



**WHEATLEY HOUSING GROUP LIMITED**

**BOARD MEETING**

**Wednesday 28 October at 10.30am  
Wheatley House**

**AGENDA**

1. Apologies for Absence
2. Declarations of Interest
3. Minutes of Meeting held on 18 September 2020 and matters arising
4. Group CEO Update

**Main Business Items**

5. Cube Strategic review update
6. [redacted]
7. Infrastructure Investment Plan Consultation 2021-26
8. DGHP Transformation Programme
9. Group Strategy 2021-26
10. Business update - Housing and care

**Other Business Items**

11. Group New Build Performance report
12. Group Delivery Plan 2020/21 Quarter 2 Performance
13. Finance report
14. Treasury report
15. Governance update
16. AOCB

## Report

**To:** Wheatley Housing Group Board

**By:** Steven Henderson, Group Director of Finance

**Approved by:** Martin Armstrong, Group Chief Executive

**Subject:** Cube Strategic Review Update

**Date of Meeting:** 28 October 2020

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### 1. Purpose

- 1.1 To update the Board on the Cube strategic review and to set-out, for agreement, the timescale for the proposed transfer of Cube and its properties to other Group RSLs and the associated offer to Cube tenants.

### 2. Authorising context

- 2.1 Under the Group Authorise/Manage/Monitor Matrix, the Board has responsibility for approving group wide strategic initiatives. The proposed re-structuring involving Cube is strategic and will redefine our Group structure.
- 2.2 The changes to the ownership of Cube's properties covered by this paper require a range of approvals. These include: the Group and Cube Boards, Cube's tenants through a ballot process and its members through Special General Meetings, the lenders to our RSL borrowing group and Cube's pension providers. The Board agreed the approach to addressing Cube's strategic challenges through the transfer of its properties at its August 2020 meeting.
- 2.3 Workshops involving the Cube, GHA and Loretto Boards are scheduled to take place in the week preceding this Board meeting. A verbal update on these will be provided at the meeting.

### 3. Risk Appetite and assessment

- 3.1 Cube's risk appetite in relation to performance is hungry. This is defined as *'Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk)'*. The Cube Board have confirmed this risk appetite reflects their view in relation to performance challenges they have in a significant element of their stock. The Cube Board considered this risk in detail at their recent strategy workshop and have identified the underlying performance challenges in their Wyndford stock as requiring a more innovative solution, including potentially a structural governance solution.
- 3.2 Our Group risk appetite in relation to governance is cautious, that is a *'Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward'*. We reflect this risk appetite level by reserving all key governance decisions to the Group Board, with any structural governance decisions requiring Group Board approval.

- 3.3 The proposal relies on the support of a number of stakeholders, as noted in the authorising context, in particular Glasgow City Council (“GCC”) in respect of collaborating on the development of joint regeneration proposals. This is discussed later on in this paper.
4. **Background**
- 4.1 Cube’s Board has been considering, including at its recent strategy session, how best to address various strategic challenges it faces resulting from legacy issues including:
- the financial terms of Cube’s establishment including the transfer of most of its stock from Scottish Homes between 1990 and 2005
  - having among the highest rents in Glasgow, when compared with its local peer group of non-specialist RSLs with over 1000 properties
  - the nature of the four 26-storey point blocks at Wyndford which have, for many years, presented significant housing management challenges
- 4.2 As considered by the Board at its previous meeting, the transfer of Cube properties in Glasgow to GHA and the transfer, through a Transfer of Engagements (“ToE”), of properties outside Glasgow to Loretto Housing has been identified as the best approach to addressing the challenge faced. In deciding this, the Cube Board agreed that the status quo was not an option, and that the objective of improving homes and keeping rents affordable for all its tenants, including the Wyndford community, had to come before corporate structures or landlord titles.
- 4.3 The GHA and Loretto business plans have been updated to reflect the possible transfer from Cube. Updated financial information was provided to the Board at its August 2020 meeting which showed that with the transfer GHA and Loretto’s business plans would remain viable.
- 4.4 The transfer would also create a new single view for Group’s strategic housing objectives going forward in Glasgow and would also provide a platform to tackle the next phase of regeneration challenges, while keeping rents affordable for tenants. [redacted].
- 4.5 Outside Glasgow, combining Loretto and Cube would strengthen Loretto’s presence in various local authority areas including West Dunbartonshire, Renfrewshire, South Lanarkshire and North Lanarkshire.
- 4.6 A joint workshop is scheduled for 23 October involving Cube and GHA Board members to consider the proposed transfer and approach for Glasgow, and a similar workshop, this time for Loretto Housing Board members is scheduled for 21 October. At these workshops Board members will have the opportunity to consider what is proposed in detail. They will also be asked to agree the proposed approach to the transfer including key milestones.
- 4.7 On the basis that Board members from the Group partners involved agreed to proceed, the remainder of this paper focuses on key elements needed to progress the transfer including confirming its structure, the tenant offer and key milestones

## 5. Discussion

- 5.1 Our group has expertise in completing similar activities to the possible restructuring of Cube including the recent successful transfer of Barony to WLHP and Dunedin Canmore, and the various constitutional partnerships through which partners have joined the group. It is proposed that the transfer from Cube has two distinct elements
- The transfer of Cube's properties in Glasgow – through a stock transfer – to GHA, and
  - The remainder of Cube, including its properties outside Glasgow transferring – through a ToE - to Loretto Housing.
- 5.2 Structuring the possible transfer in this way will have advantages because Cube and Loretto are in the same pension scheme.
- 5.3 The Housing (Scotland) Act 2010 (as amended) (the "2010 Act") sets out the statutory requirements where a RSL is proposing to transfer tenanted homes. Amongst these, are the requirements for tenants to be consulted on what is proposed and to approve the transfer, typically through a ballot.

### ***Tenant offer***

- 5.4 To maximise the likelihood that Cube tenants vote in favour of the transfer it is proposed – in much the same way as we would in a constitutional partnership – that the consultation includes details of how they would benefit from what is proposed. The proposed tenant offer is outlined below:

Aspect	What's proposed
Rents	<b>Lower rents than staying as Cube</b> - rent increases from April 2021 will be reduced from the previous assumptions to 1% for 3 years – so under the proposals, by April 2024 rents would be <b>4% lower than otherwise</b> for all current Cube tenants. This equates to £645 for an average 2-bedroom rent.
Investment	<b>£4m of additional investment in tenants' homes over the next 3 years.</b> This investment would be split roughly proportionately based on stock between Cube areas in Glasgow and those outside
Services	There would be no change to the service enjoyed currently by Cube tenants and these will be further developed in line with objectives in our 2021-26 strategy. In addition, Cube's current concierge service will be enhanced at Wyndford, Collina St, Gorget and Broomhill, to better reflect the service enjoyed by GHA tenants
New build	<b>£50m invested in new build and regeneration in Cube's Glasgow communities</b> over the next 10 years, with a commitment that any new properties in local communities that replace unpopular older homes would be prioritised for existing tenants in those communities.
Jobs	<b>Ensuring 300 Cube tenants get jobs, training or apprenticeships from the new investment works over 10 years</b> - a dedicated employment and training programme using the negotiating strength of the Wheatley Group to ensure contractors deliver on this
Tenant voice	Strengthening tenant voice in Cube communities yet further including through representation on the GHA Board, engagement forums based around Cube communities and digital engagement approaches

- 5.5 Our approach would be to work closely with tenants, local stakeholders and political representatives to ensure local buy-in to the vision, and support for how they will improve the homes and lives of Cube tenants. The set of proposals above draw on our recent experience of ballot processes and the key measures tenants expect to see as part of giving their endorsement to a change process. Housing staff would engage in an intensive programme of phone calls to Cube tenants once the consultation process begins to explain the offer and how and when tenants will be able to vote. Independent advice will be available throughout on what is proposed through TPAS.

### ***Proposed timetable***

- 5.6 Subject to the Board agreement, we would look to progress the proposed transfer over the coming months with the aim of concluding the key elements by end-March 2021. Achieving this would fit well with the need to consult on rents in the coming months and avoid potential confusion for tenant of being asked to provide views on a rent proposal based on transfer and another based on Cube continuing as is. Key milestones in achieving this timescale are set out below.

Date	Milestone
21/23 Oct 2020	Cube, GHA and Loretto Boards agree proposals; Cube Board agrees the key terms of the offer to tenants for consultation
28 Oct 2020	Group Board agrees detailed timetable and offer to tenants for consultation
16 Nov 2020	Tenant consultation begins
16 Dec 2020	Tenant consultation concludes
16 Dec 2020	Group Board update
4 Jan 2021	Ballot of Cube tenants begins
5 Feb 2021	Ballot result received
Feb 2021	Progress update to all Boards (Group, Cube, GHA and Loretto)
April 2021	Transfer of Cube properties in Glasgow to GHA (and potentially launch of new brand name)
Jun 2021	Transfer of engagements of remaining Cube properties to Loretto

- 5.7 A more detailed timescale is provided at Appendix 1 for consideration and agreement by the Board.

## **6. Key issues and conclusions**

- 6.1 Subject to the Boards of Cube, Loretto and GHA agreeing - which they are being asked to do in the week preceding this Board meeting - milestones have been developed for Board approval for the restructuring of Cube. These milestones reflect statutory requirements to consult tenants. The proposed approach to this consultation incorporates our experience from similar activities and a specific offer for tenant to ensure they benefit from what is proposed.

## **7. Value for money implications**

- 7.1 Key priorities for the Cube restructuring include keeping rents more affordable than they would be otherwise and investing more in stock. These align with the value for money drivers identified by tenants and should help ensure support at ballot.

## **8. Impact on financial projections**

- 8.1 The impact on GHA and Loretto's financial projections was considered at the Board's previous meeting. There is nothing in this paper that changes the assessment provided previously

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

- 9.1 A particular feature of what is proposed is the need to carry out tenant ballots in line with requirements from the Housing (Scotland) Act 2010 and to keep the SHR informed of progress. The approach to restructuring Cube has been shared with the SHR and they are content with what is planned.
- 9.2 External legal, tax and pension advisors will be used to support the transfer through carrying out diligence on Cube on behalf of GHA and Loretto. This will ensure that obligations and liabilities from the potential transfer are understood and support that decision making by the Boards involved on concluding the transfer.

## **10. Partnership implications**

- 10.1 We expect the transfer of Cube's stock to strengthen our relationship with local authorities in the areas involved through, in Glasgow, providing a platform to tackle the next phase of regeneration challenges and, outside Glasgow, increasing Loretto's scale and capacity to engage strategically.

## **11. Implementation and deployment**

- 11.1 Key milestones for our approach to implementation are provided in Appendix 1.

## **12. Equalities impact**

- 12.1 There are no equalities impacts associated with this report.

## **13. Recommendations**

- 13.1 The Wheatley Board is asked subject to positive feedback from the workshops involving Cube, GHA and Loretto, to:
- 1) agree the restructuring of Cube should proceed with the next phase being – tenant consultation – based on the tenant offer at Section 5.4.
  - 2) agree the key milestones for the proposed transfer at Appendix 1

## Proposed milestones for the transfer

### Main milestone only

Governance
Transfer
Support

By end of October 2020 – Necessary boards agree, including tenant offer							
GHA/Cube workshop where both Boards agree to proceed and agree terms of offer	23 Oct	Loretto Housing Board agrees to accept the transfer of Cube stock out of Glasgow	21 Oct	Wheatley Board agrees to proceed to consultation and revised business plans including offer	28 Oct	Funders and SHR advised of planned approach	28 Oct
By 16 November- ready for consultation to begin							
Consultation documents available and printed (one for transfer to GHA and other for transfer to Loretto)	11 Nov	Cube (and other) frontline staff and hub briefed on benefits of transfer to support customer engagement	13 Nov	TPAS engaged, briefed and ready to provide independent advice on transfers for tenants	13 Nov		

<b>By 16 December – consultation concluded</b>							
Consultation (28 days minimum) takes place		Outbound calling to customers – housing staff with backup from hub	13 Nov to 14 Dec	Zoom drop in sessions, helpline, web enquiries staffed by TPAS to provide independent advice	13 Nov to 14 Dec	Engage Civica ERS to prepare for ballot	1 Dec
<b>By 31 December – ready for ballot</b>							
Consider any feedback from consultation	16 Dec	Produce phase 2 document and get ready to print	18 Dec	Agree ballot paper, voting methods and frequency of updates	18 Dec		
<b>By 4 January 21 – begin ballot</b>							
Phase 2 consultation documents – confirmation of offer sent to tenants hand delivered (2 and 3 Jan)	4 January	Ballot papers sent to tenants –coded and collated to ensure Glasgow tenant vote on transfer to GHA and out of Glasgow on transfer to Loretto	6 January	Staff briefed to support outbound calling to support participation in ballot	4 Jan	TPAS available to provide advice on ballot	4 Jan to 5 Feb
<b>By 5 February 2021 – result of ballots received</b>							
Wheatley, GHA, Loretto and Cube Boards informed of ballot result	6 Feb						



<b>By end Apr 21 – transfer to GHA takes place</b>							
Due diligence (legal finance/tax and pension) on Cube on behalf of GHA and Loretto Housing	28 Feb	Scottish Government and GCC (for any under TMDF) agrees to assign grants associated with new build from Cube to GHA	28 Feb	Business transfer agreement including conveyancing for properties in place	16 Mar	Transfer of staff to Loretto Housing and secondment where appropriate to GHA	31 March
GHA and Cube Boards agrees terms of transfer	31 March			Properties registered in GHA name	30 April	SHAPS Pension schemes brought together	31 March
Wheatley Board agrees transfer should go ahead	April Board			Funder consent to transfer	31 March	Secondment where appropriate to GHA	30 April
<b>By end of June – Transfer of engagement of Cube to Loretto Housing concluded</b>							
First Cube SGM on TOE to Loretto	End-May	Loretto agrees to accept the transfer	Mid-June	Second Cube SGM	End Jun	TOE registered with FCA	July

<b>By end Apr 21 – transfer to GHA takes place</b>							
Due diligence (legal finance/tax and pension) on Cube on behalf of GHA and Loretto Housing	28 Feb	Scottish Government and GCC (for any under TMDF) agrees to assign grants associated with new build from Cube to GHA	28 Feb	Business transfer agreement including conveyancing for properties in place	16 Mar	Transfer of staff to Loretto Housing and secondment where appropriate to GHA	31 March
GHA and Cube Boards agrees terms of transfer	31 March			Properties registered in GHA name	30 April	SHAPS Pension schemes brought together	31 March
Wheatley Board agrees transfer should go ahead	April Board			Funder consent to transfer	31 March	Secondment where appropriate to GHA	30 April
<b>By end of June – Transfer of engagement of Cube to Loretto Housing concluded</b>							
First Cube SGM on TOE to Loretto	End-May	Loretto agrees to accept the transfer	Mid-June	Second Cube SGM	End Jun	TOE registered with FCA	July

## Report

**To:** Wheatley Housing Group Board

**By:** Tom Barclay, Group Director of Property & Development

**Approved by:** Martin Armstrong, Group Chief Executive

**Subject:** Infrastructure Investment Plan Consultation 2021-26

**Date of Meeting:** 28 October 2020

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### 1. Purpose

1.1. The purpose of this report is to:

- update the board on the Scottish Government's Draft Infrastructure Investment Plan 2021-26 which is currently out for consultation; and
- to advise the board on our plan to develop an enhanced **Wheatley Green Investment Bid** to Scottish Government in 2020/21 that speaks to the key aspects of the plan, as they relate to our revised Corporate Strategy 2021-26, *Your Home, Your Community, Your Future*

### 2. Authorising context

2.1. Under the Group Authorising Framework, the Group Board is responsible for setting the overall Group strategic direction and objectives. Our partner organisations are responsible for developing and agreeing their own strategies within the envelope of overall group strategic objectives.

### 3. Risk appetite and assessment

- 3.1 We do not have a defined risk appetite in relation to strategy, as this can involve multiple elements of our risk appetite framework. The development of our Green Investment Plan as part of our strategy envisages us working in partnership with the Scottish Government.
- 3.2 A risk to the development and implementation of the plan is that we do not secure Scottish Government support. We can partially mitigate this risk by ensuring that we clearly understand and can articulate how we can support the delivery of Scottish Government national objectives. These objectives are set out in the Scottish Government's Draft Infrastructure Investment Plan 2021-26.

## 4. Background

- 4.1 Our trajectory to decarbonise the organisation began in 2012 when undertaking our first Carbon Footprint assessment. Our corporate operations aim to be zero-carbon by 2026, and we are targeting 'net zero GHG emissions' by 2030 — a full 20 years ahead of the UK Government goal. This objective forms a core part of our Sustainability Strategy, which is modelled on the UN Sustainable Development Goals, with a particular focus on improving the lives of the communities we serve, thereby furthering the reciprocal benefits to Wheatley as a corporate entity as well as to staff, customers and communities throughout Scotland
- 4.2 The Scottish Government released its draft Infrastructure Investment Plan (IIP) on 25 September 2020. The IIP is a 30-year vision to support and enable an inclusive 'net zero' carbon economy. Consultation responses are to be received by the Scottish Government by 19 November 2020. There are 10 consultation questions which are listed in **Appendix 1**, along with some indicative answers to illustrate for the board how our response will be framed.

The Plan is framed under three key themes:



- 4.3 The draft plan introduces an investment hierarchy for all spending decisions with considerably greater emphasis on repairing/repurposing existing assets with new build a last resort. Most notably, funding for energy efficiency/decarbonising existing assets is set to be increased from £500m to £1.6bn over the next parliamentary term.
- 4.4 Whilst there is a stronger than ever focus on investment in existing assets, the outlook for New Build Investment is also positive with a 16% increase in real terms in the national budget allocation (up from £2.4bn to £2.8bn), not including the two TDMF (Transfer of Management of Development Funding) authorities (Glasgow and Edinburgh), which is included separately in their local government settlement and directly linked to UK/ Scottish Government budget negotiations yet to come.

- 4.5 As well as a stronger than ever focus on the green agenda, digital connectivity is also prioritised within the IIP, with large-scale investment in digital connectivity to all communities across Scotland. The IIP Executive Summary is included at **Appendix 2**.

## 5. Discussion

- 5.1. Our revised corporate strategy 2021-26, ***Your Home, Your Community, Your Future***, which is also subject to consideration at this Board meeting, takes account of the impact of Covid and the changed political and economic context, including the Programme for Government and the IIP Consultation.

- 5.2. Headline ambitions within the strategy which align to the IIP include:

- Our intention to seek to partner with the Scottish Government to develop **Wheatley Green Investment Plan**, affirming our commitment to work towards low or net zero carbon, which includes an ambition to bring a quarter of our stock to net-zero carbon
- Strengthening our commitment to investment in our **digital infrastructure** to enhance our ability to provide services and engage with our customers digitally.
- Seeking to use our influence to improve digital inclusion for our customers through a **Wheatley Community Connection Plan** seeking to support all customers to have affordable home broadband connections
- **Accelerating the reduction of our corporate estate** and its carbon footprint by introducing our new operating model, combined with increased levels of digital and online customer engagement
- **Energy Efficient Design** as a key characteristic of all the house types in our Wheatley 24 range and other bespoke house designs, minimising the total cost of running a home for customers, eliminating fuel poverty in our new build homes and supporting our sustainability goals
- **Creating over 10,000 jobs** either directly or indirectly through our £630m capital investment programme
- Expanding the **Wheatley Works** programme with an aim to help **4000 customers into jobs, training or apprenticeships opportunities**

- 5.3 Our Green Investment Plan in particular aligns with the Scottish Government draft Infrastructure Investment Plan (IIP) priorities set out by the Infrastructure Commission, which is also threaded through to the Programme for Government (PfG) 2021-2022.

### **An Enhanced Wheatley Green Investment Plan (WGIP)**

- 5.4 Our current ask of Government in relation to our Green Investment Plan is centred around a pioneering suite of approaches focussed on:
- the 'energy' supply and efficiency within our existing stock
  - the design of our new homes

5.5 It will include :

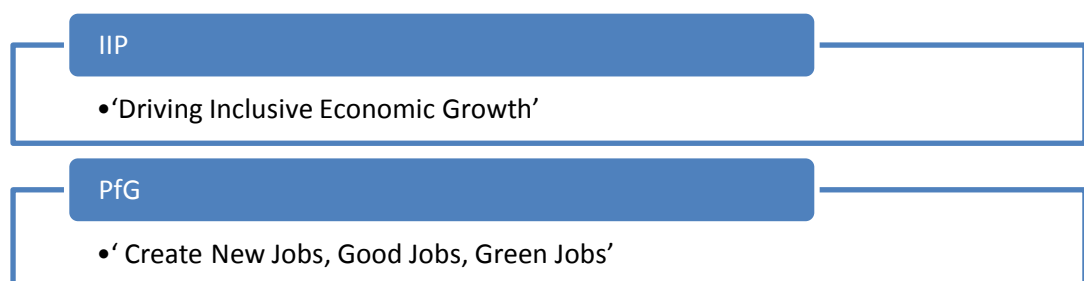
- our commitment to make all new homes low carbon
- significantly increasing the use of renewable energy generation at source, within our existing homes
- significant investment in retrofitting to increase the energy efficiency and reduce the carbon footprint of our existing homes

5.6 As it stands, the plan will create and support up to 1,000 jobs in the Scottish supply chain. However, the publishing of the IIP and request for responses, provides us with an opportunity to put down a place marker with the government of our intention to submit an *enhanced* Wheatley Green Investment Bid, reflecting a wider set of outcomes not just those associated with energy efficiency.

5.7 Our enhanced WGIP will be an offer to Scottish Government covering the main outcomes in the IIP including not only investment in our existing assets and our new build programme but also, digital transformation across our communities, our corporate accommodation strategy, our transport strategy and an even larger commitment in terms of jobs and training. The plan will essentially be an offer of strategic partnership to the Scottish Government, which will cut across a number of Ministerial portfolios including:

- Transport, Infrastructure & Connectivity
- Economy, Fair Work & Culture
- Communities & Local Government
- Environment, Climate Change & Land Reform
- Education & Skills

5.8 In doing so, we aim to achieve maximum impact not only in terms of our own strategic outcomes but also the Government's, thus answering the question 'Why Wheatley, Why Now?' Within our enhanced WGIP, there will be a focus on the elements of both national agenda, that address climate change targets, environmental sustainability and also those that harness the social impact of a 'just transition' through our services and assets; for the benefit of our customers across Scotland. We will seek to bridge the Scottish Government's national plans in the following areas:



5.9 Supporting these related themes, we will aim to increase our proven successes by offering new opportunities for retraining, up skilling and 'Green Apprenticeships' through our strategic partnership approach and in support of the Scottish Government's forthcoming Climate Emergency Skills Action Plan.

- 5.10 We will also include proposals to enhance access to digital connectivity for communities, innovation that improves opportunities for learning and the adoption of digital tools within our services.
- 5.11 We will also look to partner with the Government to deploy zero emission fleet capacity within the Group and end our use of fossil fuels by 2032. This will include ensuring we have the correct infrastructure to support this transition in our fleet network.
- 5.12 We will also look to partner with government in relation to decarbonising our office estate (as part of our new hub model) and deploy renewable generation and energy storage technologies within our customer's homes. This will be installed by customers through the aforementioned Green Apprenticeships, as a means to close the circle on investment and increase access to good quality jobs that will be needed as part of the transition to a net-zero economy.

IIP

- 'Building Resilience and Sustainable Places'

PfG

- 'Promoting Equality and Helping Young People Grasp Their Potential'

- 5.13 Pulling together these two related themes above will seek to support and reflect the specific needs of our economy post Covid19, for example by utilising our existing network of services and assets to the benefit of Group customers who wish to start a career or start/grow their own business supported by Group infrastructure and skills networks.
- 5.14 Digital inclusivity is a key theme within the IIP, the new £60 million [Youth Guarantee](#) and expressed through their target to 'end digital exclusion of poverty'. To this aim our enhanced Green Investment Plan will implement the findings of the [Government's Technology Ecosystem Strategy](#) which envisages meeting the target through education, infrastructure, and funding.

IIP

- 'Enabling the transition to net-zero emissions and environmental sustainability'.

PfG

- 'Promoting Lifelong Health and Wellbeing'

- 5.15 Our target is to be carbon neutral by 2026, in order to achieve this we will not only be targeting the capital investment projects outlined above but we will also embed sustainability as an ethos across everything that we do. This will include, '**thinking green**' (or carbon neutral) in everything we do from the procurement of goods and materials, to the design and location of our offices and transportation choices. We will introduce this ethos as part of our staff engagement sessions planned for the launch of **Your Home, Your Community, Your Future**.

- 5.16 In support of the wider national scope of [Climate Change](#) legislation, regulation and ambition our WGIP will also identify and seek to repurpose land for Green Infrastructure. This will protect our communities from flood risk as well as providing biodiversity. We are already working with a range of communities and have planted over 2,500 trees in the past 3 years, however we can go further by helping to meet the Government's 18,000 hectares of tree planting by 2024 as well as working with communities to allocate space for 'rewilding' of certain areas to improve habitat value.
- 5.17 In meeting our own target of Carbon Neutral by 2026, it may be that a certain proportion of carbon will be 'off-set' if it cannot be affordably removed. The strategy of achieving this by improvements to our own land assets and the environment of our customers is preferable to purchasing carbon credits.
- 5.18 Our enhanced WGIP will establish Wheatley as a role-model for sustainability nationally and beyond, benefiting our customers, our business and improving the environment as well as influencing the rest of the sector to raise its standards.

## **6. Key issues and conclusions**

- 6.1 The pandemic has necessitated the government to focus on rebuilding the economy aligned with the green agenda. The launch of our new corporate strategy in parallel with the Scottish Government's Programme for Government and the Infrastructure Investment Plan Consultation provides a unique opportunity to place a marker with the Scottish Government of our intention to submit a partnership bid in the form of an enhanced Green Infrastructure Plan.
- 6.2 Our enhanced WGIP will include a number of infrastructure related ambitions that will align with the Scottish Government's strategic ambitions from 'Transport, Infrastructure & Connectivity' and 'the Economy, Fair Work & Culture' to the 'Environment, Climate Change & Land Reform'.
- 6.3 The close alignment of our strategic ambitions, combined with our scale and diversity of operations covering a number of Ministerial portfolios will provide a strong basis for an attractive bid to partner with the government.
- 6.4 Over the next few months we will develop a series of projects and proposals which will form our offer to government and a financial ask of the government covering the duration of our strategy. A draft of the WGIP will be tabled at the December Group Board Meeting.

## **7. Value for money implications**

- 7.1 There are no value for money implications associated with this report.

## **8. Impact on financial projections**

- 8.1 Our enhanced Green Infrastructure Plan will aim to secure a significant funding deal with Scottish Government. The exact sum will require to be sized following further scoping work over the coming weeks to identify a suite of individual project proposals.



- 8.2 If secured, this funding will at the very least contribute to a reduction in capital spend within the Investment Programme by extending the life of some of our existing heating systems.

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

- 9.1 There are no legal, regulatory or charitable implications contained in this report.

## **10. Implementation and deployment**

- 10.1 A multi-disciplinary, cross group Project Team will be formed to deliver the Wheatley Green Investment Plan, led by the Property Development & Initiatives Team. The bid will be presented in draft form to the Group Board in December 2020.

## **11. Partnership implications**

- 11.1 The bid will if successful will further cement our status as a key strategic partner for the government.

## **12. Equalities impact**

- 12.1 None.

## **13. Recommendations**

- 13.1 The Board is asked to:
- 1) Note the content of this report and our intention to respond to the consultation to support our forthcoming WGIP;
  - 2) Note our plan to prepare an enhanced Wheatley Green Investment Plan for submission to Scottish Government; and
  - 3) Note that a draft of the Wheatley Green Investment Plan will be presented to the board at the December meeting

## **List of Appendices**

Appendix 1: Consultation Questions and Indicative Summary [redacted]

Appendix 2: IIP Executive Summary



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

# A NATIONAL MISSION WITH LOCAL IMPACT

Draft Infrastructure Investment Plan  
for Scotland 2021-22 to 2025-26



# EXECUTIVE SUMMARY

Scotland aims to deliver a wellbeing economy. That means ensuring society thrives economically, socially and environmentally, and that we deliver sustainable and inclusive growth for all. Making the right investments in the right places is crucial.

## **Delivering our National Infrastructure Mission**

Analysts<sup>1</sup> have shown that investment in infrastructure can provide a significant boost to the Scottish economy. That is why, in 2018, the First Minister committed to our National Infrastructure Mission to increase annual investment by 1% of 2017 Scottish Gross Domestic Product (GDP) by end of next Parliament.

We are the first part of the UK to commit to such unprecedented growth to meet the level of investment of our international competitors. This will support tens of thousands of jobs and is estimated to stimulate the Scottish economy by between £10 and £25 billion over the next 15 years.

Our high level Capital Spending Review Framework<sup>2</sup>, published alongside this draft plan, sets out how we will ensure sufficient investment to deliver the National Infrastructure Mission. The Capital Spending Review Framework and the Infrastructure Investment Plan, once finalised, will provide a strong and coherent framework for directing, analysing, shaping, and prioritising future commitments.

Alongside building and maintaining infrastructure, our capital investment supports the economic growth we want to see by investing directly in businesses to boost innovation and employment, funding research and development, and capitalising the Scottish National Investment Bank.

This draft Infrastructure Investment Plan puts more flesh on the bones and sets out what we are doing with those capital funds spent on infrastructure. It provides a strategic picture of Scottish Government-wide priorities across financial years 2021-22 to 2025-26. It is draft because we are taking the opportunity to consult on some key aspects before the Plan is finalised, later this year.

## **Building on the Infrastructure Commission for Scotland Recommendations**

To support delivery of the National Infrastructure Mission, Scottish Ministers established an independent Infrastructure Commission for Scotland. The Commission started work in 2019 and has reported its findings in two phases: Phase 1 recommendations on the right ambition, vision and strategic priorities, published in January 2020; and Phase 2 advice on how infrastructure is delivered. This advice was published in July 2020 and we will respond formally to those recommendations at a later date.

This plan focusses on adopting and building on the recommendations of the Commission in its Phase 1 report. It sets out our long term vision for Scottish infrastructure, shows how we will choose the right future investments, and sets out a 5 year programme of further improvements in our approach.

Our Infrastructure supports Scotland's resilience and enables inclusive, net zero, and sustainable growth

## **What we will deliver**

In delivering this vision, the draft Infrastructure Investment Plan will focus on three core strategic themes for guiding investment decisions in Scotland:

- **Enabling the transition to net zero emissions and environmental sustainability**
- **Driving inclusive economic growth**
- **Building resilient and sustainable places**

These themes link directly to Scotland's National Performance Framework: our overall purpose and national outcomes to support Scotland's wellbeing. Consistent with our international outlook, they also match the UN Sustainable Development Goals. The Infrastructure Investment Plan offers a strong contribution to the Government's response to the COVID-19 crisis. It is closely linked to the development of the next National Planning Framework – which will support delivery of this Plan by shaping the geographic distribution of development and infrastructure – and the Climate Change Plan, which will be updated later this year to incorporate green recovery proposals.

<sup>1</sup> <https://www.gov.scot/publications/exploring-economic-rationale-infrastructure-investment/>

<sup>2</sup> <https://www.gov.scot/isbn/9781800040946>



Our draft Plan highlights those investments the Scottish Government delivers itself or through its own agencies and non-departmental public bodies. It does not cover investments by the UK Government or the private sector, nor by Councils, recognising their independence. Some of our key investments include:

#### Enabling the transition to net zero emissions and environmental sustainability

- Over £500 million will be invested over 5 years in active travel
- Investing £1.6 billion over the next five years to decarbonise heat in buildings, including £55 million new investment in energy efficiency and £95 million programme to decarbonise the public sector estate.
- Investing up to £75 million to improve local authority recycling collection infrastructure, accelerate the landfill gas capture and improve waste data through electronic waste tracking.
- Increasing forest cover, reaching 18,000 hectares of new woodland in 2024-25 as part of a £350 million programme

#### Driving inclusive economic growth

- Strengthening connectivity through the £600 million Reaching 100% (R100) programme that will ensure people in every part of Scotland have access to superfast broadband by end 2021.
- Doubling investment in bridge and roads maintenance, enhancing safety with a programme of around £1.5 billion over 5 years
- Stimulating innovation and our international attractiveness by concluding our £75 million investment in the National Manufacturing Institute Scotland
- Investing £525 million to deliver the next five years of £5 billion city region and regional growth deals.

- £30 million in delivering the National Islands Plan, supporting a range of areas, including tourism, infrastructure, innovation, energy transition and skills.

#### Building resilient and sustainable places

- Investing £275 million to support community-led regeneration and town centre revitalisation as part of a new Place Based Investment Programme
- Invest over £2.8 billion in direct capital grant funding, over 5 years, to deliver more affordable and social homes, continuing to ensure the right types of homes in the right places reflecting and supporting Local Housing Strategies and regional development priorities.
- Scottish Water is planning to invest over £4 billion in the next charge control period 2021-27 to maintain and improve services across Scotland, address the challenges of its aging asset base, and make progress towards the achievement of its commitment to net zero emissions by 2040.
- Together with Councils, fund an ambitious £2 billion Learning Estate Improvement Programme, using an outcomes based revenue finance approach.
- Invest over £220 million in the Baird and Anchor project in Aberdeen and deliver a £300 million programme of investment to expedite completion of our elective care centres
- Invest £25 million in the system development required to build on the 50-fold increase in patient use of NearMe digital healthcare services.

Scottish Government defines infrastructure more widely than some parts of the UK, including digital and social infrastructure for example. The Infrastructure Commission worked with this definition in their Phase 1 report and recommended we newly add 'natural infrastructure'. We are consulting in this draft plan on that recommendation.

#### Infrastructure is:

"The physical and technical facilities and other fundamental systems necessary for the economy to function and to enable, sustain or enhance societal living conditions.

These include the networks, connections and storage relating to the enabling infrastructure of transport, energy, water, telecoms, digital and internet, to permit the ready movement of people, goods and services.

They include the built environment of housing; public infrastructure such as education, health, justice and cultural facilities; safety enhancement such as waste management or flood prevention; and public services such as emergency services and resilience."



### Responding to COVID-19 and long-term trends

Our draft plan responds to the significant near-term challenges presented by the COVID-19 pandemic, recognising the profound impact the virus has had on our whole way of life. This has impacted on all of our communities and people, but particularly those who were most at risk to start with. Infrastructure has a vital role to play in helping businesses and communities to adapt and recover.

Alongside the harmful consequences of COVID-19, we have seen a number of positive shifts as people's lives became home-based, for example towards active travel or to make more use of digital services. Our draft Plan highlights our response, including:

- Investing in digital connectivity to help businesses and users wherever they live and work, and accelerating digital service provision, reducing the need to travel
- Supporting safe active travel and local, accessible public services in vibrant places
- Supporting green and blue spaces to provide access to nature
- Supporting positive social change such as new approaches to rehabilitation, and reduced homelessness
- Whilst not all is infrastructure, we will invest in job-creation to preserve and generate employment to support economic recovery.

Infrastructure investment provides assets for the long term. Consequently, we need to consider in our planning those long term trends that affect the nature of the infrastructure needed, whether due to climate, technological or demographic change. This draft plan sets out the nature of those trends, and highlights the key adjustments in our investment approach that will be required to respond well:

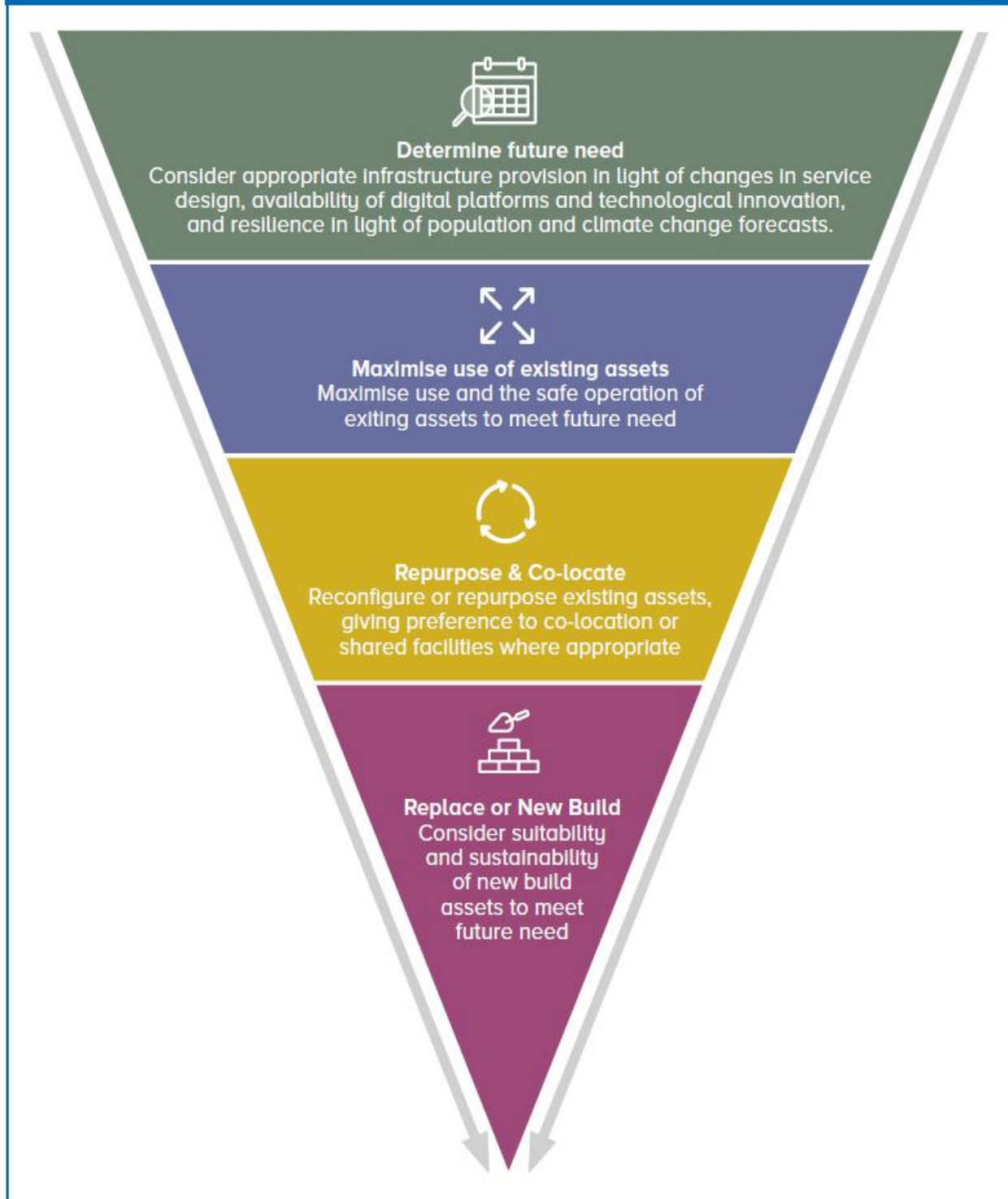
- **Climate** – adapting to climate change as well as mitigating emissions
- **Technology** – enhancing digital services and platforms; and increasing support for data handling and storage
- **Demography** – meeting the needs of a greater share of older people in our population; focusing services and homes where people choose to live; and regenerating areas of working-age population decline.

