and Planning which the evaluation acknowledges as a positive move to boost this discipline further within the CFC.

4.19 Within the first weeks of the expansion of the Resource and Planning team we have already made strides towards a more solid approach to resource planning including but not limited to:

- A deep dive into call demand profile and reviewed against staff shift profile making alterations to patterns of work to better reflect demand requirements.
- Developing a performance metric scorecard relating to all channels within the contact centre. This means we are no longer reviewing and talking about just voice, but digital channels also.
- Creating a system that more easily monitors day to day performance, freeing up valuable resources to focus on longer term planning and analysis.
- Setting up a planning process for the team to analyse the previous day's performance and link with operational leads daily on this and any actions required.
- Identifying development opportunities for the resource and planning team through membership of the Contact Centre Forum.

4.20 A formal Resource and Planning Strategy is being developed for the CFC with the first draft planned for completion by the end of July. This will consider the year-round need in the CFC and what approaches we can develop to ensure we can continue to meet demand across all channels when it fluctuates. This will include a cross-divisional approach to managing and monitoring business activity which impacts demand in the CFC. Discussions exploring potential solutions to maximise resources have included options such as annualised contracts, an outsourcing partnership or the use of other teams within and out with the CFC for periods of exceptional demand. Agreed approaches will be reflected in the strategy.

4.21 The evaluation highlights that the current Workforce Management (WFM) tool currently used by the resource planners is both limited and is approaching the end of life. This was reported to the Board in April 2023 as part of the Contact Centre Platform Contract Award paper. While the WFM tool works, it is frequently augmented using spreadsheets, has no self-serve function for staff to manage their own work schedule and does not support planning for channels other than telephony. The replacement of our Contact Centre Platform over the next 18 months will address all of the areas highlighted throughout this section of the report.

Customer Insight and Quality

4.22 In the Contact Centre setting Quality Management (QM) is crucial to delivering consistently high standards of service and supporting staff and the leadership team to identify key learning needs for individuals and as a collective team in addition to evidencing potential issues with processes. A key part of this entails listening to call recordings to review staff performance against clearly set out criteria and expectations. The evaluation report notes that the mechanisms for Quality Management within the CFC have been limited until recently but highlights that progress has been made with agreed Quality Assessment Criteria now set and levels of monitoring agreed and in place.

4.23 Quality Management is the direct responsibility of the 8 Team Coordinators who line manage the Customer Service Advisors and, as described above, the process of monitoring quality is manual. Further improvements to Quality Management will be implemented through the introduction of the new Contact Centre Platform. This includes the ability to transcribe call recordings to pull out customer sentiment through the mining of natural language and issuing quality scorecards to ensure advisors hit the same consistently high standards of customer experience. This will mean better reporting on trends and bespoke training and development plans for individual advisors based on the information gathered.

4.24 The evaluation assessed that there has been a significant step forward in customer insight in the CFC since the introduction of My Voice – the customer sentiment tool. After a successful 12-week pilot early in 2023 the tool is routinely being used to survey customers who contact the CFC and gather levels of satisfaction and comments on the service from those customers. A healthy 23 – 25% response rate has remained steady throughout the last 4 months with satisfaction levels a strong 4.3/5. We continue to build the sentiment dashboards within the tool which will assist us in clearly identifying the overall sentiment of our customers and where we need to target our improvements. The dashboards are deemed unreliable until approximately 6,000 individual pieces of feedback have been received. We expect to reach this throughout the second quarter.

4.25 The review highlights the need for clear structures across the organisation as we widen the use of My Voice for collecting customer insight, analysing this, and ensuring it is used routinely to inform service improvements. The approach for analysing and assessing customer insight has been established with business leads identified to take responsibility for turning insight into actionable improvement plans across each pillar of insight. The Customer Experience Team within the CFC have responsibility for the process of coordinating the management of the CFC specific sentiment and feedback. As the tool is expanded across different pillars, they will also have responsibility for overseeing the collection and dissemination of insight across the organisation and for retaining an overview of overall customer sentiment gathered through My Voice.

Reporting Analytics and Metrics

4.26 The evaluation assessed that there is currently a comprehensive suite of reporting tools that are used within the CFC to enable Operational Leads and Team Coordinators to review and understand the performance of the CFC and individual teams within it.

4.27 A number of actions were recommended to improve and enhance reporting including; evolving performance dashboards to include all channels used within the CFC, creating a scorecard that brings all business intelligence together in one place for CFC leads and harnessing opportunities being presented by the replacement of the telephony platform.

4.28 As described earlier in the report the expanded Resource and Planning team have already developed a wider set of reporting to routinely include digital channels. The new platform currently being purchased already has a built in a suite of 40 reports that we will be able to use, with an ability to build as many bespoke reports as is required using the data within the platform. As part of the project to replace the current platform we have appointed an additional CFC data analyst to bolster capacity in this area. As we implement the new platform, we intend to revise our CFC Performance Framework overall based on new capabilities within the system.

Channels and Self-serve

4.29 The vast majority of customer contact into the CFC continues to come via the telephony channel with a relatively small increase in the use of emails, webchat and self-serve throughout the last year. The evaluation report highlights that the time is right to define and agree a target operating model and associated channel strategy for the organisation more clearly. This would focus on providing customers with choice and helping to drive successful outcomes for both the customer and the business and the need for a robust marketing programme which reflects the agreed strategy.

4.30 Our 2021-2026 strategy already has a suite of targets linked to increasing the use of digital services by 2026 while ensuring none of our customers are left behind, and as such this has been an area of focus for the business over the last 9 months. A number of actions have been taken throughout this time with additional actions planned for the coming 12 months to reflect our agreed targets.

4.31 Key actions taken already include:-

- Improvements to the email routing and inboxes available and publicised for customers with dedicated staff managing email to have a more consistent and improved customer experience.
- Review of webform categorisation to direct customers to the most appropriate channel.
- Reintroduction of the use of web self-service for specific service requests including repairs.
- Improved navigation within web self-service for ease of use.
- 2500 customers engaged to garner insight and drive priority for improvements across our digital services offering.

4.32 A number of other enhancements and actions are planned over the coming year, with a full discussion on digital services planned for the Board Residential over the 22nd and 23rd of June.

4.33 The implementation of the new Contact Centre Platform throughout 2023/24 will pave the way to create opportunities to improve customer contact options and steer our channel strategy as we further develop this.

4.34 As outlined at the start of the report the overall assessment one year on is that the CFC has had a strong start in its first 12-18 months of operations. There are a number of actions recommended that will strengthen and enhance the CFC performance, all of which have already been addressed or are part of the wider CFC annual improvement plan for 2023/24.

4.35 As the CFC matures and evolves the introduction of the new Contact Centre Platform is an opportunity to leverage additional capabilities to realise the full potential of the CFC in offering exceptional customer experience.

5. Customer Engagement

5.1 Customer feedback from our “My Voice” electronic feedback tool informed the findings of the report and helped to demonstrate the current levels of satisfaction with the service offered by the CFC. Customer engagement has been carried out recently on Digital Services and will be subject to further discussion at the Board Residential.

6. Environmental and sustainability implications

6.1 The CFC is based across Lipton House in Glasgow and Brasswell in Dumfries, with staff working from home and office as part of our hybrid operating model. Vicarious carbon targets of home working are also considered when Planet Mark assesses the carbon footprint of our corporate estate. Overall, our carbon footprint from our corporate estate is on an improving trend.

6.2 Both Brasswell and Lipton House offices have recently been transferred over to 100% renewable energy supplies alongside the remainder of our corporate estate. This has been achieved by working with EDF energy. Four electric vehicle charging outlets have recently been installed at Lipton House.

6.3 The eventual move to a cloud-based telephony platform (Storm) by Q1 of 2024/25 will mean that we will expend less energy by ceasing to operate the current on-premise telephony platform at Lipton House.

7. Digital transformation alignment

7.1 Our Group Strategy sets a clear direction and is underpinned by digital progression. The CFC currently manage contact with customers across emails, webforms and webchat as part of their daily interactions.

7.2 The evaluation sets out recommendations to leverage digital and self-service interactions through harnessing the opportunities presented by the new CFC Platform and the development of a clear channel strategy for the CFC and the wider organisation.

8. Financial and value for money implications

8.1 The review acknowledges that the investment in staff resources has delivered improved customer metrics such as Grade of Service and Average Handle Time and Average Wait Time. This makes for a quicker and more efficient service to our customers.

8.2 The upcoming Contact Centre Platform will further improve upon these metrics and offer an increasingly personalised, effective and efficient service.

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 The independent evaluation of the first year of the CFC supports our ambitions across the Strategic Theme of Delivering Exceptional Customer Experience. Our risk appetite in relation to operational delivery for these themes is hungry.

10.2 This means that we encourage innovation and, in some cases a desire to 'break the mould' and challenge current working practices. The findings and suggested areas for further development outlined in the report are consistent with these risk appetites.

10.3 The key risks arising from this report are:

Failure to progress key areas for improvement impacting customer experience and satisfaction. A CFC Improvement Plan has been developed by the leadership team and will be progressed over the next 12 – 15 months. The plan includes action to address any areas for improvement highlighted within the evaluation.

11. Equalities implications

11.1 There are no equalities implications arising directly from this report. As we progress the key actions, we will consider the need for Equalities Impact Assessment at the appropriate juncture.

12. Key issues and conclusions

12.1 The Customer First Centre was created in December 2021 and launched to our customers in April 2022 as part of our revised operating model. A key aim of our new operating model was to ensure that our frontline teams were visible and even more present within their local communities by directing everyday interactions with customers to our new specialist and enhanced Customer First Centre ("CFC") with the aim of resolving 90% of all queries and service requests at the first point of contact. The CFC currently offers a service to customers 24/7 across 365 days of the year.

12.2 As the 'front door' for customers to access our wide suite of services, the quality of the CFC operations and performance is of increasing importance in driving overall customer satisfaction.

12.3 An independent evaluation of the CFC was carried out over April and early May. The evaluation outlines that the CFC has had a strong first year with much evidence to support that the new model is helping deliver an improved customer experience across key metrics.

12.4 A number of recommendations were made throughout the report which focus on further evolving and improving the efficiency and effectiveness of the CFC as the first and main point of contact for our 100,000 customers.

12.5 The areas for improvement were already identified by the leadership team responsible for the CFC and as such many actions are already underway or are planned which reflect the report's findings. The progression and evolution of the CFC are critical to improving the customer experience and customer satisfaction.

13. Recommendations

13.1 The Board is asked to note:

1) the findings of the independent evaluation of the first full year of the Customer First Centre; and
2) the recommendations highlighted in the evaluation report and our response to these.

LIST OF APPENDICES:

None

Report

To:	**Wheatley Group Housing Board**
By:	**Anthony Allison, Group Director of Governance and Business Solutions**
Approved by:	**Steven Henderson, Group Chief Executive**
Subject:	**2022/23 Annual Charter Returns and year-end update**
Date of Meeting:	**22 June 2023**

1. Purpose

1.1 This report provides the Board with a year-end update on our progress against targets and strategic projects in the Delivery Plan for 2022/23 and the Annual Return on the Charter 2022/23 for the Group's Registered Social Landlords ("RSLs").

2. Authorising and strategic context

2.1 The Group Board approved the overarching structure for the implementation of our strategy via our Group Performance Management Framework ("PMF") at its meeting in June 2021. The Board agreed on the programme of strategic projects and performance measures and targets for 2022/23 in April 2022.

2.2 Under the Group Standing Orders the Group Board has an ongoing role in monitoring the performance of subsidiaries across the Group against the agreed measures. Individual RSL Boards are responsible for approving their Annual Return on the Charter ("Charter") submissions. They are also responsible for monitoring RSL performance against agreed targets. RSL Boards considered year-end performance and approved their Charter returns during May 2023.

2.3 The figures reported for the Charter have now been submitted to the Scottish Housing Regulator ("SHR") and are subject to further validation and checks by SHR, with final validated figures published by SHR in the autumn.

3. Background

3.1 In agreeing our Group Delivery Plan for 2022/23 the Board recognised that it would be a transitional year given the significant level of senior change and the new operating model was entering its first year. On this basis, it was agreed that we should have a clear and strong focus on the most strategically important areas, namely: repairs; the Customer First Centre; engagement; assets and sustainability; and governance. This was reflected in our strategic projects and measures for 2022/23.

3.2 Our RSLs are responsible for meeting the standards and outcomes set out in the Scottish Social Housing Charter and are accountable to their tenants and customers for how well they do so.

3.3 The Annual Return on the Charter ("Charter") is part of the SHRs assessment of how these outcomes are being met. All RSLs and Local Authority housing services are required to submit Charter results by 31 May each year. Our RSL returns were submitted by the regulatory filing deadline. The SHR publishes results for all organisations at the end of August each year. We however use the Scottish Housing Network ("SHN) to provide benchmarking data from its membership (112 member RSLs and LAs across Scotland) in advance of this.

3.4 There are 30 Charter measures, of which 7 are collected by customer satisfaction surveys. Following agreement with the SHR last year, our customer satisfaction surveys will be undertaken this year and reported in our 23/24 Annual Return on the Charter.

4. Discussion

4.1 Over the course of 2023/24 our external operating environment changed significantly following the agreement of our 22/23 Group Delivery Plan. The emergence of a cost-of-living crisis, including a steep increase in inflation and interest rates following the pandemic placed significant strain on our tenants, communities, partners and supply chains.

4.2 The Scottish Government Programme for Government also introduced the possibility of a rent freeze and eviction moratorium. This was subsequently legislated for via the Cost of Living (Protection of Tenants) (Scotland) Act 2022 however there was a period of significant uncertainty for ourselves and our tenants.

4.3 Damp and mould, following the tragic death of a child in England, became a key issue for the wider sector during 22/23. We responded very quickly to review and strengthen our existing processes and procedures and put performance monitoring arrangements in place.

4.4 In the context of the impact of this very fluid operating environment and economic climate, in what was already expected to be a transitional year, we performed strongly against our targets and relative to benchmarks in several key areas, including:

- **Arrears** – we ended the year better than our Group target, with all RSLs outperforming the SHN member average of 7.29%;
- **Average days to re-let properties** – all RSLs improved performance from 2021/22 and significantly outperformed the Scottish Housing Network member average of 56.41 days;
- **Tackling homelessness** – We exceeded our target with a total of 2,207 lets to homeless applicants, representing around a third of all RSL homelessness lets by Scottish Housing Network ("SHN") members;
- **Supporting communities** – exceeded our target in delivering 802 jobs, training places or apprenticeships opportunities and supported 5255 vulnerable children (against a target of 1200);
- **Electrical safety** – we delivered a significant programme of electrical testing and increased our compliance levels to c99.8%+; and
- **Rent increase** – we delivered one of the lowest increases in the country during a cost-of-living crisis significantly below the SHN RSL average of 5.47%.

4.5 We also performed very strongly in relation to our strategic projects, in particular:

- **Tenant Voice** - a new, wider and more diverse, foundation for tenant engagement through the recruitment of over 2000 Customer Voices;
- **Customer insight driven** – Localz platform implemented and Book It, Track It, Rate It live tested and prepared for launch;
- **Strong partnerships** - new Strategic Agreements with key partners, Glasgow City Council and Dumfries and Galloway Council;
- **Sustainable business** - a strategic sustainability framework providing a clear roadmap to becoming a more sustainable business and achieving our net-zero goals;
- **Strong governance** - Implementing our Strategic governance review, including the official launch of Wheatley Homes Glasgow and the creation of Wheatley Homes East after a tenant ballot;
- **Building new homes -** Reorganisation of the RSL borrower group to support Wheatley Development's capacity to build new homes;
- **EDI values -** Our first ever staff and tenant equalities survey, followed by the agreement of a revised EDI policy and our first multi-year action plan;
- **Quick, easy customer resolution** – 89% of customers calling the CFC had their issue resolved at first contact;
- **Regenerating communities** - major regeneration projects at Wyndford and Lochside progressed.

4.6 A more detailed update on performance relative to the Annual Return on the Charter and performance measures, along with strategic projects is set out below. Reference is made to newly available insight from benchmarking bodies for 2022/23 – the Scottish Housing Network ("SHN") for early analysis of 2022/23 Charter results of 112 member RSLs and LAs across Scotland, and Housemark for wider UK sector trends – where they provide relevant comparisons.

Charter Returns

4.7 This section presents a summary of key draft Charter measures, highlighting where they are also a strategic result under our PMF. A full set of draft Charter results for each RSL against targets is provided in Appendix 1.

4.8 <u>Gross Rent Arrears</u>

4.8.1 Against a very challenging backdrop of the cost-of-living crisis we outperformed our Group Gross Rent Arrears target, achieving 5.44% against a 5.67% target. We also outperformed the SHN member average for 2022/23 of 7.29%.

4.8.2 WHE, WHS and WHG all ended the year better than their respective targets. Loretto improved from February's result of 4.55% to 4.28% and would have achieved the target if they had received their double payment of housing benefit from Glasgow City Council as expected.