### A new common investment hierarchy




The Scottish Government has also accepted the Infrastructure Commission recommendation to develop an 'investment hierarchy' which prioritises enhancing and maintaining our existing assets over new build. This is needed to protect our environment, and ensure value for money.

We propose a new Scottish Government-wide common hierarchy to aid planning and decision-making. We are consulting on the details in this draft Plan, as the hierarchy will drive future investment choices.

In practice, the hierarchy means that each step would need to be considered, in turn, before deciding the right new approach. For example, something new might only be built if there is still a demonstrable service need for a facility, and an existing asset can't be re-purposed. In future, a higher proportion of investment is likely to be directed towards the initial steps in the hierarchy than in previous years. As part of that we will be addressing backlogs by working towards doubling investment in maintenance and asset enhancement over the next 5 years.



## OUR INFRASTRUCTURE INVESTMENT PLAN 2021-22 TO 2025-26 – AT A GLANCE

Vision	Our Infrastructure supports Scotland's resilience and enables inclusive, net zero, and sustainable growth		
<b>Different</b> 	<ul style="list-style-type: none"> <li>• A coherent, strategic plan – based on long-term trends across 3 Themes under a common Vision</li> <li>• Consistent portfolio coverage from 2021-22 to 2025-26 – matching National Infrastructure Mission delivery</li> <li>• A new common investment hierarchy – enhancing and maintaining existing assets ahead of new build</li> <li>• Based on outcomes, not inputs – with a 5 year programme of improvements in our assessment framework</li> <li>• Promoting meaningful public engagement</li> </ul>		
<b>Consult on</b> 	<ul style="list-style-type: none"> <li>• The inclusion of natural infrastructure within the Scottish Government definition of infrastructure</li> <li>• How we should prioritise – the common investment hierarchy approach</li> <li>• How we should prioritise – how we best assess the potential benefits and impact of proposed infrastructure</li> <li>• How we might best assess the carbon impact of future Infrastructure Investment Plans</li> </ul>		
Three themes	Enabling Net Zero Emissions and Environmental Sustainability	Driving Inclusive Economic Growth	Building Resilient and Sustainable Places
<b>More</b> 	<p><b>Emissions Reduction</b></p> <ul style="list-style-type: none"> <li>• Decarbonising transport</li> <li>• Supporting Active Travel</li> <li>• Decarbonising heat &amp; boosting the energy efficiency of buildings</li> <li>• Decarbonising industry</li> </ul> <p><b>Supporting a circular economy</b></p> <p><b>Boosting Resilience &amp; Adaptation</b></p> <ul style="list-style-type: none"> <li>• Adapting to change at our coasts</li> <li>• Flood risk management</li> </ul> <p><b>Investing in our Natural Capital</b></p> <ul style="list-style-type: none"> <li>• Woodland creation</li> <li>• Peatland restoration</li> </ul>	<p><b>Strengthening Connectivity and digital services</b></p> <ul style="list-style-type: none"> <li>• Full fibre broadband and 5G</li> <li>• A safe, sustainable, integrated and resilient strategic transport system</li> </ul> <p><b>Boosting Competitiveness</b></p> <ul style="list-style-type: none"> <li>• Strategic tourism investments</li> <li>• Manufacturing &amp; Innovation</li> </ul> <p><b>Inclusion and Growth</b></p> <ul style="list-style-type: none"> <li>• City and Regional Growth Deals</li> <li>• Additional transport links alongside the Deals</li> <li>• Improve outcomes for island communities</li> </ul>	<p><b>Better Local Places:</b></p> <ul style="list-style-type: none"> <li>• Community-led Regeneration</li> <li>• Town Centres</li> <li>• Digital planning</li> </ul> <p><b>Suitable, Warm, Affordable Homes</b></p> <p><b>High Quality Social Infrastructure</b></p> <ul style="list-style-type: none"> <li>• Digital health</li> <li>• Enhanced local &amp; elective health services, to reduce acute need</li> <li>• Learning Estate Investment Programme</li> <li>• New Justice facilities</li> <li>• Improving our water and waste water infrastructure</li> </ul>



## Report

**To:** Wheatley Housing Group Board

**By:** Olga Clayton, Group Director of Housing and Care

**Approved by:** Martin Armstrong, Group Chief Executive

**Subject:** DGHP Transformation Programme

**Date:** 28 October 2020

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### 1 Purpose

- 1.1 To provide an update on the Time to Excel transformation programme for DGHP which was approved by the Group Board in February 2020 and seek approval of a revised transformation programme that reflects the new emerging Group strategy to 2026.

### 2 Authorising context

- 2.1 Under the Group Authorise/Manage/Monitor Matrix, the Wheatley Board has responsibility for ensuring progress with key strategic projects such as DGHP's migration to operating successfully as part of Wheatley.

### 3 Risk appetite and assessment

- 3.1 The transformation programme is covered by the operating model (modernising services etc) category in the Group's risk appetite framework. Risk appetite in this area is "**Hungry**". This level of risk tolerance is defined as "eager to be innovative and choose options offering potentially higher business rewards (despite greater inherent business risk)".

### 4 Background

- 4.1 In February 2020, the Group Board approved the DGHP 'Time to Excel' transformation programme that delivers the DGHP Partnership Promises and enables integration of DGHP as a successfully operating subsidiary within the Wheatley Group.
- 4.2 Significant progress has been made against the plan since February, demonstrating our ability to deliver large scale transformation, whilst remaining agile to ensure we continue to deliver an outstanding customer experience. The transformation programme was launched just prior to the emergence of COVID-19. As a result, in some areas of the programme the pandemic has significantly accelerated our implementation to deliver more wraparound services at pace to customers in Dumfries and Galloway.



- 4.3 This has also resulted in a unique opportunity to take a strategic overview of the transformation plans in our new operating context and to recraft the DGHP transformation programme to reflect the future operating model, aligned to the priorities within the group strategy to 2026, but remaining steadfast to the promises that were made to customers, staff and stakeholders as part of the Partnership Proposal.
- 4.4 The following sections provides:
- an update to the Board on the significant progress that has been made so far against the transformation programme; and,
  - sets out an updated transformation programme that will continue to deliver the partnership promises, but one that is reshaped to reflect the new operating environment and emerging strategy priorities to 2026.

## **5. Discussion**

### Progress Against the Plan

- 5.1 Since the launch of the transformation programme we have delivered significant progress against our ambitious plans. DGHP has benefitted from the full strength, expertise, and capacity of the group to ensure we remain agile to deliver transformation whilst also delivering essential services during the unprecedented challenges arising from the pandemic. Thanks to an incredible team effort across the group we have made significant progress with some of the key highlights including:
- Strengthening of the DGHP Governance arrangements with clarity on the governance framework as part of the Wheatley Group, a new Board Chair appointed, and a new Board Member appointed. The new DGHP Board have been very actively engaged to help shape their 2021-2026 Strategy and have contributed to the development of the new group strategy.
  - With the support of Wheatley Solutions, a completely new senior leadership team has been recruited to lead DGHP including a new Managing Director, Head of Repairs, Development Manager, Head of Investment and Compliance and two Heads of Housing. The new team has been formed with five of the appointments joining DGHP since February 2020, bringing a new energy, focus and drive within DGHP to deliver our ambitious plans.
  - Refinancing DGHP to create financial capacity for investment in its homes and to provide far greater business flexibility.
  - Wheatley Solutions, working closely with the DGHP repairs project team, have successfully completed the TUPE transfer of the DGHP repairs service from Morgan Sindall, bringing 93 new team members into DGHP. The new service, launched during lock down restrictions in April, has successfully implemented a new repairs IT system, dynamic resource scheduling, a sector leading supply chain arrangement with Saint Gobain that will realise a 9% saving on the cost of materials and a sector leading mobile roadside replenishment service.

- We have consulted on a new operating structure for housing management and we have now appointed 48 of the 51 posts into the new housing officer roles. The remaining posts will be appointed to and the whole team inducted into their new roles by the end of November. This will deliver the 1:200 patch model, ensuring we deliver this promise to customers and start to form much closer working relationships in local communities.
- Learning from the expertise of the group Universal Credit and Group Debt Recovery Teams (“GDRT”), we have carried out a fundamental review of our income management and empty homes relet procedures. Producing new online toolkits for our team and access to real time performance information down to an individual patch level. The new procedures, toolkits and performance framework will be used to induct the team into their new roles and help drive further performance improvements at DGHP.
- The Foundation have awarded 14 Bursaries to support DGHP customers to pursue further education and recruited our first Ignite Graduate.
- We have implemented the first of a three-year promise to cap rent increases to no more than 2%
- We have approved 68 new build homes at a cost of £15.5m and have started work on three of those sites at Lincluden, Sanquhar. and Monreith. The site at Monreith is being delivered by City Building.
- We have made significant progress in our shift to deliver a digitally enabled agile workforce across the region, whilst this was always part of our longer-term plans, we have made progress much quicker than was previously anticipated.

5.2 As a result of the pandemic we have accelerated delivery of services in some areas to meet the immediate needs of our customers. Our ability to react quickly and accelerate some of our transformation plans has delivered significant support to DGHP customers at a time when they need it most. These include:

- Delivery of the EatWell service as part of an accelerated group wide programme led by Wheatley Foundation, with 3,400 EatWell packages delivered to DGHP customers and attracting £197k of external funding to support over 1700 customers with fuel top ups, energy advice and emergency items.
- We have proactively made just under 50,000 contacts with our customers since the beginning of March, including 30,335 welfare checks. Developing a positive relationship and reassuring customers we are there to support them through difficult times
- We have accelerated the relationships formed between back-office support teams which have been aligned much more quickly with their group colleagues as part of our group wide COVID-19 response.
- We have provided 74 homes for use as temporary emergency accommodation to Dumfries and Galloway Council and re-let 206 tenancies to homeless households since the start of the pandemic.
- Working closely with colleagues in Wheatley Care we have rolled out a pilot of the Alertacall service for elderly customers to reduce isolation and provide reassurance.

- The digital skills of many of our customers and team have developed at a pace as we have all adapted to new ways of working and accessing services. We have seen an increase in email enquiries by 20% and a 15% increase in the use of the self-service portal compared to March 2020.
- 5.3 These significant steps to transform DGHP have been delivered with a continuing focus to maintain strong performance outcomes. DGHP have maintained good income collection performance with arrears remaining low at 4.24%, amongst the lowest in the group. With the support of Wheatley 360, the DGHP team have also demonstrated a real agility to re-let 358 empty homes as part of our group wide remobilisation plans. Our Housing Officers have carried out 1531 essential visits for gas servicing, essential rent visits welfare visits. The repairs service has consistently delivered emergency repairs within 2 hours across a vast rural geography, and we are pleased to report that DGHP has no outstanding gas servicing certificates. These achievements are outstanding given the context of transformational change and unprecedented challenges experienced over the last 6 months.
- 5.4 We have had to reshape some of our transformation plans to align with some of the restrictions imposed as a result of the pandemic. Some of the key areas rescheduled include:
- The development of the DGHP Strategy which was originally planned for May. The draft strategy is due to be presented to the DGHP Board in November.
  - Delivery of our repairs service at scale. Whilst we have made significant progress to complete the TUPE transfer and deliver a very responsive Safety First service we are now focussed on safely growing the repairs delivery model within the group remobilisation framework.
  - Investment in our homes to achieve SHQS and EEESH compliance. The Board approved an investment programme of over £20m in the 2020/21 budget and we were poised and ready to start delivery. However, all investment works were suspended due to COVID-19 restrictions. DGHP have now rescheduled our investment programme to ensure we remain focussed to meet SHQS, EEESH and our Partnership promises. The external investment programme for roof replacement and insulation recommenced in July and internal works will recommence from October. We expect to improve the SHQS compliance to 92% by the end of the financial year and reach full compliance in July 2021.
- 5.5 DGHP have also built on positive working relationships with key stakeholders across the region over the past few months. The Managing Director has joined the South of Scotland Regional Economic Partnership. Working closely with the South of Scotland Enterprise, and Local Authorities, the Partnership will shape the economic recovery plans for the South of Scotland. Positive relationships have also been formed with the Councils Executive Team and the Leader and Deputy Leader to help position DGHP as a key strategic partner in the region.

## 6 Developing the revised Transformation Programme

- 6.1 The reshaped DGHP transformation plan has been recrafted taking into account the new strategic landscape DGHP operates within. The plan sets out an ambitious course that will ensure DGHP moves towards a new way of operating that retains the core principles of outstanding customer experience, closer working relationships and transforming lives. However, our new norm gives us a unique opportunity to deliver services in a much more digitally enabled way, whilst ensuring that no one is left behind. Learning from the experiences over the last few months and feedback from colleagues across group we are developing a much more agile way of working in the future with home working and technology that enables remote access 24/7 for customers.
- 6.2 The transformation plan still aims to deliver the expected benefits from partnership that were set out in Wheatley's proposal to DGHP. These benefits are grouped in terms of their impact on **DGHP** as an organisation, its **stakeholders, tenants and staff**, and are summarised below:

### **Benefits for DGHP:**

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

### **Benefits for Stakeholders:**

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

### **Benefits for Tenants:**

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

### **Benefits for Staff:**

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

- 6.3 The new plan has been developed around the five workstreams of the original plan. However, there is a greater emphasis on embracing our new norm with a team that is more agile. The new plan also enables quicker alignment with Wheatley Care, Wheatley Solutions and Wheatley 360, enabling DGHP to draw down the Group expertise quicker but retaining our promise of local delivery in Dumfries and Galloway.
- 6.4 The five workstreams of the plan are:
- **Leadership** – developing the new DGHP strategy, Governance, Reputation and Partnerships and embedding of our 'Think Yes Together' culture
  - **Customer Service** – developing an outstanding customer experience with increased influence, embracing new ways to shape services and improved outcomes for customers
  - **People** – developing a high performing DGHP team that are energised and benefit from personal development opportunities which enables them to deliver an outstanding customer experience with confidence
  - **Business Infrastructure** – providing the operating and systems environment that supports DGHP to deliver services across the business; and
  - **Asset and Development** – investing to significantly improve the quality of our current homes and neighbourhoods and providing more affordable homes
- 6.5 The project plan is included in Appendix 1. This outlines the key activities that will deliver the plan, with the milestones broken down into phases to be achieved every three months. The revised plan has also been launched with employees across DGHP through a series of online zoom sessions and the new 'Time to Excel' transformation brochure at Appendix 2.
- 6.6 Delivering the revised programme will result in a new look DGHP by 2021. An organisation that incorporates new opportunities to develop a blended delivery model, with more homeworking, less time spent in offices and using technology to connect with customers, bringing the expertise from across the whole Group to the doorstep of our customers through the use new digital platforms.
- 6.7 The reshaped transformation programme aims to deliver significant progress over the next 12 months. This timeline is challenging for a programme of the scale and complexity planned but one we are committed to achieving.
- 6.8 Integral to re-launching the plan we will re-engage with customers to get their views, insights and priorities, ensuring customers continue to influence the delivery of DGHPs transformation at every stage.
- 6.9 Customers will see a step change in the transformation of their services with accelerated investment to improve homes and neighbourhoods, delivery of more new build homes across DGHP and the completion of our first homes since the new partnership was formed. This will be underpinned by continuing to deliver on our promise to cap any rent increase in 2021 to no more than 2%.

- 6.10 The revised plan has a clear project management framework, led by the Managing Director at DGHP and supported by the Group Executive Team with regular progress updates reported directly to the Group CEO.
- 6.11 DGHP's Board will provide the strategic context and direction needed for the transformation and will have overall responsibility for its success. DGHP's Managing Director will be accountable to the DGHP Board for reporting and ensuring overall progress including that the benefits of partnership are realised. Progress towards the overall outcomes will be reported to the DGHP Board every three months.
- 6.12 Given the strategic importance of the transformation and the associated interdependencies from a regulatory, governance, performance and reputational perspective, progress towards the overall outcomes will be reported every three months to the Wheatley Board.

## **7. Key issues and conclusions**

- 7.1 Significant progress has been made against the DGHP transformation programme since it was approved by the Group Board in February 2020. The pandemic has resulted in some areas of transformation being accelerated and others being rescheduled in line with restrictions imposed over recent months. The reshaped Time to Excel programme for DGHP aims to build on the positive momentum and sets out ambitious plans to deliver on our Partnership Promises.

## **8. Value for money implications**

- 8.1 The transformation programme fits with all three of the value for money drivers that customers across Wheatley have identified – repairs, investment in homes and 24/7 customer services. Implementing the programme will help ensure that value is delivered for DGHP customers.

## **9. Impact on financial projections**

- 9.1 The transformation programme will be delivered within existing DGHP and Wheatley business plans.

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

- 10.1 There are no legal or charitable implications associated with the transformation programme. Ensuring DGHP exits high engagement with the SHR is a specific intended benefit of partnership that will be supported through delivering the programme. We continue to provide regular updates to the SHR as part of our routine engagement across the Wheatley Group.

## **11. Partnership implications**

- 11.1 Strengthening DGHP and its ability to deliver local priorities including new build and employability opportunities through the transformation programme will enhance its relationship with key stakeholders.

## **12. Implementation and deployment**

- 12.1 Implementation timescales are included at Appendix 1. A specific identity 'Time to Excel' has developed for the transformation programme to support engagement and bring those involved together, with a single purpose.

## **13. Equalities impact**

- 13.1 Equalities implication will be considered as part of detailed scoping and delivery of applicable activities in the transformation programme.

## **14. Recommendations**

- 14.1 The Board is asked to:
- 1) Approve the revised transformation programme for DGHP; and
  - 2) Note that updates against the plan will be provided every three months.

## **List of Appendices**

- Appendix 1: Time to Excel transformation programme  
Appendix 2: Time to Excel staff brochure - September 2020

# Time to Excel

## DGHP Transformation Programme



# The building blocks in 3 phases

## Phase 1

Remobilise and build capacity

June to Sept

- Head(s) of housing recruited
- Restart external investment works in July
- Start recruitment for vacant housing posts in DGHP in September
- Start consultation with DGHP support services to align with Wheatley Solutions quicker.
- Start work to map out move to group wide IT systems
- 24/7 out of hours service with Wheatley Contact Centre

## Phase 2

Transform to future delivery model

Oct to Dec

- Develop new DGHP Strategy
- Start review of DGHP supported housing to align with Wheatley Care quicker
- Appoint to remaining Housing Officer posts for induction in Nov / Dec.
- Train new teams on processes, wraparound toolkits and 'Think Yes Together'
- Brand developed and agreed
- Review Homes 4D&G Partnership

Jan to March

- Delivering new repairs service at scale
- Develop DGHP processes to align with group IT systems
- Engage with Board to agree new DGHP strategy by January
- Roll out new DGHP service and complete initial induction programmes – launch new service delivery model.

## Phase 3

'Step change'

April onwards

- **Continue to embed cultural change and leadership programme**
- **Delivering new blended / agile housing model**
- **More wraparound support services for customers - My Savings**
- **TUPE Gas Service into DGHP**
- **Deliver further 22m investment into homes, meet SHQS standards and compete first new build sites**
- **Move out of Crichton offices as part of new operating model (June)**
- **Move onto group systems and unlock full digital transformation**

# Phase 1 – By end of September

## Phase 1

**Remobilise and build  
capacity**

- Head(s) of housing recruited
- Start recruitment for vacant housing posts in DGHP in September
- Use current capacity of 52% of front line housing teams to deliver services for DGHP in current roles
  - Visiting team x 8 FTE
  - Home working housing team x 10 FTE
  - Income team x 11 FTE
  - Lettings team (with DGC) x 5 FTE
- Restart external investment works in July
- Enhanced out of hours service with Wheatley Contact Centre 24/7
- Restart external works towards SHQS / EEESH and Customer Promises
- Consult staff to align support teams with Wheatley Solutions
- Start work to move to group wide IT systems (Astra, iWorld, Go Mobile, Finance, HR, PIMMS etc.) – unlocking self service and digital potential for future delivery model)
- Make decision on new hub delivery locations based on smaller touchdown hubs with new agile and blended delivery model

# Phase 2 – By end of December

## Phase 2

Transform to future  
delivery model

- Recruit to remainder of 1:200 patch model and induction into new roles
- Introduce new ways of working for empty homes / income process
- Align DGHP support services with Wheatley Solutions
- Engage with Board to develop new DGHP strategy
- Re-engage with customers to get customer views to inform ongoing delivery of transformation at DGHP
- Review and agree DGHP future brand
- Develop Investment Plan with Development Committee to deliver 1000 homes
- Investment works in customers homes – prioritising SHQS and EEESH
- Review Homes 4D&G

# Phase 2 – By end of March

## Phase 2

Transform to future  
delivery model

- Board to agree new DGHP strategy
- Jan – Deliver new DGHP agile housing service with new hubs model and 1:200 patch
- Delivering full repairs service at scale
- Roll out more wraparound services to customers including
  - Handyperson service - Jan
  - Homecomforts
- Consult on rent increase no more than 2%
- Work with group IT team to develop DGHP processes to align with future group IT systems
- Deliver cultural change and leadership training
- Prepare to TUPE gas services from Saltire

# Phase 3 – April Onwards

## Phase 3

### Step Change

- New DGHP strategy in place
- New Housing Service fully recruited and trained with 1:200 patches
- Real focus on embedding empowerment and cultural change
- IT UAT and training
- DGHP on group IT systems unlocking digital potential
  - ASTRA upgrade
  - Self service options
  - 24/7 full contact centre services
  - Unlocking group wide digital innovations
  - Finance / HR information
- Deliver My Savings Programme to customers
- Gas Service TUPE'd into DGHP
- Approach developed and agreed to align DGHP support and care services with Wheatley Care
- Review of Homes 4 D&G complete and action plan in place to deliver changes

# Time to EXCEL<sup>\*</sup>

Putting your customers first

Transformation plan  
September 2020

**BACK! TO THE  
FUTURE**



# Transformation plan – Time to Excel

## Message from Managing Director Matt Foreman



So here we are... in September of 2020, nine months after DGHP joined Wheatley Group – and what a year it has been so far.....

As the coronavirus crisis unfolded across the country, DGHP

working closely with colleagues from across the group responded and adapted quickly – a massive thank you to each and every one of you for doing an amazing job during incredibly difficult times.

On top of dealing with one of the most serious pandemics in our history, you all delivered outstanding services, despite the many unprecedented challenges we faced.

You've also made sure that through all of this, we have remained true to our 'Think Yes Together' culture – thank you.

A large background image of a playground. In the foreground, there is a wooden swing set with a black seat. To the right, there is a large red sculpture of a horse. In the background, there are modern houses with colorful facades (orange, yellow, blue) and a green lawn.

*“It’s important to note that, while a lot has changed over the last few months, many things haven’t. The commitments made at the outset for you and our customers remain the same. We are absolutely committed to delivering all of the partnership benefits as well as some new benefits that have emerged over the last few months.”*



It shouldn't be forgotten, however, that we have helped thousands of customers during lockdown with many new initiatives – many of which were introduced much earlier than planned.

This is thanks to you and your amazing efforts that we have been able to deliver on all of this during the last few months.

Just as we started to progress our transformation programme, Time to Excel, we had to pause and adapt our plans to the emerging customer and staff priorities and as the pandemic worsened we focused on the delivery of essential services for our customers.

While some of the transformation may have paused, however, we didn't stand still. And we have already made some good progress against some of the partnership promises. As we now embark on the next stage of our transformation journey, your feedback, and that of our customers, has shaped future plans for our new way of working – the 'new normal'.

As we restart our transformation, here we take a closer look at what we've delivered since we joined Wheatley; we'll reflect on what we've achieved sooner than planned and we will also look at what's next as we remain agile and adapt for the future.

### **Our commitments remain**

It's important to note that, while a lot has changed over the last few months, many things haven't. The commitments made at the outset for you and our customers remain the same. We are absolutely committed to delivering all of the partnership benefits as well as some new benefits that have emerged over the last few months.

When we joined Wheatley, we pledged to improve and expand our services with more

accessible housing officers who offer more personalised services in our communities with increased wraparound support for our customers where they need it.

We also pledged to have all of you in the right place, in the right roles and with the responsibilities and support to make it happen.

You told us that you wanted to be empowered to make a real difference and we have made positive strides to make sure you are. The Covid restrictions have already demonstrated how well everyone has worked as one big team.

Recruitment for the next stage of the 1/200 housing model is well underway and the 'think yes together' culture is evident across DGHP already.

You also told us you wanted to work in a culture where there was trust at all levels, and where we all grow and develop. With the introduction of many new initiatives, including the bursary scheme and the apprenticeship programme, we are already making a great start.

In terms of staff benefits, as we move to the 'new normal' we will start to see the introduction of staff benefits, for example W.E Benefits, the introduction of our 24/7 confidential helpline and a new improved occupational health service.

This is a great opportunity to build a great future; it really is your time to excel and we look forward to this next step in our journey Back! To The Future.

Remember, though, one thing that remains a priority – in everything we do – is the safety of you, our staff, and our customers, at all times.

*Matt*





## Commitments we have delivered on

During 2020 and the ongoing pandemic, we were still able to realise many of the benefits of the Wheatley partnership and we have made good progress on some of our commitments.

It's absolutely with thanks to you all that we've achieved all of this, together, in challenging times. For example, we have –

- Strengthened DGHP governance arrangements with a new Chair and Board Member
- Recruited a new senior team to lead DGHP
- Successfully completed the TUPE transfer of the DGHP repairs service from Morgan Sindall, including a new sector leading supply chain and new IT systems.
- Delivered the first year of our lower rents pledge for customers with the increase last year capped at no more than 2% (a three year promise)
- Refinanced the funding arrangements for DGHP, benefitting from extremely competitive rates and providing funding to invest in the quality of our current homes and the delivery of up to 1000 new homes over the next 5 years. Already we have approved 68 new homes at a cost of £15.5million - and started work on 49 of those in three different locations.
- Got the recruitment for our 1/200 patch delivery model for housing officers underway and we are aiming to have this in place by November 2020.

- Moved quickly towards a digitally-enabled and agile workforce working effectively from home and out in local communities.
- Provided homes to support homeless households throughout the pandemic.
- Kept customers, staff and stakeholders up-to-date through our varied communications
- Listened to the views of staff through the recent survey and the feedback has shaped our future 'new normal'

## Commitments still to be delivered

However, despite strong progress in these areas, circumstances have meant that we have not achieved some of our original targets set out in the transformation plan due to the impact of the pandemic. These include –

- The development of DGHP's future strategy
- The delivery of our repairs service at full scale
- Investment in our homes to achieve Scottish Housing Quality Standard (SHQS) and EESSH and
- The transfer of our gas servicing and heating maintenance service in-house

These will form part of our priorities as we move forward in the next few months.





DGHP

Eat Well  
25,000

DGHP

Field & Trial

MAINTENANCE

A NUTRITIONALLY COMPLETE FOOD FOR WORKING DOGS

15 kg NET





## Commitments delivered quicker than planned -

Since the end of March we have re-prioritised some of the original plans – and been able to deliver some commitments for our customers earlier than planned. For example, these include –

- The delivery of more than 3,200 food parcels to vulnerable customers in need through the early launch of the EatWell project
- Attracted almost £200,000 of external funding to support customers with fuel top-ups, energy advice and emergency items
- Proactively made over 38,000 contacts with our customers developing positive relationships and reassuring them we are there for them
- Awarded 14 bursaries to DGHP customers under Wheatley's bursary programme
- Recruited housing graduates for Wheatley's Ignite Graduate scheme
- Introduced Alertacall to give some older customers extra security in their homes
- Benefitted from close working with colleagues at Wheatley and started to align back-office support teams quickly
- Developing positive working relationships with key stakeholders including the council, police and health and social care
- Providing 74 homes for use as temporary emergency accommodation to the local authority and we have agreed to allocate homes for those in high housing need or homeless

## Emerging changes

There are a number of things that have developed and changed over the last few months. These bring both challenges and opportunities and include –

- A real opportunity to include these emerging changes (as a result of what we've learned through the pandemic) into our transformation plans for DGHP
- Having a chance for you, our team, and customers to pioneer a new digital future like never before – through a more agile service model, including home-working, better use of IT self-service systems and touchdown hubs
- Being able to align ourselves more quickly with Wheatley 360, Wheatley Care and Wheatley Solutions as well as deliver many more wraparound services for customers more quickly, with support from Group.

# So what does the ‘new’ DGHP look like for us?

It already looks very different and we will build on our great start – a forward thinking organisation that is embracing change and delivering excellent services to customers and ensuring staff benefits are high on the agenda.

## *For staff, as promised, there will be many benefits, including –*

- Enhanced career pathways
- Access to bespoke learning
- No compulsory redundancies
- Locally based teams delivering services in Dumfries and Galloway
- Being part of an organisation with a reputation for excellence
- WE Benefits

## *Things we will see in 2021 include –*

- The delivery of the 1/200 patch size with closer relationships and better performance
- A sector leading repairs service with an improved appointment system for customers – leading to higher satisfaction and quicker performance
- Bringing empty homes back into use for our customers quicker than ever
- An increased use of digital services by customers and our team
- Operating a blended delivery model in our communities – with home working, locality delivery and smaller touchdown hubs
- Back office teams aligned to Wheatley Solutions
- More wraparound services in place for customers aligned to Wheatley 360
- A new delivery model for income and empty homes **\*already well underway**
- Delivering an enhanced 24/7 contact centre for customers

# Timetable

So with all of that said, what happens next – and when? Here we take a look at what's to come over the next few months –

## **Phase 1 – Remobilise and build capacity (Underway)**

- Heads of Housing recruited
- External investment works restarted
- Recruitment underway for Housing Officer posts
- Start to align our services with Wheatley Solutions
- Start work to map out the move to Group-wide IT systems
- 24/7 out-of-hours Contact Centre

## **Phase 2 – Transform to future delivery model (2-stage) –**

### **➤ Stage 1 (October – December)**

- Develop DGHP's new strategy
- Start review of DGHP supported housing to align with Wheatley Care
- Appoint to remaining Housing Officer posts
- Train new teams on processes, wraparound toolkits and 'Think Yes Together'
- Reviewing our brand for the next stage of our journey
- Working in partnership to review Homes4D&G

### **➤ Stage 2 (January – March)**

- Deliver new repairs service at scale
- Develop DGHP processes to align with Group IT
- Engage with Board to agree new Strategy by January
- Roll out new our DGHP housing
- Roll out Handyperson service (January)
- Introduce Home Comforts

## **Phase 3 – Step change (April onwards)**

- Develop our leadership programme
- Deliver new blended/agile housing model
- Introduce more wraparound services for customers
- Transfer gas servicing and heating maintenance into DGHP
- Deliver further £22million investment to homes to meet SHQS
- Complete first new build sites
- Move out of Crichton offices (June)
- Move onto Group systems and unlock full digital transformation



## So ...what next?

The future for DGHP is looking very exciting. Each and every one of you has already helped us shape where we are today and what the future is beginning to look like.

DGHP is emerging as a different organisation – rising stronger from challenging times – and you will continue to have a say along this journey in what the future of DGHP looks and feels like.

You have all been incredible through the

pandemic and with your positive attitude and ‘Think Yes Together’ approach we have achieved more than we could ever have imagined this time last year.

You’ve given us great feedback recently through the staff survey, the focus groups and through the Q&A sessions with DGHP’s Senior Leadership Team – and that’s already shaped future plans and resulted in changes being made.





*Have  
your  
say*

We want to keep hearing your views, let's keep the conversation going. We want you to tell us your views, your thoughts and your priorities.

If you have any ideas, views or suggestions we need to consider at DGHP please email Matt and the senior team at [timetoexcel@dghp.org.uk](mailto:timetoexcel@dghp.org.uk)

We also promise to keep you updated as we progress through our transformation journey. There will be regular updates on our progress as we embark on what are exciting next steps to transform DGHP.





**To:** Wheatley Housing Group Board

**By:** Steven Henderson, Group Director of Finance

**Approved by:** Martin Armstrong, Group Chief Executive

**Subject:** Group Strategy 2021-26

**Date of Meeting:** 28 October 2020

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## **1. Purpose**

### **1.1. This report:**

- provides an update on the strategy sessions held by our partner organisation Boards since the last Group Board meeting;
- seeks the Board's approval for our draft 2021-26 Group Strategy, *Your Home, Your Community, Your Future*; and
- seeks the Board's approval for an engagement plan for staff, customers and stakeholders in respect of our new strategy

## **2. Authorising context**

- 2.1. Under the Group Authorising Framework, the Group Board is responsible for setting the overall Group strategic direction and objectives. Our partner organisations are responsible for developing and agreeing their own strategies within the envelope of overall group strategic objectives.

## **3. Risk appetite and assessment**

- 3.1. We do not have a single risk appetite in respect of Group strategy. The risk context facing the Group has changed in light of Covid-19, with an economic shock and expected resultant increases in unemployment and financial difficulties, particularly among lower income households. Our strategy for 2021-26 reflects this new context.
- 3.2. It is proposed that a series of risk workshops be held with Boards across the Group in the new year to ensure risks to achievement of our objectives are fully understood and articulated, with mitigations also documented.

## **4. Background**

- 4.1. The Board agreed the title, updated vision statement and executive summary of our new strategy in September. Since then, the further partner Board strategy workshops have taken place within Dunedin Canmore (second workshop), Wheatley Care and Lowther Homes.

## Discussion

### ***(i) Partner organisation Board strategy discussions***

4.2. Summary feedback from each of the partner Board workshops is provided in Appendix 1. The key themes are set out below.

- The vision and five strategic themes remain an appropriate and relevant way to structure the strategy for each partner organisation
- The vast majority of each partner organisations' draft strategies remained appropriate and, as the Fraser of Allander Institute noted, more timely and relevant than ever in light of the pandemic
- The Covid pandemic has provided an accelerant, which we should embrace, to the objectives and plans already set out in the draft strategy in two respects;
  - to increasing the use of digital methods for engaging with our customers and delivering services which are convenient, reliable and give the customer greater control;
  - while around 70% of our staff are not office-based, our staff operating model should transition to a more hybrid home/office working approach now for staff who were previously office-based, accompanied by wider support for our people to work and lead in a more digital context.
- Linked to the operating model and increased use of digital, agreement we should accelerate the reduction of our corporate estate, with support for exploring options such as repurposing for housing
- There is an opportunity within Care to lead to way in supporting older people to engage digitally as part of our overall Group acceleration of greater levels of digital engagement
- Affordability for our customers will be a key challenge due to the economic impact of Covid-19, particularly in terms of the labour market; so the proposals to bring forward the limit on rent increases to 2.9% from 2025 to immediately was strongly supported.
- The economic and labour market conditions, combined with the influence of the new combined care brand, represents an opportunity for care to be more competitive in attracting employees as well as having the potential to represent a route to employment for tenants
- The importance of stakeholder support in delivering some key aspects of the strategy, especially local authorities and the Scottish Government in respect of future policy and funding for housing and care.
- The green agenda is increasingly important, and we should seek to work with Scottish Government to deliver the funding necessary to further retrofit customers' homes to save them money on fuel bills and reduce our carbon footprint.

- Challenge in delivering our development and investment work due to Covid-19 restrictions were discussed, as well as the potential impacts and risks in relation to our supply chains.
- The potential structural changes in the labour market increasing home working and the potential increase in demand for access to open spaces and properties which can be used to support home working across all tenure types
- The asks of the Group Board reflected the view that Wheatley Solutions and the Wheatley Foundation are two key enabling vehicles in the Group that support our partner organisations in service delivery. In terms of Solutions, the Boards were keen to see a continued development of digital service offerings and engagement platforms for customers. The role of the Foundation in supporting customers who are experiencing hardship as a result of the pandemic emerged as a common thread. The importance of our continued role in facilitating training and employment for our customers was highlighted, especially with the impact on our communities of the furlough scheme ending.
- For our RSLs, there was a strong appetite for us to contribute at a local and national level to the homelessness agenda. This was however within the context of strong feedback that appropriate wraparound support must continue to be provided to a significant number of homeless people using the model of Housing First, and we also have a responsibility to maintain balanced, sustainable communities.
- For care, an opportunity to play a key enabling role within the wider Group contribution to homelessness and within Glasgow as part of the Alliance
- For Lowther Homes, the opportunity to play a stronger role in the supply required for homelessness through the provision of PRS stock
- A key issue for Lowther will be analysing and monitoring the current trends and market conditions to quickly identify any significant changes which might impact ongoing demand

**(ii) Revised full strategy**

- 4.3. Appendix 2 contains the draft full strategy document, building on the executive summary agreed in September. This reflects the themes and revisions set out in the September Board paper, with the addition of reference to our plan to create a single RSL platform in Glasgow. This supports our ambition to increase the number of new homes we can build, to keep rents affordable and to expand the regeneration outcomes we can deliver across the city.
- 4.4. Our new Group strategy, ***Your Home, Your Community, Your Future***, maintains all of the ambition originally contained in our 2020-25 draft, but takes account of the impact of Covid and the changed political and economic context.



The strategy reflects:

- An intention to seek to partner with the Scottish Government to develop **Wheatley Green Investment Plan**, affirming our commitment to work towards low or net zero carbon including bringing a quarter of our stock to net-zero carbon
- The potential to create a **new platform and brand** for investment and regeneration within Glasgow
- Accelerating the introduction of a **new blended operating model**, which maintains a focus on achieving a strongly personalised approach
- Strengthening our commitment to investment in our **digital infrastructure** to enhance our ability to provide services and engage with our customers digitally.
- In tandem seeking to use our influence to improve digital inclusion for our customers through a **Wheatley Community Connection Plan** seeking to support all customers to have affordable home broadband connections
- Setting ambitious proposals for how we can be a key partner at local and national level in **tackling homelessness**, supported by specific commitment to housing around 10,000 homeless households over the life of the strategy
- Drawing on our experience of the pandemic to **strengthen our understanding of families** and tailor our service offering accordingly. This includes introducing a specific family satisfaction target
- Accelerating our planned rent increase assumption reductions **to year 1** of the strategy
- **A 25% increase** in the level of Gift Aid to the Foundation £15m

As with the Executive Summary, the key changes are highlighted in blue text for ease of identification. We have also removed any elements of duplication of reflected factual updates such as DGHP's repairs service now being in house.

### (iii) Engagement and consultation

- 4.5. We propose to communicate our new strategy and operating model to all staff through Zoom sessions between November and February. These will be led by the Executive Team with support from the wider leadership team. With c2700 staff, this will mean an intensive programme of engagement to cover our whole workforce. Leadership team members will follow these sessions up locally with their own teams to ensure the key themes and objectives are understood and more detailed questions addressed. Towards the end of this programme, a series of additional sessions will be planned with the Group CEO to allow staff to follow up on specific aspects and ask questions.



- 4.6. We will also arrange virtual governance events on Zoom, to allow Board members (in mixed groups) to discuss our new Group Strategy in more detail. While all Board members will sign off, and will have had the opportunity to contribute to, their individual partner organisation strategies, this will allow all Board members to understand the wider Group context more fully.
- 4.7. We would anticipate a public launch of the strategy around April 2021, before the Scottish elections. We will hold individual discussions with key stakeholders such as local and national government partners around this time. However, given the context of likely continuing Covid restrictions, we do not anticipate holding any large meetings or media events with stakeholders. Our communication with customers and people we work for will include setting out the key highlights in our online and social media forums, as well as our written publications and communications (such as The Key for GHA). Our frontline teams will be well briefed on the key elements of their own organisation's strategy and will be able to discuss these with customers as part of their ongoing engagement.

## **5. Key issues and conclusions**

- 5.1. The draft 2021-26 strategy reflects the outcome of three months of intensive engagement and discussion with our partner organisation Boards. There was a strong degree of consensus that the majority of the previous draft strategy remained appropriate, with amendments in certain key areas to reflected the impact of the pandemic and changed economic context.
- 5.2. We propose to accelerate progress towards some of the objectives, such as our working model for staff, and expand our ambitions in other areas such as energy efficiency and broadband in our customers' homes. We propose to reflect a strengthened role in addressing the impacts of the pandemic on financial hardship in our communities, and set out more concrete targets for our role in addressing homelessness.
- 5.3. Partner Boards will also review updated versions of their own five- year strategies, which fit within the framework of the Group strategy, at their November meetings.

## **6. Value for money implications**

- 6.1. There are no specific value for money implications associated with this report.

## **7. Impact on financial projections**

- 7.1. Our business plan projections continue to be updated to ensure they align with the objectives set out in our strategy. This was last done for the August Board meeting, and will be done again for the February Board.

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

- 8.1. We will continue to keep the Scottish Housing Regulator and Care Inspectorate informed of any changes to our strategy.

## **9. Implementation and deployment**

- 9.1. A performance management framework is being developed and will be presented to the February Group Board for approval. This will be accompanied by a delivery plan for 2021/22, being the first year of the new strategy period. These documents will set out the key performance measures and strategic projects which will be reported to the Board on a quarterly basis to enable progress against our strategy to be monitored.
- 9.2. It was originally envisaged that these documents would be brought to the Board this month for approval. However, to allow confirmation of the outcome in respect of the changes proposed for Cube, we have revised this to February, with the partner Board delivery plans to be presented in March 2021, before the start of the new financial year.

## **10. Partnership implications**

- 11.1 Our new partner, Dumfries & Galloway Housing Partnership, was already integrated into the new strategy; the proposals set out above will address all parts of the Group.

## **11. Equalities impact**

- 11.1. The existing strategy recognised the importance of equality, with specific targets in areas such as gender balance in different parts of our workforce. We will review the issue of equalities in the strategy refresh, to ensure all aspects, including our approach to Black and Minority Ethnic staff and customers, continue to reflect the approach of a leading employer.

## **12. Recommendations**

- 12.1 The Board is asked to:
- 1) Note the feedback from the final round of partner Board strategy workshops;
  - 2) Agree, subject to any comments, the updated Group Strategy: *Your Home, Your Community, Your Future*; and
  - 3) Approve the proposed approach to staff, customer and stakeholder engagement

## **List of Appendices**

Appendix 1: Board Strategy session feedback

Appendix 2: Wheatley Group Strategy 2021-2026, *Your Home, Your Community, Your Future*

## Appendix 1 – Partner Organisation Board Feedback

Board	Challenges/barriers or opportunities/enablers	Vision, brand, flag and message	Strengthening/adjusting existing strategic priorities	Asks of Group
<b>Dunedin Canmore (x2 sessions)</b>	<ul style="list-style-type: none"> <li>▪ Opportunity to expand our digital engagement, including potentially engaging different segments of tenants through this channel</li> <li>▪ Challenge sustaining the current enhanced level of community</li> <li>▪ Affordability will become a bigger challenge, particularly as employment becomes less stable</li> <li>▪ Opportunity to focus on how our development enhances access to open spaces</li> <li>▪ Opportunity to reflect staff's feedback and accelerate the new operating model</li> </ul>	<ul style="list-style-type: none"> <li>▪ Agree with proposed areas to strengthen vision</li> <li>▪ Agree title needs refined to reflect current context</li> <li>▪ Feel flexibility and togetherness need to be strong themes</li> </ul>	<ul style="list-style-type: none"> <li>▪ We should accelerate digital engagement</li> <li>▪ Agree we should enhance focus on homelessness, but needs to be in a sustainable way</li> <li>▪ Agree we should accelerate review of office space, potentially looking at ability to repurpose</li> <li>▪ Agree we accelerate new operating model – but need to take into account how we support staff make this adjustment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Commitment to employability support for tenants, as well as our own continued focus on apprentices and graduates</li> <li>▪ Development of digital products to support acceleration of digital –crucially in a way that works for customers</li> </ul>
<b>GHA (x2 sessions)</b>	<ul style="list-style-type: none"> <li>▪ Poverty – highlighted through discussions around affordability of rent, the continuation of EatWell and the need for wrap around services increasing during lockdown</li> <li>▪ The workplace –opportunity to accelerate the blended model of homeworking and digital channel shift for staff whilst reducing the reliance on office accommodation. There is an opportunity to bring about a massive reduction in our carbon footprint through our corporate estate strategy</li> <li>▪ Job creation – a challenge in terms of level of tenants who could be impacted but opportunity to do more in terms of employability support</li> <li>▪ Engagement - opportunity to increase the level of engagement via digital, but needs to stay focussed on being personal</li> </ul>	<ul style="list-style-type: none"> <li>▪ Agree with proposed areas to strengthen vision</li> <li>▪ Agree title needs refined to reflect current context</li> <li>▪ No strong consensus on title</li> </ul>	<ul style="list-style-type: none"> <li>▪ Homelessness – support increased focus, but need to be mindful of impact on the sustainability of existing communities</li> <li>▪ Would like to see an early focus on the development of the Whole Family Approach</li> <li>▪ Support of the Foundation will be required more than ever</li> <li>▪ Support acceleration of new operating model and associated changes in our corporate estate</li> <li>▪ Agree we strengthen our 'green' focus</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop our approach to measuring and tracing community impact</li> <li>▪ In Homelessness discussions at national level we try and ensure the complexities are understood</li> <li>▪ Digital capability in areas such as data analytics is further developed and also to support accountability</li> </ul>

<b>Solutions (single session)</b>	<ul style="list-style-type: none"> <li>▪ Challenge the economic impact of Covid will create for our customers in terms of security of employability and affordability</li> <li>▪ Opportunity for Solutions to support Group partners respond to their own challenges</li> <li>▪ Challenge of ensuring our green enhancements do not translate to increased costs for our customers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Vision remains appropriate – could it be expanded to reference end customer</li> <li>▪ Title could adopt a more overtly supportive tone to reflect the operating context</li> </ul>	<ul style="list-style-type: none"> <li>▪ Support the proposed areas to strengthen</li> <li>▪ Strongly support acceleration of operating model and rationalisation of corporate estate</li> <li>▪ We should expand and accelerate our digital services offerings</li> <li>▪ Impact of new operating model on requirements of leaders and staff</li> </ul>	<ul style="list-style-type: none"> <li>▪ None specific, but identified role of Foundation as increasingly critical</li> </ul>
<b>DGHP (x 2 sessions)</b>	<ul style="list-style-type: none"> <li>▪ Opportunity to align Transformation Plan</li> <li>▪ Opportunity to introduce new operating model, but comes with challenges in terms of how staff are managed and supported in doing so</li> <li>▪ Challenges of current context for building a pipeline for our 1000 homes target</li> <li>▪ How our house design and development factors in access to open spaces and an increased prevalence of home working</li> <li>▪ Opportunity to utilise the strategy to progress with DGHP rebranding, which is strongly supported</li> <li>▪ Challenge in how we understand future demand for development and sustainability of some existing stock</li> <li>▪ Opportunity to enhance green through leveraging procurement channels</li> <li>▪ Opportunity to accelerate digital engagement, but must be mindful this won't be an option for all tenants</li> <li>▪ Opportunity to join funding group in future</li> </ul>	<ul style="list-style-type: none"> <li>▪ Vision and title for us needs to have resonance for DGHP specifically</li> <li>▪ Title should be adjusted to reflect operating context – specific suggestion made was “Your Home, Your Community, Your Future”</li> <li>▪ Recognition DGHP at a different stage in its strategy journey</li> </ul>	<p><i>Not applicable as no existing strategy - key focus was on how we incorporate delivering partnership commitments and crucially how we communicate our progress against the commitments to our tenants and communities</i></p>	<ul style="list-style-type: none"> <li>▪ Employability programmes which can support the delivery of the 500 jobs commitment</li> <li>▪ Extension of wraparound and support services, including access to care expertise</li> </ul>

<b>WLHP (2 sessions)</b>	<ul style="list-style-type: none"> <li>▪ Opportunity to look at what additional value we can provide to our customers to support them, particularly given the impact of Covid-19 and rise in UC claimants</li> <li>▪ Opportunity to increase focus on the overall Health and Wellbeing of our customers</li> <li>▪ Digital connectivity is increasingly important and challenge will be people having the tools to engage in a digital environment</li> <li>▪ Key focus for the first year or two of the strategy will be the impact of Covid-19 and Brexit, so the flexibility the annual strategy refresh will be key to ensuring it remains current</li> <li>▪ Opportunity to increase our contribution to homelessness</li> </ul>	<ul style="list-style-type: none"> <li>▪ Vision remains appropriate and the emphasis on supporting communities is clear</li> <li>▪ Title – while we continue to be ambitious, the tone needs to reflect the operating context</li> </ul>	<ul style="list-style-type: none"> <li>▪ Key focus on maintaining excellent customer service whilst growing the stock of WLHP</li> <li>▪ Need to expand digital engagement and make the best use of data analytics to support HOs</li> <li>▪ Strengthen our approach to sustainability to ensure we adequately support the green agenda</li> <li>▪ Stronger links with other organisations to support the overall wellbeing and resilience of our customers and communities</li> <li>▪ More explicit on the WLHP specific elements such as local engagement and partnerships</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provision of support for customers to access affordable Wi-Fi/broadband options</li> <li>▪ Use national influence in relation to digital poverty and the green agenda</li> </ul>
<b>Loretto Housing (combined sessions)</b>	<ul style="list-style-type: none"> <li>▪ Opportunity to further develop engagement/communication with both customers and staff through multiple channels including face-to-face, digital, phone</li> <li>▪ A challenge will be ensuring human, social interaction is not lost in digital engagement</li> <li>▪ An enabler has been our proven ability to be agile and flexible. This will be important in addressing future challenges</li> <li>▪ Opportunity to further support homeless customers as they move into permanent accommodation</li> <li>▪ Whilst recognising challenges, reiterated keen desire to retain a strong development programme</li> </ul>	<ul style="list-style-type: none"> <li>▪ Vision could be more ‘tenant friendly’ and succinct</li> <li>▪ The sentiment of Building Stronger Communities Together was considered to more accurately reflects the key messages in the strategy</li> <li>Strategic Themes still very much relevant</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensure we continue to support staff as they work from home and look towards accelerating the future with a blended model of working will help this</li> <li>▪ Opportunity to strengthen digital inclusion</li> <li>▪ Reduce poverty for our customers through maximising use of wraparound services, Foundation funding and introducing lower rent increase</li> <li>▪ Strengthen engagement focus in more outlying stock areas</li> </ul>	<ul style="list-style-type: none"> <li>▪ More detail on the Engagement Framework in order to facilitate community resilience</li> <li>▪ Community Academy programme to <a href="#">drawn on</a> relevant offerings from in-house MyAcademy provision</li> <li>▪ Continue to influence at national level</li> </ul>

<b>Wheatley Care (first session)</b>	<ul style="list-style-type: none"> <li>▪ All Care staff now connected digitally and have been agile in their response to the pandemic – this will continue. In some services, engagement levels have increased e.g. in the flexible outreach service. This supports the move to a more blended model of care.</li> <li>▪ There is also an opportunity for Care to lead to way in supporting older people to engage digitally.</li> <li>▪ It is important to be aware of what other providers are doing and scan the landscape, utilising the Wheatley brand to enhance our influence.</li> </ul>	<ul style="list-style-type: none"> <li>▪ All attendees agreed on the new title “Your Care, Your Community, Your Future” for the strategy and its alignment with the Group strategy “Your Home, Your Community, Your Future”.</li> <li>▪ The Wheatley Care vision and objectives also remain relevant.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The overall strategic priorities remain relevant.</li> <li>▪ It is important to evaluate the impact on services during covid-19 and ensure lessons are learned to shape future service delivery – this is already happening.</li> <li>▪ Important to maintain performance levels.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensure we continue to make best use of the support provided by Group to: <ul style="list-style-type: none"> <li>○ Attract new talent, ensuring right people are in the right roles.</li> <li>○ Introduce a care Graduate through the Ignite Programme</li> <li>○ Work with colleagues in Housing to understand different roles.</li> <li>○ Access online learning for staff</li> <li>○ Share good practice</li> </ul> </li> </ul>
<b>Lowther (single session)</b>	<ul style="list-style-type: none"> <li>▪ [redacted]</li> </ul>	<ul style="list-style-type: none"> <li>▪ redacted] .</li> </ul>	<ul style="list-style-type: none"> <li>▪ redacted]</li> </ul>	<ul style="list-style-type: none"> <li>▪ redacted]</li> </ul>





# Your Home, Your Community, Your Future



# 2021-2026



Wheatley Group  
Our five-year strategy





## Executive Summary:

### Your Home, Your Community, Your Future: Our Strategy 2021-26

#### Wheatley in 2020 – our track record of excellence

*Investing In Our Futures*, Wheatley Group's first five year strategy, delivered outstanding customer satisfaction and raised the bar in Scotland and beyond for performance results and business efficiency in housing, care and property management. We have succeeded in our challenging goal of keeping rents affordable whilst delivering unparalleled growth and investment, maintaining investor confidence and bringing access to affordable borrowing for asset growth and service improvements.

We are rightly proud of our journey to excellence and the huge impact this has had on our customers' lives right across the Group. Our phenomenal success is externally recognised through the many national and international awards and accreditations Wheatley and its partner organisations continue to win each year, from bodies ranging from the European Foundation for Quality Management to Investors in People and the UK Government Cabinet Office, which oversees Customer Service Excellence.

Significant investment in technology and digital innovation over the last five years has created cutting-edge platforms for customers to transact and engage with us. This, along with the wide array of wraparound services we provide and the unwavering commitment of our staff through our Think Yes! culture meant that we were able to rapidly respond to the needs of our customers and communities during the Covid-19 pandemic.

As we move into our next strategy, we are committed to ensuring our customers and communities fully recover from the impact this pandemic has brought.

#### Wheatley in 2026

We want our customers to reach their potential for a brighter future for themselves and their families. We recognise the challenges our customers are facing in this post-Covid 19 era and we believe we are ideally placed, working alongside our partners, to support them and play a strong role in a fair and socially just economic recovery.

Our strategy will deliver an unprecedented shift in the balance of power and control towards our customers, empowering them to make their own choices about the services they want, ensuring they are properly equipped to do things for themselves and involving them in the design of products and services from start to finish.

We will continue to make a significant social impact by investing in our communities, supporting the lifelong health and wellbeing of our customers, creating job and apprenticeship opportunities and reducing the inequalities experienced by many of those living in our communities. We will deliver an ambitious Wheatley Green Investment Plan to accelerate our transition to net zero carbon, enhance our role in combatting the effects of deprivation and strengthen our role in tackling homelessness across Scotland.

# Our purpose, vision and values

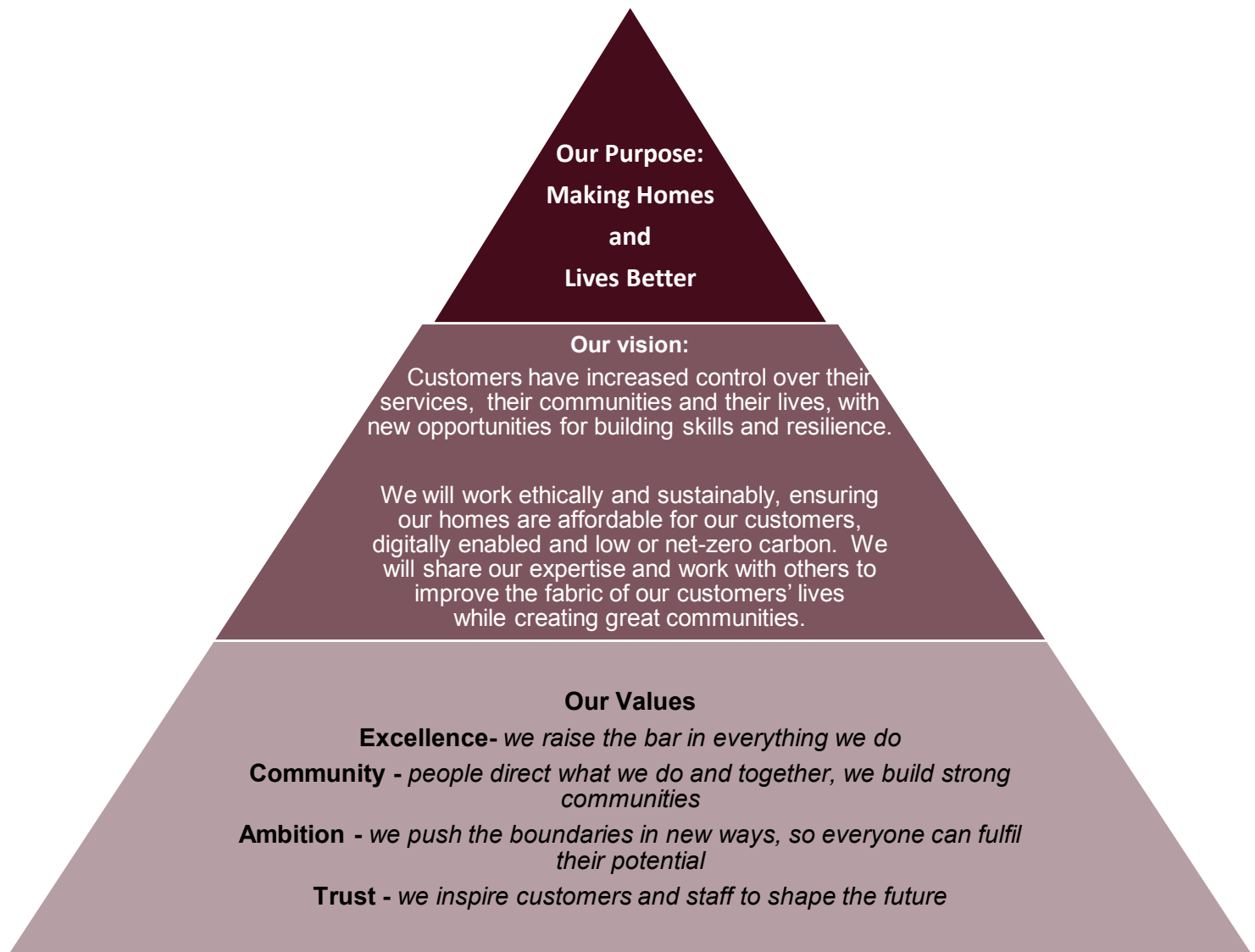


Figure 1: our purpose, vision and values

We will deliver this vision through five strategic themes, under which we have defined 18 key outcomes. These are summarised below.

Strategic Themes:				
Delivering Exceptional Customer Experience	Making the Most of our Homes and Assets	Changing Lives and Communities	Developing our Shared Capacity	Enabling our Ambitions
Key Outcomes:				
Progressing from Excellent to Outstanding	Increasing the supply of new homes	Shaping Care services for the future	<i>W.E. Think</i> – creating our “Thinking Yes Together” culture	Raising the funding to support our ambitions
Enabling customers to lead	Investing in existing homes and environments	Developing peaceful and connected neighbourhoods	<i>W.E. Create</i> – driving innovation	Maintaining a strong credit rating and managing financial risks
Developing a customer led repairs service	Setting the benchmark for sustainability and reducing carbon footprint	Supporting economic resilience in our communities	<i>W.E. Work</i> – strengthening the skills and agility of our staff	Evolving digital platforms to support our activities
Differentiating Lowther from its competitors	Building community voice, engagement and resilience			Influencing locally and nationally to benefit our communities

Figure 2: our strategic themes and key outcomes

## Delivering Exceptional Customer Experience

Providing exceptional customer experiences is, and always will be, at the heart of everything we do. Our customers deserve the very best and through the life of this strategy, that is what we will deliver. We will provide much greater choices for our customers, supporting them to take control and draw down services at a time that suits them using simple, intuitive digital methods. Customer service requests will be increasingly routed straight to our frontline teams, allowing us to respond more quickly and efficiently, cutting out old administrative and paper-based process.

Digital service delivery will be the norm, but we will ensure no-one is left behind. We will prioritise the introduction of new service models in the first year of the strategy based on our experience of working during the pandemic, blending digital and face to face service whilst maintaining a strongly personalised approach. Our approach to engagement will increasingly be digital and online, broadening our reach and providing customers with ease of access at a time and in a way that suits them.

To facilitate this, we will invest in digital infrastructure to enhance our ability to provide services and engage with our customers, while continuing to use our national influence to advocate for an expansion of digital inclusion in our communities, such as low cost broadband availability.

A great repairs service that delivers on customer priorities and demonstrates value for money is of paramount importance to our customers. Our ambition is for an increasingly tailored service that meets the particular needs and expectations of different customer groups, such as older people or families in work with school age children. In 2021 we will carry out a full option appraisal of our Joint Venture with City Building Glasgow to thoroughly understand and evaluate the progress and benefits that have been achieved in its first five years, both for our customers and our business. This will inform our decisions about the future arrangements for repairs delivery in the West, to be enacted in 2022.

We will use our experience of working with families during lockdown to strengthen our understanding of the value drivers for them in our service offering. We will complete a review of their experiences by March 2021 and implement a target of 90% satisfaction from families by 2023.

The following section summarises the impact this strategy will have on our customers. This paints the picture of how a Wheatley customer will personally experience our services in 2026 – how it looks and feels to them:

***I feel in control and have choices***

- I take charge of my life, I have greater control over how I access services.
- I have access to training, life skills, employability, support.
- I see a brighter future for myself and my family.

***I shape the services I receive***

- I influence the things that matter to me.
- I can give instant feedback.
- I understand performance from both a customer and business perspective.
- I can get involved through crowdsourcing ideas, designing, voting, on/offline discussions.

***Interactions are low effort for me***

- 80% of my transactions are digital, but face to face support is there if I need it.
- Pro-active repairs/smart home makes life easy.
- I get timely contact and service offers as a result of Artificial Intelligence/ analytics.
- My customer journeys are seamless and feel personal.

***I have access to the information I need***

- Online access provides me with all info about my home and community at my fingertips – account, costs, maintenance history, investment plans etc.

***I feel safe and secure***

- I am proud of my home.
- I live in a calm, peaceful neighbourhood.

***I feel part of my community***

- My neighbourhood is vibrant – physically, economically and digitally connected.
- People look out for each other.
- I am proud to be part of my community.

***I feel you care about me***

- I get help when I need it/my needs change. I only have to tell my story once.
- Care technology helps me stay independent.
- You listen to me and I feel you know what matters to me.

***I am proud to feel part of an ethical organisation that shares my values***

- Social purpose, Value for money.
- Sustainable, low carbon footprint.
- Equalities, best employer.
- Affordable products for people of all incomes.

Figure 3: the impact of our strategy on our customers

## **Strategic Theme 2: Making the most of our Homes and Assets**

Our commitment to increasing the supply of new homes to meet housing need remains unwavering. Over the next five years we have set ourselves a challenging target of 5,500 new, **low carbon** homes across a range of tenures, to meet the diverse housing needs and economic circumstances of our customers. **In a post-pandemic environment, we will respond to the expected increased prevalence of home based, agile working amongst our customers by exploring opportunities to enhance access to outdoor spaces and ensuring our new homes take account of the potential for home working.**

**We will create a new platform and brand for investment and regeneration within Glasgow, which will build on the success of the highly successful Transforming Communities: Glasgow model of Transformational Regeneration Areas (“TRAs”). This platform will unlock £50m additional investment in regeneration and development, including 600 additional new homes, £10m of additional investment in existing tenant’s homes and address challenges with future rent levels.**



We will also make the most of our existing assets by investing and divesting appropriately to fund our ambitions. Maximising our rate of return will be a business principle here, as it is with new build decisions. This may include divesting high value assets, such as high equity Lowther properties, as well as poorly performing stock. [We will also review our corporate estate and align this with our operating model, repurposing or disposing of offices no longer required.](#) This approach will allow us to make investment decisions that best support customer and business needs.

We will continue to use our financial strength to invest a further £1.3 billion over the next five years. Half of this will be on our existing homes; with £360 million for improving, modernising and maintaining homes across the Group, in addition to £300 million on repairs. There will be a significant programme of investment in our most recent partnership, Dumfries & Galloway Housing Partnership, as we modernise and revitalise homes throughout communities in that region. [We will seek to partner with the Scottish Government in order to raise the grant funding for a Wheatley Green Investment Plan, which will increase the energy efficiency of existing homes through up to £50m of investment in retrofitting, bringing a quarter of our stock to net-zero carbon.](#)

Our new engagement approaches will ensure investment is increasingly focused on what creates most value for our customers. Harnessing innovative property technology will [potentially](#) provide predictive analytics to inform a more intelligence-led repairs and maintenance service, which will both enhance customer convenience and improve efficiency in asset management.

The rent our customers pay delivers more than a home – it also gives them the keys to a wealth of opportunities and wraparound support. Many of our customers experience pressure on their household budgets, so over the next five years, we will ensure our homes are affordable, not just by keeping rents affordable, but also by reducing the household costs of running our homes and linking customers into opportunities for learning and employment. By harnessing our size and buying power, we will give customers digital access to a growing range of opportunities to save money on household expenditure such as energy, food bills, broadband and insurance. At the same time, we will continue to improve energy efficiency in our more difficult to heat homes and explore opportunities to reduce household fuel bills through micro-renewable energy generation.

[This renewed focus on sustainability will include the achievement of net zero carbon in our corporate estate by 2026. Combined with our new build, retrofitting in existing stock and a transition to renewable focussed procurement, this will strengthen our role in creating green jobs and working with our supply chain to create growth and value opportunities.](#)

### **Strategic Theme 3: Changing Lives and Communities**

With regards to our communities, our aim is to deliver safe, calm and peaceful neighbourhoods where people want to live. We have set a challenging target that by 2021 over two thirds of our customers will live in neighbourhoods they classify as peaceful. [This builds on the community resilience evidenced during the pandemic.](#)

[The Covid pandemic has provided a once in a lifetime opportunity to end rough sleeping in Scotland. Wheatley will be a key partner in tackling homelessness at national and local level. We will continue to strengthen our commitment to Housing First, whilst maintaining a focus on how we foster sustainable, balanced communities. This will include delivering 350 homes for Housing First by 2021 and supporting local authority partners in delivering their Rapid Rehousing Transition Plans. Between 2021 and 2026 we anticipate housing around 10,000 homeless households.](#)

Our Community Improvement Partnership approach to building a cycle of confidence will support communities to become more resilient and new engagement approaches will encourage social and digital connections, as well as building capacity for customers to co-create local solutions to local priorities.

[We will develop a Wheatley Community Connection Plan, setting out how we will look to support all customers to have affordable home broadband connections, allowing them to access services through WiFi rather than paying expensive mobile data charges.](#)

[In our care services we are committed to ensuring that 2,000 customers receive care digitally by 2023, including the expansion of the Alertacall platform across the Group following the outcome of a pilot. In addition, 20% of outreach services will be achieved through a blend of face to face and digital by 2023.](#)

[We will also deliver added value with new housing, care and support offerings in Dumfries and Galloway and we will support our RSLs to develop services and skills to meet the needs of a customer group with increasingly complex needs through homelessness routes.](#)

[As the economic impact of the pandemic is likely to be felt throughout the strategy period, we will redesign our services to build resilience in households at risk of entering the benefit system for the first time through welfare, fuel advice and housing officer support.](#)

### **Strategic Theme 4: Building Shared Capability**

[The importance of embracing digital opportunities has never been more strongly felt than at the height of the pandemic. We must build on the significant progress made during this time to enhance the skills and confidence of our staff and customers to engage in an increasingly digital world.](#)

Our digitally focussed staff will be equipped to work from any location and our face-to-face staff will be mobile, allowing us to respond with increasing agility to changing customer demands.

This shift in how we work will open up exciting opportunities to re-shape our corporate estate, to make it more engaging for our customers and communities. Over the next five years we will establish creative *community hubs* that feel very different from traditional offices. These new community hubs will be both virtual and physical spaces, bringing great places to work, community learning, social connections, access to partner services and engagement opportunities right into the heart of our communities. Rationalising our current office estate will deliver significant efficiency savings and help fund our investment ambitions, whilst improving convenience for both customers and staff.

We will work pro-actively with schools, colleges and universities to foster talent and source the pipeline of people with the skills and capabilities for both current and future needs. Learning and Leadership programmes will be designed and targeted to equip staff with the specific skill sets they need to successfully deliver our redesigned services *within our new operating model*. Wheatley staff in 2026 will have the knowledge and skills they need to help customers across the breadth of our products and contexts, minimising hand-offs and maximising value for customers. This holistic approach will bring job enrichment and secure Wheatley's position as a sought-after employer in people's career journeys.

We will take our award-winning Think Yes culture to the next level to introduce Thinking Yes Together, improving the self-reliance of our customers and enhancing their digital connectivity. Customers will be able to draw down many of our services easily and reliably at a time and place of their choosing, without the need for these to be filtered through a member of staff first.

### **Strategic Theme 5: Enabling our Ambitions**

We led the way when we introduced our current operating model and our Think Yes culture, and they have underpinned our journey to excellence. However, we want to deliver a second transformative step change to deliver our vision for Wheatley in 2026. To do this we need to seize the opportunity to create a re-configured digitally led business that fully harnesses the benefits of technology for both our customers and our business.

Self-directed services must be low effort for customers – they need to provide exceptional convenience to become the channel of choice. We will maximise opportunities to automate all transactional services. However, success will hinge on *making digital feel personal*, so that we retain the strong relationship we have with our customers, and they continue to feel we care about them. To achieve this blending of digital and personal, our staff will be experts in digital interactions, highly skilled in developing relationships of trust online, deriving relevant insight about customers from rich data and helping build customer capacity to do more for themselves.

Digital service provision will never be for everyone or right for every complex situation, so complementing our digitally focussed roles, we will have specialist roles for face-to-face interactions. These will be designed to meet specific vulnerabilities and needs, delivering services where people need them – in homes, care or community settings. As customer advocates, staff will be adept at influencing partner organisations for the benefit of our customers and communities and helping customers get their voices heard. Responsible for the off-line aspects of neighbourhood connections, they will galvanise volunteers, support local engagement and encourage customers to work together to design local solutions to improve their own communities.

By 2026 Wheatley will have cemented its position as a leading influencer. Whilst our partner organisation brands will continue to be the customer-facing brands, external partners and stakeholders will engage with the Wheatley brand. In this way we will maximise the strength of the Group to exert greater strategic influence and drive change. Strategy and decision makers, including politicians, regulators and funders will be fully aware of Wheatley's unique offering and capacity, and keen to work with us for mutual benefit and to bring about transformational change.

Harnessing technology to transform our services will deliver significant reductions in operating costs and opportunities for different financial modelling. By 2026 we will borrow only to invest in new homes whilst maintaining affordable rent increases. Continuing to achieve efficiency savings that secure our position as one of the most efficient housing, care and property management organisations in the UK and beyond allows more money to be channelled into front line services and investment in customers' homes.

Every decision will be based on the value to customers and the value to the business; balancing social purpose with the needs of a commercial business. As a result, our performance management framework will evolve to include both business and customer value measures. All decisions on external care contracts will be based on commercial principles, with a requirement for appropriate return and risk mitigation. We will explore the potential to drive additional efficiencies through establishing alternative models for delivery of our central functions.

We will limit RSL rent increases to no higher than 2.9% every year to 2026, with increases set at a local level based on detailed affordability assessments. In addition to lower rent increases we will leverage the profit from our commercial activities to build community resilience by delivering £15 million gift aid to support the activities of the Wheatley Foundation.

We will continue to be externally validated as global leaders in outstanding customer service and benchmarked performance results. We will increasingly take a proactive and high-profile role in showcasing our successes and solutions to drive up standards across the country. As an international role model people will come to learn from us. Our performance will move from excellent to outstanding, as defined by our customers. They will set the priorities in terms of core measures that matter to them and work with us to develop challenging but realistic targets for 2026.

## Group Members

During the first five years of Wheatley we have clearly demonstrated that together we are creating a stronger, more secure future. We do more for our customers by bringing together diverse income streams, investing wisely in local communities and bringing great ideas to life. Our most recent partner organisation, Dumfries and Galloway Housing Partnership, has further grown the size and scale of the Group. The Group now:

- operates in 19 local authorities;
- has strategic agreements in place or being developed in six key areas of operation (Glasgow, Edinburgh, Dumfries and Galloway, West Lothian, East Lothian, and West Dunbartonshire);
- has stock of over 60,000; and
- has 10% of the approximately 600,000 social rented homes in Scotland (and 22% of RSL stock).

Wheatley partner organisations are proud to retain their own identity, but united by a common commitment to excellence in all they do. They have a joint purpose in 'Making Homes and Lives Better' for the people they work for and the communities in which they live. This shared culture across our maturing Group ensures Board Members and staff are increasingly comfortable applying principles and platforms appropriately, with respect to their different customer groups and contexts, to deliver exceptional customer experience.