Gross Rent Arrears	March 2023		2022/23 target	Previous period - February	Variance from previous period	2021/22 Result
WHE A	4.64%		4.66%	4.88%	0.24	4.16%
WHE B	4.59%		3.52%	5.10%	0.51	2.94%
WHE Comb	4.63%		4.66%	4.91%	0.28	4.02%
WHS	4.62%		5.02%	4.92%	0.30	4.10%
WHG A	5.87%	-	N/A	6.13%	0.26	5.15%
WHG B	5.47%	-	N/A	5.26%	0.21	5.19%
WHG Comb	5.84%		6.10%	6.08%	0.24	5.16%
Loretto A	4.58%	-	N/A	5.14%	0.56	3.40%
Loretto B	3.92%	-	N/A	3.84%	0.08	3.97%
Loretto Comb	4.28%		4.18%	4.55%	0.27	3.67%
Group RSLs	**5.44%**		**5.67%**	**5.69%**	**0.25**	**4.80%**

4.9 Average Days to Re-Let

4.9.1 The average days to re-let for the Group in 2022/23 is 18.63 days, an improvement from 21.55 days last year. Our performance continues to be extremely strong relative to the wider sector, with the SHN member average for 2022/23 of 56.41 days and the Housemark top quartile of c30 days.

4.9.2 A challenge currently impacting our void turnaround is the delays in resolving utility issues such as debts on meters or missing pre-payment keys where engagement from utility providers is an issue. Recent changes in the energy market have allowed us to commence a procurement exercise to have a utility provider undertake a void change of tenancy. This will significantly accelerate the time taken to address these issues, particularly any meter, issues and will not bind any incoming tenants.

4.9.3 The table below provides full-year results compared to target and last year's results. All RSLs have shown improvement, with WHS delivering a particularly strong improvement in performance.

Average days to re-let (Charter)	2022/23	Target		2021/22
WHE	18.00	16		18.79
WHS	12.31	16		17.73
WHG	20.61	16		23.48
Loretto	15.98	16		17.38
Group	18.63	16		21.55

4.10 Tenancy Sustainment

4.10.1 Group Charter tenancy sustainment for 2022/23 is 89.03% against a target of 90% and Group revised (excluding deaths and transfers) tenancy sustainment is 90.65% against a target of 91%. As defined by SHR, tenancy sustainment reported in the Charter relates to new lets made in the previous year to allow these lets to be sustained for 365+ days.

4.10.2 Tenancy sustainment levels for RSLs are shown in the following table. WHE and Loretto achieved both targets and WHS achieved their 89% target for revised sustainment (i.e excluding deaths and transfers). A key focus of the Group remains to support our customers to maintain their tenancies not only for the year specified but for stability in the longer term.

RSL Tenancy Sustainment	Charter 2022/23	Target		Revised 2022/23	Target	
WHE	91.23%	90%		92.51%	91%	
WHS	86.83%	88%		89.16%	89%	
WHG	89.13%	90%		90.57%	91%	
Loretto	92.23%	90%		94.18%	91%	
Group	89.03%	90%		90.65%	91%	

4.11 Repairs

4.11.1 The average time taken to complete emergency and non-emergency repairs is detailed in the table below.

Times to deliver repairs (Charter)	Emergency (hours)		Non-emergency (days)	
	Target	2022/23	Target	2022/23
WHG	3.00	3.36	5.50	8.88
Loretto	3.00	3.16	5.50	9.13
WHE	3.00	3.13	5.50	6.93
WHS	3.00	2.91	5.50	7.02
Group	3.00	3.26	5.50	8.47

4.11.2 The tail of the covid backlog, sustained high demand for the repairs service, including the significant increase in damp and mould cases as we proactively sought to identify cases and encourage tenants to support any issues, along with a period of severe weather conditions in December had a major impact on performance for all RSLs.

4.11.3 Overall Group performance was slightly better than the SHN member average of 8.65 days and although early in the year performance for the year to date has improved.

4.11.4 Despite the issues with increased customer demand and severe weather, all RSLs, delivered strong performance in excess of 90%. Notably, all RSLs outperformed the SHN member average of 87.66%.

Percentage of repairs right first time (Charter)	2022/23	Target	
WHG	91.47%	92.0%	
Loretto	92.58%	97.0%	
WHE	94.59%	95.0%	
WHS	91.09%	88.0%	
Group	91.86%		

4.11.5 Our repair satisfaction also continued to be high. WHS's performance was impacted by the severe weather and flooding and the significant impact this had on its service. With the backlog of this cleared we anticipate this performance will be higher for 2023/24.

RSL	2022/23	Target
WHG	89.76%	89%
Loretto	89.83%	89%
WHE	91.24%	89%
WHS	83.15%	89%
Group	**88.76%**	89%

4.11.6 Development of new approaches in 2022/23 to collection, monitoring and reporting of customer experiences, alongside the repairs transformation, aims to increase the number of completed surveys in future years and achieve year-on-year improvements on satisfaction levels to 95% by 2026.

4.12 Gas Safety

4.12.1 We continue to be in a 100% compliant position for gas safety, with no expired gas certificates. The year-end for 2022/23 Charter indicator is listed by RSL in the table below and remains at zero.

RSL	2021/22	2022/23
WHG	0	0
Loretto	0	0
WHE	0	0
WHS	0	0
Total	0	0

4.13 SHQS

4.13.1 Our Charter 2022/23 results for SHQS and EESSH are shown in the table below, alongside figures for the previous year. They reflect the most recent guidance from the SHR in relation to electrical testing.

RSL	Percentage of properties meeting the SHQS		Percentage of properties meeting the EESSH	
	2021/22	2022/23	2021/22	2022/23
WHS	85.09%	86.25%	90.23%	90.55%
WHG	89.69%	99.29%	99.10%	100.00%*
WHE	89.46%	99.32%	99.02%	99.56%
Loretto	91.16%	99.58%	100.00%	100.00%

* reported at 2 decimal places based on 99.995%

4.13.2 Properties which do not meet SHQS and/or EESSH can be either because they fail the criteria or are subject to exemption or abeyance. In terms of EESSH fails, WHG has 2 and WHE has 28 and Loretto and WHS have none. Exemptions and Abeyances for SHQS and EESSH are detailed in the table below:

RSL	SHQS Exemption 2022/23	SHQS Abeyance 2022/23	Percentage of total stock with SHQS Exemption or Abeyance 2022/23	EESSH Exemption 2022/23	Percentage of total stock with EESSH Exemption 2022/23
WHS	987	417	13.72%	968	9.46%
WHG	33	270	0.71%	0	0.00%
WHE	0	15	0.42%	0	0.00%
Loretto	0	11	0.42%	0	0.00%

4.13.3 With regards WHS SHQS performance (86.25%), it should be noted there are only four fails and the remainder that do not meet the standard are subject to exemption or abeyance as set out in the table above. The four WHS SHQS fails will be picked up in future investment programmes and any abeyances due to non-access will be prioritised in future programmes where applicable.

4.14 Medical Adaptations

4.14.1 During 2022/23, we completed 2,174 adaptations in total and had just 135 households waiting at the year-end. The average time to complete adaptations has improved significantly for the Group, from 42.6 days in 2021/22 to 24.9 days at year-end 2022/23 and all RSLs are within the 35-day target. Performance for all RSLs is significantly better than the SHN member average of 45.54 days.

4.14.2 The table below shows the number of households waiting, completions and the average time to complete adaptations by RSL.

Medical Adaptations	Households Waiting 2021/22	Households Waiting 2022/23	Number Completed 2022/23	Average Days to Complete	Target
WHG	100	81	1,225	23.06	35
Loretto	4	13	100	21.49	35
WHE	9	9	227	14.31	35
WHS	51	32	622	32.87	35
Group	164	135	2,174	24.88	35

4.15 Individual RSL Summary Performance

4.15.1 A full breakdown of all RSL performance against the full set of measures is provided in Appendix 1. The majority of performance indicators achieved 2022/23 targets, with only a minority (9 of 60 measures) within the red variance. Positively, several of these measures still outperformed the SHN member average.

Strategic results and non-charter measures

4.15.2 The following sections provide updates on year-end performance against non-Charter strategic and compliance measures by strategic theme, with all measures set out in dashboards at Appendices 2 and 3.

Delivering Exceptional Customer Experience

4.16 Customer First Centre - Grade of Service

4.17 The CFC had steadily improved performance up until December with a grade of service of 83%+ being achieved for calls being answered within 30 seconds against our performance target of 80%

4.18 The impact of the severe weather in December led to a significantly higher demand level in December and January, which in turn impacted average waiting times. This impacted year-end performance where the CFC answered 76.79% of calls from our customers within 30 seconds against a target of 80%.

4.19 The CFC reported an average wait time for our customers of 57.6 seconds this year. Recent feedback from Housemark shows average wait times increasing nationally, with the average doubling from around 50 seconds in 2019/20 to over 100 seconds. For large urban areas the increase was more pronounced, to over 300 seconds. This reaffirms that whilst above our target the CFC's year-end average wait time for our customers remained comparatively strong performance.

4.20 Overall, the call abandonment rate for our customers this year was 4.7%, better than the target of <7% and the typical industry benchmark of 5%. An external benchmarking report for 2022 has noted an increase in call abandonment figures across the sector to c9%.

4.21 At year-end, a First Contact Resolution level for Customer Service Advisors of 88.99% was achieved (715,652 of 804,157 calls handled), just under the 90% target for the year.

4.22 The % of CFC customer interactions that are passed to Housing and Lowther staff for resolution has remained on target throughout the year, at 6.15% year-end against the 10% target.

Measure	2022/23		
	Value	Target	Status
Group - % calls answered <30 seconds (Grade of Service)	76.7%	80%	
Group - Average waiting time (seconds)	57.6	30	
Group - Call abandonment rate	4.7%	7%	
Group - % first contact resolution at CFC (Customer Service Advisors)	89%	90%	
Group – % of CFC customer interactions that are passed to Housing and Lowther staff for resolution	6.15%	<10%	

4.23 Complaints Handling

4.23.1 The Charter measures on complaints are included in Appendix 1 and show that between 93.7% and 96.5% of complaints were responded to, with average times (for stage 1 and stage 2) between 3.5 and 4.2 working days across our RSLs.

4.23.2 Performance on the ARC measure has achieved our target for the year. The average time to respond to a stage 2 complaint has improved significantly for all Wheatley organisations this year.

4.23.3 We continue to focus on further improving stage 1 performance against the Scottish Public Services Ombudsman ("SPSO") measure % of complaints that were fully closed within the timescale of 5 days, with subsidiaries ranging from 88.1% to 97.5% year to date.

4.23.4 Complaints that went direct to stage 2 were fully closed within the 20-day timescale for all subsidiaries other than WHG, which ended the year at 90.63%. For complaints escalated to stage 2, subsidiaries range from 93.5% to 96%.

4.23.5 The key performance measures to the end of 2022/23 for ARC and SPSO measures are set out below, with further detail included in Appendix 4.

Charter - average time for a full response to complaints (working days)				
Subsidiary	**2021/22**		**2022/23 – Stage 1 - 5-day target, Stage 2 – 20-day target**	
	Stage 1	**Stage 2**	**Stage 1**	**Stage 2**
WHS	4.74	21.95	3.84	17.96
WHE	3.92	18.92	3.89	18.27
WHG	3.98	20.78	4.23	18.24
Loretto	3.62	21.33	3.51	17.72
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

SPSO Indicator 2 - number and % of complaints at each stage that were fully closed within timescales of 5 and 20 working days			
Subsidiary	**Stage 1 - responded to within 5 working days**	**Stage 2 - responded to within 20 working days**	**Escalated complaints - responded to within 20 working days**
WHS	92.75%	100.00%	95.74%
WHG	88.11%	90.63%	93.46%
Loretto	97.49%	N/A	96.00%
WHE	91.85%	100.00%	95.45%
[redacted]	[redacted]	[redacted]	[redacted]

Customer Voices

4.23.6 Our customer voice programme exceeded all strategic engagement targets for 22/23. This included engaging with around 2,000 customers and carrying out over 1000 events and activities. These activities included:

- Surveys;
- Local neighbourhood walkabouts to look at environment and housing issues;
- Online or in-person focus groups to explore issues around housing service improvement;
- Rent focus groups;
- Scrutiny sessions;
- Community safety and investment panels and;
- Other local events such as fun days, coffee mornings and open days.

4.23.7 A more detailed breakdown is set out below:

Indicator	Actual (22/23)	Target (22/23)
Number of Customers involved in the Customer Voices programme		
Group	**2,046**	**1,550**
WHG	1,050	1,000
WHE	296	250
WHS	633	250
Loretto	67	50
Number of Customer Voices activities carried out		
Group	**1,215**	**622**
WHG	793	434
WHE	166	64
WHS	214	98
Loretto	42	26
Number of Geographical/ Regional panels		
Group	**22**	**18**
East	4	3
WHG	11	9
South	15	3
Loretto	3	3
Number of customers involved in Geographical/ Regional panels		
Group	880	525
East	139	75
WHG	316	300
South	367	150
Loretto	58	30
Number of Scrutiny panels		
Group	**17**	**17**
WHG	12	12
WHE	2	2
WHS	2	2
Loretto	1	1

4.23.8 As previously agreed by the Board in April, given our customer engagement framework has now been implemented, we will no longer report on the number of Customer Voices and the number of events. The focus is now on the influence they have and the feedback loop to customers on this.

Making the Most of Our Homes and Assets

4.24 New Build programme

4.24.1 Over the course of the year there have been significant challenges in the delivery of new build such as cost, supply chains and contractor capacity. Our revised target in 2022/23 was to deliver a total of 670 new homes (497 social rent and 173 MMR).

4.24.2 To the end of March, 644 homes had been handed over against a year-end target of 670. The following table shows the variance overall and by tenure and subsidiary.

All New Builds		Social						MMR			
		All	WHG	LH	WHE	WHE (prev - WLHP)	WHS	All	WHG	WHE	WHE (prev - WLHP)
Target	**670**	**497**	**26**	**197**	**109**	**128**	**37**	**173**	**129**	**12**	**32**
Actual	**644**	**519**	**26**	**205**	**119**	**132**	**37**	**125**	**93**	**0**	**32**
Variance	**-26**	**22**	**0**	**8**	**10**	**4**	**0**	**-48**	**-36**	**-12**	**0**

4.24.3 The table below shows the projects and units completed to the 31 March against the year-end target figure of 670:

Sites	Handovers 22/23	Target 22/23	Diff.
WHG	119	155	-36
Damshot (Social)	26	26	0
Hurlford Avenue (MMR)	27	27	0
Watson St Ph2 (MMR)	46	46	0
Sighthill (MMR)	20	56	-36
Loretto Housing	205	197	8
Dargavel (Social)	49	49	0
Hallrule Drive (Social)	32	32	0
Sawmill Field (Social)	36	36	0
Queens Quay (Social)	80	80	0
Vellore Road	8	0	8
WHE (WLHP)	160	160	0
Almondvale (Social)	120	120	0
Almondvale (MMR)	26	26	0
Blackness Road (Social)	8	8	0
Blackness Road (MMR)	6	6	0
WHS	37	37	0
Gillwood Road (Eastriggs)	18	18	0
Nursery Avenue (Social)	19	19	0
WHE	123	121	2
The Wisp Phase 3C (Social)	23	35	-12
Roslin Ph1 (Social)	26	19	7
Roslin Ph 2 (Social)	18	0	18
Penicuik (Social)	22	37	-15
South Gilmerton (Social)	18	18	0
Lanark Road, Edinburgh (MMR)	0	12	0
Wallyford Area 7 (Added March)	12	0	12
Raw Holdings	4	0	4

4.25 Investment in Improvement, Modernising and Maintaining Homes

4.25.1 In 22/23, £73.2m has been invested in major improvements and we continue to make strong progress towards the £360m strategic commitment over the life of the strategy.

4.26 Planned to Reactive Spending on Properties

4.26.1 We have set a Strategic Result for each year over the life of the strategy to achieve a ratio of planned to reactive repairs spend of 60%:40%. The ratio by RSL and Group at end of March is shown in the table below. As a result of the need to prioritise reactive repairs in 2022/23 as we dealt with the covid backlog and sustained high demand, all RSLs show adverse variance in the percentage of planned spend compared to 2021/22.

Percentage Spend 2022/23	Planned (2021/22)	Planned (2022/23)		Reactive
WHG	65%	48.4%		51.6%
Loretto	68%	55.9%		44.1%
WHE	58.6%	50.1%		49.9%
WHS	69.1%	41.3%		58.7%
Group total	**65.9%**	**47.2%**		**52.8%**
		£60,115,642		**£67,268,827**

4.27 Volume of Emergency Repairs

4.27.1 The table below shows our position against the Strategic Result to reduce the volume of emergency repairs by 10% by 2026, based on the original use of 2021/22 baseline year. Demand for repairs during 2022/23 and the volume of emergencies completed has increased compared to the previous year.

Area	Completed Emergency Repairs		
	2021/22	2022/23	Variance to 2021/22
WHG	68,246	71,251	4.40%
Loretto	4,165	4,571	9.75%
WHE	8,763	8,944	2.07%
WHS	15,455	14,860	-3.85%
Group	**96,629**	**99,626**	**3.10%**

4.28 Health and Safety

4.28.1 There were 2 workplace fires in August and since there have been no further accidental workplace fires to the end of the year 2022/23.

Measure	21/22	22/23	Notes
Number of new employee liability claims received	2	5	
Number of open employee liability claims	8	13	
Number of days lost due to work-related accidents	258	464	
Number of RIDDOR incidents reported	11	15	10 - W360 2 - Wheatley Care 2 - WHE 1 - WHS
Number of HSE or local authority environmental team interventions	0	2	1 – W360 1 - WHS

4.28.2 There has been an increase in the number of RIDDOR incidents in 22/23 compared to the previous year, with the associated absence impact of these greater than those experienced in 21/22. Our Group Health and Safety team investigate all RIDDOR incidents to identify the immediate cause and make recommendations to prevent a recurrence.