The involvement of our partner organisations in shaping our Group Strategy ensures it underpins and supports their ambitions, as detailed in their individual strategy documents.



## Strategic Themes and Results

Delivering exceptional customer experience	Making the most of our homes and assets	Changing lives and communities	Developing our shared capacity	Enabling our ambitions
Overall customer satisfaction is above 90%	Develop 5,500 new homes across all tenures	Meet the agreed contributions to accommodation for homeless households in each local authority we operate in; <a href="#">housing an estimated 10,000 homeless people/households over 5 years</a>	Over 90% of staff say they feel appreciated for the work they do	Limit annual RSL rent increases to <a href="#">2.9% throughout the life of the strategy</a>
Over 90% of Care customers satisfied with the overall service	Invest £500m of new public and private finance in new build housing	90% of Care services are graded 5 or above	Staff absence is maintained at 5% for Care services and 3% for all other parts of the business	Maintain a strong investment credit rating of A+ stable
Net promoter score for Lowther increased to 60	Achieve 95% customer satisfaction with their new build home	Over 70% of our customers live in neighbourhoods categorised as peaceful	Staff turnover remains at less than 7%	Maintain gross rent arrears below 4%
Implement “Rate it” score from book it, track it, rate it repairs approach and aim to improve performance by 10%	Invest £360 million in improving, modernising and maintaining homes	Achieve 85% satisfaction with Wheatley Environmental Services	Over 80% of customers self-report positive distance travelled towards ‘self-reliance’	100% of Care services break even
RSL tenant satisfaction with value for money increased to 85%	Achieve a 60:40 ratio of planned to reactive repairs	Reduce the number of accidental dwelling fires by 10%	250 young people provided with structured opportunities to build their skills within the business	£15 million generated in Gift Aid to Wheatley Foundation and reinvested in communities
Satisfaction with complaint handling increased by 10%	Reduce the volume of emergency repairs by 10%	100% of applicable properties have a fire risk assessment	50 graduates provided with opportunities to work and gain experience in our sectors	Average days to let a home maintained at less than 14 days

Overall satisfaction amongst households with children improved to 90%	Maintain existing tenant satisfaction with the quality of their home at over 90%	4,000 jobs, training and apprenticeships delivered	Our workforce's demographic makeup more closely resembles that of the communities in which we operate	Over 50% of customers actively use their online account to make transactions with us
90% of customers feel they can participate in the landlord's decision making	Reduce the output of CO2 emissions from our homes by at least 4,000 tonnes per year	250 customers have been supported to attend higher education and university through Wheatley bursaries	40% of promoted posts filled with internal candidates	100% of Lowther rental customers have an online account
95% of customers actively engaged in shaping services feel they participate in decision making	Reduce our corporate carbon footprint to net-zero by 2026	10,000 vulnerable children benefit from targeted Foundation programmes		Achieve our targets across the 7 domains of our digital maturity assessment
Satisfaction with the process of getting my new home is improved by 10%		60% of tenants with online accounts are using the My Savings rewards gateway.		Achieve management costs per unit that remain in the lowest quartile among an independently selected UK and international benchmarking group
		10% Reduction in the cost of running a home by 2026		

## Section 2: Strategic Themes

### 1. Delivering Exceptional Customer Experience

By 2026 our customers will be empowered to make their own choices about the services they want, be fully equipped to do things for themselves and involved in the design of products and services from start to finish.

We will be delivering our vision against a backdrop of significant external challenges, [in particular the social and economic impact of the pandemic](#). Over 30,000 customer households qualify for Housing Benefit or Universal Credit, meaning they have to manage on low incomes and many experience health issues or face multiple barriers to inclusion including a widening educational attainment gap.

The strength of our relationships with our customers and communities is one of the features that distinguishes Wheatley from others in our sector and has undoubtedly been a key factor in our success. Creating and maintaining strong connections will therefore be central to our ambitions to fully harness the benefits of technology for both our customers and our business. Our aim in re-designing and re-configuring our services is to establish a different relationship with our customers and communities, one that is based on building their capacity to be more self-reliant and feel like leaders in their own lives. Increasingly, our focus will be on building customer trust and resilience to do things for themselves and their communities, creating a lasting impact through more efficient and effective deployment of our resources.

#### STRATEGIC OUTCOMES

- Progressing from Excellent to Outstanding
- Enabling Customers to Lead
- Developing a Customer Led Repairs Service
- Differentiating Lowther from its Competitors

#### STRATEGIC RESULTS

- Overall customer satisfaction is above 90%
- Over 90% of Care customers satisfied with the overall service
- Net promoter score for Lowther increased to 60
- Implement “Rate it” score from book it, track it, rate it repairs approach and aim to improve performance by 10%
- RSL tenant satisfaction with value for money increased to 85%
- Satisfaction with complaint handling increased by 10%
- Overall satisfaction amongst households with children improved to 90%
- 90% of customers feel they can participate in the landlord’s decision making
- 95% of customers actively engaged in shaping services feel they participate in decision making
- Satisfaction with the process of getting my new home is improved by 10%

## 1.1 Progressing from Excellent to Outstanding

Following our success in achieving top quartile performance during the life of our last strategy, we will work with our customers to take this to the next level and define ‘outstanding’. Our **customers will set the priorities** in terms of the core measures that matter to them and work with us to develop challenging but realistic targets for 2026. These measures and targets will be focussed on delivering the highest levels of customer service whilst optimising value for money for the services provided. They will be designed to give us a better sense of what creates value for our customers, enabling us to understand the impact of any changes we make to our services. Our co-created performance framework will include appropriate **impact measures** that reflect our strategic ambitions and demonstrate our influence at a national level. **Our performance measures will also be aligned with the National Performance Framework and the UN Sustainable Development Goals.**

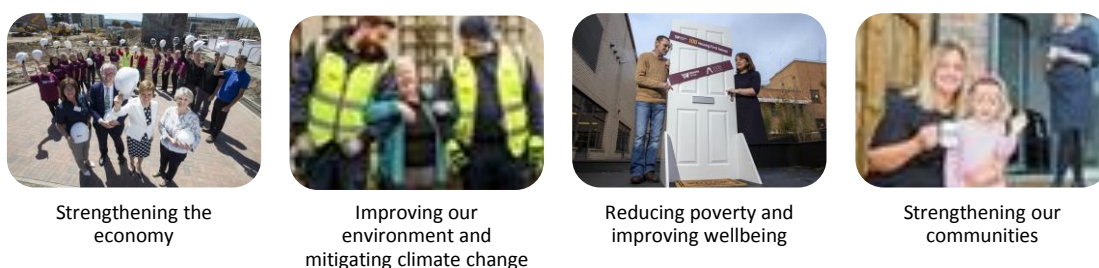


Figure X: Impact Measure Categories

Our ambition is to continue to be externally validated as global leaders in outstanding customer service and benchmarked performance results. To support this aim we will continue to challenge and excel in a **core basket of key business measures** for example around collecting rent and efficiencies. These measures are also important in allowing us to stand out from our competitors to achieve stronger funding streams. This funding in turn allows us to deliver better services and the new homes that many of our customers will need, whilst keeping rents affordable.

**We will implement our new engagement framework “Stronger Voices, Stronger Communities” to ensure our services are designed and delivered in conjunction with our customers.**

<b>We listen</b> You are heard	<ul style="list-style-type: none"> <li>You tell us if we are doing well or if we are getting it wrong</li> </ul>
<b>We consult and co-create</b> You influence and design with us	<ul style="list-style-type: none"> <li>You help us improve services</li> <li>You work with us to design new services or products</li> </ul>
<b>We give power to...</b> You decide	<ul style="list-style-type: none"> <li>You direct spending and resources</li> <li>You set policy priorities</li> </ul>
<b>We support</b> Your voice is stronger and people listen to you	<ul style="list-style-type: none"> <li>We help you to build capacity in your communities</li> </ul>

Our engagement will be increasingly community and service specific and be more flexible, allowing customers to express views at a time and in a way that suits - online, 24/7, from home or in person. This will be increasingly supported through integrated online and digital engagement platforms and spaces such as Digital Neighbourhood Forums and a My Community app.

We will promote the opportunity for customers to co-create services with us through the recruitment of over 100 Customer and Community Voices, providing customers with transparent access to examine our existing services and be fully empowered to make recommendations that will improve the customer experience. They will also be invited to co-create solutions relating to the recommendations they make.

We will further use the opportunities that a digital environment presents by enabling customers to have more control over their own service journey and the organisational policies and priorities. Embedding the customer voice in our strategic planning and delivery cycles, and mechanisms such as the You Choose Challenge will promote a culture which places the customer at the heart of our decision-making.

We will use our experience of working with families during the pandemic to strengthen our understanding of the value drivers for them in our service offering. We will complete a review of their experiences by March 2021 and implement a target of 90% satisfaction from families by 2023. This customer group are likely to be highly receptive to the exceptional convenience of a digitally re-designed service, so we will work with them to co-create a new **Wheatley Whole Family Approach**, focused on improving outcomes for them. It will put children and young people at the heart of decision making in the design of our neighbourhoods, including developing safe play zones, child height signage and buttons. In our homes we will develop child friendly repair options, better storage for family equipment. We will design our new builds to suit modern family living and consider the benefits of soundproofing in both new build and retro-fit programmes. As children grow, we will support families with employment and training opportunities through the Wheatley Foundation. Tenants and their young adult children will be pro-actively offered a housing options consultation as they begin to consider setting up their own home, helping families plan for their future. *We will also work with those families who become, or are at risk of becoming homeless to ensure they are supported in their neighbourhood.*

Universal Credit will bring heightened expectations to people who previously had their rent paid directly through housing benefit as they see a direct relationship between their payment and the service they receive. Transparently demonstrating how our services and products provide value for money will be more important than ever. We will support our customers to understand the value of our rents by providing **clear information on what rent covers and why** within MyHousing so that it can inform their housing decisions. We will also explore options to **simplify our rent structure** for new build homes and for existing homes as they become vacant.



Our existing GoMobile and MyHousing platforms strengthen our capacity to use **predictive analytics** to inform our decision-making and ensure we use of resources effectively. These, together with our other core systems will provide detailed insight from rich datasets, including demand patterns for homes and services and socio-economic circumstances. Data will be available at neighbourhood and tenancy level, providing actionable insight. Trends and real-time information will further support analysis. These will inform decisions in all areas of the business including how we deploy resources, how we invest and where we deliver new homes.

## 1.2 Enabling Customers to Lead

During the Covid-19 pandemic, the strength of our existing platforms allowed us to accelerate our digital journey, reshaping our operating model and making significant progress in our aim to be a **digitally led business** that fully harnesses the benefits of technology for both our customers and our business.

However, we recognise that there will be situations that require face to face interactions and this will always be available. Involving customers in co-designing with us will ensure **no one is left behind** and our services are appropriately tailored to meet the specific needs of particular customer groups. By 2026 mature data intelligence will support us to deliver personalised, bespoke and seamless services in the right places, to the right people at the right time.

Our digital platforms will provide exceptional convenience to our customers, making self-directed services their channel of choice. **Designing our digital services to ensure they feel personal** will be crucial to ensure our customers continue to feel we care about them and they have a strong connection with us. To achieve this blend of digital and personal, our staff will be experts in interacting digitally with customers **through a wide range of digital platforms based on what is most convenient for our customers**. Their new skillset will include developing relationships of trust online, deriving relevant insight about customers from rich data and helping build customer capacity to do more for themselves. **As part of our engagement framework, “Stronger Voices, Stronger Communities”, staff will be confident deploying digital customer engagement and feedback approaches, including social media and digital neighbourhood forums.**

Our customers and communities will feel more in control of their personal and collective wellbeing. Self-directed services, innovative approaches such as Outcomes Star, Livingwell for older people and Housing First help build the trust, confidence and ability of individuals to make the changes that are important to them, giving people more power and control over their lives and their futures.

Extending our **Outcomes Star** approach from Care into housing and Wheatley 360 will be a key part of creating this shift in the culture of staff and customers. This approach enables customers to set the outcomes they wish to achieve based on their priorities. It provides a basis which allows everyone to be clear about what the outcomes are for each customer and the focus on self-reliance. It shifts the balance of power and control to the customer and ensures the service they experience is personalised based on what is most important to them.

We will trial **transformative digital projects** to deliver innovative solutions to issues facing our customers and our business, evaluating the impacts on both our customers, communities, and our business, whilst readying our customers for **even greater digital self-service**.

We will do this **by introducing with our new Operating Model** 'virtual patches' where a Housing Officer function will provide a bespoke service which aligns staff with the appropriate specialist skill-set required to support the particular customer group in their 'virtual patch' most effectively.

We will focus on **diversity within our Stronger Communities Stronger Voices framework** to make sure our services are appropriate and adaptable to meet the needs of changing ethnic and household profiles. This commitment will be at the heart of the re-design of our services. Increasingly our homes and services will ensure equality of opportunity for those who have disabilities so that they can lead lives exactly as they want, not inhibited by structures or processes which do not accommodate their needs.

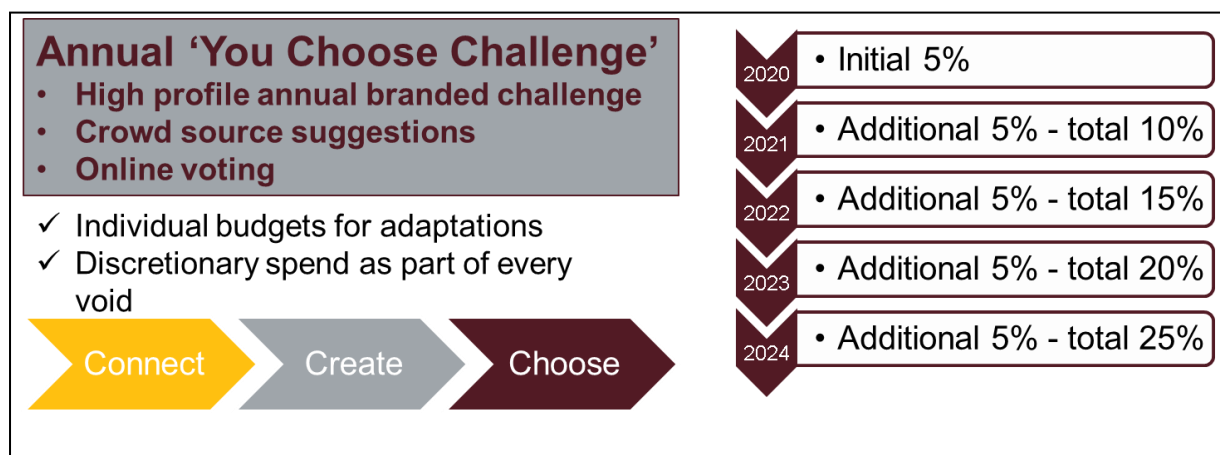
**Artificial Intelligence and predictive analytics** will be an essential tool in our digitally led service, automatically identifying changing behaviour patterns that suggest the need to make proactive contact with a particular customer. This would include a changed payment pattern or repeat repairs being raised. It will allow us to generate timely prompts to remind our customers to take appropriate actions, such as to make a payment, provide access for a repair operative or care staff. Importantly, it will also highlight situations where in-person involvement is required to prevent escalation into a crisis.

Our Go Mobile and MyHousing systems provide the platforms on which we will create this blend of digital and personalised services. **MyHousing** will provide customers with more transparent data about the homes available so that they can make the best decisions for their households. It will also provide us with strong data analytics about customer's preferences in terms of location, types and size. This in turn will inform our investment in customer's homes as well as the building of new homes over the lifetime of the strategy. We will also extend these platforms into our latest partnership in Dumfries & Galloway.

Our re-defined relationship with our customers will be focused on enabling them to take the lead and develop their personal capacity to better manage their money and home, be a connected member of their community, look after their health and wellbeing, and feel they make positive use of their time (either through work or in other positive ways).

**More customer control of expenditure** will ensure resources are targeted at the things which matter to our customers. We will do this through our **Stronger Voices, Stronger Communities** engagement network supporting the Wheatley Foundation in delivering projects which meet the challenges faced by our customers.

We will also use digital technology to undertake an annual **You Choose Challenge** where we will crowd source suggestions and use online voting to take decisions. By 2026 25% of all tenant-facing expenditure will be controlled by tenants as shown in the diagram below.



Our customer-facing staff will engage, both online and offline, in ways that release the talent of our customers. To support this, we will forge strong partnerships with universities to enable us to offer MCR Pathways type mentoring support to our customers. Our Talent Mining approach to employability will focus on coaching talent, starting with asking customers what they would like to do with their life rather than trying to fit people into opportunities we have created.

Our online digital platform will make it easy for our customers to participate in the **shared economy**, delivering a **“Wheatley Benefit”** approach for customers as well as staff. Our platform will empower households who rent from us to make their own decisions about their home which are usually only available for homeowners, such as options to repair items themselves, choosing how and when work is done or letting out a spare room. Empowering people to use spare rooms can also foster inter-generational support, such as where an older person requires support, or a younger family member is not yet ready to set up an independent home.

### 1.3 Developing a Customer Led Repairs Service

Our joint venture with City Building Glasgow and our in-house repairs service at Dunedin Canmore have ensured that we deliver repairs efficiently and effectively, achieving a high level of customer satisfaction. This is particularly important as the repairs service is a core driver of customer value. With that in mind, we will carry out the right repair, fixed first time whenever possible, with an appointment time that is convenient to our customers.

In 2021 we will carry out a full option appraisal of our JV to fully understand and evaluate the progress and benefits that have been achieved in its first five years, both for our customers and our business. This will inform our decisions about the future arrangements for repairs delivery in the West, to be enacted in 2022.

The new in-house repairs service for Dumfries & Galloway Housing Partnership will see it leading the way for the Group in terms of a new, state-of-the-art repairs system, enabling trades operatives to optimise their efficiency – particularly important given the large rural geography. The same systems solutions will be used to upgrade our Dunedin Canmore and City Building operations, enabling a consistent repairs platform across Group.

Our ambition is to continue to improve the repairs service and the new systems infrastructure will support our aim to introduce more dynamic ways for repairs to be delivered. Our **MyRepairs** approach will be customer led to ensure that it fits with modern lifestyles and needs. **Your Home Choice** will provide a budget for each new let which customers can spend on a choice of items. **Digital consultation** will be used to allow customers to co-create the priorities for planned repairs such as replacement kitchens and bathrooms.

By 2026 our approach to delivering reactive repairs will be tailored by and for our different customer segments. Increasingly our customers will book their repairs and appointments digitally, choosing times that suit them best. We will provide times and styles of service to support the different households in our communities. In addition, Wheatley investment will be designed to help **reduce running costs** in the home wherever possible, supporting households to have more income for the things that matter to them.

Repairs 2026 – Tailored Experiences	
Family in work with school age children	Older person or couple
<b>School- run service:</b> designed with and for families	<b>First through the door:</b> all trades people are trained to do ‘slip and trip’ assessments.
<b>Familiar and transparent ‘shopping basket’ experience:</b>	<b>Preventative predictive analysis:</b> Artificial Intelligence and rich data used to spot trends and trigger preventative

## Repairs 2026 – Tailored Experiences

Online repairs mirrors the ‘shopping basket’ experience provided by online retailers, with menu, costs, timescales, tracking and rating facilities.

response including aids and adaptations, such as floods triggering change to plug type and sensors, cooking fires triggering fire risk assessment.

**Convenience and control:** Customer centred Repairs App, mainstream video reporting/photo reporting of repairs, text updates and alerts on progress of repair, customers can track their repair to point of completion, video guides to help customers fix things themselves.

**Choice and control:** Customer can choose their Handyperson or Trades person

**Right first time:** trades operatives can flex the time they have for a job to complete it at first visit. Whoever is in the Customer’s home takes ownership to resolution.

**Right first time:** trades operatives can flex the time they have for a job to complete it at first visit. Whoever is in the Customer’s home takes ownership to resolution.

**Customer value:** I feel I have choice and control over repairs getting done in my home. I feel the service is built around me and what matters to me.

**Customer value:** I know and trust the faces of the trades people I let into my home. When I speak to people about repairs it feels personal – they know and care about me and my house. I feel the repair service is built around me and what matters to me.

We will be open and transparent about how we are spending customers’ money at both an individual and a community level, providing relevant performance information for customers to hold us accountable, and enabling customers to engage more meaningfully in decision making around repairs. When a customer orders their repair online we will include the cost of the repair in the customer’s ‘basket’.

We will introduce ‘How to...’ **video guides** on our websites to help customers to do appropriate jobs themselves, encouraging customers to feel more in control of their home and to become more self-reliant. Through their web self-service Wheatley account, we will give customers access to the data they need to help them manage their home, including the appropriate instruction manuals.

**Artificial Intelligence** will mine our rich data to support repairs diagnostics, spot trends and to deliver personalised customer service.



We will develop a **resolution option** for our repair contractors. All repair contractors will be given a single opportunity to resolve an outstanding complaint or repair. If it is not resolved it will immediately be re-allocated to another contractor in the Group to resolve, hence ensuring the customer is not at the centre of a lengthy resolution process.

## 1.4 Differentiating Lowther from its Competitors

Lowther Homes is now firmly established as one of Scotland's leading commercial letting and property management companies, with over 32,000 customers. It provides the full range of commercial property services, encompassing factoring, property management, private sector lettings and management.

Our ambition over the next five years is to shift the perception of our service so that by 2026 **over 60% of our customers would recommend the service** to a family member or friend.

Our plans for re-designing our services to create additional value for our customers reflect the significant changes to our customer profile over recent years and our projections for these trends to continue. By 2026, as Right to Buy homes are re-sold to first time buyers, we anticipate that our property management customer-base will have flipped from 60% in the older customer segments, which tend to be financially stretched, to 60% in the younger segments with higher household incomes. At the same time, we project that over 90% of our private sector lettings customers will be in work and under 50 years of age. Customers who are private landlords themselves are a significant segment and we will seize the opportunity to create new products that meet the specific needs of this growing group.

Lowther Homes is proud to be an **ethical business** and will firmly establish its reputation as such, so that customers and prospective customers are fully aware of what differentiates Lowther from other commercial competitors, making us the stand-out first choice. A key element that differentiates us as an ethical business is that 100% of our profit margin is reinvested in community benefits through the Wheatley Foundation and our customers have a voice in shaping the priorities for this investment.

In the early years of the strategy Lowther will complete its **transformation to a digital-led rental business to be complete**; re-designed to meet the growing expectations of our increasingly working-age customer-base and making Lowther a **paperless business**. All Lowther rental customers will have an online account, with enhanced features including the ability to track a repair and access a range of opportunities through 'My Savings'.

Our new '**Lowther Local**' portal will be central to this transformation, shifting the balance of decision-making power and control to the customer and giving them transparent access to all the information they need. It will provide a secure platform for customers in each communal block to engage with both each other and with us.

We will involve customers in identifying the functionality to ensure it fully meets their needs and expectations and is easy to use.

The 'engage and influence' feature of the Lowther Local portal will support our ambitions to be seen nationally as the go-to body for issues that are critical to our customers, making it easier for us to effectively exert influence in their interests. Strategic decisions we will seek to influence include maintaining mixed tenure blocks, retrospective fire safety obligations and the creation of new Rent Zones.

Enhancing our online service model will significantly expand opportunities to use data analytics to target Lowther's resources efficiently and tailor our marketing appropriately for maximum impact. Additionally, we will analyse online viewing patterns to help inform decisions about where best to locate our new homes.

[We will explore the opportunity to](#) make small Private Landlords a target growth market for Lowther over the next five years. We will seize this opportunity to develop a new innovative **Landlord Portfolio Management Product**. Many landlords have more than one property, and a single consolidated view of their entire portfolio would deliver significant value to them.

Capitalising on Lowther's unique position as both a commercial property management and a lettings business, we will also offer a full managed service to third party landlords, provided they meet our quality criteria. This will be of particular interest to small portfolio landlords with properties in communal blocks. Becoming a **Lowther Landlord** and letting their property through us will give them access to specialists in both factoring and lettings as one package, as well as a guaranteeing a steady supply of tenants.

Building on Wheatley's **strategic partnerships** with our key Local Authorities, Lowther will seek to expand the scope to include commercial opportunities. We will pro-actively offer solutions to Local Authorities and other RSLs who are challenged with managing mixed tenure neighbourhoods, to grow our business by creating additional value for these new customers.

A new optional **internal repair service** will be designed to give customers more choice and control. Customer decisions to opt-in to this service will be based on price, quality, convenience and customer service. Many Lowther customers are in work, so the ability to select specific appointment slots is crucial, as is being kept up to date with progress. Our easy to use online menu will include transparent costs, warranties and billing arrangements. Quality and customer service will be evidenced by the published feedback from our trusted trades/rate the tradesperson apps, providing confidence in the tradesperson the customer is letting into their home.

We know that efficiency is important to customers – it is a key driver of satisfaction and perceptions of value for money. [This will heighten in a post-Covid era where many of our customers have experienced financial difficulties and engagement with Universal Credit for the first time.](#) Through our re-designed digital-led service model we will improve customer experience to reduce customer debt, as well as reducing

our costs to serve. At the same time, we will attract new customers through our new Landlord Portfolio Management, Lowther Landlord and Internal Repairs products, and our own property portfolio through asset growth. Taken together these changes to our cost-base will ensure we can continue to keep charges competitive whilst meeting our challenging gift-aid targets.

Our mid-market rent homes can be an important option for working households who become homeless or are threatened with homelessness. This is particularly important given the acute shortage of social rented homes to meet need in this area. Our housing options will be increasingly integrated to allow people to review all our rented homes. This will enable rapid access to a rented home for those where mid or full market rent is suitable.

## 2. Making the most of our Homes and Assets

Our primary purpose of changing lives through providing quality homes remains unchanged. Building on the unparalleled success of the last five years we have set ourselves another challenging target of **5,500 new homes** by 2026.

We will create a new platform and brand for investment and regeneration within Glasgow, which will build on the success of the highly successful Transforming Communities: Glasgow model of Transformational Regeneration Areas (“TRAs”). This platform will benefit tenants by unlocking £50m additional investment in regeneration and development, including 600 additional new homes, £10m of additional investment in existing tenant’s homes and address challenges with future rent levels.

Our engagement framework, “**Stronger Voices, Stronger Communities**” will place the customer at the heart of how we plan and design our improvement programme and new build developments. We will maximise the use of technology to engage a diverse range of customers across our geographic footprint in both the investment planning process and the development of our new homes.

Our ‘Stronger Voices, Stronger Communities’ approach will include engaging new and existing customers in the design of our new ‘**Wheatley 24**’ house range and surrounding communities in the design of all our new build developments to bring a sharper focus on delivering what matters to the customer. Our ‘Wheatley 24’ house types and bespoke house designs will reflect the needs and exceed the expectations of each of our customer segments, such as kitchens with enough space to accommodate a kitchen table, large, fully reversible windows that are easy to clean and with sizes and shapes in line with curtain/blind sizes commonly available on the high street and maximum integrated storage space. We will also take account of the rise in home working and studying as well as the need for access to outside space to support overall health and wellbeing as a result of the Covid-19 pandemic. Both the existing community and new customers will feel they have a say in shaping new homes and development layouts, ensuring environments that work for the people who live there and that they are proud to call home.

Continuing our significant investment in and around existing homes is equally important, both for the comfort, safety and security of our customers and to protect the long term value of our assets. We will harness emerging technology to enhance customer convenience, support independent living, safety and security, improve efficiency and raise the bar in asset management, both in terms of buildings and the environment they sit within.

Our new operating model, combined with increased levels of digital and online customer engagement, will allow us to **accelerate the reduction of our corporate estate** and explore options such as repurposing for housing and disposing offices no longer required.

Highly agile working patterns and methods will be more suited to touch-down points rather than assigned desk space, enabling us to replace our current workplace estate and relocate to creative community hubs and workspaces that also provide added value for our customers.

The resulting capital gains and efficiency savings will help fund our investment ambitions and be **reinvested in customer priorities**. In addition, it will generate new opportunities for supporting entrepreneurship and resilience in our communities through provision of dedicated spaces for customers, social enterprises and local business incubation.

Over the next five years we will make a giant leap forward towards our long-term aims of **becoming carbon neutral and eliminating fuel poverty**. We will take the national lead in investing in distributed micro-renewables, with the benefits shared at a community level rather than individual property level ~~,- reducing the cost of running a home for our tenants by 10%.~~

Much has been done over the last five years to make our neighbourhoods places customers are proud to live. During the next five years we will ensure our community investment creates lasting impact by engaging customers in targeting the Wheatley Foundation resources towards building customer and community resilience to make things happen for themselves. Increasingly we will help our communities to have a voice, taking the lead in influencing, collaborating and brokering with stakeholders, to mobilise assets, platforms and partnerships for the wellbeing of our communities.

Our expectations of suppliers, contractors, developers, house builders and collaboration partners regarding **community benefit requirements** will be more explicit and transparent. It will be proactively managed by the Wheatley Foundation to ensure the benefit to the local community is transparent wherever a new build

By 2026 Wheatley will be renowned for building empowered, confident, proactive and connected communities and places as well as excellent, well designed homes.

## STRATEGIC OUTCOMES

- Increasing the supply of new homes
- Investing in existing homes and environments
- Setting the benchmark for sustainability and reducing carbon footprint
- Building community voice, engagement and resilience

## STRATEGIC RESULTS

- Develop 5,500 new homes across all tenures
- Invest £500m of new public and private finance in new build housing
- Achieve 95% customer satisfaction with their new build home
- Invest £360 million in improving, modernising and maintaining homes
- Achieve a 60:40 ratio of planned to reactive repairs
- Reduce the volume of emergency repairs by 10%
- Maintain existing tenant satisfaction with the quality of their home at over 90%
- [Reduce the output of CO2 emissions from our homes by at least 4,000 tonnes per year](#)
- Reduce our corporate carbon footprint [to net-zero by 2026](#)

## 2.1 Increasing the Supply of New Homes

Our new build programme will ensure we continue to make a **nationally significant impact** on housing supply, contributing greatly to Scottish Government targets. A new warm, safe and energy efficient home in the right location is a life changing experience for an individual tenant and their family that can transform health and well-being, educational attainment and life opportunities. The wider social and economic benefits from increased house building activity are well documented and the continuing scale of our programme will deliver significant benefits in employment, training and apprenticeship opportunities for our customers and communities.

We will use the strength of the Group and the national significance of our new build programme enabling the Scottish Government to meet its 'More Homes Scotland' target provides a strong platform from which we will seek to influence the Scottish Government to sustain the current budget allocation and grant conditions for affordable housing supply through to 2026. We will also seek to extend our influence with grant funders, Glasgow and Edinburgh councils and the Scottish Government, to increase the share of Affordable Housing Supply Programme (AHSP) budget allocation to the Group.

Through our board presence and membership of Homes for Scotland, we will: influence house builders and developers to view Wheatley as the natural choice to partner with to deliver their Section 75 affordable housing commitments, and to procure new 'developer led' new build opportunities; and combined with relationship building with other key players in the property market, we will leverage the influence afforded by the size and scale of the Group's new supply programme to develop new



**innovative partnering arrangements** that ensure the flow of available land and future developments.

~~A single new build project and programme approval route will be established to take a holistic view across the Group in order to facilitate the fast, agile decision making that will enable us to compete more effectively for the best sites.~~

Maximising our **return on investment** will be an important factor in decisions about what and where we build. Enhancing existing partnerships with both Local Authorities and commercial organisations that help us deliver our new supply ambitions will continue to be a distinguishing feature of our strategy. However, we will use our successful track record to grow new partnerships beyond our current footprint. This will include exploring opportunities to refocus our new build programme to encompass new locations such as East Dunbartonshire and East Ayrshire, and new products for particular customer groups, such as retirement living.

The search for appropriate and advantageous sites for GHA will be extended to the greater Glasgow housing market area. During the strategy period we will explore the potential advantages that might result from rebranding our RSLs with geographical based names to facilitate development opportunities in other areas.

In our most recent new strategic partnership area, Dumfries & Galloway, we will work closely with the Council, the Scottish Government, local communities and other local stakeholders to develop joint plans for transformational regeneration of areas most in need of investment and regeneration. This will involve taking a holistic view of each regeneration area, adopting a placemaking approach to improve housing choice and create new mixed tenure, sustainable neighbourhoods where people want to live.

In some areas this may involve replacement of unpopular poorer quality homes with new, high quality, energy efficient homes that are cheaper to run and improve the quality of the neighbourhood. Through our investment in new homes we may look to attract house building partners into some areas to provide more housing choice and help retain local people, who want to own their own home within the area. In doing so, we will maximise training and employment opportunities through the development of both housing for rent and sale in larger contract packages, therefore enhancing our regeneration outcomes to be about more than bricks and mortar.

Co-designed with our customers, our enhanced **‘Wheatley 24’ house range** will meet customers’ needs and exceed their expectations. It will become a core product in our new homes delivery programme across the Group. It will sit alongside other bespoke residential products delivered for the Group by our contractor, developer and house builder partners and will be used to influence and raise standards in these alternative industry products, including tackling fuel poverty by design.

At its core the Wheatley 24 house range and our other bespoke residential products will deliver the best in the principles of **Modern Methods of Construction** (MMC) such as offsite/modular construction, as the Group looks to mitigate against industry

skills shortages and in a concerted move towards achieving zero defect housing, faster onsite construction times and ever greater customer satisfaction results.

A key design feature for all the homes in the range will be that they are highly adaptable and can easily change and flex as the needs of the household evolve, establishing a truly **‘lifetime home’** approach. **Customer input will be used to help ensure designs are suitable to meet the cultural needs of New Scots and the requirement for flexible homes to suit both larger families and downsizing.** In addition to the added value this brings to our customers, it will deliver significant business benefits, including reducing tenancy turnover; cost efficiency in aids and adaptations and future-proofing our homes against changing demographics.

The Wheatley 24 range will enable us to create exceptional customer service and choice for customers of new build homes that rivals the best aspects of a private sector **‘home buyers service feel’**. Early identification of prospective tenants will allow us to work more closely with them in the design aspects of their new home and personalise the whole experience for customers moving into a new build Wheatley home. Customers will have choice over final fittings and optional extras, all supported as part of a **virtual reality**, new home shopping experience.

This will be particularly beneficial for customers moving into Livingwell properties, where involving them in co-designing adaptation will ensure their home is tailored to their needs from day one.

We will develop the Wheatley 24 product range across multiple tenures, with and for a wide demographic of end users, including:

- social rent,
- mid-market rent,
- market rent, and
- new Livingwell care options.

## 2.2 Investing in Existing Homes and Environments

Improving our existing customers’ homes and environments remains a key strategic priority. We will continue to use our financial strength to reinvest a further **£360 million** over the next 5 years in improving, modernising and maintaining homes across the Group, in addition to **£300 million** on repairs. The safety and security of our customers will continue to be of paramount importance. This will allow us to reduce the level of emergency and reactive repairs which create inconvenience to our customers as well as being poor value for money.

Our evolving Locality Planning, together with engagement approaches, will ensure investment is increasingly focused on what creates most value for our customers and they feel involved in identifying priorities and shaping the investment programme for their community.

Where kitchen and bathroom replacements are planned, our online planning tool will help customers both design and visualise them. We will also create personalised live property dashboards for our customers to enable them to understand and co-manage their property. Dashboards will include information on the energy performance of their home, lifecycle replacement and planned investment.

In support of our ambitions to create a digitally led business, we will exploit technological innovations to enhance the efficiency and convenience of our investment and maintenance services. We will deliver **‘innovation at the point of investment’** in our existing homes. Investment in **Sensor technology** will become a core element of our retro-fitting and component replacement programmes. This will allow us to **explore the potential use of** cutting-edge **predictive analytics** to inform a more intelligence-led repairs and maintenance service, simultaneously enhancing customer convenience and improving efficiency in asset management through proactive, remote fault diagnosis/resolution and increased component life cycles.

Linked to our **Geo-Information Systems**, we will build up a virtual picture of all our communities across Group and will use this visual data to enrich our engagement both within the business and with customers and other stakeholders.

We will expand our RSBI factory capability to include **3D printing of obsolete or difficult to source components**. This will enable quicker and more efficient repairs, benefiting customers as well as the business. It will also provide tech-related employment opportunities for our customers

## 2.3 Setting the Benchmark for Sustainability and Reducing Carbon Footprint

Tackling fuel poverty and mitigating long-term increases in energy costs for our customers continues to be a strategic driver. Our approach includes helping our customers to access affordable energy and reducing bills by improving energy efficiency. Through partnerships with energy providers we will offer a discounted fuel tariff to all our customers, including commercial customers and factored owners. In addition, a pioneering suite of approaches, under the **‘Efficiency 25’** banner, will be developed that will establish Wheatley as a role-model for sustainability nationally and beyond, benefiting both our customers and our business, as well as influencing the rest of the sector to raise its standards.

As part of our **Wheatley Green Investment Plan**, we will seek to partner with the Scottish Government to achieve our common climate change goals ensuring we play our part in the transition to a low carbon economy. By delivering, at scale, low and zero carbon energy technology across a quarter of our stock we will also create thousands of green employment opportunities for our customers and communities. Not only will this have a positive impact on the environment, it will contribute to the affordability of running a home for our customers and make a significant contribution

to the green recovery post Covid and delivering national sustainable development goals.