4.28.3 We are currently exploring options for a new digital incident reporting system that will provide improved statistical information and analysis to support early intervention. The Health and Safety team are encouraging managers to use W.E. Benefits and Occupational Health to support an early return to work, for example, through physiotherapy and phased return.

4.29 Compliance Programme

4.29.1 Performance against our compliance programme delivery is shown in Appendix 3, with RSLs making good progress in the fourth quarter of the year. There has been improvement in the percentage of properties with EICRs less than 5 years old, with the number of properties to be certified reducing from 6,843 at the end of 2021/22 to 111 at the end of 2022/23 (96 WHG, 4 Loretto, 4 WHS and 7 WHE).

4.29.2 We are doing everything practical through intensive management to obtain access to the outstanding properties and to complete any required works, including multiple visits, forced access and court order. Even with forced access, EICR testing and inspection can still be unable to be carried out due to complex issues with some individual tenancies, such as no power, hoarding, dangerous dogs, cleanliness and tenant aggression. As at 13/06/23, 71 of the 111 outstanding across the Group at 31 March remain outstanding (64 WHG, 3 Loretto, 4 WHS and 0 WHE).

Changing Lives and Communities

4.30 [redacted]

4.31 [redacted]

4.32 [redacted]

4.33 [redacted]

4.34 [redacted]

4.35 [redacted]

4.36 [redacted]

4.37 [redacted]

4.38 Peaceful Neighbourhoods

4.38.1 The Group five-year strategic target is that 70% or more of our Group tenancies should be classified as “Peaceful” by 2026. Peaceful communities are defined as communities where customer reported incidents of anti-social behaviour to Police Scotland are reducing and social deprivation indicators (SIMD) in the associated data zone are improving. The proven most effective way to achieve this target is by reducing the incidence of customer reported anti-social behaviour by our customers to Police Scotland.We achieved the 2022/23 in-year target of 68.5% of tenancies classified as ‘Peaceful’.

4.38.2 The focus for 2023/2024 will be to review the operating model within the CIP by redesigning our approach to safer communities. Part of this will be to embed the Prevention and Solutions approach across Group to continue to reduce the volume of repeat complaints of anti-social behaviour and improve the number of ‘peaceful’ tenancies within our communities.

4.38.3 We will also deliver an enhanced Group-wide version of our Streetwise anti-social behaviour recording system to staff to support this.

4.39 Accidental Dwelling Fires

4.39.1 The Group set a Strategic Result to reduce RSL accidental dwelling fires by 10% against the baseline of a total of 217 fires in 2020/21. At year-end 146 accidental dwelling fires have been recorded and we remain on track to achieve the strategic result.

Number of recorded accidental dwelling fires	2022/2023			
	Q1	Q2	Q3	Q4
WHE	1	1	6	1
WHG	18	38	38	18
Loretto	1	1	1	3
WHS	4	5	4	6
Sub totals	24	45	49	28
Total Group 2022/23	**146**			

4.39.2 The number of accidental dwelling fires has reduced for the fourth consecutive year across the Group. In our efforts to reduce the number of Accidental Dwelling Fires experienced by the Group, the number of Home Fire Safety Visits (HSFV) undertaken by the Group Fire Safety Team has significantly increased from 213 in 2020/21 to 737 in 2022/23.

4.39.3 To support this reduction, there is an additional measure to ensure 100% of applicable properties have a current fire risk assessment in place. This continues to be achieved.

Fire Risk Assessments	2022/23	Target
The percentage of relevant premises - HMOs that have a current fire risk assessment in place	100%	100%

4.40 Reducing Homelessness

4.40.1 The Group has provided a total of 2,207 lets to homeless applicants in 2022/23, again surpassing the 2,000 annual target for the second year of the strategy, the overall strategic result is 10,000 households by 2025/26. As agreed as part of the 23/24 Delivery Plan, our principal focus for the year ahead will be the number of lets rather that the proportion.

4.40.2 The following table provides the targeted relevant lets results and Charter results by RSL. WHS and WHE exceeded their target. Loretto is only 12 of 277 relevant lets short of target.

Percentage of Lets to Homeless Applicants	Relevant lets				Charter Result	
	2022/23	Target		2021/22	2022/23	2021/22
WHS	58.1%	45%		52.1%	57.4%	51.0%
WHE	58.6%	50%		66.6%	47.8%	56.0%
WHG	51.9%	60%		58.3%	50.2%	55.7%
Loretto	45.9%	50%		53.3%	43.5%	43.2%
Group	53.4%	56%		57.2%	50.3%	54.2%

4.41 Jobs and Opportunities

4.41.1 Overall, the Wheatley Foundation has exceeded all Group targets for this year. The number of children supported through Foundation programmes in 2022/23 is 5,255 and significantly exceeds the target.

4.41.2 The Foundation also supported 802 opportunities through Wheatley Works this year. This exceeds the target of 750. Over 22/23, we have been working with partners in Dumfries and Galloway to support customers with opportunities such as employability training with Dumfries and Galloway College and Health & Safety courses. Our European Social Fund project Way Ahead has also supported people affected by homelessness, substance misuse and who have criminal convictions. The project linked in with Glasgow Kelvin College to access free training opportunities including First Aid, Manual Handling and Health & Safety.

4.41.3 7,400 customers have also been supported by services which help to alleviate poverty this year. EatWell has provided over 6000 food vouchers to customers in financial difficulty to ensure they can feed themselves and their families. Home Comforts has supported over 800 households with recycled furniture and white goods - this includes services supported by local partners in Edinburgh, Dumfries and Stranraer.

4.41.4 Welfare Benefits Advice and Fuel Advice will now be included in Foundation updates in 23/24. This year, the service supported over 12,000 Wheatley customers.

Strategic Results	2022/23 Target	Year-end performance 22/23	
4,000 jobs, training and apprenticeship opportunities delivered	750	802	

Strategic Results	2022/23 Target	Year-end performance 22/23	
10,000 vulnerable children benefit from targeted Foundation programmes	1,200	5,255	

Developing our Shared Capability

4.42 Staffing

4.42.1 Once again, we met our annual targets for the four key strategic staffing measures.

4.42.2 These included:

- 65.5% of promoted posts were successfully filled by internal candidates (compared to a target of 40%)
- 72 young people were provided with structured opportunities to build their skills within the business (compared to a target of 35)
- Staff voluntary turnover (i.e. resignations) was 7% (compared to a target of not exceeding 7%)
- 14 graduates provided with opportunities to work and gain experience in our sectors (compared to a target of 10).

4.43 Sickness Absence

4.43.1 We lost 4.28% of working time due to staff sickness absence in the year 2022/23 (compared to our target of 3%), the same as the figure we reported at the end of the last quarter. As a result, we are reporting higher sickness levels than 2021/22 (4.07%).

4.43.2 Looking externally the Office for National Statistics (ONS) Labour Force Survey published on 26 April 2023 estimates that 185.6 million days were lost to sickness in the UK in 2022 - a rise of 24% compared with the 2021 and the highest on record. ONS also report that the most common reason for sickness absence across the UK was minor illnesses, which accounted for 29.3% of absences.

4.44 Care – staff

4.44.1 Recruitment and retention continue to be a challenge across the social care sector. This is reflected in Wheatley Care's staff retention/stability percentage this year which was 73.69% compared to 81.5% in 21/22. However, there has been a steady increase in this measure across 22/23 from a low of 72.09% in June compared to 77.42% in March, the first time this has exceeded target this year.

4.44.2 Wheatley Care have actively worked this year to improve staff retention. The Care Wellbeing Taskforce colleagues were successful in securing external grant funding to deliver high quality activities aimed at improving wellbeing. External funding was also obtained this year to support Care staff to gain SVQ qualifications.

4.45 Lowther and Gift Aid [redacted]

4.46 Care Services Finances [redacted]

Summary of Strategic Project Delivery

4.47 As part of our 2022/23 Group Delivery Plan we agreed that our projects should focus on the most strategically important areas during what was a transitional year. Our progress against each project is set out in Appendix 5.

4.48 Eleven strategic projects were completed during quarter 4 of 2022/23, taking the total fully delivered to 22 of the 23 (96%) agreed at the start of the year. The only project not fully completed related to an interdependency outwith our control, the Wyndford regeneration masterplan, which was noted at the point of agreeing the project.

4.49 This represents very strong performance and as indicated earlier in the report has allowed us to make significant progress in the five priority areas of repairs; the Customer First Centre; engagement; assets and sustainability; and governance.

5. Customer Engagement

5.1 We presented an overview of the 2022/23 Charter results to the Group Tenant Scrutiny Panel ("the Panel") in May 2023. The Panel identified repairs as an area they wished to explore further over this year and how we can enhance our performance and customer experience.

5.2 Our new engagement model has been embedded, with all year-end targets met. Focus will now be on the influence of this engagement and demonstrating this to tenants.

6. Environmental and sustainability implications

6.1 A key project for 2022/23 was the development of a strategic sustainability framework. The framework was launched with Boards in February and with staff in March.

6.2 While key sustainability measures to support our ambitions in this area are now in place and results can be found in the measures dashboard, further development will be undertaken into 2023/24 as we implement the framework.

7. Digital transformation alignment

7.1 Our five-year strategy is underpinned by digital transformation. The strategic projects for 2022/23 were fully reviewed to ensure they had 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 on service delivery and improvement of 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. 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 we do via the Group 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 a “preference for safe delivery options that have a low degree of inherent risk”.

10.2 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 Our equality, diversity and inclusion project, under the governance programme stream, is complete. Our newly revised equality, diversity and inclusion policy will provide a stronger basis on which we can advance our ambitions.

11.3 The expansion of our Customer Voices and collation of monitoring information will support co-creation and influence which is based on a more diverse range of perspectives.

12. Key issues and conclusions

12.1 Within the context of a very challenging operating context we have performed very strongly during 22/23. During the cost-of-living crisis we have provided customers and their families with a wide range of support and kept arrears levels lower than expected.

12.2 We have continued to deliver strong performance in days to let whilst also playing a key role in tackling homelessness, again exceeding our target for lets to homeless households.

12.3 [redacted]

12.4 Our strong performance is reinforced by sector benchmarks, where we outperformed benchmarks such as arrears, days to let, call handling times and repairs satisfaction.

13. Recommendations

13.1 The Board is asked to:

1) note the contents of this report and that the draft Charter results have been submitted to the SHR following approval by RSL Boards in May; and

2) that final results and confirmed sector comparisons will be published by SHR in the autumn. SHR member averages have been provided as indicative comparisons at this time.

LIST OF APPENDICES:

Appendix 1 – Group Draft ARC Results Matrix 2022/23 [Redacted. Available at Landlord performance | Scottish Housing Regulator]
Appendix 2 – Strategic Measures Dashboard 2022/23
Appendix 3 – Other KPIs Dashboard 2022/23
Appendix 4 – Complaints SPSO and ARC – Q4 2022-23
Appendix 5 – Group Board Strategic Projects 2022/23

Appendix 2
Strategic Results 2022/23

Delivering Exceptional Customer Experience

Measure	2021/22 Value	2022/23 Value	2022/23 Target	Status
Customer first centre grade of service - 80% of calls within 30 seconds	85.42% (March 2022)	76.79%	80%	
Percentage of calls to the CFC resolved at first contact	92.33% (March 2022)	88.99%	90%	
Call abandonment rate	3.81% (March 2022)	4.72%	7%	
Average waiting time (seconds)	30s (March 2022)	57.64	30	
Percentage of CFC customer interactions that are passed to Housing and Lowther staff for resolution	NEW	6.15%	<10%	
Total number of customers involved in Customer Voices Programme	NEW	2,046	1,550	
WHG	NEW	1,050	1,000	
WHE	NEW	296	250	
WHS	NEW	633	250	
LH	NEW	67	50	
WLHP (end of P5)	NEW	64	22	
Number of customer voices activities carried out	NEW	1,215	622	
WHG	NEW	793	434	
WHE	NEW	166	64	
WHS	NEW	214	98	

Measure	2021/22 Value	2022/23 Value	2022/23 Target	Status
LH	NEW	42	26	✓
WLHP (end of P5)	NEW	45	5	✓
Number of East Regionwide panel sessions (WHE only)	NEW	4	3	✓
Number of Geographical panel sessions (WHG only)	NEW	11	9	✓
Number of Regionwide panel sessions (WHS only)	NEW	15	3	✓
Number of Regionwide panel sessions (Loretto only)	NEW	3	3	✓
Number of customers involved in East (WHE only) Region panel	NEW	139	75	✓
Number of customers involved in Wheatley Homes Glasgow Geographical panels	NEW	316	300	✓
Number of customers involved in WHS Region panel	NEW	367	150	✓
Number of customers involved in Loretto Regional panel	NEW	58	30	✓
Number of Scrutiny focus groups	NEW	17	17	✓
WHG	NEW	12	12	✓
WHE	NEW	2	2	✓
WHS	NEW	2	2	✓
Loretto	NEW	1	1	✓
WLHP (end of P5)	NEW	0	0	✓

Making the Most of Our Homes and Assets

Measure	2021/22 Value	2022/23 Value	2022/23 Target	Status
New build completions (total for Group)	438	644	670	
WHG - Social Housing	106	26	26	
WHG - Mid-market	142	93	129	
Loretto - Social Housing	30	205	197	
WHE - Social Housing	36	119	109	
WHE - Mid-market	25	0	12	
WHE (Ex-WLHP) - Social Housing	62	132	128	
WHE (Ex-WLHP) – Mid-market	0	32	32	
WHS - Social Housing	37	37	37	
Achieve 60:40 ratio of planned to reactive repairs spending	2021/22 65.9% : 34.1% (£92.2m : £47.7m)	47.2%: 52.8% (£60.1m : £67.3m)	60% : 40%	
Reduce the volume of emergency repairs by 10% by 2025/26 (Group average)	Apr to Mar 21/22 – 96,629	99,626	+3.10%	
WHG	Apr to Mar 21/22 – 68,246	71,251	+4.40%	
Loretto	Apr to Mar 21/22 – 4,165	4,571	+9.75%	
WHE	Apr to Mar 21/22 – 8,763	8,944	+2.07%	
WHS	Apr to Mar 21/22 – 15,455	14,860	-3.85%	

Measure	2021/22 Value	2022/23 Value	2022/23 Target	Status
Percentage of customers who have had repairs or maintenance carried out in last 12 months satisfied with the repairs and maintenance service (ARC)	88.51%	88.76%	89%	
Invest £500m of new public and private finance in new build housing	£96.6m	£94.7m	127.73m	
Invest £360 million in improving, modernising and maintaining homes by 2025/26	£110.75m	£73.2m	£76.522m	
Reduce the output of CO_2 emission from our homes by at least 4,000 tonnes per year	-8402 tonnes	-4319 tonnes	-4000 tonnes	
Reduce our corporate carbon footprint to carbon neutral by 2026	Groupwide, Planet Mark estimate we produced 2,632.5 tCO2e (equivalent in CO2 terms of all greenhouse gases) between 1 April 2021 and 31 March 2022	Awaiting Planet Mark assessment	75% of 2632.5t CO2e (Baseline year figure)	
Average new build CO_2 output no greater than 1.8t	N/A	0.85t	1.8t	
Increase the % of stock at EPC 'B' to 30%	14%	17%	16%	

Changing Lives and Communities

Measure	2021/22 Value	2022/23 Value	2022/23 Target	Status
Percentage of Care services graded very good (5) or better by the Care Inspectorate	68.18%	70%	90%	
Over 70% of customers live in neighbourhoods categorised as peaceful by 2025/26 (Group average)	70.10%	68.5%	68.5%	
Number of accidental dwelling fires recorded by Scottish Fire and Rescue (Group RSLs)	148	146	205 (Annual upper limit)	
WHG	121	112	N/A	N/A
Loretto	7	6	N/A	N/A
WHE (including WLHP)	8	9	N/A	N/A
WHS	12	19	N/A	N/A
100% of relevant properties have a current fire risk assessment in place (Group)	100%	100%	100%	
The percentage of non-relevant properties with current fire risk assessment in place (Group) (Target revised in-year to reflect aim of having all FRAs completed by end of March 2022 rather than March 2023 as originally planned)	100%	100%	100%	
Percentage of relevant lets to homeless applicants	57.2%	53.4%	56%	
WHG	58.3%	51.9%	60%	
Loretto	53.3%	45.9%	50%	
WHE	66.6%	58.6%	50%	
WHS	52.1%	58.1%	45%	
Percentage of lets to homeless applicants (Charter)	54.2%	50.3%	N/A	N/A
WHG	55.7%	50.2%	N/A	N/A
Loretto	43.2%	43.5%	N/A	N/A

Measure	2021/22 Value	2022/23 Value	2022/23 Target	Status
WHE	56.0%	47.8%	N/A	N/A
WHS	51.0%	57.4%	N/A	N/A
Number of lets to homeless applicants (10,000 for Group by 2025/26)	2,475	2,207	2,000	
WHG	1,683	1,318	N/A	N/A
Loretto	88	166	N/A	N/A
WHE	206	314	N/A	N/A
WHS	443	409	N/A	N/A
4,000 jobs, training places or apprenticeships opportunities delivered	825	802	750	
WHG	361	298	370	
Loretto	5	1	8	
WHE	83	137	34	
WHS	74	128	109	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Other	268	180	186	
10,000 vulnerable children benefit from targeted Foundation programmes (Group total)	2,250	5,255	1,200	
60% of tenants with online accounts are using the My Savings rewards gateway	11.95%	13.29%	12%	
Achieve 85% satisfaction with Wheatley Environmental Services	NEW	Baseline to be developed 22/23	No target 22/23	
250 customers have been supported to attend higher education and university through Wheatley bursaries	80	56	50	

Developing our Shared Capability

Measure	2021/22 Value	2022/23 Value	2022/23 Target	Status
Staff absence is maintained at 5% for Care services and 3% for all other parts of the business	4.07%	4.28%	3%	
WHG	2.29%	2.74%	3%	
Loretto	3.50%	5.65%	3%	
Wheatley Homes East	3.21%	3.53%	3%	
WHS	1.94%	2.19%	3%	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Solutions	2.22%	2.78%	3%	
Wheatley 360	4.54%	5.61%	3%	
Instances where Board reports are not issued 7 days in advance of Group and Subsidiary Boards	NEW	0%	5%	
Number of vacancies across Group and Subsidiary Boards	NEW	4	N/A	N/A
Attendance levels across Group and Subsidiary Boards	NEW	85%	N/A	N/A

250 young people provided with structured opportunities to build their skills within the business	55	72	35	
50 graduates provided with opportunities to work and gain experience in our sectors	25	14	10	
40% of promoted posts are filled with internal candidates	49.6%	65.5%	40%	
Staff voluntary turnover (i.e. resignations) remains at less than 7%	7%	7%	7%	

Enabling our Ambitions

Measure	2021/22 Value	2022/23 Value	2022/23 Target	Status
Reduce gross rent arrears down to 4% by 2026 (Group RSL average)	4.80%	5.44%	5.67%	
WHG A	5.15%	5.87%	N/A	N/A
WHG B	5.19%	5.47%	N/A	N/A
WHG Combined	5.16%	5.84%	6.10%	
Loretto A	3.40%	4.58%	N/A	N/A
Loretto B	3.97%	3.92%	N/A	N/A
Loretto Combined	3.67%	4.28%	4.18%	
WHE A	4.16%	4.64%	4.66%	
WHE B	2.94%	4.59%	3.52%	
WHE Combined	4.02%	4.63%	4.66%	
WHS	4.10%	4.62%	5.02%	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Average time to re-let properties (Group RSL average)	21.55	18.63	16	
WHG	23.48	20.61	16	
Loretto	17.38	15.98	16	
WHE	18.79	18.00	16	
WHS	17.73	12.31	16	
Proportion of Care services breaking even (after management fee)	94%	81.5%	90%	
Proportion of Care services breaking even (before management fee)	100%	100%	98%	
Number of Care Services in deficit for more than two years	0	0	0	

Measure	2021/22 Value	2022/23 Value	2022/23 Target	Status
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Over 50% of our customers actively use their online account to make transactions with us				
Group	New	35.78%	Baseline Year	
WHG	New	35.71%	Baseline Year	
Loretto	New	38.36%	Baseline Year	
Wheatley Homes East (including WLHP)	New	39.58%	Baseline Year	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Limit annual RSL rent increases to 2.9% throughout the life of the strategy	DGHP – 2%	WHS – 4.4%		
	All other RSLs – 3.4%	WHG & Loretto – 3.9%	Less than 2.9%	
		WHE – 2.5%		
Maintain a strong investment credit rating of A+ stable	A+ stable	A+ stable	A+ stable	
£15m generated in Gift Aid to Wheatley Foundation and reinvested in communities	£2.64m	£3.13m	£3m	
Achieve our targets across the 7 domains of our digital maturity assessment	Strategy - 2 People - 2 Platform - 1 Delivery - 1 Innovation - 1 Customer - 2 Data - 1	Strategy - 3 People - 3 Platform - 2 Delivery - 2 Innovation - 2 Customer - 2 Data - 2	Strategy - 3 People - 3 Platform - 2 Delivery - 2 Innovation - 2 Customer - 2 Data - 2	

Appendix 3
Other KPIs 2022/23 (includes Compliance)

Measure	2021/22	2022/23		
	Value	2022/23 Value	Target	Status
Average number of working days to respond to stage 1 complaints (ARC)				
WHG	3.98	4.23	5	✔
Loretto	3.62	3.51	5	✔
WHE (including WLHP)	3.92	3.89	5	✔
WHS	4.74	3.84	5	✔
Average number of working days to respond to stage 2 complaints (ARC)				
WHG	20.78	18.24	20	✔
Loretto	21.33	17.72	20	✔
WHE (including WLHP)	18.92	18.27	20	✔
WHS	21.95	17.96	20	✔
Average number of working days to respond to all complaints – Stage 1 and 2 (ARC)				
WHG	6.05	5.79	6	✔
Loretto	5.04	5.09	6	✔
WHE (including WLHP)	5.83	5.29	6	✔
WHS	5.94	5.27	6	✔

Measure	2021/22	2022/23		
	Value	2022/23 Value	Target	Status
Percentage of new tenancies sustained for more than a year – overall (ARC) (Group RSL average)	91.00%	89.03%	90%	
WHG	92.26%	89.13%	90%	
Loretto	88.57%	92.23%	90%	
WHE	93.18%	91.23%	90%	
WHS	86.04%	86.83%	88%	
Average time taken to complete emergency repairs (hours) – make safe (ARC) (Group RSL average)	3.00	3.26	3	
WHG	3.12	3.36	3	
Loretto	3.16	3.16	3	
WHE	3.40	3.13	3	
WHS	2.21	2.91	3	
Average time taken to complete non-emergency repairs (working days) (ARC) (Group RSL average)	8.08	8.47	5.5	
WHG	8.07	8.88	5.5	
Loretto	6.98	9.13	5.5	
WHE	6.49	6.93	5.5	
WHS	9.91	7.02	5.5	
Average time to complete approved applications for medical adaptations (calendar days) (ARC) (Group RSL average)	42.60	24.88	35	

Measure	2021/22	2022/23		
	Value	2022/23 Value	Target	Status
WHG	38.19	23.06	35	
Loretto	61.36	21.49	35	
WHE	10.85	14.31	35	
WHS	55.35	32.87	35	
Percentage of reactive repairs completed right first time (ARC) (Group RSL average)	90.42%	91.86%	N/A	
WHG	91.03%	91.47%	92%	
Loretto	94.86%	92.58%	97%	
WHE	94.14%	94.59%	95%	
WHS	83.10%	91.09%	88%	
Number of times in the reporting year the RSL did not meet the statutory obligation to complete a gas safety check within 12 months of a gas appliance being fitted or its last check (ARC) (Group RSL total)	0	0	0	
WHG	0	0	0	
Loretto	0	0	0	
WHE	0	0	0	
WHS	0	0	0	
Percentage of ASB incidents resolved (ARC) (Group RSL average)	99.91%	100%	98%	

Measure	2021/22	2022/23		
	Value	2022/23 Value	Target	Status
WHG	100%	100%	98%	
Loretto	100%	100%	98%	
WHE	100%	100%	98%	
WHS	99.17%	100%	98%	
Percentage of court actions initiated which resulted in eviction (ARC) (Group RSL Average)	48.9%	25.6%	Contextual	
WHG	69.6%	27.8%	Contextual	
Loretto	100%	18.8%	Contextual	
WHE	11.1%	26.3%	Contextual	
WHS	20.0%	17.1%	Contextual	
Percentage of lettable homes that became vacant (ARC) (Group RSL average)	7.85%	7.10%	8%	
WHG	7.83%	6.92%	8%	
Loretto	7.48%	6.17%	8%	
WHE	7.37%	7.37%	7.3%	
WHS	8.39%	7.91%	8%	
Number of accidental fires in workplace	1	2	0	
Number of RIDDOR incidents reported	11	15	20	

Measure	2021/22	2022/23		
	Value	2022/23 Value	Target	Status
Number of Health and Safety Executive or local authority environmental team interventions	0	2	0	
Number of new employee liability claims received	2	5	0	
Number of open employee liability claims	8	13	N/A	N/A
Number of days lost due to work related accidents	258	464	N/A	N/A

Compliance Programme Delivery

2022/23 Quarter 4	WHG	Loretto	WHE	WHS
Legionella - percentage of applicable properties with a valid risk assessment in place	100%	100%	100%	88.21%
Number of domestic stair and through floor lifts with a completed annual inspection and test against the number due to be completed	100%	100%	100%	100%
Number of passenger lifts with a completed six-month inspection and test against the number due to be completed	100%	100%	100%	100%
Percentage of electrical installation inspections completed toward annual programme	100%	100%	99.38%	99.96%
Percentage of properties with an EICR certificate up to 5 years old	99.77%	99.86%	99.89%	99.96%

Appendix 4 – 2022/23 ARC and SPSO measures

1.1 This appendix provides ARC and SPSO measures for 2022/23.

1.2 For Group RSLs, ARC measures include complaints received from all customers who receive a service provided by the Group RSL or on their behalf. This includes factored homeowners but does not include factored homeowners in non RSL stock or Lowther tenants who are considered private sector tenants.

1.3 The SPSO measures includes complaints received from all customers regardless of which Group Subsidiary they receive a service from.

Charter (ARC) Measures

1.4 ARC measures are reported to SHR for each Registered Social Landlord (RSLs) in the Group. The results for RSLs include complaints from homeowners who receive a factoring service from Lowther on behalf of that RSL. Lowther are not required to report on ARC but we report an ARC equivalent measure for them which includes Lowther tenants and owners (RSL owners and non-RSL owners).

1.5 The table below outlines the average time for a full response (working days) for Stage 1 and Stage 2 complaints. All targets are being met for this measure. This is a significant improvement from 2021/22 when all organisations except WHE were missing target.

Charter - average time for a full response to complaints (working days)				
Subsidiary	**2021/22**		**2022/23**	
	Stage 1	**Stage 2**	**Stage 1** **(5 day target)**	**Stage 2** **20 day target)**
WHS	4.74	21.95	3.84	17.96
WHE	3.92	18.92	3.89	18.27
WHG	3.98	20.78	4.23	18.24
Loretto	3.62	21.33	3.51	17.72
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

1.6 The table below outlines the average time for a full response to complaints (working days) overall, for Stage 1 and Stage 2 combined. All RSLs achieved the overall target of 6 days for 2022/23

Charter - average time for a full response to complaints (working days)		
Subsidiary	**2021/22 - Target - 8 days**	**2022/23 - Target - 6 days**
WHS	5.94	5.27
WHE	5.83	5.29
WHG	6.05	5.79
Loretto	5.04	5.09
[redacted]	[redacted]	[redacted]

*Not targeted for this measure

1.7 The additional ARC complaints measures – The percentage of all complaints responded to in full at Stage 1, Stage 2 and overall – are calculated at year end and the results for 2022/23 are displayed below. This simply shows the number that were still in the process of being responded to at the end of the year (i.e., they came in during March and were still within timescale rolling over into April).

Charter - the percentage of all complaints responded to in full at Stage 1 and Stage 2				
Subsidiary	2021/22		2022/23	
	Stage 1	Stage 2	Stage 1	Stage 2
WHS	98.25%	85.71%	95.33%	92.98%
WHE	95.18%	98.00%	94.78%	84.48%
WHG	97.49%	98.94%	94.83%	93.12%
Loretto	96.50%	100.00%	96.60%	96.15%

Charter - the percentage of all complaints responded to in full - overall		
Subsidiary	2021/22 Target - 96%	2022/23 – Target – 96%
WHS	97.25%	95.28%
WHE	95.53%	93.67%
WHG	97.67%	94.63%
Loretto	96.77%	96.55%

SPSO Measures

1.8 SPSO measures includes all customers who raise a complaint. We are required to report on these indicators annually to the SPSO.

1.9 All indicators required for the annual submission are displayed below. In addition to this, an annual report must be published no later than the end of October each year. As this is the first year, this will be developed after we have the full annual results at year end 2022/23 for publication by the end of October 2023.

1.10 Stages of complaints are defined as:

- *Stage 1 complaints* – are first time reports of dissatisfaction with services.
- *Stage 2 complaints* – directly received as Stage 2, i.e. not escalated from Stage 1. This can be cases which are considered a risk to reputation or requires investigation due to the number of issues raised that could not have been reasonably resolved at Stage 1 as part of a frontline resolution.
- *Escalated complaints* – complaints that were received into the organisation at Stage 1 and later escalated to Stage 2.

1.11 A summary of the year-to date figures for each of the indicators are included below.

Indicator 1 - total number of complaints received.

SPSO Indicator 1 - total number of complaints received - YTD		
Subsidiary	Stage 1 (this includes escalated complaints as they were first received at Stage 1)	Stage 2 (directly received as Stage 2, i.e. not escalated from Stage 1)
WHS	478	6
WHG	3844	33
Loretto	204	0
WHE	475	4
[redacted]	[redacted]	[redacted]
Group by Stage YTD	5454	46
Group - All Complaints YTD	5500	

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

SPSO Indicator 2 - number and % of complaints at each stage that were fully closed within timescales of 5 and 20 working days			
Subsidiary	Stage 1 - responded to within 5 working days	Stage 2 - responded to within 20 working days	Escalated complaints - responded to within 20 working days
	2022/23	2022/23	2022/23
WHS	92.75%	100.00%	95.74%
WHG	88.11%	90.63%	93.46%
Loretto	97.49%	N/A	96.00%
WHE	91.85%	100.00%	95.45%
[redacted]	[redacted]	[redacted]	[redacted]

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

SPSO Indicator 3 - the average time in working days for a full response to the complaints at each stage			
Subsidiary	Stage 1 - responded to within 5 working days	Stage 2 - average time in working days to respond to complaint	Escalated complaints - Average time to respond to complaints after escalation from Stage 1 to Stage 2
	2022/23	2022/23	2022/23
WHS	3.84	19.33	17.79
WHG	4.23	18.06	18.26
Loretto	3.51	N/A	17.72
WHE	3.89	19.80	18.09

SPSO Indicator 3 - the average time in working days for a full response to the complaints at each stage			
Subsidiary	Stage 1 - responded to within 5 working days	Stage 2 - average time in working days to respond to complaint	Escalated complaints - Average time to respond to complaints after escalation from Stage 1 to Stage 2
	2022/23	2022/23	2022/23
[redacted]	[redacted]	[redacted]	[redacted]

Indicator 4 - the outcome of complaints as a % of overall complaints for 2022/23.

SPSO Indicator 4 - the outcome of complaints as a % of overall complaints				
Subsidiary	Stage 1 - upheld	Stage 1 - partially upheld	Stage 1 - not upheld	Stage 1 - resolved
WHS	21.32%	10.02%	36.03%	32.62%
WHG	48.15%	10.18%	29.94%	11.73%
Loretto	49.75%	8.54%	16.08%	25.63%
WHE	39.65%	13.88%	27.09%	19.38%
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
	Stage 2 - upheld	Stage 2 - partially upheld	Stage 2 - not upheld	Stage 2 - resolved
WHS	50.00%	16.67%	16.67%	16.67%
WHG	43.75%	28.13%	28.13%	0.00%
Loretto	N/A	N/A	N/A	N/A
WHE	0.00%	20.00%	80.00%	0.00%
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
	Escalated complaints - upheld	Escalated complaints - partially upheld	Escalated complaints - not upheld	Escalated complaints - resolved
WHS	46.81%	12.77%	38.30%	2.13%
WHG	48.83%	14.49%	35.75%	0.93%
Loretto	56.00%	16.00%	24.00%	4.00%
WHE	45.45%	9.09%	45.45%	0.00%
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Appendix 5 - Wheatley Group 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 (b)	31-Dec-2022	✔	100%	01. Taking into account customer feedback, implement revised customer comms for all repair types (including owner repairs)	30-Jun-2022	Yes	Complete as previously reported
				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	Yes	
Develop IT & Systems (b)	31-Dec-2022	✔	100%	01. CBG Servitor upgrade implemented	31-May-2022	Yes	Complete as previously reported
				02. Localz phase 1 installation (pilot with CBG)	31-Oct-2022	Yes	
				03. Localz phase 1 full roll out programme agreed	31-Dec-2022	Yes	
Service & process redesign (b)	30-Jun-2022	✔	100%	01. DGHP improvement plan defined and agreed	31-May-2022	Yes	Complete as previously reported
				02. Quick wins for the repairs service in the West implemented (opening up appts, better communication between CBG and CFC, approach to customer comms)	30-Jun-2022	Yes	
				03. Planning complete for implementing redesigned	30-Jun-2022	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				repairs delivery model			
				04. DC approach to migrate to Group Servitor agreed	30-Jun-2022	Yes	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
				[redacted]	[redacted]	[redacted]	
				[redacted]	[redacted]	[redacted]	
				[redacted]	[redacted]	[redacted]	
				[redacted]	[redacted]	[redacted]	
				[redacted]	[redacted]	[redacted]	

B. CFC Programme Stream

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
CFC interim review (b)	31-May-2022		100%	01. External interim review concluded	30-Apr-2022	Yes	Complete as previously reported
				02. Present findings of interim review to Group Board	30-Apr-2022	Yes	
				03. Present findings of interim review to RSL Boards	31-May-2022	Yes	
CFC second interim review (b)	31-Mar-2023		100%	01. Scope of second interim review finalised	31-Dec-2022	Yes	A brief for independent evaluation was developed and the findings of the consultant's full evaluation is covered via a paper on the Board agenda. This evaluation, as agreed, was undertaken rather than a second interim evaluation (i.e. covering milestone 2)
				02. Undertake second interim review	28-Feb-2023	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
RSL digital services model (b)	31-Mar-2023		100%	01. Review existing digital services offering with customers, including existing usage rates, functionality, and projected future lifespan	31-Aug-2022	Yes	The project is now complete. Update to be provided as part of strategy workshop.
				02. Scope future RSL digital services model, including role of apps, online services, repairs digital offering and self-service	31-Jan-2023	Yes	
				03. Undertake engagement with Customer Voices	28-Feb-2023	Yes	
				04. Present recommendations to ET for next 3 years	31-Mar-2023	Yes	