Our Green Investment Plan will include all new homes being low carbon and significantly increasing the use of renewable energy generation at source within our existing homes. A significant investment in retrofitting to increase the energy efficiency and reduce the carbon footprint of our existing homes will create and support up to 1000 jobs in the Scottish supply chain.

Our Green Investment plan will include :

Establish **'W.E. Generate (Housing)'**, adopting a whole energy system view of how energy is generated and consumed within our homes. The programme will see us take a national lead in investing in distributed micro renewables, promoting the spread of benefits to a community level rather than just an individual property. This micro-renewables approach will be rolled out across both our new build and existing housing stock and will include Solar PV, battery storage technology and air source heat.

Innovative **'Wheatley Energy Blockchain'** technology will enable us to trade energy amongst our assets, so that all unused energy is sold to the benefit of neighbouring customers, creating a local community market for renewable energy. This technology will also enable us to play a role in helping people manage their energy smarter, with customers able to opt-in to automated energy management services which save them money and reduce our collective carbon footprint.

A key focus will be to harness the potential to significantly reduce energy costs for customers living in our high-rise homes, by exploring specific opportunities for energy generation that arise from their unique design, such as wind and solar farms.

Across our **reduced** corporate assets we will establish **'W.E. Generate (Corporate)'** comprising renewable and battery generation solutions for our corporate accommodation platform in a long-term aim towards creating a zero-carbon electricity corporate portfolio.

The **Wheatley work base of the future** and rationalised corporate asset footprint will complete the **'Efficiency 25-26'** suite. Under this banner the Group will create 21st century, low carbon footprint, high technology enabled work environments and community hubs that support flexible working, innovation and engagement. In order to ensure our community hubs are close to our customer base we will make use of appropriate existing community spaces and work with partners to harness opportunities to **co-locate** access points in places our customers frequently visit, such as health centres and libraries. Our locations will be strategically placed to support our growing asset base and promote wider economic development across our community footprint, with dedicated spaces for customers and the wider community.

**Energy efficient design** will be a key characteristic of all the house types in our Wheatley 24 range and other bespoke house designs, minimising the total cost of running a home for customers, eliminating fuel poverty in our new build homes and supporting our sustainability goals.

Our stock viability models will take account of the total cost of living in our existing homes, including the cost of heating, to help inform investment and disposal decisions. We will prioritise solutions for electrically heated homes that enhance control and cost savings for customers, and work with research partners to solve long standing challenges for improving energy efficiency in non-standard construction types. Where we are retrofitting homes to Zero Carbon we will adopt modern whole-system approaches using externally applied solutions wherever possible, to minimise disruption to the household.

We will work with partner organisations such as Sustainable Glasgow and other local authority partners to improve outcomes for the environment relating to our use of land aligned with the Scottish Government's sustainable development goals for the benefit of our customers' environment, our habitats and biodiversity. This will include flood risk mitigation, carbon offset tree planting and improving soil quality through our ground management and maintenance.

## 2.4 Building Community Voice, Engagement and Resilience

Our engagement framework, "Stronger Voices, Stronger Communities" includes an innovative **community led development approach**, involving customers and wider communities in decision making at the key stages of our work with framework contractors. They will help shape initial designs and have opportunities to stay connected from pre-site start through to completion of the defects period. Our approach will place the customer at the heart of how we plan and design our new-build developments and we will adopt the same principles for major improvement programmes.

Both the local community and potential new customers from our waiting list will be invited to engage in our project design. We will harness technology such as 4D applications to help bring our Wheatley 24 range to life, using '**virtual community imaging and experience**' to enable customers to visualise new developments during both online and off-line engagement. This approach will encourage customer to get involved by making it relevant, fresh and fun. Customers wearing a virtual reality headset will be able to see virtual 3D, 360-degree images of what the new properties or development would look like. As well as ensuring our products create maximum value for customers, our aim is to establish a greater sense of customer and community ownership, through planning and designing new homes and communities together. As we move through key project milestones we will provide regular opportunities for communities and customers to re-engage, stimulating deeper and richer connection with the communities that we are investing in.



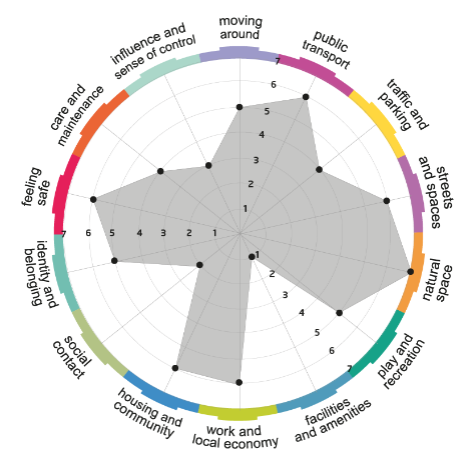
Customers across all tenures will be invited to digitally rate and evaluate our new-build contractors, developers and house builders, through our **‘Wheatley Trusted Builder-Mark’** process. We will use this approach to incentivise a greater sense of ‘shared-customer culture’ across our new-build framework contractors and wider supply chain.

A home with Wheatley Group, regardless of tenure, is more than just the bricks and mortar of a new or improved home, it is about getting keys to a whole new world of opportunity which will help break down barriers of disadvantage for customers and their families. Our new **community entrepreneurship and resilience programme** will demonstrate our faith in people and our willingness to create chances and opportunities. We will do this by establishing a virtual network and leveraging our physical assets and spaces within communities, such as commercial units and corporate office footprint, empowering communities to come together in creative ways.

We will foster local entrepreneurs and talent by giving local people the opportunity to start small scale businesses, creating the conditions that make it easier for people to have a go, try out their talents and dreams, and do things for themselves. We will work with the business community and further education partners to create an accreditation of **‘Wheatley Community Advocates’**, linking customers into wider business and educational opportunities, with the ultimate aim of increasing individual life chances and the wider economic resilience of Wheatley Group communities.

We will work with communities to co-create a **‘Wheatley Place Measure’** that reflects the criteria our customers identify as the hallmarks of a successful and resilient community. We will use **real-time digital feedback** to track the impact and progress of all our new developments, when we carry out major investment work, and for Wheatley Foundation activities.

Our new engagement approaches, including the annual **‘You Choose Challenge’** outlined in the Creating Customer Value chapter, will give Tenants a far greater say over Wheatley Foundation investment. The Wheatley Foundation community investment decisions will also increasingly be shaped by **analysis and understanding of rich data sets**, including demand patterns for homes and services and customers’ socio-economic circumstances to identify where the biggest impact on wellbeing can be made. Moving forward, the Foundation will play a key role in **trying and testing new innovative ideas and approaches** which would then be mainstreamed, where appropriate, once impact has been evaluated and evidenced. The overarching purpose of the Foundation will be to raise customer aspirations and build lasting customer and community resilience rather than meet short-term need.



Our refined '**Wheatley Community Benefit Model**', will involve engaging our customers and communities in identifying and prioritising the type of community benefits they most want to see derived from our investment in existing homes and new build housing projects.

We will continue to use our Group-wide procurement frameworks to drive wider community benefits with our suppliers in order to expand the '**Wheatley Benefit for Customers**' offerings linked to individual online accounts. Using this approach, we will harness our size and buying power to get the best deals possible for our customers, providing them with a growing range of opportunities to save money and reduce the cost of running their home, including access to:

- lower energy tariffs;
- discounted broadband/telecom/mobile costs;
- reduced insurance premiums; and
- deals on household living expenses, such as food, furnishings, travel.

The planned investment over the five years of this strategy of £630m on new housing supply and £360m on capital investment programmes will have a significant positive economic impact. In total, spend associated with this strategy is estimated to support or create over 10,000 jobs. This includes:

- Over 6,500 direct, indirect or induced construction jobs in the supply chain and wider economy as a result of our new build spend; and
- Over 3,500 direct, indirect and induced jobs as a result of our capital investment programme.

### 3. Changing Lives and Communities

By 2026, we want **our customers and communities to be more resilient**. Many of our customers and communities face multiple challenges that have been exacerbated by the Covid-19 pandemic, such as financial hardship, working in sectors disproportionately economically impacted by the pandemic and poor mental health. Poverty rates in Scotland are highest amongst families with children. Educational attainment is the most significant driver of future poverty, and the attainment gap among children from the most and least deprived areas is considerable and increases as children get older. In addition, higher levels of anxiety and depression, disability, and life-limiting illnesses impact on the ability of many people to live full lives. During the life of this strategy, we will work hand in hand with our customers and communities to address such challenges by providing a wide range of support tailored to their needs.

We want to stimulate innovation and learning in our communities, enabling people to reach their potential for a brighter future for themselves and their families. Through the Wheatley Foundation, our Care services, and Wheatley 360, we provide a portfolio of wrap-around services and opportunities which help change lives and encourage individuals not just to harbour aspirations but also to realise them.

Exploiting the diversity of the Group, we will explore the potential to expand into new products and markets through cross-group developments involving our RSL and commercial subsidiaries, including market rent and new Livingwell elderly care.

The pandemic has further heightened the national policy focus on homelessness, where the Group was already at the forefront of the national Housing First agenda. Through our new **Strategic Homelessness Framework**, we will take a leading role in the national agenda around Rapid Rehousing and Housing First for those who have been homeless, supporting the Scottish Government and local authorities in their plans.

We will increase the amount of our homes that go to those who are already homeless with a commitment to **house at least 10,000 homeless households**. We will ensure that we do this in a way which builds the strength and resilience of the new households and the surrounding community. Our work with people who have lived experience of homelessness to map their customer journeys will be used to direct our services in the way which works best for this customer group and the wraparound services they need. The insight this provides will help us lead the way in strengthening the pathways for homeless people to ensure they can access the support they need easily and at the time they need it.

## STRATEGIC OUTCOMES

- Shaping Care Services for the Future
- Developing peaceful and connected neighbourhoods
- Supporting economic resilience in our communities

## STRATEGIC RESULTS

- Meet the agreed contributions to accommodation for homeless households in each local authority we operate in; [housing an estimated 10,000 homeless people/households over 5 years](#)
- 90% of Care services are graded 5 or above
- Over 70% of our customers live in neighbourhoods categorised as peaceful
- Achieve 85% satisfaction with Wheatley Environmental Services
- Reduce the number of accidental dwelling fires by 10%
- 100% of applicable properties have a fire risk assessment
- 4,000 jobs, training and apprenticeships delivered
- 250 customers have been supported to attend higher education and university through Wheatley bursaries
- 10,000 vulnerable children benefit from targeted Foundation programmes
- 60% of tenants with online accounts are using the My Savings rewards gateway.
- [10% Reduction in the cost of running a home by 2026](#)

### 3.1 Shaping Care Services for the Future

Going forward we will enhance our reputation as a trusted provider and role model for quality and innovation, promoting our strengths to raise our profile, influence and impact. We are building on strong foundations, having established our new Care vehicle, Wheatley Care, and our unique W.E. Care model which focuses on wellbeing not illness, delivering flexible products aligned to the changing needs of the population across an extensive care footprint. We are proud of the expertise we have developed in personalised services and co-designing individual service outcomes, and of our track record in innovating and inspiring our staff.

The size, stability and security of Wheatley Care ensures we are in a great position to demonstrate the art of the possible in order to influence and shape strategic and commissioning decisions in the evolving national health and care landscape. By delivering exceptional services to Health & Social Care Partnerships, we have a golden opportunity to **influence and inspire transformed care and support experiences** not just for our customers but across Scotland.

Wheatley has an **integrated Group value proposition** – giving our customers access to expertise and resources across care, support, housing, advice, training, volunteering and employment. Exploiting this unique selling point will be a key priority, supporting our aim to further diversify and develop new revenue streams that are not dependent on the commissioning environment.

All decisions on external care contracts will be based on commercial principles, with a requirement for appropriate return and risk mitigation.

We will support people who have become homeless by continuing to shape and refine Scotland's effective **Housing First** approach. This ensures that they have a home and that the services and support they require are centred around that home. We will use our unique position of strength in having both housing and care services to pioneer new approaches to helping people stay in their home that can be extended to other organisations across the country.

We will support our older tenants and Care customers to be as active and independent as possible. Building on our **Livingwell model** we will work as enablers in the community to allow people to use their skills to support others, strengthening communities and combatting loneliness. This is particularly important in a post-Covid environment where incidents of isolation and poor mental health have become more prevalent. Our existing services will be maximised to deliver support to older people and also tailored for other households who need this type of support. For example, the concierge services in multi-storey flats will continue to provide a regular point of contact but also take a lead role in connecting people in their neighbourhood.

Building on the success of our **415 Hub and Cluster Innovation Model**, we will establish four such Hubs in Glasgow. Our unique Hub and Cluster model brings together health, social care and housing services to enable people to live longer in their own homes as independently as possible. Each Hub will be connected to our high-rise estate, to provide an appropriate social space for community engagement as well as demonstrator flats. Customers, their families and carers can visit the demonstrator flats to experience the available technology for themselves, including dementia friendly environments. This is complemented by our virtual shop front app, that enables the available technology to be discussed with customers in their homes.


Hub and Cluster Demonstrator Apartments	Community Engagement	First Through the Door	Technology and Digital Inclusion	Capital Investment & Refurbishment
Two demonstrator flats used for training that have design and technology innovations	Supporting older people in the community and promoting active aging 	Early identification process using a mobile app tool for front-line staff to link services	Access to Wifi, iPads, computers and providing people with relevant information	Investment and planned refurbishment to provide a local service hub, mini gym and wellbeing suite

Figure X – Hub and Cluster Innovation Model



Our approach to putting “**community in the care**” will further strengthen over the five-year strategy period. Continuing to use and expand the use of community spaces in Livingwell and care accommodation will support our focus on building resilience. As we move forward, we will ensure that these spaces are fully integrated into the community, extending the benefits to the whole community not just the residents and also promoting wellbeing. The spaces will increasingly be used for summer clubs, childcare and other cross generational uses. When people move into a home that includes a community space, we will strongly encourage them to be involved in the community as active citizens, using peer support from neighbours to help individuals to achieve this.

Wheatley is recognised as a **valued employer with IIP Platinum accreditation** for its care services. We know that our care staff undertake a challenging role which is vital to helping our customers achieve what they want from life. In order to support our staff, we will ensure they get **reflection and learning** time, and that this is seen as an important aspect of their WE benefit. Exploring different ways of working will be a valued part of the learning and support they receive from our Care Centre of Innovation and Excellence. This virtual and physical resource will focus on innovation and co-creation, incorporating lived experience training from customers.

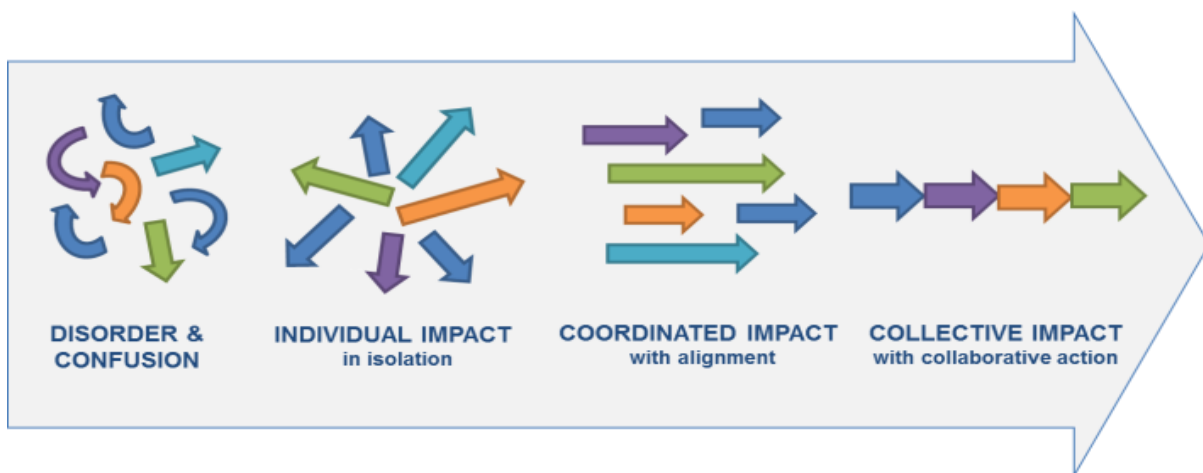
Increasingly we will look to deliver our services through teams which have a diverse range of skills. We already support a range of individuals from older people through those experiencing homelessness to those with some specialist health and care needs. Our diverse skill base will help us to continue to expand this ensuring that we become the **care provider of choice** for many of the Group’s housing and factoring customers.

Working in ways that help people and communities become more self-reliant both maximises our impact and ensures we make best use of our resources, allowing them to be redeployed with another customer. Volunteering is proving an effective approach to building additional customer value, resilience and capacity, as well as helping keep services affordable. Over the next five years we will therefore continue to grow and expand our offer around volunteering. Support for carers will be a particular focus. We will use our volunteering offer to strengthen the skills of staff across the Group as well as to help the people we work for enhance their employability options. This will lead towards a **bespoke volunteering programme** linked to an end point of accreditation.

### 3.2 Developing Peaceful and Connected Neighbourhoods

Over the last five years we worked with our customers and communities to ensure our neighbourhoods are places customers are proud to live. We will future-proof the impact of this work during the next five years through our increased focus on building resilience, skills and confidence so people can make things happen for themselves. Our engagement framework will involve online and offline platforms and approaches to support local engagement and encourage customers to work together to design local solutions in response to local priorities.

Building on our Locality Planning approach, we will take a lead role in **influencing** other organisations and agencies in the interests of our customers. We will help our customers and communities to have their voice heard and will seek to harness collaborative action to achieve a greater collective impact on improving the wellbeing of our communities. This will involve establishing common objectives, agreed and co-ordinated approaches, shared data and common indicators of success.



The pandemic has further reinforced the detrimental impact digital exclusion can have on our customers, their families and in communities. We will also seek to use our influence to improve digital inclusion and participation for our customers through our Wheatley Community Connection Plan to support all customers to have affordable home broadband connections. This will increase our customer's ability to stay connected with friends and family as well as access a wider range of learning and education, employment, engagement and online service opportunities.

We will work with partners at national and local level to secure funding for our customers to have increased access to devices, low or no costs mobile data and support customers to secure the most affordable broadband connections. The Community Connection Plan will also include a programme dedicated to supporting our customers building the capability and confidence needed to fully realise the benefits of digital connectivity. This will include new digital users being directly involved in the design and review of our online services to increase their appeal, accessibility and value for customers.

Loneliness is a real issue for many people in our communities. Our aim will be to put the 'Neighbour' back into our neighbourhoods, creating a modern version of '**Neighbourliness**' as a hallmark of our communities by 2026, making them sought after and sustainable places where people feel a sense of connection and belonging. We will map and galvanise all the assets in our communities to turn them into opportunities for all, regardless of their vulnerability. Our communities will lead plans to maximise the use of the facilities we own in our areas. We will seek to **co-create** opportunities with a focus on supporting families, young people and overcoming isolation across the generations.

**Digital neighbourhoods** developed as part of our new engagement approach will provide a virtual forum where our customers can connect to further support each other and co-create local solutions to improve their local community. The digital neighbourhood platform will enable customers to go beyond engaging with us, but also facilitate them to organise car sharing, recycling, match untended gardens with keen gardeners and to link people with shared interests. It will provide an easy location for people to advertise community events and help increase the use of key community spaces.

Our **Community Improvement Partnership** approach will take communities from being merely safe to ones which are improving, peaceful and with high levels of satisfaction. This will be based on building a **confidence cycle** with communities. The cycle will support communities to become more resilient through increased confidence to report crimes and other issues. In turn, this information will help Wheatley and our community partners to support those living there to make their communities stronger and more peaceful.

Ensuring the best **Fire Safety** precautions throughout our housing will continue to be a priority. In order to do this, we will:

- Continue to refine the effective information sharing that underpins how we target resources to keep people safe. We will refine our 'vulnerability' definitions and data, so that customers who develop risky behaviours are identified and appropriately supported to keep them and their neighbours safe.
- Identify new innovative products to expand the integrated package of fire prevention products that staff and customers can draw down on, with particular focus on specific packages and products for vulnerable customers
- Review our fire prevention and mitigation strategy in light of any findings from the Scottish Government Ministerial Working Group, convened to examine and oversee the review of building and fire safety regulatory frameworks with an initial focus on high rise domestic buildings, following the tragic Grenfell Tower fire in London.

A fifth of the Group's housing portfolio comprises multi-storey buildings and through the deployment of our **High Rise Living Framework**, we will enable a sustained future for many of these homes into the future while we will continue to assess the longer term options for less sustainable high rise assets. Hallmarks of success will include

- People feeling connected with each other;
- Daily contact harnessed to build relationships, trust and confidence;
- Improved life chances as a result of bringing more services and opportunities onto the sites; and
- Dynamic engagement using technology.

### 3.3 Supporting economic resilience in our communities

The pandemic has severely impacted the economic resilience of our communities. We know that the sectors and types of jobs in which many of our customers are employed in have been impacted disproportionately by the pandemic and may not exist in their current form as ways of working change across our economy.

Supporting our customers and communities impacted by the pandemic, particularly those who have or at risk of losing their job will therefore be critical. We will reshape our services to provide additional support to our customers who have or are at risk of losing their job or entering the benefit system for the first time.

Our close working relationship with our customers will allow us to proactively engage with those at risk to provide them the support of our wraparound services, including welfare benefits advice, fuel advice and employment support.

We will expand the level of support via the Foundation, including through the growth of the **Wheatley Works** programme with an aim to **help deliver 4000 customers into jobs, training or apprenticeship opportunities** (an increase from 2500 in 2015-20). Our training programmes will be particularly focussed on supporting customers to develop the types of skills which will increase their employability in the post pandemic world.

Our **Wheatley bursaries** programme will support 250 customers to attend higher education. In Dumfries & Galloway, we will support 500 new jobs, training or apprenticeship places, delivering on the pledge set out in our partnership offer to tenants.

Over **20,000 Wheatley customers will be helped to alleviate poverty**, including support with mitigating the impact on Universal Credit/Welfare reform.

Our work will particularly support children in our communities. Over **10,000 vulnerable children will benefit** from targeted Foundation programmes, including free books to under 5's via the Imagination Library, securing funding from Cash for

Kids to help provide Christmas gifts and work with Children's University Scotland to support learning out-with the classroom.

## 4. Developing our Shared Capability

During 2020 we made significant progress in **reshaping our operating model** as we moved to deliver services using a blended approach of face to face and virtual engagement with our customers. Our staff have risen to this challenge remarkably and during the life of this strategy, we will continue to invest in our people to ensure they have the exceptional skills, attitude, engagement and influence to excel in this new, increasingly virtual, working environment.

At the same time, building the capacity of our customers and communities over the next five years will be equally important in bringing about the new empowering relationship we are seeking to establish with them.

Whether interacting on-line or face to face, our staff will be role models in developing relationships of trust and ensuring our customers feel we care about them. They will be fully equipped to empower and inspire customers to lead. We will develop their expertise in deriving insight from rich data, engaging effectively with customers in new ways and co-creating innovative solutions. Our unique Think Yes culture inspires staff to develop innovative solutions and build insightful, trusting relationships with customers and communities. By 2026 our culture will have evolved still further so that our customers will increasingly be 'thinking yes' for themselves.

Creative and innovative thinking to 'imagine the possible' is fundamental to our success in driving transformational change and inspiring a better future. We are renowned for doing things differently and continually raising the bar. Increasingly we will lead on developing new thinking that benefits the wider sector, cementing our reputation as Thought Leaders, both within our sectors and beyond.

We will fully equip our staff to engage effectively with strategy and decision makers, to identify new opportunities to work together for mutual benefit and drive change for the benefit of our customers and communities.

Not only is the global world of work changing but deploying this strategy will bring significant internal changes for Wheatley; changes to our culture, how we operate and the roles and skills we need. Wheatley needs to be proactive in delivering these changes in order to guarantee the continuing success of our business.

We anticipate the workforce of 2026 will be fully digitally active, increasingly looking for more flexible career models, work arrangements, reward programmes, wellbeing initiatives and career development opportunities. Evolving our job roles to meet our strategic ambitions and our ways of working to reflect these wider changes will ensure our business continues to be in the best shape to deliver our ambitions.

To support this, we will use the results of our digital maturity baselining assessment across the business to inform the priorities for our digital transformation throughout the life of our strategy and to assess our progress.



## STRATEGIC OUTCOMES

- W.E. Think – creating our “Thinking Yes Together” culture
- W.E. Create – driving innovation
- W.E. Work – strengthening the skills and agility of our staff

## STRATEGIC RESULTS

- Over 90% of staff say they feel appreciated for the work they do
- Staff absence is maintained at 5% for Care services and 3% for all other parts of the business
- Staff turnover remains at less than 7%
- Over 80% of customers self-report positive distance travelled towards ‘self-reliance’
- 250 young people provided with structured opportunities to build their skills within the business
- 50 graduates provided with opportunities to work and gain experience in our sectors
- Our workforce’s demographic makeup more closely resembles that of the communities in which we operate
- 40% of promoted posts filled with internal candidates

### 4.1 W.E. Think – Creating our “Thinking Yes Together” Culture

The transformational redesign of our services and operating models to make the most of our investment in technology and digital platforms is already underway. [This transformation was accelerated during the pandemic and our Think Yes! culture allowed our staff and customers to harness the benefit of our investment in technology.](#)

Wheatley excels at creating value for customers through personal interactions and going forward we will continue to be defined by the people in the business and the strength of our relationships with our customers. Our aim over the next five years is therefore to transform our culture and our thinking in order to create value for customers in different ways as they increasingly self-serve and do more for themselves. This will be visible through increasing levels of customers actively using their online accounts to transact with us and the use of new, [enhanced](#) digital forms of engagement.

The impact of Think Yes has been recognised and acknowledged on the global stage. Our challenge now is to build on this award-winning culture and evolve it to deliver our vision for 2026. It will require us to inspire our staff to think differently, as well as to provide new tools, platforms and skills to support them to act differently.

By 2026, as a result of our ‘**Thinking Yes Together**’ culture, our customers will feel they are leaders in their own life and that their relationship with us is focused on helping them develop their aspirations. Our staff will continue to deliver highly personal services. Increasingly this will be through digital channels, with a focus on

shifting the power and control to the customer so they can access the services they need themselves. The role of our staff will be to transfer skills and build customer capacity using immersive and experiential techniques, building on the successful approach of using Go Mobile to build digital capacity.

Traditional		Think Yes		2026 – Thinking Yes Together
Leaders want to be the centre of things	➡	The team challenge the leader	➡	Our people enable our customers to lead
Leader is self-serving	➡	The power is with the person who touches the customer	➡	The power is with the customer – we build their capacity to do things for themselves
Leadership culture of ‘tell, solve and check’	➡	Leaders serve the team	➡	Leaders as influencers – both internally and externally
Value derives from power	➡	No universal solution, no universal behaviour	➡	Value derives from nurturing innovation, bringing great ideas to life
Formal processes minimise risk	➡	Leader lives within a culture of risk	➡	Change is our norm – our people are agile and resilient
A culture of escalation	➡	Outcomes, not processes, with solutions designed as we speak	➡	Customers co-create their own solutions and develop their potential
Apply set rules	➡	Do the right thing for the customer	➡	Equip customers to do the right thing for themselves and become self-reliant – creating a lasting legacy

Successfully delivering this evolution in our culture will involve:

- **Inspiring, powerful and consistent messaging** so that staff and customers are clear about why they are being asked to act and think differently.
- Requiring commitment from all our people to own their **personal development** in line with their personal ambitions and fully aligned with the changing needs of our customers. All staff will be skilled in active listening and co-creating with customers.
- Establishing **clear expectations**, coupled with a **supportive environment**, for our people to help develop the capability and self-reliance of our customers for lasting impact.

- Adopting **new tools and techniques** that support our people to make the shift from task-based thinking to outcomes thinking, harnessing learning from Care around how they successfully made this transition, such as ‘**outcome star**’ and the use of ‘**empowering language**’.
- **Collaborating** across group, [increasingly through our digital platforms](#) and with specialist providers **to nurture innovation** and bring great ideas to life.
- Creating opportunities, spaces and platforms for our customers to develop and **maximise their potential**.
- **Co-creating an environment of excellence**, so our people feel valued, are resilient and embrace change.
- Developing increasingly **agile ways of working** that provide specialised access for our customer at times and ways that suit them.
- **Re-casting our performance measures** to align what we measure with the behaviours and outcomes we want to drive. We will measure both staff and customers on ‘**distance travelled**’, linked to our outcomes-based approach. This will clearly show the impact our staff make across the Group for their customers and ensure we can analyse and predict trends in order to direct learning and strategic interventions.

Developing the appropriate skills, behaviours and confidence required for staff at all levels to innovate and influence effectively will be a key feature of our learning and development programme over the next five years. This will be essential to support our ‘Thinking Yes Together’ culture. Our Leadership programme will evolve to fully equip our leaders to **engage with impact** and adopt a more assertive role in engaging with external partners, stakeholders and agencies to shape their strategic decisions for the benefit of our customers and communities. The aim is to ensure external power-players, including politicians, regulators and funders, understand Wheatley’s unique offering and capacity, and seek to work with us. We will firmly establish Wheatley’s authority and credibility, both as a result of our track record of achievements and because of the strength of our new engagement model, which will enable us to amplify the views of our huge customer base to ensure its voice is heard. [We will expand our successful ‘Leading in a Digital era’ programme to all leaders and support their transition to becoming increasingly virtual leaders under our new operating model.](#)

## 4.2 W.E. Create – Driving Innovation

Our ambition over the next five years is to stimulate innovation and learning in our communities as well as our workforce, enabling them to reach their potential for a brighter future for themselves and their families.

We will create a **Community Academy** that is not just for staff, taking the Academy on the road and into the heart of our communities. Our re-imagined Academy will be both a **virtual and physical space** for innovation and learning. New approaches, such as experiential learning will encourage curiosity and help re-define what learning means, including that it can be social, fun and community based. Customers will be able to use their online account to book access to space, access the web, store data, join learning experiences, participate in 'Community-Tech' and incubate their ideas. It will complement our community entrepreneurship and resilience programme, helping incentivise our communities to innovate for themselves by fostering the conditions and opportunities for them to come together in a variety of creative ways.

Making this real will involve forging **innovative partnerships with academic institutions** who are keen to work with Wheatley to achieve aligned goals; improving life-chances by bringing educational and learning opportunities to people who have been traditionally excluded. These qualifications provide a framework for individuals to identify goals for personal growth and skills, as well as a means of recognising, sharing and celebrating success. For example, we will work with our partners to introduce new **Community Achievement Awards**, to accredit work by individuals within their communities and support our new engagement model. As our 'Thinking Yes Together' culture evolves our staff will grow their skills and confidence in coaching and mentoring, enabling them to become an integrated part of the learning support offering of our Community Academies.

Creating environments and opportunities for our staff and customers to learn together will re-enforce our Thinking Yes Together culture. By 2026 **customer driven learning** will be an integral part of our new Academy operating model, so that no learning will be designed without customer involvement. Examples will include;

- involving customers in the Leadership Programme, raising awareness of what ideal leadership looks like from a customer perspective;
- customers involved in all complaints training, to help convey how their experience of the service made them feel and how it could be improved.

Our Community Academy will also focus on building individual capacity to help customers prepare for the world of work, talent spotting and linking customers to opportunities to improve their skills at the appropriate level for them.

This will range from **taster sessions** for people interested in a career in care, to **learning fairs** with university and college partners coming to talk to them about accessing technical and engineering skills and qualifications. Customers and staff will be able to access online learning to build up **Wheatley Credits** for housing, care and property management that will be a recognised part of Wheatley's **Pathways Into Work** programme, preparing people for roles within our business and those of our supply chain and strategic partners. We will forge new partnerships with both academia and businesses to design and deliver these accredited learning experiences and pathways.

The Community Academy will bring access to **Wheatley Scholarships** and apprenticeships to our customers' doorstep. Through engagement with schools in our communities, it will encourage young people to access opportunities, helping our customers' children get work-ready. Building on the success of our existing work experience scheme for the children of our staff, we will create a **Wheatley Customer Work Experience programme**, providing opportunities for customers to come into our business and get work experience.

Establishing a rich array of opportunities that successfully draws a large cross-section of our customer-base into direct experience of our values, culture and behaviours will support our talent pipeline ambitions for more of our customers to become the Wheatley workers of the future.

**Wheatley Community-Tech** will transform how we engage with technology and innovation possibilities in a collaborative way. Using online accounts and customer discussion forums we will digitally **crowdsource ideas** and inspire both customers and staff to get involved in choosing and framing the problems that will be issued as open challenges for Community-Tech teams. Working in close partnership with experts from different industries and sectors will build our capacity for innovation by exposing our staff and customers to new ideas and ways of thinking. It will lift the lid on a world of possibilities for using technology in different ways and influence businesses and entrepreneurs to develop products that meet our specific needs.

It will be increasingly important to foster and maintain strong connections with each of our communities as customers choose to do more digitally. We will therefore extend our **Wheatley Volunteering commitment** so that by 2026 each member of staff will be expected to spend at least 1 day per year giving back to our communities by doing something that wouldn't have been done otherwise.

Wheatley will seek to **benchmark with world-class organisations**. We will pursue appropriate prestigious external recognition that serves to raise our profile as a role-model and exemplar for people practice and creating customer value.



### 4.3 W.E. Work – Strengthening the Skills and Agility of our Staff

How we work will continue to change over the next five years as we reshape our roles and operating model to support **the transition to self-directed services**. Our customer-facing roles will evolve to include developing relationships of trust online, building the capacity of customers to do things for themselves, helping communities have a stronger voice, linking people with their neighbours/ into activities and engaging with influence. We will ensure staff are equipped with the skills and confidence to successfully make this transition, whether interacting digitally or face to face, including engaging differently, using empowering language, active listening, co-creation, customer journey mapping, mentoring, collaborating and influencing.

All staff across the business will be increasingly digitally active, with information at their fingertips that will drive **proactive and preventative interactions**. Our staff will be skilled in deriving insight from data to help them make decisions and co-create appropriate bespoke solutions with their customers, both online and face-to-face.

In addition, the profile of our workforce **will** look significantly different by 2026, and this will be more pronounced in some segments of the business, such as care and environmental operatives. We anticipate that a significant percentage of our workforce will be over 50 years of age, so succession planning and talent pipelines that maximise employment and career opportunities across the diversity of our work roles for our customers, as well as meeting the needs of the business, continue to be a priority. In addition, we will work to improve the diversity of our workforce.

~~We predict that~~ **Under our new Operating Model up to 75% of our workforce will no longer work a traditional Monday to Friday pattern by 2026.** Our aim is to deliver a gradual and smooth transition of our workforce model towards a new model that is more agile in responding efficiently to changes in customer requirements. We will explore opportunities for **co-designing modern employment terms and conditions and working practices** that appeal to our evolving workforce and ensure maximum flexibility to meet changing needs. **This will include the potential to have existing and future staff in roles that are home based or irregular working patterns which align better with customer needs such as weekends and evenings.** Employment research shows the value staff place on a good work/life balance, and suggests a growing trend for younger workers in particular to want to work on a freelance basis, attracted by the increased control over when they work and choice over the number of hours they commit to as they juggle other priorities in their lives. We will explore whether we can harness **innovative working** practices that have been tried and tested by other successful organisations to establish **‘Trusted Wheatley Associates’** as a way of making this work for both the business and potential workers in some parts of our business.

Introducing **online Peer Support Networks** will complement the support staff get from within their own team, by providing a structured way to discuss challenges and share what works across the Group. **Team related recognition**, in the form of incentives for a team to celebrate outstanding performance and achievements, will be designed to extend the impact of our internal Wheatley Excel Awards. It will be awarded to teams linked to performance in delivering great customer value outcomes and innovation.

We will **re-design our work roles**, rationalising and professionalising the number to no more than **25** to reflect the creativity and agility of our staff to deliver our vision. At the same time, our new **career marketplace platform**, will put staff in control of managing their own career. Development and job opportunities will be advertised on the platform, including opportunities for internal and external secondments, joining a short life innovation project, taking part in research or becoming a Community of Excellence member. Staff will be able to upload their career profile with skills tags highlighting what they offer, as well as flag any particular experience they are keen to gain, with the facility to set up appropriate job swap and job shadowing matches themselves. It will provide an effective mechanism for the business to tap into its talent pool and for individuals to self-direct and personalise their career journey and development portfolio. Staff will be empowered to take control of applying for opportunities and leaders will be encouraged to share talent for the benefit of the business.

The combined approach of re-designing our work roles and introducing the career marketplace platform will result in unparalleled levels of flexibility for our staff to move across the business, securing our ongoing success through agile deployment of resources in response to changing customer demands and providing the opportunities and experience staff need to develop transferable skills to achieve their own career aspirations. Wheatley will be an increasingly sought-after employer in people's career journeys; our reputation for developing high quality people with agile and transferable skills will give **Wheatley Alumni** kudos as prized and respected prospective employees.

At the same time, we will **re-design our authorising environment** to reflect our growing expectations of staff as leaders and influencers, with staff at all levels expected to step-up in the leadership they display. The Executive Team will lead the way in influencing and positioning Wheatley with external partners and strategic decision makers, building relationships that offer strong potential to open up fresh opportunities for the benefit of the Group.

Staff who are highly skilled in **building and managing relationships** and have the capacity to lead creative outcomes will be a defining feature of our workforce in 2026. As a result of automation and AI, by 2026 we will no longer need staff to act at the interface between the customer and input service requests.

By aligning workforce planning with our learning and development programmes we will successfully manage the transition for staff from process interface and transactional roles, re-equipping our workforce with the skills they need to deliver our changed service offerings. Our focus will be on **‘growing our own’**; spotting quality and potential of a person, rather than their qualifications and experiences, and supporting them to develop the skills for the future: digital skills, self-management, social/emotional intelligence and innovation.

**Our Future 250** programme will provide a sought-after route for young people to develop their talent, attracting an external talent pipeline for our evolving business requirements. A cohort of 50 people each year will be identified and provided with structured opportunities to move around the business to build their skills and experience portfolio, honing their talents and demonstrating their potential.

These changes in the world of work will also impact on our communities, with many of the administrative, clerical and production roles being lost to automation. Our approach to online learning & development for customers through the Community Academy, coupled with our community entrepreneurship and resilience programme, will help to mitigate this impact.

## 5. Enabling our Ambitions

From 2021 to 2026 we will continue to support our partner organisations to raise the bar in their respective sectors. **Leading-edge technology and infrastructure solutions** will make services ever more flexible, agile and responsive to changing customer demands, whilst delivering efficiencies to ensure they remain affordable. In addition, being part of Wheatley will give our customers a voice and influence at a national level in shaping policy decisions to make homes and lives better.

Our objective is to borrow only to invest in new homes. In reaching this objective, we will maintain affordable rent increases [at no more than 2.9%](#). [Our rent setting process will assess and reflect rent affordability within specific communities and localities.](#)

We will continue to deliver efficiency savings, with a target for real terms reductions of [£10 million](#) in management costs over the period 2021-26. This will see us continue to be one of the **most efficient housing, care and property management organisations in the UK and internationally**, with our lowest quartile management costs allowing more money to be channelled into front line services and investment in customers' homes.

We will continue to seek borrowing on the most advantageous terms possible, giving our partner organisations interest rates and funding flexibility that could not be achieved as stand-alone organisations. Our ability to raise funding at scale from the bond and bank markets means we can pool this at group level and pass the benefit on in the form of lower costs to our partners, enabling us to achieve our challenging new build ambitions whilst maintaining affordable rent increases for our customers.

In raising funding to support Lowther, our private letting and property management subsidiary, we will explore new sources of equity and other innovative forms of investment from the public and private sector. Lowther will continue to make a **strong contribution in the form of gift aid to our charitable Wheatley Foundation, with £15 million expected** to be distributed over the period 2021-26. The Wheatley Foundation will seek to match this on a 1:1 basis, continuing its successful partnerships with a range of grant funding bodies.

Our governance structure will continue to be simplified where appropriate, however, we will continue to support our strong and distinct local partner organisations and their brands. Wheatley Solutions – our dedicated support services provider – will invest [at least £15 million](#) in new technology platforms for our partner organisations, making services easier and more flexible to access.

Our overarching commitment to keeping rents and service charges affordable for our customers has been fundamental to shaping our strategy. As more of our services are accessed through smart devices, our opportunities to connect customers with ways to save money grow – using our size and buying power to get the best deals possible for customers. From 2021-26, our focus will broaden to the total cost of running a home, recognising that in exchange for the rent our customers pay, we can

do more to help reduce a wide range of other bills. Our ambitious target is to reduce the cost of running a home for our customers over the next five years.

~~The raft of approaches that will achieve this are detailed in the previous themes, including:~~

- ~~• Wheatley Benefit for Customers, providing a growing range of opportunities to save money on household expenditure such as energy, broadband, insurance and food bills~~
- ~~• Prioritising innovative solutions for electrically heated homes and that will improve energy efficiency in homes on non-traditional construction, to reduce energy consumption~~
- ~~• Establishing 'W.E. Generate' distributed micro-renewables to benefit our communities~~
- ~~• Exploring the potential to eliminate fuel costs for high-rise residents by exploiting their unique design for local micro-renewable energy generation~~

## STRATEGIC OUTCOMES

- Raising the funding to support our ambitions;
- Maintaining a strong credit rating and managing financial risks;
- Evolving digital platforms to support our activities;
- Influencing locally and nationally to benefit our communities.

## STRATEGIC RESULTS

- Limit **annual RSL** rent increases to **2.9% throughout the life of the strategy**
- Maintain a strong investment credit rating of A+ stable
- **Maintain-Reduce** gross rent arrears **below to 4% by 2023**
- 100% of Care services break even
- **£15** million generated in Gift Aid to Wheatley Foundation and reinvested in communities
- Average days to let a home **maintained** at less than 14 days
- Over 50% of customers actively use their online account to make transactions with us
- 100% of Lowther rental customers have an online account
- Achieve our targets across the 7 domains of our digital maturity assessment
- **Achieve management costs per unit that remain in the lowest quartile among an independently selected UK and international benchmarking group**
- **Achieve a £10m real terms reduction in management costs**

## 5.1 Raising the Funding to Support our Ambitions

The funding platforms we put in place have provided a strong basis in terms of available funding facilities to support our RSLs' development aspirations. However, new facilities will be required in the latter years of the strategy period and we will look to bond, bank and other potential sources to identify the most advantageous options. Access to Scottish Government grant, which was such a vital element of the new

build programme we delivered from 2015-20, will continue to be key to our ambitions and we will work closely with Scottish Government and local authorities with devolved funding powers.

A key challenge for growing our private rented sector offering will be identifying new sources of equity for Lowther Homes. We will work with our current funding partners, including national and local government bodies, to explore options in this regard. Between 2021 and 2026 we have a target for at least £15 million in new equity to be injected into Lowther, which will then be doubled by a further £15m of debt finance.

## 5.2 Maintaining a Strong Credit Rating and Managing Financial Risks

Our continuing focus on traditional social and mid-market rental housing, supported by Scottish Government subsidy, will help in our objective to maintain a strong investment grade credit rating, with our stand-alone credit profile remaining close to the sovereign rating. We will not expose our Group to risks from build-for-sale housing, and our private housing rental and factoring subsidiary, Lowther Homes, will continue to be ring fenced in financial terms from our regulated charitable subsidiaries. Care will remain a modest part of Group turnover at less than 5%.

We will test our business plan against a set of financial golden rules and ensure we have mitigating actions ready to address a wide range of adverse scenarios and stresses. These golden rules are:

- Gearing (debt/balance sheet property valuation) not to exceed 70%
- Interest cover to always maintain 25% headroom versus covenant levels
- Debt per unit always to be at least £1000 below our covenanted level (i.e. at least £50 million headroom maintained)
- Liquidity available through cash and undrawn facilities to support at least 15 months' cash requirement plus 25% contingency.

Lowther's principal objective will be to generate income for our charitable activities, while ensuring it maintains a strong financial position in its own right.

## 5.3 Evolving Digital Platforms to Support our Activities

Over the life of this strategy we will continue to reshape our business models – shifting the balance of our delivery approach to become digitally led, reflecting the acceleration in the changing expectations of customers, and helping create the conditions to deliver our challenging efficiency targets.

**Digital Wheatley** will become synonymous across the sector as the home of technology innovation that shapes the future of housing and property management. By 2026 our customers and staff will become the **most digitally enabled in Scotland**. Our customers will value their Wheatley online account as central to their relationship with us, providing the **rich portal** by which they access services, save



money on fuel bills, interact with their community, engage with us, shape services, access learning and employment opportunities and tap into a host of other benefits.

~~We will trial **transformative digital projects** to tailor services and deliver innovative solutions to issues facing our customers and to further develop our operating models, evaluating the impacts on both our customers, communities, and our business, whilst readying our customers for even greater digital self-service.(duplication )~~

The Group will have clear and progressive approach to working with and **influencing key vendors and innovators** to evolve our suite of digital services at a pace consistent with customer needs and expectations and in support of our core business plan assumptions.

Whilst **technology and digital innovation will redefine how work is done**, it will also augment the work that is done by people in the organisation. Data and information will play an increasingly important role in enabling the delivery of all aspects of our services with data standards and interoperability key. We will become **expert in managing and exploiting our data** and information assets, alongside that of our strategic partners, to promote confidence and underpin our continued success. Good quality data is vital to support 'just in time' self-directed service delivery and is also key to supporting innovation and transformation.

We will channel our investment in new technologies to those business activities that can be re-shaped by technology to enhance value to our customers and drive business value that contributes directly to our five overarching strategic themes.

In order to further enhance our efficient business support environment, we will invest in technologies to **optimise automation**, standardise core processing and drive efficiency in key areas including people management, e-procurement, contract management and income collection.

Embedding **quality data** at the core of how we work will be critical and creating a **single source of trusted, secure information** for all core front line and support services will ensure our decision-making is informed in real time and that our decisions strategically, tactically and operationally are **intelligence led**.

Through improved **analytics capabilities**, including new skills in data science and interpretation, we will create dynamic and real-time reporting environments across operations, investment, support and financial performance at every level.

Our commitment to collaborate with and engage users, both customers and staff, in the design of our digital services is fundamental to our ability to ensure that **digital feels personal**. Importantly, the transition that our customers and staff make to self-managed services must be both successful and sustainable as well as being based on offerings that fundamentally **improve services beyond that which is possible in an off-line environment**.

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To achieve this, we will optimise digital channels for customers so that they drive positive engagement. The **organisational voice we create** through our digital service channels **will feel personal, be recognisable, easily understood and trusted**. Customers will have finger-tip access to the data they need to make informed decisions and **choose their services from an online marketplace** offered through their **personal portal**.

We recognise the successful transition for customers to digitally led services requires that we empower, enable and develop **our people to instinctively operate and lead** within a digital business environment and our approaches to developing capacity outline in the preceding chapter reflects this ambition.

To support our ambitions and ensure that our investments are properly focused on those areas that will realise both customer and business value we will continue to mature our model for assessing digital investment to consider strategic fit, complexity, risk, people and quality measures as well as financial considerations. We will explore opportunities to measure the progress in our **digital maturity** against others in our sector and beyond.

## 5.4 Influencing Locally and Nationally to Benefit our Communities

Our success over the last five years has ensured Wheatley has been accepted and recognised as a force for good in Scotland. The Scottish Government acknowledges the national significance of our new build programme, and there is no doubt that our proven track record of excellent performance results and innovative approaches is helping to drive up standards across our sector.

Building on these strong foundations, we are well positioned to confidently and deliberately raise our profile further and take a leading role on the UK and international stage. Indeed, cementing our position as a leading influencer is a key theme for this strategy period.

There is no doubt that over the next five years we will continue to raise the bar in Scotland, helping drive up standards and aspirations for the benefit of customers right across our sector. However, we will also adopt an **international dimension** to continue our search for best practice by benchmarking with other organisations who, like us, are globally renowned for excellence. Identifying and exploring different ways of working and solutions developed across a broader range of contexts will stimulate and inform our thinking as we re-configure our business to create increased value for our customers. In addition, it will **enhance our international profile and reputation** through showcasing our own role-model approaches across the world.

Continuing to raise our profile beyond our national borders and outside our sector will support our ambitions to raise future finance. Keeping funders and potential

fundlers aware of our excellence in product and service provision is significant in building their confidence to invest.

Our ***imaginative and creative PR programme*** will harness the power of Social Media, as well as traditional media, to highlight the work we are doing in ways that keep Wheatley at the forefront with funders, partners, politicians, regulators and other external power-players. Digital marketing for our customers will become increasingly significant. At the same time, the Executive team will continue to play a pro-active role as ***ambassadors for Wheatley***, building their outward facing profile and relationships. We will be clear in our engagement with partners about what our asks and expectations are of them, in order to achieve mutual objectives, placing a greater emphasis on the contribution they will make in support of Wheatley's contribution.

Over the next five years Wheatley will increasingly liaise with, inform and ***influence strategic decision makers*** in Scotland through membership of committees and advisory groups. In these situations, Wheatley will ensure the voice of our own customers, communities and business is heard, but will also represent the interests of the wider sector. Engagement with the UK Government will be focused on influencing retained powers that impact our customers and ensuring Wheatley Foundation is successful in accessing UK-wide funds.

Wheatley staff will be ***recognised as thought leaders and practice experts*** in their particular disciplines, with frequent invitations to speak at events, on radio or television, host visits or participate in national policy development. ***Media training*** will be incorporated into our Leadership Development programme to ensure all our leaders have the skills and confidence to maximise impact from opportunities for increased exposure.

As part of our evolving business intelligence approach we will map and maintain ***strategic profiles*** across our existing and potential future footprint. This will ensure we systematically identify new opportunities for growth and partnership working and understand who the key players are. These strategic profiles will help inform our business decisions and will ensure we focus our influence and relationship-building resources to maximum effect.

## Report

**To:** Wheatley Housing Group Board

**By:** Olga Clayton, Group Director of Housing and Care

**Approved by:** Martin Armstrong, Group Chief Executive

**Subject:** Business Update - Housing and Care

**Date:** 28 October 2020

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### 1. Purpose

- 1.1 This report provides an update on our response to the impact of the current Coronavirus crisis on our services, partner organisations, their tenants and communities.

### 2. Authorising context

- 2.1 The activities addressed in this report are principally of an operational nature, and are therefore delegated to the Group Chief Executive under the Group Standing Orders. The Board has been kept regularly apprised of our progress through email updates.

### 3. Risk appetite and assessment

- 3.1 The unprecedented nature of the current situation raises risks in a number of key areas. These include:
- i. *Customers* - risks that our customers may suffer hardship and distress, not just through the risk of catching or through having the virus itself, but through the current government measures causing other effects such as hunger, isolation and mental and physical health problems
  - ii. *Staff* - risks that staff are exposed to the virus, especially those engaged in customer-facing activity; that we have a reduced workforce due to illness and/or self-isolating, and that those working from home may not be able to function effectively
  - iii. *Financial viability* - risks to our financial position, such as increasing rent arrears and reduced cash flow
- 3.2 These areas and the steps we continue to take to mitigate the risks are addressed below.

## 4. Background

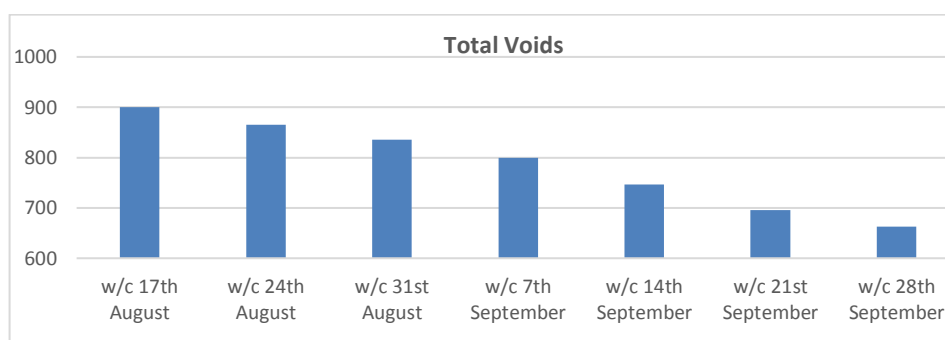
- 4.1 This report provides a further update to the Board on our contingency operations to support both essential business and the new issues faced by our RSLs and tenants. It outlines our current remobilisation status across key customer facing areas.
- 4.2 Remobilising in the face of a pandemic continues to be challenging. As Covid cases rise and restrictions change regularly we have to be extremely agile in amending and delivering our ongoing services, restarting those which have stopped and creating new delivery models at pace. As we change our approach we are ensuring robust communication with our staff and customers who need to understand what we are doing, why and to be reassured that our processes keep them safe. Despite these challenges we have continued to deliver our remobilisation plans and meet the targets we have set for these.

## 5. Discussion

- 5.1 Throughout the pandemic we have continued to provide essential services to our customers. Over the summer we have steadily scaled up the provision of services as restrictions have allowed. In the last few weeks, restrictions have begun to increase as numbers of cases rise. Our remobilisation plans reflect these changes and are deliberately agile to respond to new changes as and when they happen.
- 5.2 This report covers a number of key services including letting, rental income, homelessness, care, repairs services and our environmental services.

### *Letting*

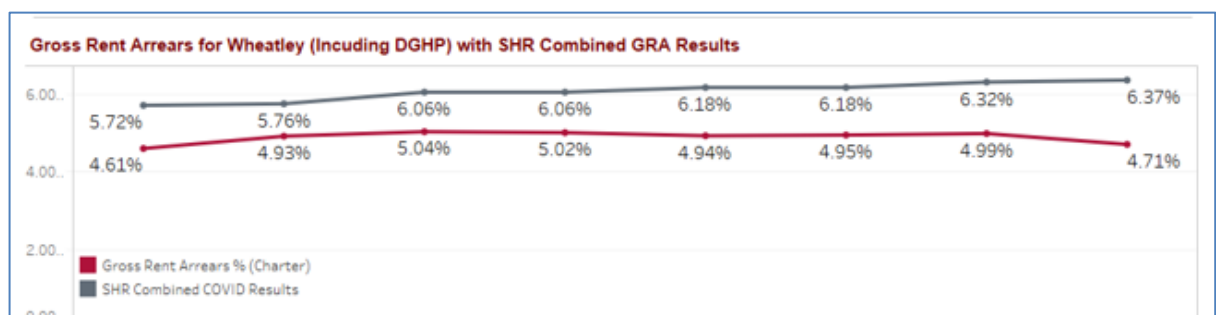
- 5.3 We recommenced phase 2 of our lettings plan on 17 August, one week earlier than we had originally anticipated would be possible. Phase 2 involves letting homes which do not have major repairs, including those which have been vacant through lockdown, which are being returned from lease arrangements with local authorities and those which have recently become void. It also includes managing letting of homes which were on offer prior to lockdown but had not yet been let. In addition to completing moves for households who had their offer put on hold during lockdown we are focusing on lets to homeless households and other priority groups.
- 5.4 We have let approximately 1,300 homes in the year to date, the vast majority since the start of phase 2 of our letting in August. This has allowed us to let homes that are now being given up as well as reduce the level of outstanding voids. The graph below shows the impact this has made in reducing voids to a normal level.



- 5.5 The rapid progress in reducing the number of voids has been the result of a highly integrated approach between allocations staff, housing teams, City Building Glasgow and our in-house repairs teams. This has involved prioritising repairs to maximise efficiency, ensuring safe working patterns for staff and rapid turnaround of properties leased to local authorities now being passed to those who were offered them prior to lockdown. Although letting had to be paused briefly when new restrictions were imposed in Glasgow, clarification from the Scottish Government allowed us to restart the process quickly and catch up with progress.
- 5.6 The next area of focus is on properties which have major repairs. These include extensive rot works and major structural works. These repairs are more challenging to do in a Covid-19 environment where the workforce has to be safely socially distanced. These are now subject to individual assessment to identify when repairs can safely be carried out. We have already been able to start work on some of these properties.

### *Rental income*

- 5.7 Maintaining our rental income so that we can continue to provide services, alongside supporting our customers to be able to pay their rent have been key priorities through the pandemic. Housing officers continue to successfully operate our virtual model of support through telephone and digital contact. They have quickly integrated this with our home visit teams to maximise the impact of these visits. This contact has enabled us to provide support and advice to customers at the point they need it most. It has been backed up by easy digital methods to pay which avoid unnecessary contact, with housing officers again providing support to help customers through the process.
- 5.8 As a result, the Group's RSL rent arrears are currently at 4.71% across the Group, only 0.1% higher than at March 2020 compared to the Scottish benchmark where arrears have risen by 0.65% as shown in the graph below. Further detail on our rent arrears performance is included within the performance report



- 5.9 Changes to furlough arrangements and further restrictions in the hospitality industry mean the financial position for many of our tenants will remain uncertain. However, the results we have been able to achieve in the first quarter give us confidence that we have the tools in place to maximise both our tenant's income and their payments to us.



- 5.10 Phase 1 of our rental remobilisation is now complete. This included the successful creation of teams to undertake face to face visits and a particular focus on supporting customers on furlough and at risk of unemployment. More than 3,000 face to face visits have been conducted to support customers with arrears. Over 1,000 of our RSL customers who had been furloughed have been contacted so that we can provide support and advice. We are strengthening our links with the Scottish Government PACE (Partnership Action for Continuing Employment) network to further help support our customers.
- 5.11 Housing Officers have clear visibility of the remaining 219 customers affected by furlough and will continue to monitor the situation. Welfare benefits advice, support with Universal Credit claims and the full range of wrap around services will be available to these customers if they need it. Our close contact with them means that this assistance can be provided early, before arrears grow too high. We will undertake a similar process in January when the end of the Job Retention Scheme may see a further spike in unemployment.
- 5.12 Phase 2 commenced at the beginning of October. Following the Government's acceptance of the Homeless And Rough Sleeping Action Group's recommendations we now know that the 6 month notice period for Notice of Proceedings and evictions has been extended to 31 March 2021. We have therefore developed a revised escalation process with a new set of customer letters. This includes the potential to escalate to Notice of Proceedings where we are satisfied that the household won't pay rather than can't pay. This will only be done following a review of each individual case, including an assessment of any Covid-19 impact and any potential vulnerabilities. We currently have more than 600 customers with rent arrears of over £1,000 and no known vulnerability, whose cases we will review to ascertain whether issuing a Notice of Proceedings would be appropriate.
- 5.13 We will have clear messaging for customers, stakeholders and staff around our escalation processes. This will make it clear that only tenants who repeatedly don't pay rent, have defaulted on an agreed repayment plan and repeatedly failed to engage with us would receive a letter about further action being taken. We won't evict anyone who falls into difficulty as a result of the impact of Covid-19; however, it is important that those who are purposely not paying their rent understand they are in breach of their tenancy conditions and the consequences of this. We need customers to get in touch with us as quickly as they can so that we can help before the issue becomes less manageable.
- 5.14 We have a small number of won't pay cases that were issued a Notice of Proceedings in March that have continued to increase. Where appropriate, we will raise Court Action for these cases. We will also review our cases currently sisted at Court and for won't pay cases that have significant and increasing arrears. In these cases, we will consider recalling the case to seek Decree. The use of bank and wage arrestment is a new part of our approach as outlined to the Board previously and this process is now underway.
- 5.15 There have been many positive examples of how we have supported customers to ensure they receive all the income they should be entitled to, sometimes involving extensive work by our teams across a range of other organisations.

The following case studies give an example of the work done:

- In DGHP a Housing Officer picked up issues for a customer following home visits due to his rent not being paid. She was able to establish that Universal was not being paid and that there were various other issues around his claim and tenancy, which had ultimately put the tenancy at risk through non-engagement. The Housing Officer worked with the local welfare benefits officer, another housing officer, a criminal justice worker and Shelter Scotland. The partnership working along with a number of doorstep visits helped the tenant to get his details updated and his benefit backdated. The tenant is now engaging with us and is much more trusting that we can help.
- One of our welfare benefits advisors assisted a customer to appeal to get the additional Limited Capability for Work Element added to her UC. She was extremely anxious and has had various domestic violence issues so was unable to cope with formal courts, even by telephone. The appeal and supporting information provided by our advisor was enough for the Tribunal to make their decision without having to speak to her. This gave the customer an extra £341 per month, backdated to May 2019.
- A resident of one of our temporary accommodation units who had moved onto a resettlement flat was supported with a Personal Independence Payment (PIP) appeal. The customer's enhanced rates had been reduced on review. One of our advisors was able to submit a mandatory reconsideration on behalf of the customer. The evidence submitted meant the tribunal panel did not ask the customer any questions and advised that they were reinstating her previous award with a backdate of over £2,000 and an ongoing increase in weekly income of £68.

- 5.16 Further actions include our rent campaign which will this year be tailored to the particular issues around Covid-19; further enhancements to web self-service to allow secure messaging by digital means; and work to help our staff maintain their focus on income including refreshed toolkits, visual measure boards and video messaging.

### *Homelessness*

- 5.17 We continue to prioritise lets to homeless households as part of our letting remobilisation. In the year to date more than 60% of lets have gone to homeless households. This figure will rise over the coming months as some of our initial lets had been offered to households prior to lockdown and so could not be offered to homeless households.
- 5.18 The level of referrals in Glasgow had been rising steadily during lockdown due to the suspension of letting. At the peak, we had almost 1,600 referrals for housing compared to a normal level of just under 1,000. The return to letting and the priority given to homeless households has now begun to reduce this with 1,400 referrals outstanding at the end of September. In addition, our Homelessness and Allocations Team are working with Glasgow City Council to directly match some of the longest standing referrals to suitable homes. This helps speed up timescales and support the households through the process. This has also significantly reduced the number of refusals we receive. Dunedin Canmore and DGHP operate within different systems and so do not have outstanding referrals.

- 5.19 We have created 158 Housing First tenancies so far with another 11 in the process of being matched to suitable accommodation. These are spread across 3 local authorities with 116 in Glasgow, 38 in Edinburgh and 10 in West Dunbartonshire. In addition to those where we provide a home, we provide the support element for 8 customers in the Stirling area who do not live in one of our homes.
- 5.20 In addition to our lets to homeless we are also assisting those in priority need. One example in recent weeks was an existing DC customer who required rehousing due to severe health issues. The housing officer has been working closely with them providing holistic housing options advice and last year helped them to register for My Housing. Both the housing officer and our housing advice and letting co-ordinator have been assisting the customer with notes of interest. We recently advertised a 2 bed wheelchair flat in a suitable location. It is very rare for these properties to become available and this was the first one to come up in 7 years. The Housing Officer supported the customers to put in a note of interest and they were offered the property. The customers are delighted and have explained how much their lives will change for the better with the ability to get out and about.

#### *Other Wheatley 360 services*

- 5.21 Our Fire Safety Team returned to home visits at the end of June as part of phase 2 of their remobilisation. They have been able to visit over 100 high priority customers and to take referrals from housing officers, contributing to a 45% decrease in fires compared to the same month last year and a 7% reduction in fires year to date compared to last year.
- 5.22 Close cleaning services resumed at the end of September. The teams are working through closes on a priority basis. Partners have already seen an increase in positive feedback from customers who are relieved to have this service back. We have developed a pilot scheme in North East Glasgow which provides a more intensive deep clean for closes every two weeks and also provides maintenance of front gardens. This has been well received and will be evaluated to assess whether the pilot should be extended.
- 5.23 Almost 4,000 anti-social behaviour cases have been recorded on our Streetwise system in the year to date. Further detail on the cases is included within the performance report.
- 5.24 In response to the significant rise in noise nuisance complaints, our Community Improvement Partnership police team has identified the top 10 repeat perpetrators across Group and undertaken targeted interventions. This approach has already led to 2 successful arrests with cases being reported to the Procurator Fiscal. In addition, the police team has also been deployed within the Cube Wyndford estate in direct response to the high levels of anti-social behaviour and crime being reported there.
- 5.25 The Scottish Government has recently reviewed the timescales for evictions in anti-social behaviour cases (these were extended at the start of the Covid-19 outbreak) and returned them to the pre-Covid arrangements.

- 5.26 We are partners in a new pilot of smart doorbells in South Glasgow run by Police Scotland. These are being offered to high risk victims of domestic abuse where there are conditions in place that a perpetrator should not approach or communicate with a victim. The smart doorbell will help them to feel more safe and secure and also monitor for any breaches of bail.

#### *DGHP Transformation Plan*

- 5.27 While we remobilise, DGHP is continuing to progress through its transformation plan. Both Heads of Housing are now in place as are the majority of new housing officers. Over the next few weeks the new housing officer team will undergo induction and training while ensuring performance and customer service are maintained. DGHP are being supported in this by staff and services in other parts of the Group. This includes mentoring arrangements with housing staff in other Subsidiaries and work to improve the visual data analysis for void and rent information.
- 5.28 Work is ongoing to examine the potential to in-source some services. There is the potential to look at heating servicing, grounds maintenance and close cleaning options. Further detail of the transformation plan is contained in the separate paper to this Board.

#### *Customer support*

- 5.29 In addition to our core services we continue to provide support to our customers through our wraparound services and through our specific provision during Covid. Although our housing officers continue to be based primarily from home our home visit teams have made 9,000 doorstep calls for a range of issues. In almost 6,000 of these successful contact has been made and often additional issues are identified.
- 5.30 Our furnishing service restarted at the end of September and has already supported a number of Housing First customers to settle in their new home. The Eatwell service also continues but is now averaging less than 100 deliveries a week compared to a peak of approximately 3,000 during lockdown. The service now also provides the option of vouchers for customers which gives them more choice and is also more efficient for the Group.
- 5.31 Our Wheatley emergency fund continues to help customers in crisis situations. As with Eatwell, numbers are reduced but the help we are able to give is often crucial to the receiving households. Housing officers are also often crucial in picking up where households are struggling and in marshalling the right services to support them.

Some recent examples include:

- A Housing Officer received an anonymous call for welfare concern of a customer advising he was currently bedbound, without food, gas or electric. His mobile was switched off so the officer immediately arranged a visit which confirmed that the tenant had been unable to manage his tenancy for some time. Mobility issues meant he had not been able to leave the flat, had to crawl to the toilet and could not wash properly.

Our housing officer quickly and successfully engaged social work and occupational therapy (with the customer's permission). As a result, the customer had a full needs assessment and a range of issues are now being addressed. The housing officer continues to liaise with social work to develop a longer term solution for the tenant.

- During a routine call with his housing officer, one of our customers explained that his cooker had been damaged and he was relying on microwave meals as he did not have the funds to replace it. Our Housing Officer was able to source a cooker for him and the customer emailed into GHA to advise 'you have a first-class member of staff'.
- One of our housing officers was contacted by a customer whose child has severe ADHD and kept escaping over the back fence as it was not high enough. Increasing the height of the fence had been identified as a repair just prior to lockdown but cancelled along with the other repairs at this time. On speaking with the tenant the Housing Officer recognised it to be a safety 1st repair which was safe to do as external works, and took action to have the fence heightened under our restricted repairs service. The customer is delighted with the service and understanding of the Housing Officer and the customer sent the following note: "Thank you so much for chasing up the fence, it has been done and my wee boy cannot escape any longer which is a relief. I have posted a thank you card for you to your office"

#### *Repairs, Investment and Compliance*

- 5.32 We have continued to provide our repairs service through lockdown, focused initially on emergency repairs and then extending this to include safety first repairs as lockdown eased and operating procedures were developed. More recently there has been a gradual increase in the volume of repairs carried out as we have looked to address works our customers consider essential. In addition to our move towards full remobilisation on 2 November.
- 5.33 For West partners we are initiating a new landlord assurance procedure with City Building to improve service levels and we will also introduce a new process for technical assistance allowing us to focus our resource more accurately and to help manage the expected spike in demand.
- 5.34 Having addressed the backlog of voids built up as a result of the pandemic, this aspect of the service is now operating as usual, albeit with some limitations centring on material availability, social distancing restrictions and trade operatives returning from furlough.
- 5.35 Our Cyclical Maintenance programme is being reintroduced from October as planned. Our focus is on mainly external work that can be done whilst maintaining social distancing measures. All cyclical projects will either be pre-emptive works which will prolong the life of our assets or work required under legislation.
- 5.36 Gas Servicing has successfully been running at full capacity for the past 5 months and some investment compliance works (Smoke and Heat Detector Programme, Emergency Lighting and Periodic Electrical Inspections) have been in place since the end of September. As of early September 2020, we have been in a 100% compliant position with no expired gas certificates across all Group partners.

- 5.37 The focus has now moved to building in an element of contingency into the gas process as we transition back to our business as usual position. Our central call-out team and housing visit teams are continuing to arrange access and support customers across all subsidiaries through the various restrictions that remain in place as a result of Covid-19.
- 5.38 Our external investment programme in the West and East will recommence this month. Our internal works programme will commence in January 2021 with project development for this work recommencing in November. With DGHP in the South, internal and external investment programmes are resuming this month. This differs from the approach in the West and East areas due to our tenant ballot promises in relation to the delivery of an accelerated programme, the history of under-delivering on investment in DGHP and the extent of work required to deliver SHQS and EESSH compliance by the end of 2020/21 financial year.
- 5.39 We have undertaken a review of the way in which we engage with customers for investment in recognition of the potential for apprehension amongst customers in allowing tradespeople into their home for prolonged periods of time, particularly for internal works such as the installation of kitchens, bathroom and windows. A new 5 step engagement process has been developed with a focus on providing our customers with assurance around the robustness of our approach to health & safety, with detailed safety information and FAQs provided to each customer as part of the project notification packs. Our asset staff will also contact each customer to answer any further queries they may have about the work and to seek a 'customer commitment' to allow the work to proceed. This process will ensure that our customers are fully informed in advance of the work and will help to reduce the rate of no access or refusals.
- 5.40 Medical adaptations were already being undertaken where there was an urgent requirement to assist in hospital discharge. This month we are resuming work on all medical adaptations. Cases will be prioritised based on both need and risk. There will be detailed engagement with customers to ensure that they understand the process for the repair and the procedures we will follow to keep them safe. This will include the options they may have to help with safety, for example staying or visiting somewhere else while the work is carried out if that is suitable. Some customers may still choose to delay their works at this time but we anticipate that most will want the work done given the improvement it is likely to make to their lives.

#### *Ignite graduate programme*

- 5.41 Our Ignite Graduate Programme has again injected a new wave of graduate talent into Wheatley this year with 14 graduates joining us in our frontline housing subsidiaries, and 3 in business support roles across Wheatley Solutions. Our recruitment campaign for 2020 improved on the success of the previous year with a more than 200% increase in applications this year. This has been supported by our partnership working with universities, and our presence at graduate career fairs to position Wheatley Group as an employer of choice, and importantly, housing as a desirable career choice.



- 5.42 In total, 323 candidates applied in 2020 – a 200% increase on applications last year. 124 applied for a housing role only, 57 for a business role only and, 142 candidates applied for both positions. Our rigorous selection process was recreated to include our first ever virtual assessment centres including panel interviews with managing directors and candidates presenting to the Executive Team. The successful appointments will join us on Wednesday 28<sup>th</sup> October 2020. Our new cohort of 17 graduates follow in the successful footsteps of our 2019 cohort, where all of our housing trainees moved into promoted housing officer posts within the first 6 months.

#### *Care*

[paragraphs 5.43-5.56 redacted]

### **6. Value for money implications**

- 6.1 We continue to work to provide value for money to our customers; prioritising their needs within the constraints of the limitations on staff movement imposed on us.

### **7. Impact on financial projections**

- 7.1 Set out above. These will continue to be updated as the situation persists over the coming weeks and months.

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

- 8.1 We have maintained regular dialogue with the Scottish Housing Regulator over recent weeks, and they have appreciated our role, for example, in the housing sector National Resilience Group along with Scottish Government and local authority representatives, and our offer of support to smaller RSLs who may be unable to effectively deliver services in the current conditions.

### **9. Partnership implications**

- 9.1 We continue to utilise our strong relationships with Scottish Government, local authorities and national agencies to support delivery during the crisis but also to influence planning to the benefit of our customers and services. Each of our Subsidiaries works closely at a local level with third sector organisations to benefit local communities.

### **10. Implementation and deployment**

- 10.1 Co-ordination of all Group activity continues to be led by the Group Chief Executive and Executive Team.

### **11. Equalities impact**

- 11.1 None noted.

### **12. Recommendation**

- 12.1 The Board is asked to note this update.

## Report

**To:** Wheatley Housing Group Board

**By:** Tom Barclay, Group Director of Property and Development

**Approved by:** Martin Armstrong, Group Chief Executive

**Subject:** Group New Build Performance Report

**Date of Meeting:** 28 October 2020

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### 1. Purpose

- 1.1 The purpose of this report is to:
- provide Group Board with an overview of the Group's new build programme performance to 30 September 2020; and
  - update the Board on the current status of the Group's development programme.

### 2. Authorising context

- 2.1 Under the Group Standing Orders and Authorising Framework, Group Board approval is required for key matters relating to the Group's financial and strategic framework. The Group Board retains strategic oversight of progress with the asset growth programme across the Group.
- 2.2 The Group Development Committee has operational oversight of the development programme, including approval of new projects, in line with the Committee's terms of reference approved by the Wheatley Housing Group Board in April 2019.

### 3. Risk appetite and assessment

- 3.1 The Group's risk appetite in respect of development is "open", which is defined as willing to choose the option "*most likely to result in successful delivery while also providing an acceptable level of reward*".
- 3.2 The information provided in this report supports our management of risk in respect of the development programme by providing a robust performance management framework for the Board.

### 4. Background

- 4.1 We shared with Board in May 2020 the construction industry restart programme prepared by Construction Scotland for the Construction Leadership Forum (Chaired by the Minister for Local Government, Housing & Planning) and agreed with the Scottish Government. The construction industry recommenced site operations from 11 June 2020 and has progressed through the agreed restart programme. The industry remains in phase 4 (steady state operations with PPE) of the restart plan.

- 4.2 There are currently 19 live sites across our Group development programme. Since lockdown of construction activity was lifted we have completed seven projects and seen a site start in one further project.
- 4.3 We continue to assess the overall impact of Covid-19 in our programme. Group Board will recall the revised development programme for 2020/21 that built in prudent assumptions relating to completions to year end. Our revised Group annual target for 2020/21 is 475 affordable units. We currently project completions at 466 units. This will be kept under constant review and will be reported to the Group Development Committee.