C. Engagement Programme Stream

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Wheatley Whole Family approach (b)	30-Sep-2022		100%	01. Complete the research phase, including survey of households with children and follow up focus groups	31-May-2022	Yes	Complete as previously reported
				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	Yes	
				04. Final implementation approach agreed by ET	30-Sep-2022	Yes	
Engagement Framework – Phase 2 (b)	31-Mar-2023		100%	01. Develop a programme of engagement using customers'	31-May-2022	Yes	Project now complete

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				preferred methods			All RSLs have met and exceeded their targets - over 1550 customer voices have been recruited across Group Customer voices feedback was included in Scrutiny sessions and customers have also been selected for Board workshops
				02. 2022/23 Engagement plans, including mechanisms for allocation of funding, agreed by Boards	31-May-2022	Yes	
				03. Develop learning and development programme for staff as well as Customer and Community Voices	30-Sep-2022	Yes	
				04. Customer voices feedback to group wide governance event(s)	31-Mar-2023	Yes	
				05. Complete recruitment of Customer and Community Voices	31-Mar-2023	Yes	
Customer data collection exercise (Contact info, equalities and communication preferences) (b)	30-Nov-2022		100%	01. Project approach and proposed resource requirements agreed Group Executive	31-May-2022	Yes	Complete as previously reported
				02. Data collection exercise undertaken (RSL tenants, Lowther tenants & Care customers)	30-Sep-2022	Yes	
				03. Update to Group Executive on outcome of data collection exercise and proposed actions	31-Oct-2022	Yes	
				04. Update to Boards on outcome of data collection exercise	30-Nov-2022	Yes	

D. Assets & Sustainability Programme Stream

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Corporate Estate (b)	31-Mar-2023	✔	100%	01. East Glasgow and Bathgate Hubs complete	31-Jul-2022	Yes	ET has now agreed the approach to Lipton House, including the first floor and, once the NETs team move to Brasswell, minor reconfiguration of the second floor. As a result, this project is now complete
				02. West Glasgow Hub complete	30-Sep-2022	Yes	
				03. East Hub (NMR) complete	30-Sep-2022	Yes	
				04. CFC Lipton House agreed	31-Dec-2022	Yes	
				05. South Hub (Dumfries) complete	31-Mar-2023	Yes	
Strategic Sustainability Framework (b)	31-Jan-2023	✔	100%	01. Pathway to Net Zero Advisory Group recruited and in place	31-May-2022	Yes	Following the framework being launched with partner Boards, a summary version has now been finalised and launched with staff.
				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	Yes	
				04. Update on sustainability framework and independent review to Group Board	31-Aug-2022	Yes	
				05. Independent review complete	30-Sep-2022	Yes	
				06. Draft framework and outcome of independent review to ET	31-Oct-2022	Yes	
				07. Draft framework approved by Group Board	31-Dec-2022	Yes	
				08. Group wide launch of	31-Jan-2023	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				strategic sustainability framework			
Asset Strategy for Glasgow (b)	31-Mar-2023		100%	01. Strategic assets appraisal undertaken for Glasgow, taking into account our planned development programme and liaison with partners (GCC)	31-Dec-2022	Yes	Incorporated as part of the WH Glasgow strategy workshop on 24/03/23
				02. Engage frontline	31-Jan-2023	Yes	
				03. Refine assessment	31-Mar-2023	Yes	
				04. Set out approach to March WH Glasgow Board	31-Mar-2023	Yes	
Wyndford Regeneration (b)	31-Mar-2023		60%	01. Issue demolition tender documents	30-Jun-2022	Yes	This project will remain at 60% complete for 22/23. As it is a multi-year regeneration the strategic project 23/24 was approved by Group Board on 26 April.
				02. Co-create investment plans with customers and seek their input on new build proposals including the Wyndford Future Focus Group	31-Mar-2023	Yes	
				03. Update to Wheatley Homes Glasgow Board	31-Mar-2023	Yes	
				04. Conclude our rehousing strategy	31-Mar-2023	No	
				05. Masterplan agreed with GCC	31-Mar-2023	No	

D. Assets & Sustainability Programme Stream

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
WHS TRA - Initial Stages (b)	31-Mar-2023		100%	01. Appoint Masterplan Consultant	31-Mar-2023	Yes	Complete as previously reported. As it is a multi-year regeneration,
				02. Commence community	31-Dec-2022	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				consultation with Customer & Community Voices			milestones are included as a strategic project 23/24.

E. Governance Programme Stream

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Strategic Governance Review (b)	30-Nov-2022	✔	100%	01. Wheatley Homes Glasgow – all legal steps taken to officially change name	31-May-2022	Yes	Complete as previously reported
				02. East of Scotland partnership – stage 1 consultation complete	31-May-2022	Yes	
				03. East of Scotland partnership tenant ballot completed	30-Jun-2022	Yes	
				04. WLHP stock transfer completed	31-Jul-2022	Yes	
				05. Lowther Homes – undertake first annual self-assurance statement (externally validated) and present to Board	30-Nov-2022	Yes	
Equality, Diversity & Inclusion (b)	31-Oct-2022	✔	100%	01. ET agree proposed survey approach for staff and tenants	31-May-2022	Yes	Complete as previously reported
				02. EDI update to Group Board, including revised Equality, Diversity and Inclusion Policy for approval	31-Aug-2022	Yes	
				03. Equalities results from customer data collection exercise analysed and proposed actions to Group Executive	30-Sep-2022	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				04. Update SHR Annual Assurance Statement on progress with equalities	31-Oct-2022	Yes	
Updated Strategic Agreement with GCC (b)	31-Mar-2023		100%	01. Group Executive agree an outline updated strategic agreement for discussion with GCC	30-Sep-2022	Yes	Project now complete. The agreement has been approved by this Board, the WH Glasgow and GCC.
				02. Present outline strategic agreement to Group Board for consideration	31-Oct-2022	Yes	
				03. Update to Wheatley Homes Glasgow Board	30-Nov-2022	Yes	
				04. Board approvals of draft strategic agreement with GCC	28-Feb-2023	Yes	
				05. Present to GCC for approval	31-Mar-2023	Yes	
Strategic agreement with Dumfries and Galloway Council (b)	31-Mar-2023		100%	01. Group Executive agree an outline strategic agreement for discussion with DGC	30-Sep-2022	Yes	Board and DGC approval granted during March.
				02. Present outline strategic agreement to Group Board for consideration	31-Oct-2022	Yes	
				03. Update to DGHP Board	30-Nov-2022	Yes	
				04. Board approvals of draft strategic agreement with DGC	28-Feb-2023	Yes	
				05. Present to DGC for approval	31-Mar-2023	Yes	

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 (b)	31-Mar-2023	✔	100%	01. Undertake a review of existing customer engagement in homelessness service design and delivery	30-Jun-2022	Yes	Project complete and incorporated into performance reporting.
				02. Develop an action plan to maximise engagement opportunities	30-Nov-2022	Yes	
				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	Yes	
				04. Proposal drafted and available for ET review	31-Mar-2023	Yes	
Review of group allocations policy and systems (b)	31-Mar-2023	✔	100%	01. Updates to policy agreed by ET and RSL Boards for consultation with tenants	31-May-2022	Yes	Homes4DG launched on time on 26 April. We have re-registered over 50% of all applications and are pro-actively contacting all other customers to establish if they still want to be re-housed and support them to complete an application if needed. First adverts went live 28 April.
				02. Undertake customer consultation	31-Jul-2022	Yes	
				03. Present findings to Wheatley Board	31-Aug-2022	Yes	
				04. Present findings to RSL Boards	30-Sep-2022	Yes	
				05. Undertake testing of the new system in D&G	31-Mar-2023	Yes	

H. Other - Changing Lives & Communities

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Strategic realignment of	31-Mar-2023	✔	100%	01. External consultant	31-Oct-2022	Yes	Final report presented to

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Care services (b)				appointed			Group Board 26 April and strategic project 23/24 approved.
				02. Review the current service delivery offering within Care	30-Nov-2022	Yes	
				03. Report from external consultant	31-Jan-2023	Yes	
				04. Final report to Board	31-Mar-2023	Yes	

J. Other - Enabling our Ambitions

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
NETs Digital service (b)	30-Nov-2022	✔	100%	01. Undertake build phase	31-Jul-2022	Yes	Complete as previously reported.
				02. Undertake testing of the product	31-Aug-2022	Yes	
				03. Commence pilot	30-Sep-2022	Yes	
				04. Go Live	30-Nov-2022	Yes	
				05. Provide update to Board	30-Nov-2022	Yes	

Wheatley Group

Report

To:	**Wheatley Housing Group Board**
By:	**Anthony Allison, Group Director of Governance and Business Solutions**
Approved by:	**Steven Henderson, Group Chief Executive**
Subject:	**Governance update**
Date of Meeting:	**22 June 2023**

---

1. Purpose

1.1 This report provides an update to the Board, seeking approval as applicable, on the following governance-related matters:

- Scottish Housing Regulator (SHR Regulation of social housing discussion paper);
- Disposals and acquisition policy;
- Company strike-offs; and
- Approval for a City Building Glasgow LLP property lease

2. Authorising and strategic context

2.1 Under our Terms of Reference, the Board is responsible for matters in this report, including: compliance with the requirements of the Scottish Housing Regulator; approving our disposals and acquisitions policy framework; and our overall corporate structure.

2.2 As a member of City Building LLP, Wheatley Housing Group has the right to approve certain City Building transactions, including the entry into a new lease. The Board is responsible for granting such approvals.

3. Background

3.1 The SHR introduced its current Regulatory Framework in April 2019. At that time, it committed to a review after five years. The SHR has now issued a discussion paper, which is the first step in that review.

3.2 At our meeting on 25 August 2022, the Board approved our disposals and acquisitions policy framework. The policy 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 and provides a mechanism for the Board to understand if there is an unexpectedly high level of activity in any given year.

3.3 The proposed company strike-offs support the consolidation of our Group structure, as previously agreed by the Board.

4. Discussion

SHR Regulation of Social Housing discussion paper

4.1 The SHR published a paper on 9 June to launch a national discussion on the future of social housing regulation, '*Our Regulator of Social Housing: a discussion paper*'. A copy is attached at Appendix 1.

4.2 The paper sets out the SHR's early thinking on its future regulatory priorities, proposed areas of change based on their experience of the current Regulatory Framework ("the Framework") and specific areas on which it is seeking feedback.

4.3 The SHR's proposed regulatory priorities seek to reinforce the importance of financial management and governance, reflect lessons from the Grenfell Tower disaster and the coroner's report on the death of Awaab Ishak. The proposed areas of focus are on how landlords are:

- Listening and responding effectively to tenants and service users;
- Providing good quality and safe homes;
- Keeping homes as affordable as possible; and
- Doing all they can to reduce the number of people who are experiencing homelessness.

4.4 The proposed priorities reflect areas that we already treat as priorities and have made steps to further refine over the last 12 months.

4.5 In terms of the wider Framework, the SHR indicated that it feels it has worked well and does not require any significant changes. This is consistent with our own experience of the Framework. The key changes the SHR suggest are that they add a provision to the Annual Assurance Statement statutory guidance to allow it to request additional explicit assurance on a certain area and reflect its priorities in the language of the Framework.

4.6 The discussion questions also explore the gathering of further data in relation to tenant and resident safety, including electrical, water, fire, asbestos, and lift safety. This also extends to how landlords could or should report on how it manages damp and mould. These are areas that we report to the Board and for which we have a compliance work programme in place.

4.7 A proposed response to the discussion questions in the paper is attached at Appendix 2. The responses reflect our positive engagement with the SHR during the life of the current Framework.

Disposals and acquisitions update

4.8 Under our disposals and acquisitions policy framework we clearly define what we consider an acquisition or disposal, the routes to agreeing any such activity, and the requirements for reporting activity to the Board.

4.9 To ensure such Group-wide oversight of disposal and acquisition activity, the policy framework included a requirement to provide an annual update to the Board. The disposals and acquisitions registers for each of WH-Glasgow, WH-South, WH-East, Loretto Housing and Lowther Homes are attached at Appendix 3. These were reviewed by each of the Boards in May. During the period we have recorded 46 disposals and 31 acquisitions.

4.10 There are no identified issues of non-compliance with the policy. As part of our annual review, we identified some areas where it was considered appropriate to update the Group framework. The proposed changes are included within the track changed copy of this is attached at Appendix 4. Each of the RSLs and Lowther Homes has also considered their updates and support the relevant updates in the policy framework.

Company strike-offs

4.11 As part of the consolidation of our governance structure we merged the activities of Lowther Homes and YourPlace Property Management Limited ("YPPM"). Since YPPM is no longer trading then we are now able to apply for voluntary strike-off from the Company Register. This has taken slightly longer than planned due to an ongoing case with the First-Tier tribunal which had been raised against Wheatley Homes Glasgow (as factor) and YPPM and which had been delayed multiple times. The tribunal has now agreed that YPPM should be released from the action. Our legal advice was to await this decision to prevent the risk of any challenge to the company strike-off.

4.12 This now also allows us to apply to have the immediate parent company of YPPM, called Wheatley Enterprises Limited (WEL), struck off. Formal meetings of the Board of Directors of each of YPPM and WEL will be held immediately following the Group Board meeting on 22 June and we will then submit the required strike-off forms to Companies House.

4.13 There are two further company strike offs that we will also be seeking to finalise this year, West Lothian Housing Partnership Limited and Novantie Limited. Novantie Limited is a subsidiary of Wheatley Homes South and is no longer trading. Novantie previously provided support with Wheatley Homes South's factoring and mid-market rent letting. We have some legacy payment issues, with customers continuing to pay into Novantie bank accounts which we are addressing and anticipate initiating the wind-up thereafter.

4.14 West Lothian Housing Partnership Limited transferred its business and assets to Wheatley Homes East in September last year. We are required to submit final accounts to SHR prior to striking-off the company and will do this once the accounts are completed and signed as part of the annual audit.

City Building lease

4.15 Under City Building (Glasgow) LLP's scheme of delegated function, approval to enter into new leases is required from both partners. CBG recently relocated its training college at Queenslie to 1-9 Edgefauld Road, beside RSBi. As a consequence of exiting the Queenslie site, CBG has also been required to move its window factory.

4.16 A site at Edgefauld Road was identified and has now been fitted out as a new window factory. CBG is occupying the premises under a licence to occupy and has now finalised the terms of the proposed lease with the property owner, City Property. Approval has been provided to CBG from GCC and is now being requested from us.

4.17 The lease is for 10 years with a break option in year 5. Rent is £45,500 (exclusive of VAT per annum) with a review every five years. A report on the lease was prepared for CBG by legal advisors, DAC Beachcroft.

5. Customer engagement

5.1 No customer engagement 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 implications associated with this report.

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

9.1 The SHR discussion paper will inform the finalisation of an updated Framework to be published at a later date and come into effect from 1 April 2024. The revised Framework will be brought to the Board for consideration upon its publication.

9.2 Within Standard 7 of the existing SHR Regulatory Framework, it is required that '*The governing body ensures that disposals, acquisitions and investments fit with the RSL's objectives and business plan, and that its strategy is sustainable. It considers these taking account of appropriate professional advice and a consideration of value for money - whether as part of a broader strategy or on a case-by-case basis*.' Our approach to disposals and acquisitions helps us to comply with this requirement and, where relevant for our charitable RSLs, with the requirement of the Charities and Trustees Investment (Scotland) Act 2005.

9.2 We have taken legal advice from Brodies LLP in relation to our approach to striking off non-trading companies in our Group. In addition, we will adhere to the SHR guidance in relation to the removal of West Lothian Housing Partnership Limited. This will require us to convene a final Board meeting with the remaining directors which we will do in August.

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 ranges from “cautious” to “averse”, with the avoidance of risk and uncertainty being a key organisational objective and a priority for tight management controls and oversight.

10.2 We mitigate this risk by having clearly defined roles and responsibilities across our governance framework. Our defined policy for acquisitions and disposals, including the requirement to report annually to the Board, provides us with a clearly defined approach in this area.

11. Equalities implications

11.1 There are no equalities implications arising from this report.

12. Key issues and conclusions

12.1 The SHR discussion paper is the first step in the wider review and update of the current Regulatory Framework. Our experience of and operation of the current Framework have been positive and have not given rise to any issues. We will continue to update the Board as the development of the revised SHR Framework progresses.

12.2 The updates to our policies, seeking member approval and corporate structure updates are in line with our approach of having appropriate matters reserved to or reported to the Board whilst seeking to reduce our overall complexity.

13. Recommendations

13.1 The Board is asked to note this report and:

1) Provide feedback on and approve our response to the SHR discussion paper;
2) Approve the updates to the Group Disposals and Acquisitions Policy Framework;
3) Note the update on the corporate wind-ups and delegate authority to the Chair to approve any resolutions or actions required on behalf of Wheatley Housing Group Limited as Group parent; and
4) Provide member approval to CBG’s lease at Edgefauld Road from City Property.