## 5. Discussion

- 5.1 Commentary on the development programme, including highlights and exceptions, is provided in Table 1 below.

**Table 1**

Dashboard Indicators	Dashboard : Highlights & Exceptions
<b>On site</b>	<ul style="list-style-type: none"> <li>▪ We have 1,082 units (total development numbers) in the live programme across 19 sites.</li> <li>▪ Our <b>largest</b> project on site is GHA's Sighthill project (198 units).</li> <li>▪ Our <b>smallest</b> project is DGHP Monreith (5 units).</li> </ul>
<b>Due on site</b>	<ul style="list-style-type: none"> <li>▪ We have a further 405 units across 10 projects (GHA Carnwadric, GHA Damshot, GHA Hurlford, GHA Calton Village Phase 1, Loretto Dargavel, Loretto Hallrule, Loretto Cobblebrae, DGHP Nursery Avenue, WLHP Blackness Road, Linlithgow and WLHP Winchburgh O) due on site.</li> <li>▪ This will bring our total development programme to 1,487 units.</li> </ul>
<b>2020/21 Budget v Actual spend</b>	At Period 6 (30 September 2020) our spend across the Group was <b>£17.9m</b> , set against our budget of <b>£54.6m</b> . As previously reported, at the core of this movement of spend v budget is the later than planned start of a number of projects and the cessation of works as a result of the Covid-19 pandemic.
<b>Completions to 30 September 2020</b>	<p>To 30 September 2020 we have completed 245 units, against our 2020/21 target of 475 units.</p> <p>This includes the completion of the following projects: Cube Westcliff, WLHP Dixon Terrace, DCH Lang Loan, DCH Morrison Crescent, DCH Beaverbank, DCH Greendykes Phase 4 and GHA Inglefield.</p>
<b>Engagement Status</b>	We have 13 ' <b>High Engagement</b> ' projects on site. These projects mainly relate to scale of the project (over 70 units) or where the project involves complex ground conditions. All Engie projects remain high engagement.

- 5.2 In August 2020 the Scottish Government circulated guidance for projects facing additional costs as a result of the Covid-19 pandemic that were funded through the affordable housing supply programme. Contractors continue to advise of additional costs resulting from Covid-19, albeit this is not yet fully known. Commonly identified additional cost items include: non-recoverable site prelims costs including security and site cabins, de-mobilisation costs, re-establishment of sites and recurring costs to overheads without any turnover.
- 5.3 In May 2020 the Board noted the possibility of private developers seeking to flip tenure of intended for sale homes to affordable housing. We have kept open channels through our membership of Homes for Scotland and our wider networks to consider any opportunities that may arise. To date we are not tracking any significant moves in the market to flip tenure.
- 5.4 We have been represented on both the:
- (i) Scottish Government Building Standards Resilience Group. This Group brings together various industry, Scottish Government and Local Authority Building Standards stakeholders to consider issues affecting delivery of the verification service resulting from the pandemic; and
  - (ii) Scottish Government Supply Chain sub group. A short life group that contributed industry and public sector views to inform the Construction Industry Recovery Plan published by the Construction Leadership Forum in September 2020.

5.5 Project updates

*Engie Regeneration Limited*

- 5.5.1 As reported at the Group Development Committee in August 2020, Engie's new supply division is pulling back from Scotland. For our programme with Engie this means that they will complete the three projects that are under contract, but will be seeking no new contracts in Scotland. We met with the Engie CEO to hear at first hand the economic reasons that led to their withdrawal from Scotland and to secure their commitment to complete the remaining on-site projects for the Group. In addition to periodic meetings with Engie CEO we have a fortnightly meeting with Engie senior staff to review progress and to monitor key staff retention and operational resourcing of our projects.
- 5.5.2 Engie is delivering three developments in Glasgow for GHA: Auchinlea Road (106 units, 26 units of which being developed for Provanhall HA), Bellrock Street (53 units) and Kennishead (48 units). Handovers at Bellrock and Auchinlea recommenced from August 2020, with 38 units handed over at period 6. The Bellrock project is scheduled to complete in November 2020. The Auchinlea and Kennishead projects will not complete till 2021/22.

*DGHP Programme*

- 5.5.3 Three of the four approved DGHP projects are now on site. The fourth project at Nursery Avenue, Stranraer (19 units) awaits approval of Planning consent, which is now planned to be considered by DGC Planning Committee in November 2020. A site start is not now anticipated till January 2021.

## 6. Key issues and conclusions

- 6.1 The first quarter of the year was severely impacted by the Covid-19 pandemic. After a period of site planning and preparation construction activities recommenced from mid-June 2020 and geared up in the weeks that followed. We have had a significant programme of handovers since construction activity recommenced with **245** units handed over to 30 September 2020. This includes the completion of all projects impacted by the pandemic and subsequent industry lockdown at year end 2019/20.
- 6.2 [paragraphs 6.2-6.3 redacted]
- 6.4 We continue to discuss with Scottish Government, local authorities, Employers Agents and contractors their response to the Scottish Government guidance for the affordable housing supply programme on unforeseen costs as a result of Covid-19. This work is on-going.

## 7. Value for money implications

- 7.1 Our ability to successfully deliver new build housing helps strengthen the income streams in our business plan and supports our RSLs' charitable objectives to address housing need by providing much needed homes for potential customers on our waiting lists.
- 7.2 Delivering value for money to our funders and stakeholders, including the Scottish Government and local authorities, continues to maintain our position as a key delivery partner.

## 8. Impact on financial projections

- 8.1 The 2020/21 Business Plan reforecast resulted in a reduction to expected completions for 2020/21 of 191 units versus the originally approved 2020/21 Business Plan; to our revised completions target of 475 units. This impacts the rental income expected to be generated by new build units this year by £1.4m compared to the Business Plan approved in February.
- 8.2 The reforecast generally assumed our first handovers this year would be throughout the August/September period. The 245 units handed over to 30 September 2020 has a positive impact on our projections. Whilst the projection for total unit completions remains unchanged, projected rent improves by £290k versus the reforecast position, and the variance versus the original approved plan reduces to £1.1m
- 8.3 The forecast unit completions for 2020/21, as well as the projection for the remainder of the 5 year programme period, are summarised in the table below:

Unit completions	2020/21	2021/22	2022/23	2023/24	2024/25
Feb 2020 Business Plan	475	520	838	838	465
June Reforecast	466	529	838	838	465
Movement	-9	9	0	0	0

## Development Fund

- 8.4 The 2020/21 Business Plan includes an allocation to the development fund of £2.1m, available over the next four years
- 8.5 To date nothing has been drawn from the development fund. The Group Development Committee monitors utilisation of the fund and future new build updates will report on the fund, as and when approval is given for use of the fund.

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

- 9.1 The Scottish Housing Regulator seeks regular updates on our new build programme and funding position.
- 9.2 The in-house legal team undertakes title due diligence relative to all site acquisitions required to facilitate the development programmes along with preparation of documentation and due diligence associated with asset securitisation.
- 9.3 The legal team also assist with preparation of legal documents including Building Contracts and Development Agreements to safeguard our development operations.

## **10. Partnership implications**

- 10.1 The development programme requires on-going partnership working with the Scottish Government and the Local Authorities in our operational areas including those with Transfer of Management Development Funding (TMDF) powers, namely Glasgow and Edinburgh. We continue to be in contact with our key local authority partners both in relation to programme planning requirements and in the preparation of individual projects seeking grant approval.
- 10.2 We also remain engaged with a broad range of private developers, housebuilders, and land agents to seek to put ourselves into a position to exploit any opportunities that may emerge from the current lockdown.

## **11. Implementation and deployment**

- 11.1 The delivery and performance management of the new build programme is led by the Wheatley Solutions Property & Development Team, under the Group Director of Property and Development.

## **12. Equalities impact**

- 12.1 Within the programmes, all new build units are designed to Housing with Varying Needs (Part 1), as integrated into the 'Glasgow' and 'Edinburgh' mandatory standards promoted by the respective local authorities. The inclusion of wheelchair units on a number of sites is a standard funding requirement.

## **13. Recommendations**

- 13.1 The Board is asked to note the report.



RSLs in this update:

- ☒ Select all
- ☒ Cube
- ☒ DC
- ☒ DGHP
- ☒ GHA
- ☒ Loretto
- ☒ WLHP

projects on site:

19

largest project:

198

smallest project:

5

completed this FY:

245

anticipated this FY:

466

# Period 6 Development Update

- Completions Summary
- On Site Projects
- Board approved but not yet on site
- Contractor Exposure

# Completions Summary

Financial Year

2020/2021

▼

## Actual Completions

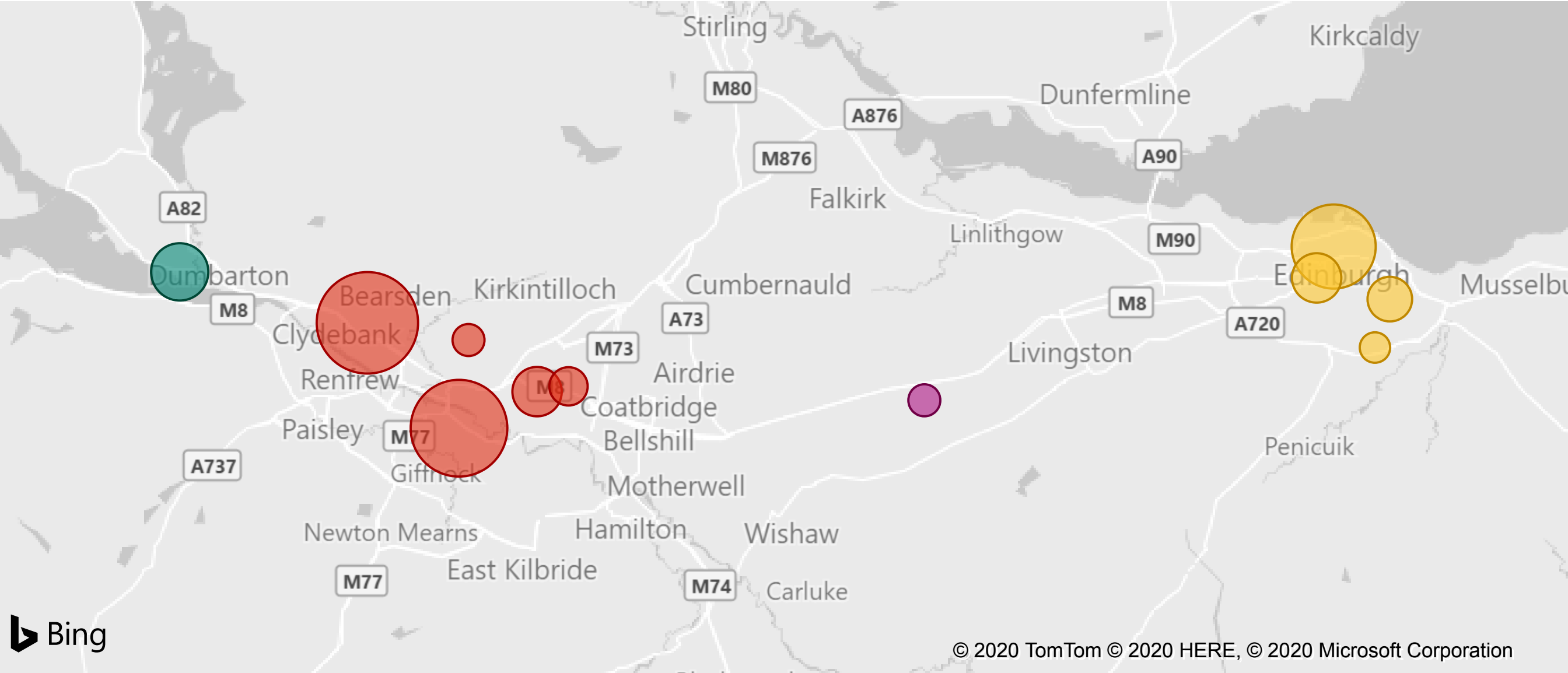
Sub	MMR	SR	Total
Cube		24	24
DC	35	48	83
GHA	49	81	130
WLHP		8	8
Total	84	161	245

## Projected to Year End

Sub	MMR	SR	Total
Cube		24	24
DC	35	48	83
GHA	86	265	351
WLHP		8	8
Total	121	345	466

## Business Plan Target

Sub	MMR	SR	Total
Cube		24	24
DC	35	48	83
GHA	49	311	360
WLHP		8	8
Total	84	391	475



## Anticipated in 20/21

Sub	Projected to Year End	BP Target	Variance
Cube	24	24	0
DC	83	83	0
GHA	351	360	-9
WLHP	8	8	0
Total	466	475	-9

Completions this FY    ● Cube    ● DC    ● GHA    ● WLHP

Subsidiary	Total Units	Completed to Date	Actual Site Start	Contract Completion Date	Planned Site Completion
▲					
[-] Cube					
Queens Quay	80		February 2020	January 2022	March 2023
[-] DC					
Longniddry	10		July 2020	September 2021	September 2021
Newmills Road, Phase 2	27		January 2020	March 2022	March 2022
South Gilmerton	52		December 2019	June 2022	June 2022
The Wisp Phase 3C	35		March 2020	August 2022	March 2022
[-] DGHP					
Lincluden Depot	32		March 2020	January 2022	September 2021
Queensberry Square	12		March 2020	March 2021	March 2021
St Medans, Monreith	5		March 2020	March 2021	March 2021
[-] GHA					
Auchinlea	80	14	August 2018	September 2020	October 2021
Bellrock	53	26	September 2018	January 2020	December 2020
Dovehill Phase 1	32		August 2020	June 2021	July 2021
Kennishead Avenue	48		April 2019	March 2021	March 2021
Linkwood, Airgold	98	79	November 2017	December 2019	November 2020
Main Street, Baillieston	37		October 2019	February 2021	February 2021
Scaraway Street	49	14	April 2019	November 2020	November 2020
Sighthill MMR	198		November 2019	March 2023	March 2023
Watson St Ph2	46		May 2019	January 2021	July 2021
[-] WLHP					
Almondvale	146		June 2019	January 2022	January 2022
Jarvey Street	42		March 2017	December 2018	June 2021

19  
Projects on Site

1,082  
Total Units

133  
Completed Units

198  
Largest Project

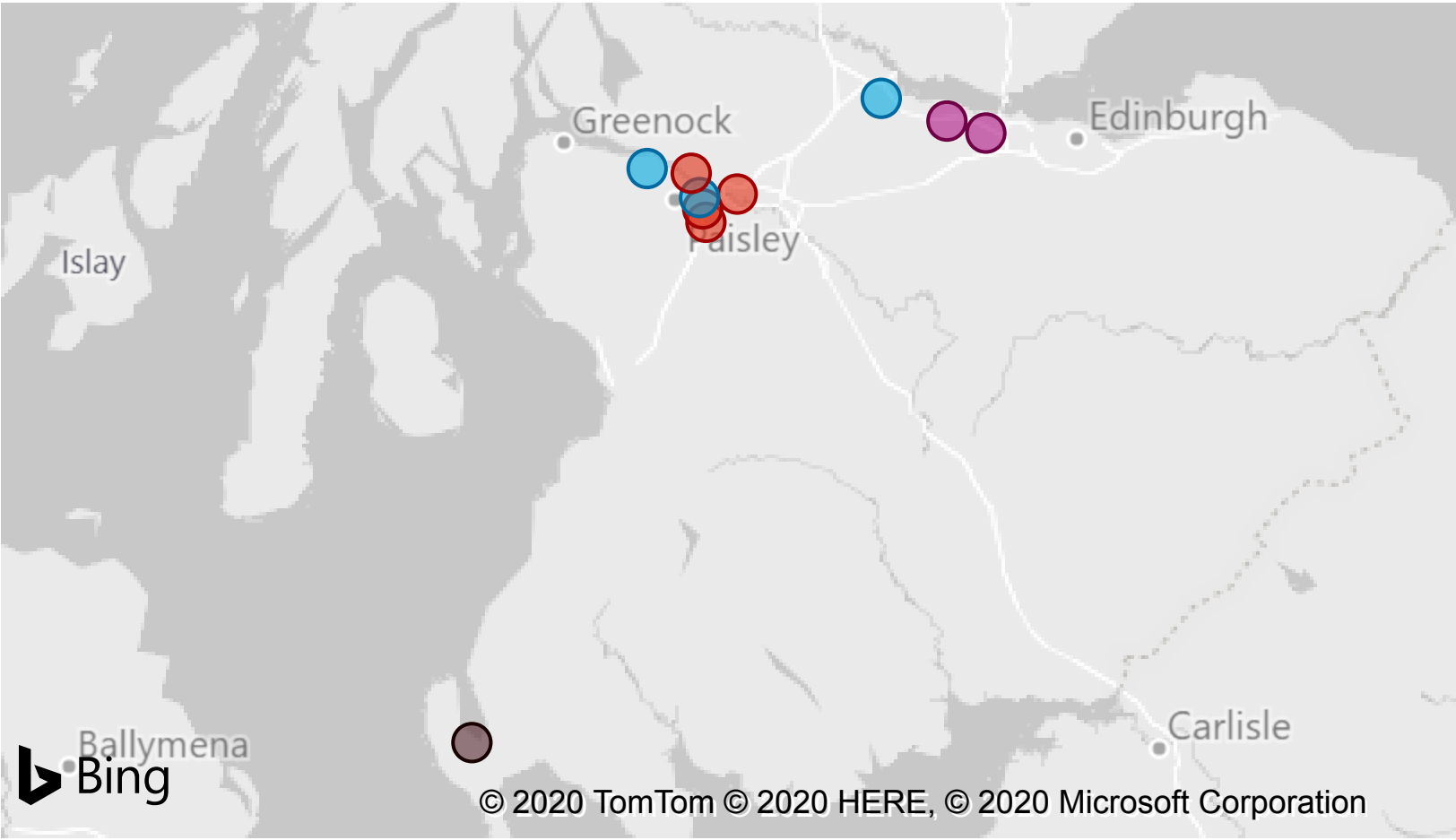
5  
Smallest Project

Note: Contract Completion Dates may change subject to Extension of Time applications.

# Approved Projects, not yet on site

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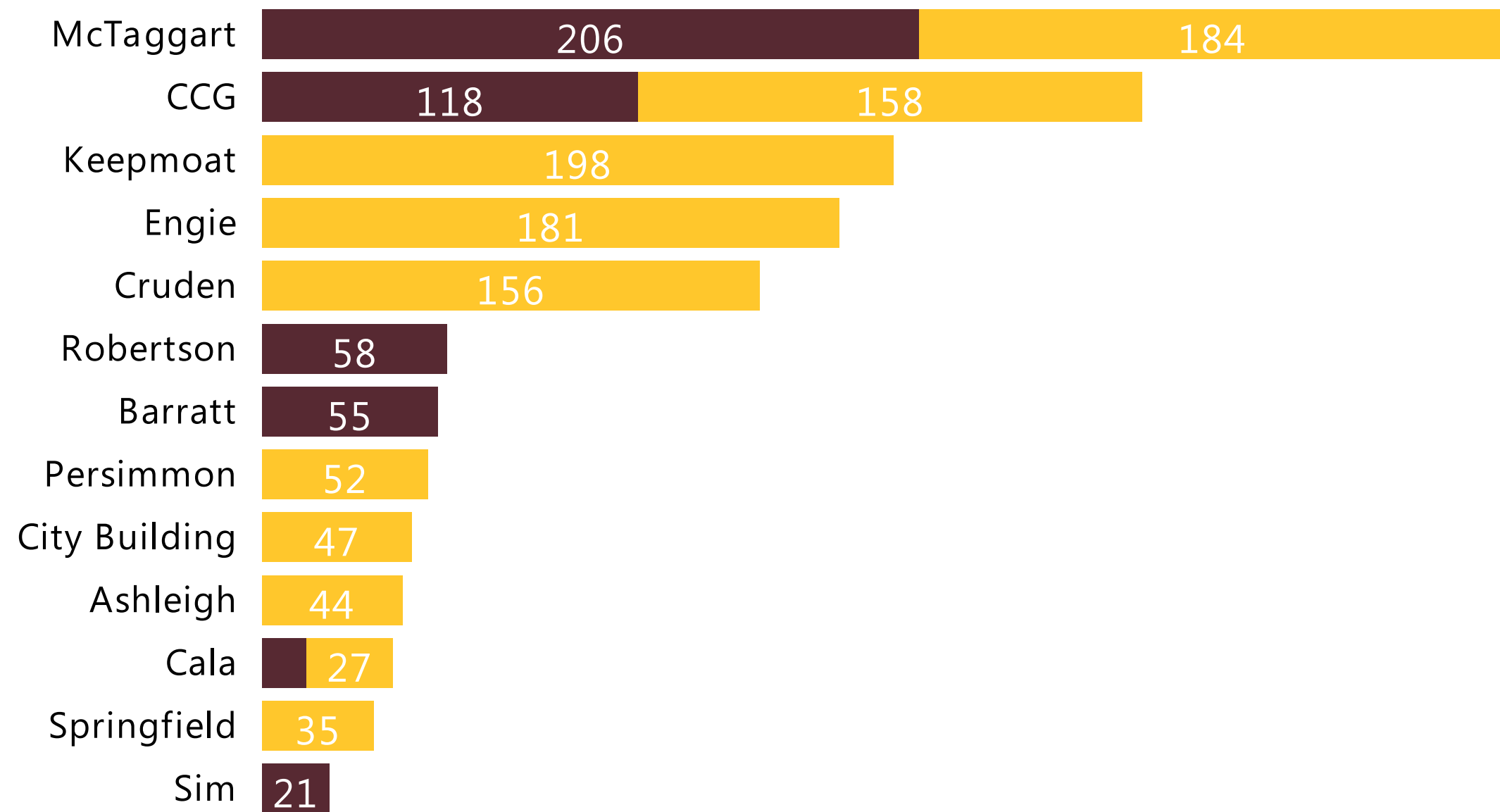
Subsidiary	Project	Total Units	Board Approval Date	Planned Site Start	Grant	Planning	Building Warrant	RCC	Scottish Water	Stopping Up
DGHP	Nursery Avenue	19	June 2020	January 2021						
GHA	Calton Village Ph1	123	August 2020	January 2021						
GHA	Carnwadric Rd / Hopeman Rd	22	May 2020	January 2021						
GHA	Damshot Crescent	26	May 2020	March 2021						
GHA	Hurlford Avenue	70	August 2020	November 2020						
Loretto	Cobblebrae Farm	21	August 2020	November 2020						
Loretto	Dargavel Village	58	October 2019	November 2020						
Loretto	Hallrule Drive	32	May 2020	November 2020						
WLHP	Blackness Road, Linlithgow	14	August 2020	November 2020						
WLHP	Winchburgh Site 'O'	20	August 2020	January 2021						



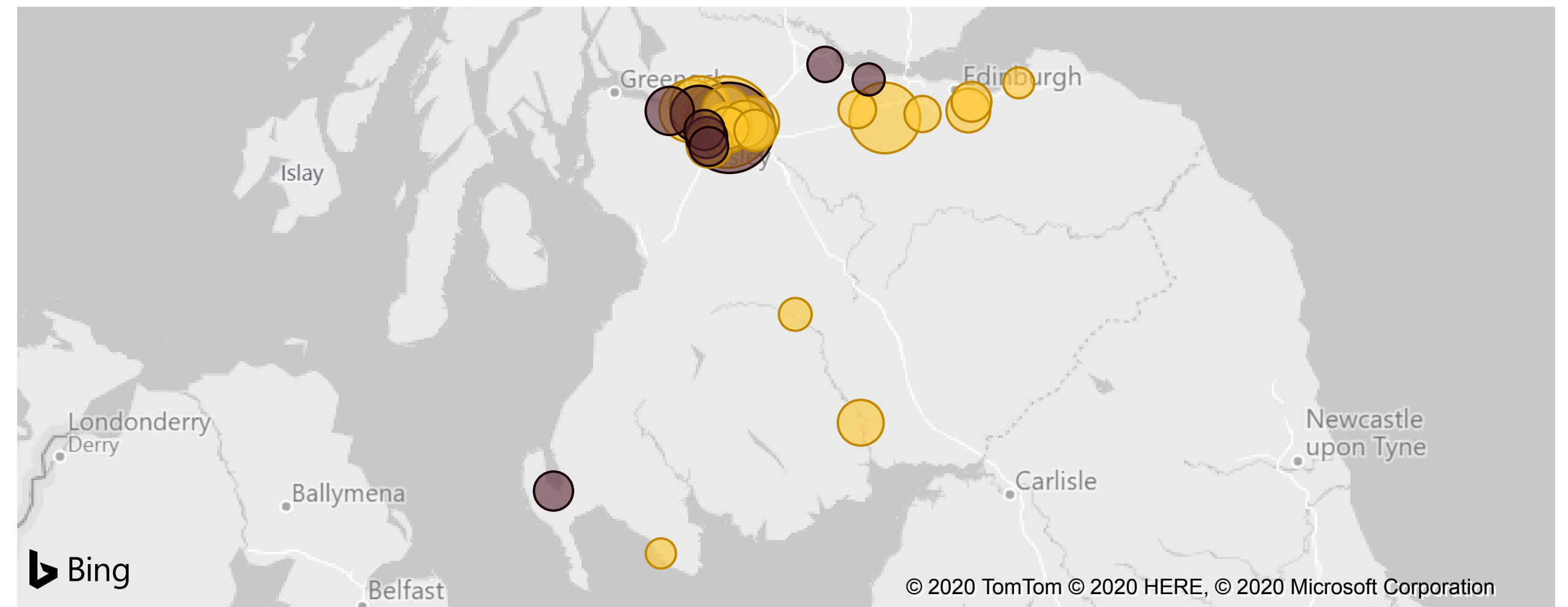
Subsidiary ● DGHP ● GHA ● Loretto ● WLHP

# Contractor Exposure

Contractor	Equifax Rating
Cala	A
CCG	A
City Building	I
Cruden	A
Engie	B-
Keepmoat	B
McTaggart	C+
Persimmon	A+
Robertson	E+
Springfield	A



Note: size relative to total development cost



Status	Due On Site		On Site		Total	
Contractor	Projects	Total Cost	Projects	Total Cost	Project s	Total Cost
McTaggart	3	£35.593	3	£27.482	6	£63.075
CCG	3	£22.248	3	£29.408	6	£51.657
Keepmoat			1	£26.025	1	£26.025
Engie			3	£25.923	3	£25.923
Cruden			2	£19.038	2	£19.038
Ashleigh			2	£9.671	2	£9.671
Robertson	1	£8.453			1	£8.453
Persimmon			1	£6.695	1	£6.695
Cala	1	£1.909	1	£3.575	2	£5.485
City Building			2	£5.250	2	£5.250
Springfield			1	£5.078	1	£5.078
Sim	1	£3.229			1	£3.229
Total	10	£71.433	19	£158.145	29	£229.578

## **Report**

**To:** Wheatley Housing Group Board

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

**Approved by:** Martin Armstrong, Group Chief Executive

**Subject:** Group Delivery Plan 2020/21 Quarter 2 Performance

**Date of Meeting:** 28 October 2020

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### **1 Purpose**

- 1.1 This report outlines progress towards the measures and strategic projects in the Delivery Plan 2020/21 as of the end of Quarter 2.

### **2 Authorising context**

- 2.1 Under the terms of the Group Authorising Framework, the Group Board is responsible for setting the overall Group Performance Framework and approving the delivery plan for each year. Under the Group Authorise/Manage/Monitor Matrix, the Group Board has an ongoing role monitoring performance of subsidiaries across the Group against the key indicators agreed under the performance framework.

### **3 Risk appetite and assessment**

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









### **4 Background**

- 4.1 We are in the process of refining the Group’s strategy, which will now cover 2021 to 2026. As noted in August, 2020/21 is an exceptional year due to the continuing Covid-19 pandemic and as such, the Board agreed an interim set of performance measures and targets. This set includes a number of the themes of our original draft 2020-25 strategy, while recognising that normal performance has not been possible due to government restrictions.
- 4.2 The report outlines performance against the current Group Delivery Plan as of the end of Quarter 2 against the agreed set of interim measures and projects for 2020/21. Please note that there is a progress report on the New Build Programme as a separate agenda item.



## 5 Discussion: Quarter 2 performance

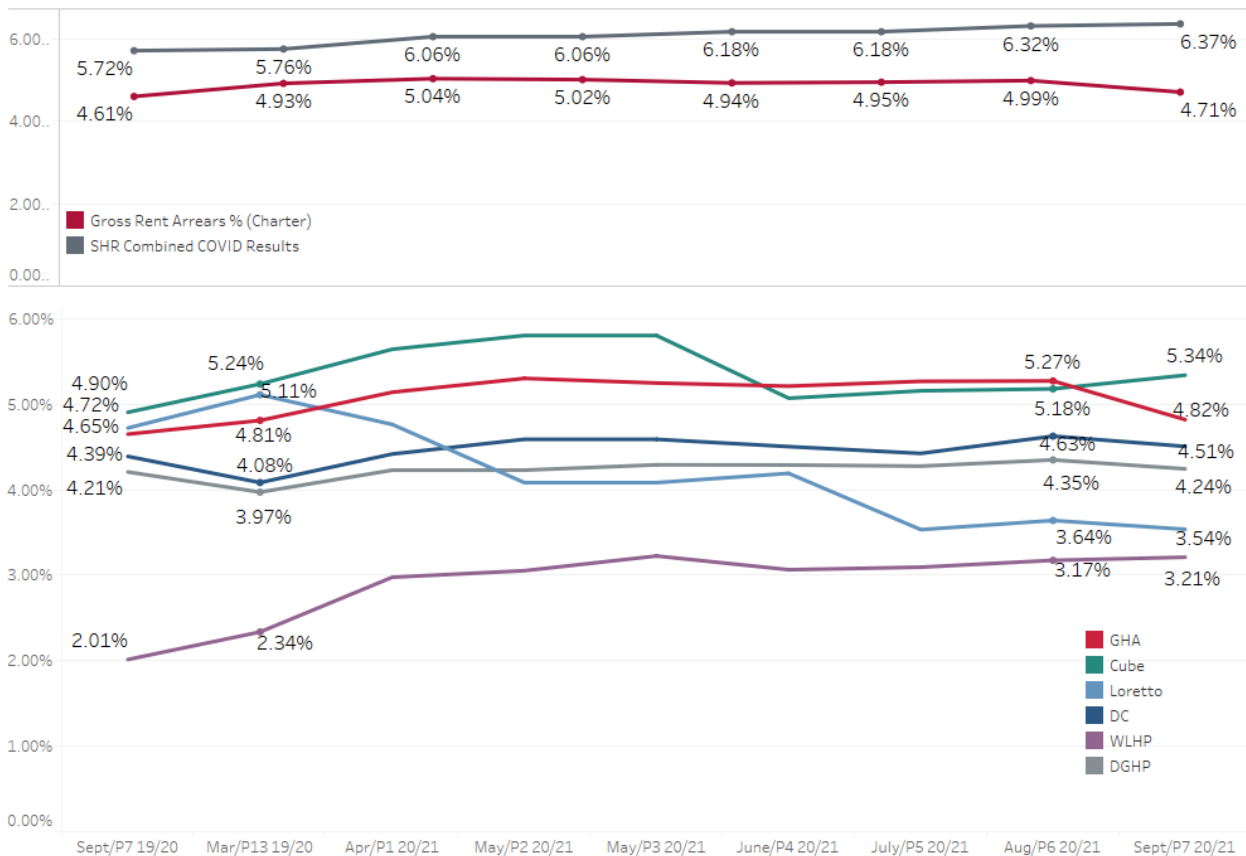
- 5.1 This section presents performance and progress delivering performance targets as of 30 September or closest period end.
- 5.2 The following table presents Group results for the key measures for RSLs. All measures are meeting target and showing strong performance except for tenancy sustainment despite the exceedingly challenging delivery circumstances during the COVID-19 pandemic.

Indicator	Target	Current Performance	Previous month
Gross Rent Arrears	5.24%	4.71% 	4.99% 
Tenancy Sustainment	90.0%	89.4% 	89.8% 
Average Days to Let	28.0 days	14.1 days 	11.2 days 
Average Emergency Repair Times	3.00 hours	2.53 hours 	2.54 hours 

## 6 Gross Rent Arrears

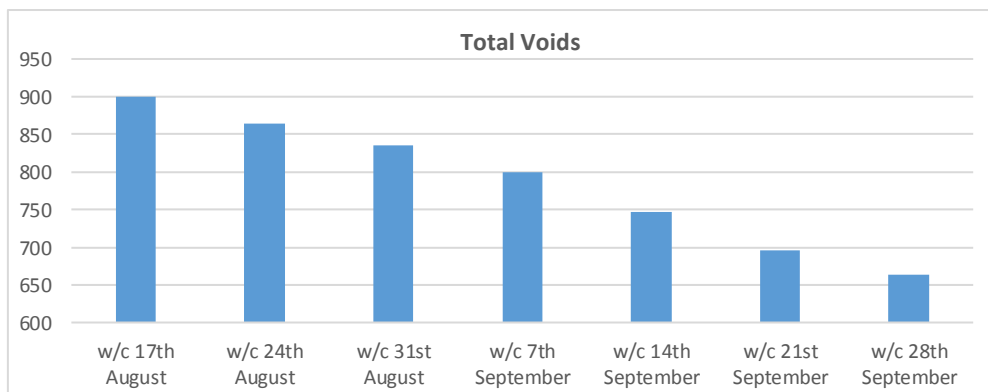
- 6.1 The level of support we have provided to customers has meant that gross rent arrears for Group RSLs has reduced from a high of 5.04% in April to 4.71% in September. This compares to 4.61% at the end of the previous financial year. The Scottish Housing Regulator (“SHR”) has been monitoring arrears across Scotland, and report a comparative figure of 6.37%, demonstrating that despite challenging circumstances over the last month the Group’s position is stronger than most (see chart on page 4). When the two largest members of Group (DGHP and GHA) are compared against the larger benchmark group of Local Authorities this figure becomes even more favourable as the average is 8.22% for RSLs with +10,000 homes.
- 6.2 We aim to maintain gross rent arrears below 5.24% by the end of the year. As reported last quarter, there was an unprecedented level of Universal Credit (“UC”) claims during lockdown. Within the Group 13,650 customers are receiving UC (an increase of 22% since April). UC customers continue to have a five week wait to receive their benefit, which impacts on their ability to pay their rent. Many of these people have required individual support from housing officers and welfare benefit advisors. Over 260,000 outgoing calls have been made by Housing Officers across Group and 59% of customers visited by the Home Visit team have seen improvements in their rent account. This has resulted in us maintaining our average UC arrear at only three weeks rent.
- 6.3 At the end of September, the Department for Work and Pensions (“DWP”) introduced payment alignment for UC customers, meaning we now receive payment for customers on a Managed Payment to Landlord the same day they are paid, rather than waiting for a monthly bulk payment. As this is introduced to each RSL, they will receive the bulk payment and also the new daily payments, resulting in a one off double payment from DWP. This has significant impact for our customers, for example for GHA in period 7, this reduced their percentage of customers in arrears from 71% to 61%. We expect there to be a similar impact for the other RSLs.
- 6.4 The chart below illustrates Gross Rent Arrears by RSL and a comparison with SHR average. The chart demonstrates that, although we saw increases in early lockdown and an overall increase of 0.1%, we are now in a better position than the Scottish average, which has seen an increase of 0.65% over the course of the year.

### Gross Rent Arrears for Wheatley (Including DGHP) with SHR Combined GRA Results



## 7 Average Days to Let

- 7.1 Our successful focus over the last few months has been to reduce the backlog of voids that resulted from the lockdown. Phase 2 of letting remobilisation commenced on 17 August. At that time, there were 900 properties available to let. This compares to a baseline of 632 voids immediately prior to lockdown, requiring a reduction in the actual void level by approximately 270 to return to pre-lockdown business levels.
- 7.2 The backlog has now been reduced significantly, in addition we are keeping pace with new give ups (plus new builds and properties returned after temporary lets to Local Authorities). At 663 voids, current void levels at the beginning of October were only 31 above the pre-lockdown baseline of 632. The graph below shows the reduction in voids from 17 August to 3 October across the Group.



- 7.3 All RSLs are currently meeting the remobilisation framework phase two targets for average days to re-let minus the lockdown period. On average this year to date, properties are being let within 15.7 days against a target of 28 days. Although this has increased from 11.2 days last month, we expected to see this increasing pattern given that we are now allocating an increasing number of properties that had become void during the lockdown period. Performance is currently strong, but we may see the time to let continue to lengthen slightly as longer term voids are returned to the allocation pool from our contractors. These are voids that required major works or investment, such as rot work or replacement kitchens and bathrooms, and were unable to be progressed during the lockdown period.

Average days to re-let (Charter lets, lockdown removed)	Year to date	Remobilisation phase 2 targets
Cube	14.3	28
Dunedin Canmore	18.7	27
DGHP	8.4	32
GHA	19.2	26
Loretto	12.9	26
WLHP	8	26
Group	15.7	28

- 7.4 The ARC indicator of average days to let shows the real impact the coronavirus pandemic and lockdown has had on our letting. With letting of properties suspended across Group from 20 March through to 17 August (other than the provision of additional temporary accommodation units to Local Authorities) this level of performance is in line with expectations and it is anticipated that it will reflect the national picture when these statistics become available.