LIST OF APPENDICES:

Appendix 1: SHR discussion paper [redacted] available here- Our Regulation of Social Housing: a discussion paper - June 2023 | Scottish Housing Regulator
Appendix 2: Draft response to SHR discussion paper
Appendix 3: Annual disposal and acquisition update
Appendix 3: Disposals and Acquisitions Policy Framework [redacted]

Our regulation of social housing in Scotland
Discussion questions

We welcome your general feedback on our proposals as well as answers to the specific questions we have raised. You can read our discussion paper on our website at www.housingregulator.gov.scot
Please do not feel you have to answer every question unless you wish to do so.

Send your completed questionnaire to us by 11 August 2023**.**

By email @: regulatoryframeworkreview@shr.gov.scot

Or post to: Scottish Housing Regulator
2nd floor , George House
36 North Hanover Street, G1 2AD

Name/organisation name

Wheatley Housing Group

Address

Wheatley House		
25 Cochrane Street,		
Glasgow		
Postcode **G1 1HL**	**Phone**	**Email**

How you would like your response to be handled

To help make this a transparent process we intend to publish on our website the responses we receive, as we receive them. Please let us know how you would like us to handle your response. If you are responding as an individual, we will not publish your contact details.

Are you happy for your response to be published on our website?

Yes x☐ **No** ☐

If you are responding as an individual …

Please tell us how you would like your response to be published.	***Pick 1***
Publish my full response, including my name	*X*☐
Please publish my response, but not my name	☐

1. We believe that our regulatory priorities should be:
   - listening and responding effectively to tenants and service users
   - providing good quality and safe homes
   - keeping homes as affordable as possible
   - doing all they can to reduce the number of people who are experiencing homelessness

   We are keen to hear your feedback on these priorities. Are they the right ones?

We agree that these priorities reflect the key issues for the sector and our tenants.

2. What are your views on amending the Statutory Guidance on Annual Assurance Statements to include provisions on specific assurance?

We support the proposed amendment to the Statutory Guidance and believe that it would further improve transparency and accountability to tenants and service users.

3. Do you think that we need to change any of the indicators in the ARC or add to these?

We do not consider any changes to ARC indicators to be necessary at this time and agree the current measures are relevant and appropriate.

4. Are the proposed areas of focus for tenant and resident safety indicators the right ones, and what should those indicators be?

Landlords will already be collecting the proposed indicators as part of their health and safety and compliance programmes. We would support the collection of such indicators and their publication would provide further transparency and accountability to tenants and service users. We would expect that any indicators will relate to legal and statutory duties where there are clearly defined requirements.

5. What do you think would be the most effective and appropriate way to monitor the effectiveness of landlords' approach to managing reports and instances of mould and dampness?

Landlords across the sector will already be collecting information on damp and mould, including how many cases are reported and how they are resolved. We believe it will be important to have a way of monitoring which can be applied consistently across all landlords. As such we think a small number of measures, such as the number of instances reported, the proportion which have been fully resolved and the average time to resolve would be a reasonable starting point.

6. What are your views on strengthening the Framework further on landlords listening to tenants and service users?

Listening to tenants and service users is a fundamental part of being a good landlord and we would support this being further emphasised in the Framework.

7. How do you think we could streamline the requirements for landlords in the Notifiable Events statutory guidance?

We believe the existing notifiable events guidance is clear and does leave some scope for landlords to interpret it proportionately.

8. *Do you think there is value in using more direct language in* the working towards compliance *status, or in introducing an intermediary regulatory status between compliant and working towards compliance?*

We feel the current approach works well but recognise that the views of stakeholders also require to be taken into account. We would not have any reservations about the prospect of an additional category should it be considered to be of value.

9. Are there any changes we should make to the Significant Performance Failures approach, including how we define these?

No, we agree the current system is operating effectively and the definitions are appropriate.

10. Are there any other changes to the Regulatory Framework and associated guidance that you would suggest?

We have no specific proposed changes at this stage, but look forward to seeing the revised Framework and providing further feedback at that time.

Thank you for taking the time to give us your feedback!

Appendix 3: Annual disposal and acquisition update to 31 March 2023

Disposals

	Land/property	Nature of disposal	Value (£)	Date of disposal
1	10 units: 55 – 69 (inclusive, odd numbers) Carlibar Avenue and 60 and 62 Dunwan Avenue (Hurlford)	MMR Lease to Lowther Homes	72,840	14 April 2022
2	4 units: 1 and 3 Carlibar Avenue and 71 and 73 Hurlford Avenue (Hurlford)	MMR Lease to Lowther Homes	28,920	26 April 2022
3	4 units: 17 and 19 Garscadden Green and 64, 66 Dunwan Avenue (Hurlford)	MMR Lease to Lowther Homes	28,920	28 April 2022
4	9 units: 2nd floor, 12 Ellangowan St, 3/1 11 Meadowpark St, 3 flats at 23 Oakfield Av, 0/1 46 Melville St, 0/2 29 Park Road, 4/2 64 Woodlands Rd, 4/2 Baliol St	Conveyance to GCC (Board report November 2021)		8 April 2022
5	9 units: 5 and 7 Hurlford Avenue and 1,3,5,7,9,11,15 Garscadden Green, Hurlford	MMR Lease to Lowther Homes	66,600	12 May 2022
6	1 unit: 9 Crombie Gardens, Baillieston	Corrective Conveyancing of garden ground		8 July 2022
7	1 unit: 52 Lyoncross Road, Glasgow	Commercial Lease to Lowther Homes		25 July 2022
8	15 Units: 8A and 8B Watson Street, 13 units at 10 Watson Street, Glasgow	MMR lease to Lowther Homes	118,229.40	13 Sept 2022
9	31 units: at 6 Watson Street, Glasgow	MMR lease to Lowther Homes	99,100.80	29 Sept 2022
10	Damshot Road, Glasgow	Servitudes		1 Aug 2022
11	3 units: at 8, 9 and 10 Cuddies Walk, Glasgow - Sighthill	MMR lease to Lowther Homes	15,450	8 Dec 2022
12	1 unit: 7 Cuddies Walk, Glasgow - Sighthill	MMR lease to Lowther Homes	7,440	14 Dec 2022
13	1 unit: 43 Haymarket Street, Glasgow	Sale	60,500	16 Dec 2022
14	1 unit: 21 Dalmahoy Street, Glasgow	Sale	51,125	16 Dec 2022
15	1 unit: 45 Glencorse Street, Glasgow	Sale	44,500	16 Dec 2022

	Land/property	Nature of disposal	Value (£)	Date of disposal
16	1 unit: 185 Abbeyhill Street	Sale	35,000	16 Dec 2022
17	1 unit: 45 Haymarket Street, Glasgow	Sale	60,500	19 Dec 2022
18	1 unit: 36/65 Liddlesdale Sq, Glasgow	Commercial Lease to Lowther		24 Jan 2023
19	1 unit: 428 Carntynehall Road, Glasgow	Commercial Lease to Lowther		3 Feb 2023
20	8 units at 11 Cuddies Walk, Glasgow – Sighthill	MMR Lease to Lowther Homes	40,800	21 Mar 2023
21	8 units at 6 Cuddies Walk, Glasgow - Sighthill	MMR Lease to Lowther Homes	40,800	28 Mar 2023
22	Tontine Lane	Deed of Servitudes and Real Burdens between WHG and Lowther		4 April 2023

Acquisitions

	Land/property	Nature of acquisition	Value (£)	Date of acquisition
1	19 Greenrig Street, Glasgow	Mortgage to Rent	72,000	25 May 2022
2	Unit 4, Southpoint, Dixon Blazes IE	Lease		5 Sept 2022
3	14 Causewayside, Glasgow	Lease		9 Dec 2022
4	Site at Westerhouse Road/Shandwick St, Glasgow	Purchase from Glasgow City Council.	22,000 for main site and NIL for retained areas	31 Mar 2023
5	Shawbridge Arcade, Glasgow	Purchase from Glasgow City Council.	210,000	3 Apr 2023

Disposals

	Land/property	Nature of disposal	Value (£)	Date of disposal
1.	134/6 Gorgie Road, Edinburgh	Pre 1919 Disposal	132,000	19/04/2022
2.	18/2 Springwell Place, Edinburgh	Pre 1919 Disposal	130,000	22/04/2022
3.	8/15 Smithfield Street, Edinburgh	Pre 1919 disposal	134,320	27/04/2022
4.	26/12 Springwell Place	Pre 1919 Disposal	127,500	19/08/2022
5.	1/14 North Pilrig Heights	Sale of final 75% share	183,730	26/08/2022
6.	6 - 12 (6 units even numbers) Boghall Terrace, Linlithgow	MMR Lease to Lowther Homes	38,160 p/a	06/09/2022
7.	16 Hyvot Green, Edinburgh	Implement of regeneration agreement – garden ground section	N/A	06/09/2022
8.	69/9 Harrison Road, Edinburgh	S/O Tranche up	120,000	28/09/2022
9.	24 Moredun Park Green	Implement of regeneration agreement – garden ground section	N/A	30/09/2022
10.	93/6 Milton Road East	Resonance - Implement of contract	81,081	04/11/2022
11.	4/7 Tait Wynd	Resonance - Implement of contract	80,000	04/11/2022
12.	1/1 Tait Wynd	Resonance - Implement of contract	85,000	04/11/2022
13.	54/2 Duff Street	S/O Tranche up	55,000	07/11/2022
14.	3F, 20 Westfield Avenue, Edinburgh	Commercial Lease	12,500	24/01/2023
15.	27 Wester Suttiesleas Gardens, Newtongrange	Implement of contract	200,000	10/02/2023
16.	9 Bleachfield Court, Dunfermline	Commercial Lease	5,000 p/a	24/02/2023
17.	25 Wester Suttiesleas Gardens, Newtongrange	Implement of contract	200,000	09/03/2023

Acquisitions

	Land/property	Nature of acquisition	Value (£)	Date of acquisition
1.	Land at Macmerry	Development	5,499,975	19/07/2022
2.	Wallyford 7 Phases 3 and 4	Development	1,443,506	04/07/2022
3.	South Fort Street	Development	1,800,000	02/12/2022
4.	West Craigs, Plot 13	Development	£1	20/03/2023

Wheatley Homes South

Disposals

	Land/property	Nature of disposal	Value (£p/a)	Date of disposal
1	13 The Ridge, Eastriggs	Servitude (for pathway over part of development site)	Nil	05/08/2022
2	17 The Ridge, Eastriggs	Servitude (for pathway over part of development site)	Nil	05/08/2022
3	Innerfield Farm, Lockerbie	Corrective Conveyancing of Garden Ground	Nil – corrective conveyance	16/11/2022
4	Various residential properties	Leases to Ukranian refugee under the terms of a Framework entered into with DGC	Social rent chargeable for the occupied properties	

Acquisitions

	Land/property	Nature of acquisition	Value (£)	Date of acquisition
1	Curries Yard	Servitude	115,000	14/08/2022
2	2 Gowanlea, Dundanion Road, Moffat	Buy-Back	110,000	23/02/2023

Lowther

Disposals *[redacted]*

Acquisitions *[redacted]*

Loretto Housing

Disposals

	Land/property	Nature of disposal	Value	Date of disposal
1.	2 Milncroft Road, Glasgow – title "sold" originally	"Re-sale"	N/A	Historic
2.	Cobblebrae	Servitudes	N/A	07.09.22

Acquisitions

	Land/property	Nature of acquisition	Value (£ p/a)	Date of acquisition
1.	Sawmill Field, Helensburgh, Phase 1	Development	712,500	18.08.22
2.	Vellore Road, Falkirk	Development	1,120,000	27.10.22
3.	Tranche 2, Maddiston	Development	250,000	30.09.22
4.	Tranche1, Maddiston	Development	400,000	28.10.22
5.	Phase 1, Helensburgh	Development	750,000	18.08.22
6.	Phase 2, Helensburg	Development	750,000	06.10.22
7.	Sawmill Field, Helensburgh, Phase 4	Development	475,000	17.01.23
8.	Sawmill Field, Helensburgh, Phase 5	Development	475,000	19.01.23
9.	Tranche 3, Maddiston	Development	300,000	16.02.23

Report

To: Wheatley Housing Group Board

By: Pauline Turnock, Group Director of Finance

Approved by: Steven Henderson, Group Chief Executive

Subject: Finance report

Date of Meeting: 22 June 2023

---

1. Purpose

1.1 The purpose of this paper is to:
- provide the Board with an update on the financial results for the period to 30 April 2023; and
- approve the Loan portfolio submission to the Scottish Housing Regulator

2. Authorising and strategic context

2.1 Under the Group Standing Orders the Group Board is responsible for monitoring and scrutinising financial performance. The wider economic environment remains challenging and while inflation has reduced in April 2023 it remains high with interest rate rises continuing to be used to lower the rate towards the long term Bank of England target of 2%.

2.2 The key themes and aims of the 2021-26 strategy Your Home, Your Community, Your Future set the context for the preparation of the 2023/24 business plan and budget. The 2023/24 budget effectively mirrors the first year of the business plan financial projections for each entity and will allow each Board, as well as the Group Board, to monitor progress during the year against our business plan targets.

3. Background - Financial performance to 30 April 2023

3.1 The results for the period to 30 April as presented in Appendix 1 are:

	Year to Date (Period 1)		
£m	**Actual**	**Budget**	**Variance**
Turnover	31.4	32.6	(1.2)
Operating expenditure	27.1	27.8	0.7
Operating surplus	**4.3**	**4.8**	**(0.5)**
Operating margin	*13.6%*	*14.6%*	
Net interest payable	(5.6)	(5.6)	-
Surplus/ (Deficit)	**(1.3)**	**(0.8)**	**(0.5)**
Net Capital Expenditure	**10.3**	**9.7**	**(0.6)**

4. Discussion

4.1 The Group is reporting a statutory deficit of £1.3m, £0.5m unfavourable to budget. The variance to budget reflects lower grant income recognised from the timing of new build completions. The majority of expenditure lines are reporting spend favourable to budget with the exception of repairs which is running marginally higher due to the ongoing annual tenant visits.

4.2 Key variances against budget include:

- Net rental income is £20k favourable to budget with lower void levels driving the variance at a rate of 1.02% compared to a budget of 1.28%. Void rates in all RSLs are performing favourable to budget and in Lowther letting performance is particularly strong with PRS at 1.8% and MMR at 0.3% for the month .

- New build grant income is £1.3m unfavourable to budget driven by the recognition of the grant for 23 units at Wisp 3C which was planned for April 2023 but with completions taking place early in March 2023.
- In operating expenditure, total costs are £0.7m favourable to budget, as a result of lower expenditure than budget across several expenditure lines linked, primarily at this early stage, to budget phasing.

    - Staff costs are £0.3m lower than budget due to staff vacancies and timing of the claims for the work from home allowance
    - Running costs are £0.2m lower than budget linked to the timing of expenditure and lower than budgeted group recharges across Wheatley Solutions contributing to the underspend.
    - Revenue repairs and maintenance spend is £0.1m unfavourable to budget. Job numbers are slightly higher than the same period last year, with a level of additional demand prompted by housing officer visits in WH Glasgow and WH South in the month.
    - Bad debt costs are £0.3m lower than budget. As in previous years our approach has been to include a prudent level of provision for costs.

4.3 Net capital expenditure is £0.6m higher than budget. Within this, new build spend is £7.6m lower to budget, offset by reduced grant income for new build of £8.4m. Spend and grant claimed reflects slower progress on sites including some larger developments such as Westcraigs and Winchburgh BB. Spend at Curries Yard was lower in April due to accelerated progress in the final quarter of the previous financial year.

4.4 Net investment in our existing homes of £5.0m was £0.2m higher than budget. Spend included additional adaptations work, which is fully funded by additional grant income.

Scottish Housing Regulator ("SHR") Loan Portfolio Submission

4.5 We are required to submit a loan facilities and borrowing position, as at 31 March 2023, to the Scottish Housing Regulator via the Regulator's online portal. The submission report in Appendix 2 contains the details which will be transferred to the portal, showing both the information and the layout.

4.6 The submission for Wheatley Housing Group includes the loans held by Wheatley Funding No. 1 Ltd (“WFL1”) on behalf of the RSL Borrower Group, any direct loans to the RSL Borrower Group, and related security information. The RSL Borrower Group has included Wheatley Homes South and Wheatley Developments Scotland Limited since 1 April 2022.

4.7 The submission report contains the information relating to the loans held by, and the intragroup funding from, Wheatley Funding No. 1 Limited, this information being factual information on the debt position as at the financial year-end.

4.8 The key information contained within the report is that, as at 31 March 2023:

- Facilities are the total amount of committed debt available to the RSL Borrower Group (£1.68bn);

- Loan details contain the individual loan amounts borrowed by WFL1 under the facilities, along with lending details and the relevant rates (£1.37bn);

- Intra-group Lending are the amounts on-lent to the individual RSLs from the loans drawn under WFL1(£1.32bn);

- Covenants are as set under each facility with the most recent levels reported to the funders under the facilities detailed (all covenants met); and

- Security contains the number of housing units of the RSL Borrower Group used as security (52,456) against the current facilities, and the number of units unencumbered (9,837) available to support further debt facilities. The value of the secured units is £2.21bn, which includes £79.6m secured but not allocated to a funder (31 March 2022 valuation).

4.9 As part of the submission to the Scottish Housing Regulator, the Chair of the Board and Director/Chief Executive are required to confirm the following:

“I hereby certify for and on behalf of the RSL that the information provided in this return is, to the best of my knowledge and belief, an accurate and fair representation of the affairs of the RSL.”

5. Customer Engagement

5.1 This report relates to our financial reporting and therefore there is 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 As noted above.

9. Legal, regulatory and charitable implications

9.1 As noted above.

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 April 2023. Within the RSL borrower group an underlying surplus of £2,050k is reported which is £326k favourable to budget.

13. Recommendations

13.1 The Board is requested to;
1) Note the financial performance for the Group to 30 April 2023
2) Approve the SHR Loan Portfolio Submission as at 31 March 2023

LIST OF APPENDICES

Appendix 1: Wheatley Group Financial Report to 30 April 2023
Appendix 2: [redacted]

Appendix 1: Wheatley Group Financial Report To 30 April 2023 (Period 1)

1a) Wheatley Group – Period to 30 April 2023

	Period to 30 April 2023			Full Year Budget £'000
	Actual £'000	Budget £'000	Variance £'000	
INCOME				
Net Rental Income	26,883	26,863	20	327,376
Grant income New Build	572	1,918	(1,346)	29,005
Grant income Other	876	646	230	18,244
Other Income	3,101	3,196	(95)	35,868
Total Income	**31,432**	**32,623**	**(1,191)**	**410,493**
EXPENDITURE				
Employee Costs	7,690	7,960	270	94,850
ER/VR	8	8	-	5,910
Running Costs	3,877	4,048	171	48,411
Repairs & Maintenance	6,033	5,921	(112)	73,751
Bad debts	167	509	342	6,122
Depreciation	9,308	9,308	-	112,408
Demolition Programme	88	92	4	1,105
Total Expenditure	**27,171**	**27,846**	**675**	**342,557**
NET OPERATING SURPLUS	**4,261**	**4,777**	**(516)**	**67,936**
	13.6%	14.6%		16.5%
Net interest payable	(5,558)	(5,575)	17	(71,472)
STATUTORY SURPLUS/(DEFICIT)	**(1,297)**	**(798)**	**(499)**	**(3,536)**

Key highlights:

The Group operating surplus for the period ended 30 April was £4,261k, £516k unfavourable to budget. At the statutory surplus level, a deficit of £1,297k is reported, £499k unfavourable to budget. The variance to budget reflects lower grant income recognised from the timing of new build completions and additional costs in delivering the demand for repairs and maintenance in April offset by lower void losses and lower than budgeted spend across a number of expenditure lines.

Total income of £31,432k is £1,191k unfavourable to budget:

- Net rental income is £20k favourable to budget across the RSLs and Lowther due to lower rent loss on voids. The void rate of 1.02% is lower than the overall 1.28% budget driving the favourable variance.
- New build grant income recognised to date of £572k relates to 10 units completed in WH East - 3 SR units at Penicuik, 4 SR at Raw Holdings and 3 MMR at Wallyford Area 7. The variance to budget relates to delayed handovers at Penicuik and £959k recognised in 22/23 due to early handover of units for WISP 3C which were planned for April 23 handover.
- Other grant income is £230k favourable to budget with the grant award from GCC for WH Glasgow disabled adaptations driving the favourable position.
- Other income is £95k unfavourable to budget is mainly due to delays in MMR completions in WH Glasgow and WH East.

Total expenditure of £27,171k is £675k favourable to budget:

- Staff costs (direct and group services) are £270k favourable to budget arising from staff vacancies, lower overtime and timing of the claims for the work from home allowance.
- Running costs (direct and group services) are £171k favourable to budget. This is mainly due to lower than budgeted group recharges where a number of departments are currently reporting lower costs across Wheatley Solutions contributing to the underspend against budget.
- Revenue repairs and maintenance spend is £112k unfavourable to budget. The variance relates to an increase in job numbers compared to the same period in the prior year, with demand being prompted by tenant visits taking place this month.
- Bad debts are £342k favourable to budget across the Group with a prudent provision set aside for increases in arrears.

1a) Wheatley Group – Period to 30 April 2023

Capital Investment	Period to 30 April 2023 Actual £'000	Budget £'000	Variance £'000
CORE PROGRAMME			
Grant Income	**724**	**494**	**230**
Core Investment Programme - grant funded	434	432	(2)
Adaptations - grant funded	290	62	(228)
Total grant Funded Core Investment	**724**	**494**	**(230)**
Core Investment Programme	2,784	2,978	194
Adaptations	77	89	12
Voids	1,546	1,305	(241)
Capitalised Repairs	626	415	(211)
Total Core Investment	**5,033**	**4,787**	**(246)**
NET CORE INVESTMENT SPEND	**5,033**	**4,787**	**(246)**
NEW BUILD			
New Build Grant Income Received	1,000	9,377	(8,377)
New Build investment	5,592	13,154	7,562
NET NEW BUILD INVESTMENT SPEND	**4,592**	**3,777**	**(815)**
OTHER FIXED ASSET INVESTMENT SPEND	**656**	**1,095**	**439**
TOTAL NET CAPITAL INVESTMENT SPEND	**10,281**	**9,659**	**(622)**

Key highlights:

Net capital expenditure of £10,281k is £622k unfavourable to budget.

- Core programme grant income of £724k funds Scottish Housing Net Zero projects and property adaptations with additional unbudgeted adaptations grant recognised. Core investment spend net of grant funding is £246k higher than budget with higher spend across voids and capitalised repairs.
- New Build grant income is £8,377k lower than budget due to the timing of receipt of new build grants, which is in line with the reduced development spend in the month of £7,562k..
- New build investment reflects reduced spend on a number of projects mainly in WH East and WH South due to slower progress on sites. WH Glasgow had lower spend due to delays at Calton Village Phase B and Wyndford. WH East had underspend at Penicuik, Rosln Ph2, Sibbalds Brae, Wallyford 5/AB & Ph2, Westcraigs Ph3 and Winchburgh BB which was offset by accelerated spend at Rowanbank and Westcraigs Ph1 & Ph2. WH South had underspend due to timing of spend at Curries yard and Springholm. Loretto's underspend is due to a delay in the site start date at Dargavel Ph3 and phasing of spend at East Lane.
- Other fixed assets investment includes spend on corporate estate and IT capital projects.

Wheatley Group Financial Report
To 30 April 2023 (Period 1)

RSL Borrower Group

2a) RSL Borrower Group – Period to 30 April 2023

	Period to 30 April 2023			Full Year Budget £'000
	ACT £'000	BUD £'000	VAR £'000	
INCOME				
Net Rental Income	25,366	25,355	11	308,616
Grant income New Build	572	1,918	(1,346)	27,156
Grant income Other	876	646	230	18,244
Other Income	1,102	1,134	(32)	13,091
Total Income	**27,916**	**29,053**	**(1,136)**	**367,107**
EXPENDITURE				
Employee Costs	5,698	5,933	236	70,887
ER/VR	8	8	-	5,910
Running Costs	2,713	2,869	156	32,725
Repairs & Maintenance	5,580	5,448	(132)	68,015
Bad debts	134	477	343	5,745
Depreciation	9,308	9,308	-	112,408
Demolition Programme	88	92	4	1,105
Total Expenditure	**23,528**	**24,136**	**607**	**296,795**
NET OPERATING SURPLUS	**4,388**	**4,917**	**(530)**	**70,312**
	15.7%	16.9%		19.2%
Net interest payable	(5,330)	(5,330)	-	(68,570)
STATUTORY SURPLUS/(DEFICIT)	**(942)**	**(413)**	**(530)**	**1,742**

Key highlights:

The operating surplus to 30 April is £4,388k, £530k unfavourable to budget. At the statutory surplus level, a deficit of £942k is reported, also £530k unfavourable to budget. The variance to budget reflects lower grant income recognised from the timing of new build completions and additional costs in delivering the demand for repairs and maintenance in April off set by lower void losses and lower than budgeted spend across a number of expenditure lines.

Total income of £27,916k is £1,136k unfavourable to budget:

- Net rental income is £11k favourable to budget with delays in new build completions being offset by lower rent loss on voids. The void rate of 1.04% is lower than the overall 1.33% budget driving the favourable variance.
- New build grant income recognised to date of £572k relates to 10 units completed in WH East - 3 SR units at Penicuik, 4SR at Raw Holdings and 3 MMR at Wallyford Area 7. The variance to budget relates to delayed handovers at Penicuik and £959k recognised in 22/23 due to early handover of units for WISP 3C which was planned for April 23 handover.
- Other grant income is £230k favourable to budget with unbudgeted grant for WH Glasgow adaptations driving the favourable position.
- Other income is £32k unfavourable to budget due to delays in MMR completions in WH Glasgow and WH East.

Total expenditure of £23,528k is £607k favourable to budget:

- Employee costs (direct and group services) are £236k favourable to budget arising from staff vacancies, lower overtime and timing of the claims for the work from home allowance.
- Running costs are £156k favourable to budget. This is mainly due to lower than budgeted group recharges where a number of departments are currently reporting lower costs across Wheatley Solutions contributing to the underspend against budget.
- Revenue repairs and maintenance spend is £132k unfavourable to budget. Job numbers in April are higher than the same period in the prior year, with demand being prompted by tenant visits taking place this month.
- Bad debts are £343k favourable to budget across the Borrower Group with a prudent provision set aside for increases in arrears.

2a) RSL Borrower Group – Period to 30 April 2023

Capital Investment	Period to 30 April 2023 Actual £'000	Budget £'000	Variance £'000
CORE PROGRAMME			
Grant Income	**724**	**494**	**230**
Core Investment Programme - grant funded	434	432	(2)
Adaptations - grant funded	290	62	(228)
Total grant Funded Core Investment	**724**	**494**	**(230)**
Core Investment Programme	2,771	2,950	179
Adaptations	77	89	12
Voids	1,546	1,305	(241)
Capitalised Repairs	626	415	(211)
Total Core Investment	**5,020**	**4,759**	**(261)**
NET CORE INVESTMENT SPEND	**5,020**	**4,759**	**(261)**
NEW BUILD			
New Build Grant Income Received	1,000	8,592	(7,592)
New Build investment	5,223	12,107	6,884
NET NEW BUILD INVESTMENT SPEND	**4,223**	**3,515**	**(708)**
OTHER FIXED ASSET INVESTMENT SPEND	**648**	**1,081**	**433**
TOTAL NET CAPITAL INVESTMENT SPEND	**9,891**	**9,355**	**(536)**

Key highlights:

Net capital expenditure of £9,891k is £536k higher than budget.

- Core programme grant income of £724k funds spend on Scottish Housing Net Zero projects and adaptations. Core investment spend net of grant funding is £261k higher than budget with higher spend across voids and capitalised repairs.
- New Build grant income was £7,592k lower than budget due to the timing of receipt of new build grants, which is in line with the reduced development spend in the month of £6,884k.
- New build investment reflects reduced spend on a number of projects mainly in WH East and WH South due to slower progress on sites. WH Glasgow had lower spend due to delays at Calton Village Phase B and Wyndford. WH East had underspend at Penicuik, Rosln Ph2, Sibbalds Brae, Wallyford 5/AB & Ph2, Westcraigs Ph3 and Winchburgh BB which was offset by accelerated spend at Rowanbank and Westcraigs Ph1 & Ph2. WH South had underspend due to timing of spend at Curries yard and Springholm. Loretto's underspend is due to a delay in the site start date at Dargavel Ph3 and phasing of spend at East Lane.
- Other fixed assets investment includes spend on corporate estate and IT capital projects.

2b) RSL Borrower Group underlying surplus – Period to 30 April 2023

The Wheatley Group and RSL Borrower Group operating Statement (Income and Expenditure Account) on pages 2 and 4 are 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 in the RSL Borrower Group 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.

In the period to 30 April 2023, an underlying surplus of £2,050k has been generated using this measure which is £326k favourable to budget. The variance is driven by overall lower than budgeted spend across a number of expenditure lines.

Borrower Group Underlying Surplus - April 2023				
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks	FY Budget £ks
Net operating surplus	4,388	4,917	(530)	70,312
add back:				
Depreciation	9,308	9,308	0	112,408
less:				
Grant income	(572)	(1,918)	1,346	(27,156)
Net interest payable	(5,330)	(5,330)	0	(68,570)
Total expenditure on Core Programme	(5,744)	(5,253)	(491)	(84,408)
Underlying surplus	**2,050**	**1,724**	**326**	**2,586**

2c) Wheatley Homes Glasgow – Period to 30 April 2023

	Period to 30 April 2023			Full Year
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks	Budget £ks
INCOME				
Rental Income	£17,251	£17,283	(£32)	£210,852
Void Losses	(£200)	(£219)	£19	(£2,666)
Net Rental Income	**£17,051**	**£17,064**	**(£13)**	£208,186
Grant Income New Build	£0	£0	£0	£4,109
Grant Income Other	£488	£311	£177	£5,044
Other Income	£865	£879	(£14)	£11,504
Total Income	**£18,404**	**£18,254**	**£150**	**£228,843**
EXPENDITURE				
Employee Costs - Direct	£2,926	£2,927	£1	£35,362
Employee Costs - Group Services	£1,330	£1,479	£149	£17,237
ER / VR	£0	£0	£0	£4,820
Direct Running Costs	£1,031	£1,100	£69	£11,687
Running Costs - Group Services	£669	£741	£72	£8,895
Revenue Repairs and Maintenance	£3,966	£3,733	(£233)	£45,386
Bad debts	£37	£357	£320	£4,284
Depreciation	£6,381	£6,381	£0	£76,569
Demolition and Tenants Compensation	£42	£0	(£42)	£0
TOTAL EXPENDITURE	**£16,382**	**£16,718**	**£336**	**£204,240**
NET OPERATING SURPLUS / (DEFICIT)	**£2,022**	**£1,536**	**£486**	**£24,603**
Net operating margin	*11.0%*	*8.4%*	*2.6%*	*10.8%*
Net Interest payable & similar charges	(£3,817)	(£3,817)	£0	(£50,084)
STATUTORY SURPLUS / (DEFICIT)	**(£1,795)**	**(£2,281)**	**£486**	**(£25,481)**

INVESTMENT	Period to 30 April 2023			Full Year
	Actual	Budget	Variance	Budget
Total Capital Investment Income	**£457**	**£1,012**	**(£555)**	**£15,557**
Total Expenditure on Core Programme	£4,189	£3,896	(£293)	£55,281
New Build & other investment expenditure	£1,989	£2,381	£392	£46,447
Other Capital Expenditure	£449	£788	£339	£9,506
TOTAL CAPITAL EXPENDITURE	**£6,627**	**£7,065**	**£438**	**£111,234**
NET CAPITAL EXPENDITURE	**£6,170**	**£6,053**	**(£117)**	**£95,677**

Key highlights:

Net operating surplus of £2,022k is £486k favourable to budget. Statutory deficit for the period to 30 April is £1,795k, which is also £486k favourable to budget. The main drivers of the variance is lower than budgeted spend across a number of expenditure lines offset by higher than budgeted repairs spend linked to a higher demand.

- Gross rental income is £32k unfavourable to budget due to the timing of the application of the rent increase from 3 April. Void losses are £19k lower than budget and represent a 1.1% void loss rate compared to the budgeted rate of 1.8%.
- Other grant income is £177k higher than budget, which relates to higher adaptations grant recognised.
- Other income is £14k unfavourable to budget linked to the timing of MMR new build completions and associated lease income from Lowther.
- Total employee costs (direct and group services) are £150k favourable to budget. The group services recharge is £149k favourable to budget and reflects WH-Glasgow's share of staff vacancies across a number of departments in Wheatley Solutions from the budgeted structure.
- Total running costs (direct and group services) are £141k favourable to budget. All areas of direct running costs are reporting spend in line with or favourable to budget. Group recharges are £72k favourable to budget due to several departments reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance spend is £233k unfavourable to budget with higher than budgeted spend across responsive repairs which is £614k higher than budget and cyclical and compliance spend £434k lower than budget. The spend on reactive repairs is linked to higher demand for repairs (11% ytd increase in job numbers vs ytd 2022/23) as we carry out customer visits.
- Revenue demolition costs includes final tenants' compensation costs relating to the Wyndford clearance.
- Gross interest payable of £3,817k represents interest due on the loans due to Wheatley Funding No.1 Ltd. Costs are in line with budget.

Net capital expenditure of £6,170k is £117k higher than budget.

- Investment programme spend is £293k unfavourable to budget with higher spend in adaptations and capitalised repairs.
- New build spend is £392k lower than budget following delays on Calton Village Phase B and Wyndford.
- Capital investment income (grants) is £556k lower than budget linked to the delays at Calton Village Phase B and timing of Shawbridge St grant claims (the full grant award was claimed in 2022/23), partially offset by unbudgeted adaptations grant of £181k.
- Other capital expenditure is £339k lower than budget and includes IT capital and work on offices, depots and concierge.

2d) Loretto Housing – Period to 30 April 2023

Loretto Housing

	Period To 30 April 2023 Actual £k	Budget £k	Variance £k	Full Year Budget £k
INCOME				
Rental Income	1,315	1,319	(4)	15,859
Void Losses	(14)	(38)	24	(456)
Net Rental Income	**1,301**	**1,281**	**20**	**15,403**
Grant Income	**0**	**0**	**0**	**2,223**
Other Grant Income	**20**	**10**	**10**	**116**
Other Income	**9**	**9**	**0**	**876**
Total Income	**1,330**	**1,299**	**30**	**18,618**
EXPENDITURE				
Employee Costs - Direct	109	115	6	1,382
Employee Costs - Group Services	68	73	5	881
ER / VR	0	0	0	210
Direct Running Costs	140	157	17	1,813
Running Costs - Group Services	36	39	3	469
Revenue Repairs and Maintenance	223	216	(7)	3,193
Bad debts	9	33	24	407
Depreciation	626	626	0	7,627
TOTAL EXPENDITURE	**1,211**	**1,261**	**49**	**15,980**
OPERATING SURPLUS / (DEFICIT)	**119**	**40**	**79**	**2,637**
Interest Payable	(299)	(299)	0	(3,779)
STATUTORY SURPLUS / (DEFICIT)	**(180)**	**(259)**	**79**	**(1,142)**

	Period To 30 April 2023 Actual £k	Budget £k	Variance £k	Full Year Budget £k
INVESTMENT				
Total Capital Investment Income	**20**	**1,304**	**(1,284)**	**11,196**
Investment Programme	99	68	(31)	2,514
New Build Programme	237	1,406	1,170	22,048
Other Capital Expenditure	19	35	17	422
TOTAL CAPITAL EXPENDITURE	**354**	**1,509**	**1,155**	**24,984**
NET CAPITAL EXPENDITURE	**334**	**205**	**(129)**	**13,788**

Key highlights:

Net operating surplus of £119k is £79k favourable to budget. Statutory deficit for the period is £180k, £79k favourable to budget. The main drivers of the favourable variance are lower void lost rents, higher other grant income and lower than budgeted spend across a number of expenditure lines.

- Net rental income is £20k favourable to budget due to void losses of 0.60% for the year to date against a budget of 2.88%.
- Other Grant income relates to medical adaptations.
- Total employee costs are £11k favourable to budget. Direct employee costs are favourable to budget due to staff vacancies against the budgeted structure. Employees recharged from Group Services are for Loretto's share of Wheatley Solutions staff and are favourable to budget.
- Total running costs are £20k favourable to budget. Direct running costs are £17k favourable to budget with all budget categories showing underspends, linked to the phasing of the budget. Group Services running costs are £3k favourable to budget due to several departments reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance is £7k unfavourable to budget with higher than budgeted spend across responsive repairs which is £32k higher than budget, with cyclical and compliance spend £25k lower than budget. The overspend on reactive repairs is linked to higher demand for repairs (11% ytd increase in job numbers vs ytd 2022/23).
- Bad debts are £24k favourable to budget. A prudent approach was taken when setting the budget.

Gross interest payable represents interest due on the loans due to Wheatley Funding No.1 Ltd.

Net capital expenditure of £334k is £129k unfavourable to budget.

- Capital investment income (grant) is £1,284k lower than budget mainly due to East Lane and Dargavel Ph 3 site starts being delayed, in addition to the full grant for Main St Maddiston being claimed in 2022/23.
- New build spend is £1,170k lower than budget resulting from the phasing of project spend. East Lane (budget £727k) and Dargavel Ph 3 (budget £407k) have not started on site yet.
- Investment programme expenditure of £99k relates to core programme works, capitalised repairs and voids.
- Other capital expenditure of £19k relates to the Loretto contribution to Wheatley Group IT.

2e) Wheatley Homes East – Period to 30 April 2023

	Period to 30 April 2023			Full Year
	Actual £k	Budget £k	Variance £k	Budget £k
INCOME				
Rental Income	3,134	3,139	(5)	38,215
Void Losses	(33)	(39)	6	(475)
Net Rental Income	**3,101**	**3,100**	**1**	**37,740**
Grant Income Recognised in the Year	572	1,918	(1,346)	15,847
Other Grant Income	48	56	(8)	1,348
Other Income	223	265	(42)	7,194
TOTAL INCOME	**3,944**	**5,340**	**(1,395)**	**62,129**
EXPENDITURE				
Employee Costs - Direct	373	384	11	4,491
Employee Costs - Group Services	231	248	17	2,978
ER/VR	0	0	0	540
Direct Running Costs	336	362	26	4,221
Running Costs - Group Services	121	132	11	1,585
Revenue Repairs and Maintenance	512	561	49	7,164
Bad Debts	28	33	5	403
Depreciation	1,086	1,086	0	13,631
TOTAL EXPENDITURE	**2,687**	**2,806**	**119**	**35,014**
NET OPERATING SURPLUS / (DEFICIT)	**1,257**	**2,534**	**(1,277)**	**27,115**
Net Operating Margin	*32%*	*47%*	*-16%*	*44%*
Interest receivable	2	1	1	13
Interest payable	(672)	(672)	0	(8,696)
STATUTORY SURPLUS / (DEFICIT)	**587**	**1,863**	**(1,276)**	**18,432**

	Period to 30 April 2023			Full Year
	Actual £k	Budget £k	Variance £k	Budget £k
INVESTMENT				
Total Capital Investment Income	**1,013**	**4,053**	**(3,040)**	**53,717**
Total Expenditure on Core Programme	583	576	(7)	7,078
New Build & Other Investment	2,140	6,018	3,878	94,278
Other Capital Expenditure	61	87	26	1,043
TOTAL CAPITAL EXPENDITURE	**2,784**	**6,681**	**3,897**	**102,400**
NET CAPITAL EXPENDITURE	**1,771**	**2,628**	**857**	**48,683**

Key highlights:

Net operating surplus of £1,257k is £1,277k unfavourable to budget. Statutory surplus for the period to 30 April is £587k, £1,276k unfavourable to budget. The main drivers of the variance are lower than budgeted grant income recognised offset in part by lower than budgeted expenditure.

Total income of £3,944k is £1,395k unfavourable to budget:
- Gross rent is £5k unfavourable to budget due to delayed completions at Wisp 3C, Roslin and Penicuik. Void losses of £33k are £6k favourable to budget, representing 1.05% vs a budget of 1.35% .
- Grant income recognised is £1,346k unfavourable to budget due to early handovers noted in 2022/23 for 23 units for WISP 3C totalling £959k planned for April 23 handover and £387k due to delayed handovers at Penicuik. £572k of grant income recognised relates to 3 SR units at Penicuik, 4 SR at Raw Holdings and 3 MMR at Wallyford Area 7.
- Other Grant Income is £8k adverse to budget, mainly attributable to lower than budgeted medical adaptation grant income.
- Other income of £223k is £42k unfavourable to budget. This unfavourable variance is mainly attributable to delayed tenancies at Almondvale and Roslin MMR units.

Total expenditure is £119k favourable to budget:
- Employee costs are £28k favourable to budget (£11k direct and £17k group services) due to the staff vacancies against budget in April 2023.
- Total running costs (direct and group services) are £37k favourable to budget with a number of lines performing favourably. A number of departments are currently reporting lower costs across Wheatley Solutions contributing to the underspend against budget.
- Revenue repairs and maintenance spend is £49k favourable to budget with responsive repairs £2k favourable and cyclical maintenance £47k favourable.

Gross interest payable of £672k represents interest due on the loans with costs in line with budget.

Net capital expenditure of £1,771k is £857k lower than budget.
- Capital investment income relates to the cash receipt of new build grants, Scottish Housing Net Zero funding and medical adaptation grants and is £3,040k lower than budget, mainly due to delayed claims on new build grants, relating to slower than anticipated start on new build sites.
- Investment programme spend is £7k higher than budget due higher medical adaptation works than budget.
- New build spend of £2,140k is £3,878k lower than budget due to reduced spend at Penicuik, Roslin Ph2, Sibbalds Brae, Wallyford 5/AB & Ph2, Westcraigs Ph3 and Winchburgh BB. This is partially offset by accelerated spend at Westcraigs Ph1 & Ph2 and Rowanbank.
- Other Capital Expenditure includes IT, furniture & office costs and is currently £26k lower than budget.

2f) Wheatley Homes South – Period to 30 April 2023

	Period to 30 April 2023			Full Year
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	Budget £ks
INCOME				
Rental Income	£3,933	£3,933	£0	£47,855
Void Losses	(£20)	(£47)	£27	(£568)
Net Rental Income	**£3,913**	**£3,886**	**£27**	**£47,287**
Grant Income New Build	£0	£0	£0	£4,977
Grant Income Other	£320	£269	£51	£11,736
Other Income	£128	£142	(£14)	£2,876
Total Income	**£4,361**	**£4,297**	**£64**	**£66,876**
EXPENDITURE				
Employee Costs - Direct	£440	£472	£32	£5,715
Employee Costs - Group Services	£313	£337	£24	£4,038
ER / VR	£8	£8	£0	£340
Direct Running Costs	£203	£211	£8	£2,529
Running Costs - Group Services	£164	£179	£15	£2,150
Revenue Repairs and Maintenance	£962	£946	(£16)	£12,360
Bad debts	£20	£54	£34	£651
Depreciation	£1,215	£1,215	£0	£14,581
Demolition and Tenants Compensation	£46	£92	£46	£1,105
TOTAL EXPENDITURE	**£3,371**	**£3,514**	**£143**	**£43,469**
NET OPERATING SURPLUS / (DEFICIT)	**£990**	**£783**	**£207**	**£23,407**
Net operating margin	*22.7%*	*18.2%*	*4.5%*	*35.0%*
Net Interest payable & similar charges	(£545)	(£546)	£1	(£6,024)
STATUTORY SURPLUS / (DEFICIT)	**£445**	**£237**	**£208**	**£17,383**

INVESTMENT	Period to 30 April 2023			Full Year
	Actual	Budget	Variance	Budget
Total Capital Investment Income	**£234**	**£2,717**	**(£2,483)**	**£34,425**
Total Expenditure on Core Programme	£873	£713	(£160)	£19,535
New Build & other investment expendit	£941	£2,722	£1,781	£38,785
Other Capital Expenditure	£119	£171	£52	£2,056
TOTAL CAPITAL EXPENDITURE	**£1,933**	**£3,606**	**£1,673**	**£60,376**
NET CAPITAL EXPENDITURE	**£1,699**	**£889**	**(£810)**	**£25,951**

Wheatley Homes South

Key highlights :

Net operating surplus of £990k is £207k favourable to budget. Statutory surplus to 30 April is £445k, which is £208k favourable to budget. The key drivers of the variance are lower than budgeted spend across a number of expenditure lines offset in part by higher than budgeted repairs spend.

- Net Rental income is £27k favourable to budget driven by lower void losses, representing a 0.5% void loss rate compared to the budgeted rate of 1.2%.
- Other Grant Income is £51k favourable than budget driven by additional adaptation grant claimed (higher corresponding spend in investment).
- Other income is £14k adverse to budget due to lower garage and lock-up income driven by increased void units.
- Total employee costs (direct and group services) are £56k lower than budget due to vacant positions and lower than budgeted overtime.
- Total running costs (direct and group services) are £23k favourable to budget. Group recharges are £15k favourable to budget due to several departments currently reporting lower costs across Wheatley Solutions, leading to the underspend against budget.
- Repair costs are £16k unfavourable to budget due to demand being prompted by housing officer visits.
- Demolition costs are £46k lower than budget, spend in the month relates to home loss and disturbance costs prior to demolition.

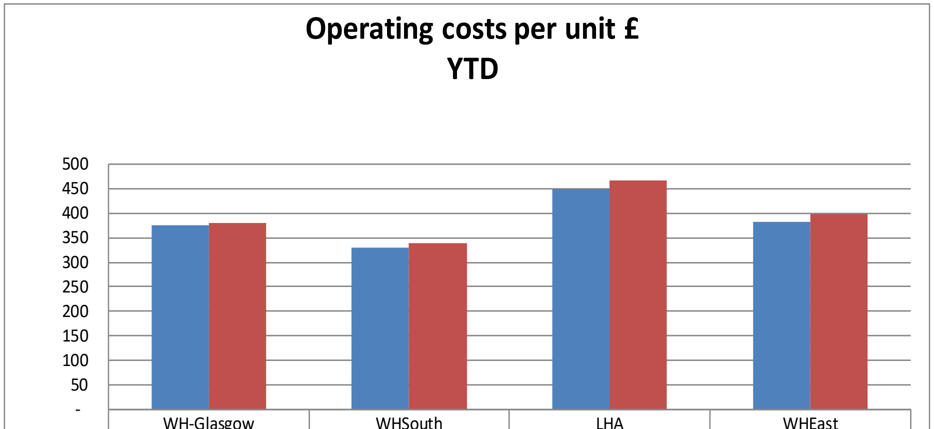
Gross interest payable of £545k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders.

Net capital expenditure of £1,699k is £810k higher than budget. The investment income is £2,483k lower than budget driven by timing of grant funding claimed for the new build programme (Curries Yard and Springholm).

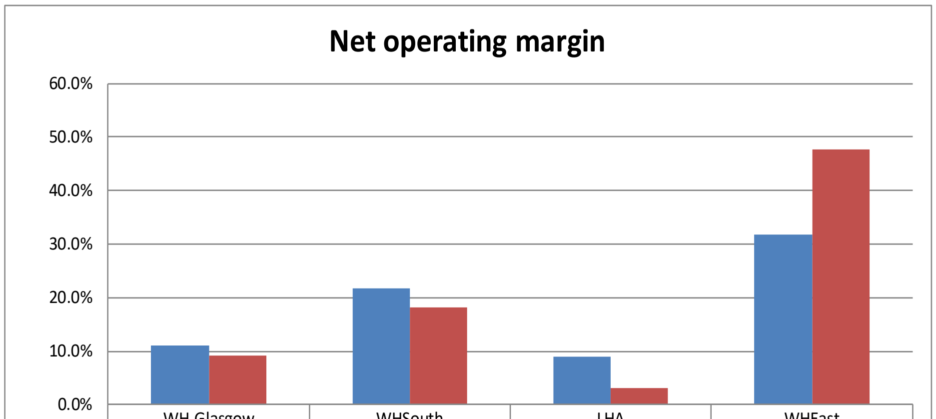
- Total core investment spend of £873k is £160k lower than budget due to timing of spend on SHNZ (lower corresponding income noted above), partly offset by higher capitalised voids.
- New Build expenditure is £1,781k under budget driven by timing of spend on Curries Yard and Springholm.
- Other capital expenditure of £119k is £52k lower than budget. Other capital spend includes work on local touchdown hubs and IT costs.

2g) redacted

3) Summary of RSL operating costs and margin v budget



	WH-Glasgow	WHSouth	LHA	WHEast
Actual	376	330	449	382
Budget	380	340	467	399



	WH-Glasgow	WHSouth	LHA	WHEast
Actual	11.0%	21.7%	8.9%	31.9%
Budget	9.2%	18.2%	3.2%	47.7%

Operating costs per unit:

- At April 2023 operating costs per unit are marginally lower than budget across all RSLs. This variance is attributable to lower than budgeted spend on employee and running costs as well as an improved bad debt provision where which was reduced by the higher repair costs to maintain our properties.
- Operating costs per unit vary across the RSLs depending on the stock profiles and types of accommodation offered.

Net operating margin:

- Net operating margin is higher than budget across all RSLs, with the exception of WH East. WH East reported an unfavourable variance in new build grant income due to a delay in completion of some developments.
- Similar to operating costs, the variances across expenditure lines is impacting margins in the RSLs.

Wheatley Group Financial Report
To 30 April 2023 (Period 1)

Care and Commercial

4a - 7 redacted

8) Wheatley Group – Consolidated Balance Sheet

	As at 30 April 2023 £ks	As at 31 March 2023 £ks
Fixed Assets		
Social Housing Properties	2,561,130	2,555,948
Investment properties	268,699	268,317
Other tangible fixed assets	75,408	75,687
Investments -other	116	116
Fixed Assets	**2,905,353**	**2,900,068**
Debtors Due More Than One Year		
Inter Company Loan	0	0
Pension Asset	58,165	58,165
Current Assets		
Stock	1,704	1,713
Trade debtors	2,069	2,613
Rent & Service charge arrears	28,869	23,091
less: Provision for rent arrears	(13,991)	(14,218)
Prepayments and accrued income	9,412	11,586
Intercompany debtors	0	0
Other debtors	25,368	29,344
	53,431	**54,129**
Bank & Cash	41,003	38,561
Current Assets	**94,434**	**92,690**
Current Liabilities		
Trade Liabilities	(3,683)	(6,384)
Accruals	(64,285)	(67,911)
Deferred income	(54,595)	(54,938)
Rents & service charges in advance	(15,042)	(15,880)
Intercompany creditors	0	0
Other creditors	(20,977)	(15,186)
	(158,582)	**(160,299)**
Net Current Assets	**(64,148)**	**(67,609)**
Long Term Liabilities		
Contingent efficiencies grant	(46,764)	(46,764)
Bank finance	(1,256,382)	(1,246,339)
Bond finance	(300,000)	(300,000)
Provisions	(8,779)	(8,779)
Deferred income	(32,648)	(32,648)
Intercompany creditors	0	0
Pension liability	(388)	(388)
Long Term Liabilities	**(1,644,961)**	**(1,634,918)**
Net Assets	**1,254,409**	**1,255,706**
Funding Employed		
Capital & Reserves		
Share Capital	0	0
Retained Income b/fwd	778,364	758,761
Income & Expenditure	(1,297)	19,604
Revaluation Reserves	477,342	477,342
Funding Employed	**1,254,409**	**1,255,707**

Key highlights:

- Group net assets are £1,254.4m at 30 April 2023.
- The Balance Sheet as at 31 March 2023 is subject to the year end statutory adjustments for property and pension valuations as well as the fair value calculation on the Scottish Government loan.
- The fixed asset movements in the period reflects investment in the core programme, the new build programme, and any other fixed asset additions, less depreciation to date.
- Current assets (excluding cash) are £1.9m higher than the year end position mainly driven by the increase in rent and service charge arrears from 31 March 2023 due to the timing of the 4 weekly payment from GCC.
- Current liabilities are £2.7m lower than the year end position mainly driven by the reduction in trade creditors in Wheatley Glasgow, Wheatley South and Wheatley Care to the year end position.
- Income and expenditure of £1.3m relates to the group deficit for the period.