Average days to re-let (Charter indicator)	Year to date	Business as usual targets
Cube	82.9	16
Dunedin Canmore	75.5	15
DGHP	58.1	20
GHA	58.1	14
Loretto	64.7	14
WLHP	65.9	14
Group	61.2	N/A

## 8 Homelessness

- 8.1 As restrictions have been lifted, Group RSLs have been able to restart letting in accordance with Scottish Government and Public Health Scotland guidance. To support our most vulnerable customers, and the Scottish Government and Local Authorities in the recovery from Covid-19, we have committed significant resources to ensure that homelessness remains an extremely high priority for the Group.

8.2 Our approach to homelessness letting has been at the forefront of our remobilisation planning and since recommencing our letting we have delivered the following outstanding results as of early October.

- 788 properties have been let to homeless households.
- We have committed to providing 300 Housing First tenancies by April 2021 (158 have been provided so far).
- We have committed to “flip” 150 temporary furnished flats to permanent tenancies by March 2020 (48 tenancies have already been flipped with a further 17 in progress).
- We have maintained the increased provision of temporary accommodation stock leased to local authorities at approximately 400 units.

8.3 To assist in managing our homelessness work we have introduced a new indicator that helps us closely monitor the proportion of relevant lets we provide to homeless applicants—these are lets where we have some control over the outcome. For example, Living Well, mutual exchanges and transfer allocations are excluded. As a Group, we are now exceeding 60% of these relevant lets being made to homeless applicants. The table below shows the percentage of lets provided this year to homeless households.

Percentage of relevant lets that were to homeless applicants	Year to Date
Cube	68%
DGHP	66%
Dunedin Canmore	63%
GHA	55%
Loretto	29%
WLHP	40%
<b>Group</b>	<b>61%</b>

8.4 Local Authorities are finalising Rapid Rehousing Transition Plans. These will set out their expectations of targets for social housing. We are also developing a Group Homelessness Framework which will include the development of Subsidiary targets for lets to homeless households.

## 9 Tenancy Sustainment

9.1 The percentage of new tenancies sustained for more than a year has dropped very slightly below the 90% target. DGHP, Cube and GHA are currently below target, causing the Group figure to be 89.4% despite the rest of the RSLs meeting their targets. Cube tenancy sustainment at 87% is due to the known impact of Wyndford challenges. Analysis shows that when we remove Wyndford, the percentage for Cube increases to 92%. Analysis of the figure at DGHP shows that it is under 25s who are affecting performance and work will be done to target these customers specifically.

## 10 Anti-social Behaviour

10.1 There have been 3,925 antisocial behaviour cases recorded on our Streetwise case management system year to date. In the same period last year there were 1,555 cases recorded. Whilst we have seen an increase in the levels of antisocial behaviour reported to us since lockdown started, around 80% of these complaints relate to low level noise and neighbour disturbance that could be directly related to the lockdown circumstances.

- 10.2 During this time, Police Scotland has also noted an increase of 2,646 cases reported to them in Wheatley estates compared to the corresponding period last year (excluding DGHP), which again supports the assumption that a significant amount of this increase could be attributed to lockdown.

RSL	April to September 2019	April to September 2020	Difference	Percentage Increase
Cube	135	481	+346	+256%
Dunedin Canmore	153	264	+111	+72%
GHA	1,190	3,026	+1,836	+154%
Loretto	40	85	+45	+112%
WLHP	20	69	+49	+249%
Total	1,555	3,925	+2,370	+152%

- 10.3 We have provided advice, guidance and support to more than 3,000 customers throughout the lockdown period and although it was not possible to fully resolve all these cases due to the lockdown restrictions they have now all been revisited by Housing Officers and Antisocial Behaviour Intervention and Prevention Officers and appropriate investigation undertaken.

## 11 Accidental Dwelling Fires and Fire Risk Assessments

- 11.1 In the year to date, from April through September there have been 117 Accidental Dwelling Fires (“ADF”) in GHA, Cube and Loretto.\* The current ADF performance is now 7% fewer fires compared to 2019/20 and this builds on our already outstanding performance of a 21% reduction in ADFs over the last two years.

- 11.2 As we went into lockdown there was an initial spike in ADFs and, with everyone spending more time at home, this was not unexpected. This is a trend that was reflected nationally with Scottish Fire and Rescue Service reporting a significant increase in serious injury and death this year. The implementation of our Fire Safety Remobilisation Plan Phase 2 in June saw the return of our Fire Safety Team and an increase in referrals from frontline staff to visit vulnerable customers. As our Fire Safety Team restarted visiting high risk customers in July, August and September we have seen a marked reduction in the number of ADFs compared to last year.

RSL	April – September 2019	April – September 2020	Difference	Percentage change
GHA	102	92	-10	10%
Cube	8	6	2	25%
Loretto	4	8	+4	+100%
West Total	114	106	-8	7%
DC	3	3	+2	+ 60%
WLHP	0	0	0	0
DGHP	No comparative data	8	N/A	N/A
Group Total	No comparative data	117	N/A	N/A

\* Comparable SFRS data for the other Subsidiaries is not available for 2019/20, but we will report Group wide as of April 2021.

- 11.3 Due to lockdown restrictions and associated Scottish Government guidance we were forced to suspend some of our fire prevention and mitigation activities in the early days of lockdown. Despite this we continued to deliver a number of extremely important fire prevention activities. For example, our daily Multi Storey Flat (“MSF”) block inspections continued to be carried out by our MSF Environmental Operatives and all stock types and areas were patrolled on a daily basis to remove items of bulk which may have posed a fire risk.
- 11.4 In addition to this, and following the return of our four Fire Safety Officers (“FSOs”) in June, we completed inspections of all 136 MSF blocks. These were undertaken following the Scottish Fire and Rescue Service (“SFRS”) decision to suspend their quarterly MSF inspection programme. In line with our remobilisation plan our FSOs have now also recommenced additional vulnerable household visits using Personal Protective Equipment (“PPE”) and social distancing.
- 11.5 Our three-year Fire Risk Assessment programme for all MSF and Living Well complexes is recommencing at the end of October and two additional FSOs will also be recruited at this time to allow us to continue with vulnerable/high risk customer visits and interventions.

## **12 Repairs**

- 12.1 All RSLs have carried out both emergency and non-emergency repairs within the target times. Emergency repairs were carried out on average within 2.53 hours against the target of 3 hours.
- 12.2 We are preparing for full remobilisation of the repairs service on 2 November, albeit with some exclusions when it is not safe to carry out the repair works. For example, when multiple trades are in the customer’s home with the customer for a prolonged period of time. A consequence of being unable to provide a full service safely in the first half of the year, is that there is backlog of works such as roofing, drainage and customer requests. These will be project managed in a co-ordinated way, similar to the approach used in addressing the void backlog, whilst we move towards a full business as usual service.

## **13 Gas Safety**

- 13.1 Customer safety has been our primary driver during lockdown. As a Group we have prioritised our landlord responsibility to reduce the backlog of expired gas servicing certificates that arose during the early part of the Covid-19 pandemic. During first few weeks of lockdown there was considerable concern amongst customers about letting trades persons into their homes to carry out works. Targeted and focused efforts across the Group reduced the number of expired gas safety certificates that arose during lockdown restrictions (in total 2,149). This meant reassuring our customers across Group that every effort would be made to ensure their safety whilst carrying out works, pooling resources and improving the process around gas safety. As of early September 2020, we have been in a 100% compliant position with no expired gas certificates across all Group subsidiaries.
- 13.2 The Charter indicator shows the number of certificates that have expired at any point during the last 12 months and for this reason all social landlords will report higher than usual figures, due to safety precautions we took for our staff and sensitivity to the concerns of our customers accessing their properties during the lockdown. We have been in discussions with the Regulator about this indicator, but at this time they will not accept amendments so that they can assess and report on the full impact of the Covid-19 lockdown.



## **14 Customer Service Centre**

- 14.1 Our Customer Service Centre answered an average of 74% of calls within 30 seconds in the year to date, against a target of 75%. Customers waited an average of 53 seconds against our target of 45 seconds. These figures show significant improvement on this time last year when call answering was 64% and customers waited 1 minute and 38 seconds on average.
- 14.2 As we continue to remobilise our services, we are taking steps to review our inbound customer demand, resources, technology and processes to ensure that we are best positioned to meet customer need. We are also taking steps to explore new technology which will encourage and empower our customers to self-serve across a range of business areas. These steps will allow us to better manage inbound telephony demand and ensure that our call handlers are available to support those customers who need us the most.
- 14.3 Outbound calling has been a critical component to the Hub service provision in the year to date. Since we moved into the virtual operating environment the Hub has supported:
- over 12,000 calls to customers for rent and welfare purposes
  - the co-ordination of over 25,000 gas servicing customer calls to assist us on our journey back to 100% compliance
  - homeless customers with getting online and bidding for homes
  - Group Debt Recovery Team colleagues to engage with hard to reach customers
  - customers with Eat Well, Emergency Response Fund and Energy Support Fund applications.

## **15 Group payments**

- 15.1 At Group level, 95% of invoices have been paid within timescale this year, comparing favourably to last year's figure of 93% but less than our 96% target. All invoices paid late continue to be highlighted through a weekly report to managers.

## **16 Sickness absence**

- 16.1 We are reporting record low levels of sickness absence. In the year to date, the Group lost an average of 1.9% of working time due to staff sickness absence compared to our target of 3%. The rate remains low due to staff continuing to work from home and it has increased from 1.8% last month. We expect figures to rise slightly as staff return from furlough and the increasing rates of Covid-19. We will work with staff to make sure they have the support needed to manage attendance and the stress of current circumstances. As of 9 October, 494 staff are furloughed across the Group, plus an additional 10 Care staff. The top two reasons for absence across the Group are stress/anxiety (40%) and minor illness (22%).

- 16.2 Of particular note is the improvement in Neighbourhood Environmental Teams from 3.7% this time last year to 1.6%, despite the exceptional change to their usual work over the last few months—from cutting grass to delivering food parcels.

Subsidiary	Percentage of working time lost
Cube	1.38%
DGHP	1.48%
Dunedin Canmore	0.86%
GHA	0.54%
Loretto Housing	0.26%
Wheatley 360	1.59%
Wheatley Care	3.74%
Wheatley Solutions	1.21%
WLHP	6.91%
<b>Group total</b>	<b>1.92%</b>

## 17 Jobs, training and apprenticeships

- 17.1 Due to the pandemic we have had to reduce the level of activity in Wheatley Works, however we have maintained support for customers through our delivery partners including City Building Glasgow and The Lennox Partnership.
- 17.2 The City Building Glasgow apprenticeship programme has resumed and currently we have selected 30 candidates from Group homes that have potential to gain an apprenticeship.
- 17.3 In addition, the Foundation launched the 2020-22 customer bursary programme in June. After receiving almost 200 online applications from customers across Group, the Foundation made an extra 30 new Bursary awards, bringing the total number up to 80 this year. Thanks to this financial support, recipients are going on to train in professions as diverse as teaching, social care and physiotherapy.

## 18 Wheatley Care

- 18.1 Wheatley Care has responded strongly to the challenges of the last six months. Financial performance is strong, there have been no complaints made to the Care Inspectorate, and there have been significant improvements in sickness absence and retention—particularly notable in light of the specific challenges Covid-19 has raised within the care sector.
- 18.2 We have supported 4,304 individuals this year to date, with 291 new referrals in September. There have been no Covid-related deaths in our residential care services. Although not in receipt of direct care from us, there have been three Covid-19 recorded deaths of tenants within LivingWell (one in April, two in May).
- 18.3 Wheatley Care has 24 registered services, three of which do not have a live inspection by the Care Inspectorate. As the Care Inspectorate has not carried out any new inspections this year to date due to the pandemic and there are no current plans to, we are not tracking this measure against target for 2020/21. However, the majority of our services (67%) continue to be graded 5 or better. Across the sector, the average is 60% of services so our performance is good. Although there have been no physical inspections this year, the Care Inspectorate carried out a virtual inspection of one of our services and gave us very positive feedback.

18.4 The staff retention stability rate stands at 85%, 8 percentage points above the Scottish Social Services Council (“SSSC”) workforce stability index. All staff continue to be compliant with SSSC qualification requirements; 100% of staff are registered with the appropriate body within the first six months of starting a post. Sickness absence has improved to 3.7% against the target of 5%. This is a significant improvement on last year’s figure, especially given the challenging time the moment for staff working in front-line provision.

## 19 Commercial

19.1 [paragraphs 19.1-19.6 redacted]

## 20 Partner dashboard summaries

20.1 As discussed in the preceding sections, we have operated throughout an unprecedented set of challenges posed by Covid-19 whilst maintaining strong performance against most of our targets. The table below gives a summary of each partner’s progress towards the dashboard measures (presented in full in appendix 2).

<b>GHA</b>	<ul style="list-style-type: none"> <li>▪ GHA is meeting target for 8 of the 10 key indicators within the dashboard including complaint timescales, emergency repair timescales, average time to re-let properties, gross rent arrears and new build completions.</li> <li>▪ The number of gas safety checks not met was affected by access during lockdown and will not meet target by year end, however as of September, all properties have a valid gas certificate in place.</li> <li>▪ Tenancy sustainment is just marginally off the Group 90% target at 89.67%, this equates to only 12 of 3,610 tenancies below target.</li> </ul>
<b>Cube</b>	<ul style="list-style-type: none"> <li>▪ Cube is meeting target for 7 of the 9 indicators on the dashboard including complaint timescales, emergency repair timescales, average days to let, gross rent arrears and new build completions.</li> <li>▪ The number of gas safety checks not met was affected by access during lockdown and will not meet target by year end, however as of September, all properties have a valid gas certificate in place.</li> <li>▪ Tenancy sustainment is affected by Cube’s 26-storey multi-storey blocks, Cube’s sustainment is at 86% against the Group 90% target; excluding the Wyndford it is 92%.</li> </ul>
<b>Loretto</b>	<ul style="list-style-type: none"> <li>▪ Loretto is meeting target for all measures within the dashboard with the exception of gas safety checks made.</li> <li>▪ The number of gas safety checks not met was affected by access during lockdown and will not meet target by year end, however as of September, all properties have a valid gas certificate in place.</li> </ul>
<b>Dunedin Canmore</b>	<ul style="list-style-type: none"> <li>▪ Dunedin Canmore is meeting target for all measures within the dashboard with the exception of gas safety checks met.</li> <li>▪ The number of gas safety checks not met was affected by access during lockdown and will not meet target by year end, however as of September, all properties have a valid gas certificate in place.</li> </ul>
<b>WLHP</b>	<ul style="list-style-type: none"> <li>▪ West Lothian Housing Partnership is meeting target for all but three indicators on the dashboard. Key measures on target include complaints, repairs, days to let and gross rent arrears.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ The number of gas safety checks not met was affected by access during lockdown and will not meet target by year end, however as of September, all properties have a valid gas certificate in place.</li> <li>▪ Gross rent arrears at 3.21% is just above the 3.1% target at this stage in the year, in monetary terms this is £3,800 off target. The value of WLHP arrears levels increased as expected with the transfer of Barony stock.</li> <li>▪ WLHP sickness levels are impacted due to the small number of employees within the subsidiary. Sickness reported in September was 0%.</li> </ul>
DGHP	<ul style="list-style-type: none"> <li>▪ Dumfries &amp; Galloway Housing Partnership is meeting target for 6 of the 8 key measures on the dashboard including complaints, repair timescales, letting times, gross rent arrears and sickness levels.</li> <li>▪ The number of gas safety checks not met was affected by access during lockdown and will not meet target by year end, however as of September, all properties have a valid gas certificate in place.</li> <li>▪ Tenancy sustainment, although not achieving the 90% Group target at 87.72%, is an improvement on 2019/20 sustainment at 85.82%.</li> </ul>
Wheatley Care	<ul style="list-style-type: none"> <li>▪ Wheatley Care is meeting all targeted measures within the dashboard including unplanned move-ons, no complaints have been made to the Care Inspectorate, complaint response times, staff registration and sickness levels.</li> </ul>

## 21 Strategic project delivery

21.1 Appendix 3 presents progress towards each of the strategic projects in the revised delivery plan for 2020/21.

21.2 Most projects are on track to complete on schedule.

- The contract to reshape the **homelessness commissioning approach through alliancing** in Glasgow was signed mid-August. The Group has progressed to the next phase of this with a view to agreeing, setting up delivery structure, and reviewing resources required from both Wheatley Care and the Alliance. The Cube board has now formally considered and agreed the nature of their strategic review and a full project plan is now under development.
- The **Group Homelessness Framework** is currently being drafted and will now be brought to the December Board. This framework will allow us to incorporate the outcomes from local authority reviews of their Rapid Rehousing Transition plans. Not all of our key Local Authorities have completed these yet. In addition, it will take into account the action plan for the recommendations from the Homelessness And Rough Sleeping Action Group.

21.3 There are no projects currently overdue. The following two projects show some slippage in progress.

- Complete implementation plan for migration of YourPlace's business to **Lowther Homes**. Lowther Board approved a draft Business Transfer Agreement on 17 August. The date of transaction will now be 30 October to allow time for the discharge and re-securing of bank accounts for YourPlace and Lowther.
- Carry out **corporate estate review** in line with proposed new “blended approach” service model and devise programme of estate rationalisation. Options were presented to the ET in September with the complete report a separate agenda item.

## **22 Key issues and conclusions**

- 22.1 This report outlines positive progress in achieving the majority of performance targets and the delivery of projects, despite the continuing challenges posed by the Covid-19 pandemic and lockdown restrictions that continue to affect business delivery. Key areas of focus during the remainder of the year will be the support of customers who may be experiencing additional financial hardship and to manage our arrears, continued focus on letting properties and supporting our contribution to reducing homelessness, and delivery of safe and high quality repairs and care services to customers.

## **23 Value for Money implications**

- 23.1 The measures and projects included in this report were agreed as the delivery plan for 2020/21. These items are intended to focus service improvement on the key priorities within the Strategy to make sure that financial and other resources are aligned with our priorities.

## **24 Impact on financial projections**

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

## **25 Legal, regulatory and charitable implications**

- 25.1 The SHR requires an Annual Return on the Charter from each RSL. Key indicators within this return are included in monthly performance reporting. RSL Subsidiary Boards approve the final return and the information is included in the year end performance report to the Board. RSLs are also required to involve tenants in the scrutiny of performance, which the Group does through its Tenant Scrutiny Panel, and to report to tenants annually by December 2020 (usually October, delayed due to the coronavirus pandemic).

## **26 Partnership implications**

- 26.1 Reports on the Delivery Plan can be used to identify areas where partnerships need to be strengthened or amended to help Wheatley achieve its strategic vision.

## **27 Implementation and deployment**

- 27.1 This report provides updates on progress with the Group Delivery Plan. Any specific projects and actions are subject to separate approval.

## **28 Equality impact**












- 28.1 There is no direct equality impact from this report.

## **29 Recommendations**

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

## Appendix 1: Wheatley Housing Group Board - Delivery Plan 20/21 - Strategic Measures

### A - A Our Group











	2019/20	YTD 2020/21		
Measure	2019	2020		
	Value	Value	Target	Status
Group - Gross Rent Arrears	4.61%	4.71%	5.24%	
Group - Tenancy Sustainment	89.75%	89.4%	90%	
Group - Average time to complete emergency repairs - make safe (hours)	2.71	2.53	3	
Group - Average days to re-let properties (ARC) – excluding lockdown days		15.7	26.1	
Group - Average days to re-let properties (ARC)	17.61	61.2		
Group - Number of gas safety checks not met	1	2,149	0	
Group - % calls answered <30 seconds (Grade of Service)	63.74%	73.91%	75%	
Group - % avoidable contact	8.48%	7.51%	17%	
Group - % of payments made within the reporting period which were paid in 30 days or fewer (from the date the business receives a valid invoice)	92.77%	94.8%	96%	
Group - Total number of jobs, training places or apprenticeships created including Wheatley Pledge	900	0	0	
Group - Sickness Rate	3.47%	1.92%	3%	












A - GHA

Measure	2019/20	YTD 2020/21		
	2019	2020		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - overall	4.94	4.9	8	✓
Average time taken to complete emergency repairs (hours) - make safe	2.88	2.73	3	✓
Number of gas safety checks not met	0	1,536	0	✗
% of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the R&M service	94.34%	93.46%	87%	✓
% new tenancies sustained for more than a year - overall	90.35%	89.67%	90%	⚠
Average days to re-let properties (ARC) – excluding lockdown days		19.2	26	✓
Average days to re-let properties (ARC)	15.44	58.1		📊
Gross rent arrears (all tenants) as a % of rent due	4.81%	4.82%	5.6%	✓
New build completions - Social Housing	59	81	81	✓
New build completions - Mid-market	119	49	49	✓
% Sickness rate	3.03%	0.54%	3%	✓

B - Cube

Measure	2019/20	YTD 2020/21		
	2019	2020		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - overall	4.55	5.06	8	
Average time taken to complete emergency repairs (hours) - make safe	2.95	2.87	3	
Number of gas safety checks not met	0	71	0	
% of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the R&M service	94.58%	92.49%	87%	
% new tenancies sustained for more than a year - overall	88.02%	86.46%	90%	
Average days to re-let properties (ARC) – excluding lockdown days		14.3	28	
Average days to re-let properties (ARC)	17.26	82.9		
Gross rent arrears (all tenants) as a % of rent due ((Excludes Homelink)	5.24%	5.34%	5.52%	
New build completions - Social Housing	109	24	24	
% Sickness rate	1.28%	1.38%	3%	











C - Loretto Housing

Measure	2019/20	YTD 2020/21		
	2019	2020		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - overall	4.22	4.59	8	
Average time taken to complete emergency repairs (hours) - make safe	3.02	2.71	3	
Number of gas safety checks not met	1	114	0	
% of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the R&M service	93.09%	89.32%	87%	
% new tenancies sustained for more than a year - overall	90.59%	91.89%	90%	
Average days to re-let properties (ARC) – excluding lockdown days		12.9	26	
Average days to re-let properties (ARC)	14.34	64.7		
Gross rent arrears (all tenants) as a % of rent due	5.11%	3.54%	4.8%	
Sickness Rate	5.53%	0.26%	3%	

D - Dunedin Canmore

Measure	2019/20	YTD 2020/21		
	2019	2020		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - overall	4.56	4.32	8	✓
Average time taken to complete emergency repairs (hours) - make safe	1.76	1.39	3	✓
Number of gas safety checks not met	0	122	0	✗
% of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the R&M service	94.57%	92.46%	87%	✓
% new tenancies sustained for more than a year - overall	93.79%	93.24%	90%	✓
Average days to re-let properties (ARC) – excluding lockdown days		18.7	27	✓
Average days to re-let properties (ARC)	9.68	75.5		📊
Gross rent arrears (all tenants) as a % of rent due	4.08%	4.51%	4.51%	✓
New build completions - Social Housing	84	48	48	✓
New build completions - Mid-market	78	35	35	✓
Sickness Rate	2.85%	0.86%	3%	✓

E - WLHP









Measure	2019/20	YTD 2020/21		
	2019	2020		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - overall	5	3.1	8	
Average time taken to complete emergency repairs (hours) - make safe	1.9	1.68	3	
Number of gas safety checks not met	0	8	0	
% of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the R&M service	94.23%	88.89%	87%	
% new tenancies sustained for more than a year - overall	98.39%	96.43%	90%	
Average days to re-let properties (ARC) – excluding lockdown days		8.0	26	
Average days to re-let properties (ARC)	1.54	65.9		
Gross rent arrears (all tenants) as a % of rent due	2.34%	3.21%	3.1%	
New build completions - Social Housing	83	8	8	
% Sickness rate	0.27%	6.91%	3%	

G - DGHP

Measure	2019/20	YTD 2020/21		
	2019	2020		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - overall	4.35	5.04	8	✓
Average time taken to complete emergency repairs (hours) - make safe	2.27	1.86	3	✓
Number of gas safety checks not met	0	298	0	✗
% of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the R&M service	92.4%	92.92%	87%	✓
% new tenancies sustained for more than a year - overall	85.82%	87.72%	90%	⚠
Average days to re-let properties (ARC) – excluding lockdown days		8.4	32	✓
Average days to re-let properties (ARC)	28.23	58.1		📊
Gross rent arrears (all tenants) as a % of rent due	3.97%	4.24%	4.4%	✓
% Sickness rate	4.74%	1.48%	3%	✓



# Wheatley Care

Measure	YTD 2020/21		
	2020		
	Value	Target	Status
Number of people we work for with unplanned move on	11	70	
% Care services graded very good (5) or better in Care inspections	66.67%		
Number of Care inspection requirements received in year	0	0	
% complaints to Care Inspectorate upheld	No complaints made to CI	0%	
% complaints responded to within SPSO timescales by Wheatley Care	100%	96%	
% staff registered with appropriate body within first 6 months of starting post if register open	100%	100%	
% sickness rate	3.74%	5%	
Number of accidents and incidents reported to the Care Inspectorate	331		

YourPlace

[Table redacted]















Lowther Homes
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[Table redacted]

Commercial Properties
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[Table redacted]

## Appendix 2 - Wheatley Group Board - Delivery Plan 20/21 - Strategic Projects

Strategic Project	Delivery Date	Status	% Progress
Develop Group Homelessness Framework, including rapid rehousing	31-Oct-2020		<div><div></div>0%</div>
Ignite programme 2020	31-Oct-2020		<div><div></div>75%</div>
Complete implementation plan for migration of YP's business to Lowther Homes	31-Dec-2020		<div><div></div>0%</div>
Develop pre-1919 strategic overview	31-Dec-2020		<div><div></div>90%</div>
Socio-economic research study linked to cost of a home	31-Jan-2021		<div><div></div>0%</div>
Work with Police Scotland to develop a Group-wide Antisocial Behaviour and Crime Prevention and Mitigation Framework	28-Feb-2021		<div><div></div>0%</div>
<div></div>	28-Feb-2021		<div><div></div>50%</div>
Reshape the homelessness commissioning approach through alliancing in Glasgow and influencing approaches nationally	28-Feb-2021		<div><div></div>15%</div>
Review of Wheatley Foundation purpose and future focus	31-Mar-2021		<div><div></div>0%</div>
Create a new digitally enabled engagement framework	31-Mar-2021		<div><div></div>0%</div>
Establish DGHP in-house repairs service	31-Mar-2021		<div><div></div>0%</div>
Agree the MyRepairs technology strategy	31-Mar-2021		<div><div></div>0%</div>
New staff operating model	31-Mar-2021		<div><div></div>50%</div>
Agree & Implement a Digital Learning Framework/ Approach	31-Mar-2021		<div><div></div>0%</div>

Strategic Project	Delivery Date	Status	% Progress
Increase Lowther capital	31-Mar-2021		<div><div></div>17%</div>
Strategic review of Cube completed and findings implemented	31-Mar-2021		<div><div></div>0%</div>
Agree and introduce digital maturity assessments across key services and projects	31-Mar-2021		<div><div></div>0%</div>
Carry out Corporate Estate review in line with proposed new 'blended approach' service model and devise programme of estate rationalisation	31-Mar-2021		<div><div></div>20%</div>
Implementation of strategy to meet "no home unimproved" by 2020	31-Mar-2021		<div><div></div>40%</div>
Agree the Wyndford strategic road map	31-Mar-2021		<div><div></div>50%</div>
Establish first TRA in Dumfries	31-Mar-2021		<div><div></div>0%</div>
Implement One Care Company culture change programme	31-Mar-2021		<div><div></div>20%</div>
Commercial Properties Review	31-Mar-2021		<div><div></div>0%</div>
Year 1 DGHP integration and transformation	31-Jul-2021		<div><div></div>25%</div>



## **Report**

**To:** Wheatley Housing Group Board

**By:** Steven Henderson, Group Director of Finance

**Approved by:** Martin Armstrong, Group Chief Executive

**Subject:** Financial performance to 30 September 2020

**Date of Meeting:** 28 October 2020

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### **1. Purpose**

- 1.1 To provide an update on the Wheatley Housing Group's financial performance for the period to 30 September 2020.

### **2. Authorising context**

- 2.1 On-going monitoring of financial performance against agreed targets is one of the responsibilities of the Group Board under the Group Authorise, Manage & Monitor Matrix.
- 2.2 The 2020/21 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. Risk appetite and assessment**

- 3.1 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".
- 3.2 Delivery of financial results within approved budgetary limits is a key element in delivering our strategy and maintaining the confidence of investors.

### **4. Discussion**

#### **Financial performance to 30 September 2020**

- 4.1 The results for the period to 30 September are summarised below:

£m	Year to Date (Period 6)		
	Actual	Budget	Variance
Turnover	186.0	193.6	(7.6)
Operating expenditure	(131.0)	(148.8)	17.8
<b>Operating surplus</b>	<b>55.0</b>	<b>44.8</b>	<b>10.2</b>
<i>Operating margin</i>	<i>29.6%</i>	<i>23.2%</i>	
Net interest payable	(37.1)	(37.6)	0.5
<b>Surplus</b>	<b>17.9</b>	<b>7.3</b>	<b>10.6</b>
Net Capital Expenditure	(24.7)	(78.4)	53.7

## 5. Key issues and conclusions

- 5.1 The Group is reporting a statutory surplus for the six months to September 2020 of £17.9m, £10.6m higher than budget for the year. The favourable variance is driven by the changes in the operating model implemented in response to the Covid-19 pandemic including the ongoing changes to the repairs service from a “life and limb” basis to a phased remobilisation, changes to our frontline operations and reduced levels of staff costs linked to the claim for furloughed employees.

Key variances against budget include:

- Grant income is £5.8m lower than budget due to the suspension of work on new build developments in Q1 and the resulting delay to completions. Sites started to reopen from July, allowing units delayed from March to be completed. This has also had an impact on net rental income in the RSLs and Lowther, which is £1.3m lower with new build social and mid-market properties starting to be available to let from early August. A number of properties have also been provided to local authorities to provide temporary homeless accommodation to assist in the utilisation of voids across the group.
- Other income is £0.6m adverse to budget; this is principally due to lower service charge income recorded in YourPlace with charges for services disrupted by the Covid-19 outbreak being credited to customer accounts and lower levels of Care contract income. In Care contract costs are being managed to help manage the financial impact.
- In expenditure, staff costs are £4.6m lower driven by a claim made under HMRC’s job retention scheme for furloughed employees primarily in Wheatley Solutions. Similar claims have been made for investment and repairs staff and this is reflected in capital expenditure and repairs costs respectively.
- Running costs are reporting a favourable variance against budget of £2.5m with lower levels of spend across the majority of subsidiaries as a result of the changes to the operation with a number of staff working at home and lower levels of expenditure on office running and staff related expenditure. In YourPlace lower levels of factoring income is linked to lower costs of sale reported through this line.

- Repairs and maintenance costs are £9.4m lower for the six months to June 2020. The service has now moved from the “life and limb” basis to a phased remobilisation phase, however lower levels of spend continue to be incurred in response to changing local restrictions. Costs reported for In-house repairs services in Dunedin Canmore and DGHP include claims for repairs staff under the job retention scheme. A similar claim has been made by City Building for services provided to Wheatley subsidiaries in the west.
- Interest and financing costs are £0.5m lower, linked to a lower level of net debt than expected due to the reduced levels of activity in our capital and new build programme. The group has cash balances available of £162.5m following a drawn down in April from EIB.

5.2 Net capital expenditure is £53.7m lower than budget. Within this new build spend is £36.7m lower. Spend reported of £19.5m reflects the ongoing construction across the re-opened sites including the completion units from originally expected to be completed in late March 2020.

- The core investment programme on existing stock is £30.6m lower than budget due to the completion of essential investment works only such as boiler replacements, major roofing repairs and cladding works. The other fixed assets line includes spend on the new repairs system initially being deployed at DGHP, the ASTRA customer relationship management system upgrade and mobile equipment provided to staff for home working.

## Q2 Forecast

£m	Q2 Forecast		
	Budget	Forecast	Variance
Turnover	391.3	374.8	(16.5)
Operating expenditure	(294.9)	(291.9)	3.0
<b>Operating surplus</b>	<b>96.4</b>	<b>82.9</b>	<b>(13.5)</b>
<i>Operating margin</i>	<i>24.6%</i>	<i>22.1%</i>	
Gain on sale	1.1	-	(1.1)
Net interest payable	(73.2)	(70.5)	2.7
<b>Statutory surplus</b>	<b>24.3</b>	<b>12.4</b>	<b>11.9</b>
Net Capital Expenditure	148.9	80.8	68.1

5.3 The full year forecast for the group statutory surplus is £12.4m, £11.9m lower than budgeted. The majority of income and expenditure lines are reporting variances to budget owing to the changes in the operation of the business during the Covid-19 outbreak.

Key variances against budget include:

- Within turnover, grant income is expected to be £13.2m lower than budget. The forecast includes the impact of the grant recognised on the delayed 2019/20 handovers across the borrower group sites which had been delayed following the closure of construction sites in March 2020.

- Total expenditure is expected to be £3.0m lower than budget. This includes a forecast reduction to employee costs linked to claims for furloughed employees made to date and forecast through to the end of the scheme in October. An additional provision for ER/VR of £10.8m is included in the updated financial projections to accelerate changes to the operating model which will be achieved through the greater use of digital technology and mobile working.
  - Running costs, are expected to be £1.6m lower than budget, reflecting savings made in the year to date, continuation of home working for a number of employees and includes an additional provision for unbudgeted PPE costs in the remaining months of the year.
  - A reduction in repairs costs of £7.1m are expected for the full year, with a phased increase in the level of work in the second half of the year with the full service resuming in November.
  - Provision for a higher level of bad debts costs has been included in the forecast, increasing the charge for the year. This reflects higher numbers of tenants moving onto Universal credit in the year to date, and an expectation that this trend will continue in the coming months as customers' ability to pay is impacted by the Covid-19 crisis.
- 5.4 Net capital investment is expected to be £68.1m lower than budgeted with a reduction in grant income claimed of £24.8m in the year. The core investment programme is expected to be £38.1m lower, with works recommencing and external investment and compliance works being prioritised initially. The impact of site closures earlier in the year and the phased restart of work results in new build development spend being forecast at £54.2m lower than budget, deferring cost into 2021/22.

## **6. Key financial metrics – interest cover and debt per unit**

- 6.1 Loan covenants are monitored monthly out-with the required quarterly submission of calculations and Board-approved management accounts of the RSL Borrower Group to funders. All loan covenants with respect to the RSL Borrower Group, WFL2 and DGHP were met as at 30 September 2020.
- 6.2 Excluding the variance on grant income recognised on the completion of new build properties, the underlying results for the RSL Borrowing Group are £13.4m favourable to budget. YourPlace and Lowther together are £0.3m favourable to budget and DGHP is £2.1m favourable.
- 6.3 The favourable performance against budget has improved the covenant position at 30 September 2020 outperforming the key measures in the financial projections as shown in the tables in appendix 1.

## **7. Value for Money implications**

- 7.1 Delivery of our cost efficiency targets is a key element of continuing to demonstrate value for money. The underlying results for the period to 30 September 2020 were favourable to budget ensuring that these efficiency targets are met.

## **8. Impact on financial projections**

- 8.1 The results for the period to date have a positive impact, generating a surplus of favourable to budget. The covenant measures report a stronger financial position compared to the projections.

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

- 9.1 No implications.

## **10. Equalities impact**

- 10.1 Not applicable.

## **11. Recommendation**

- 11.1 The Board is requested to note the financial performance for the Group to 30 September 2020.

Appendix 1: Wheatley Group Financial Report to 30 September 2020

# **Appendix 1: Wheatley Group Financial Report To 30 September 2020 (Period 6)**

1. Income & Expenditure	
a) Year-to-Date Executive Summary	2
2. RSL Borrower Group	3
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# 1a) Wheatley Group – Year to date



YTD (£k)	Year to 30 September 2020			Full Year Budget £'000
	Actual £'000	Budget £'000	Variance £'000	
<b>INCOME</b>				
Net Rental Income	149,340	150,628	(1,288)	302,231
Grant income	15,164	20,962	(5,798)	47,408
Other Income	21,534	22,087	(553)	41,776
<b>Total Income</b>	<b>186,038</b>	<b>193,677</b>	<b>(7,639)</b>	<b>391,414</b>
<b>EXPENDITURE</b>				
Employee Costs	39,579	44,225	4,646	88,596
ER/VR	905	862	(43)	1,209
Running Costs	22,538	25,076	2,538	46,754
Repairs & Maintenance	16,676	26,118	9,442	51,863
Other Group running costs	-	-	-	-
Irrecoverable VAT & bad debts	5,559	6,302	743	12,600
Depreciation	45,761	45,770	9	92,932
Demolition Programme	2	465	463	930
<b>Total Expenditure</b>	<b>131,020</b>	<b>148,818</b>	<b>17,798</b>	<b>294,882</b>
<b>NET OPERATING SURPLUS</b>	<b>55,019</b>	<b>44,860</b>	<b>10,159</b>	<b>96,533</b>
	29.6%	23.2%		
Gain/(loss) on sale of fixed assets	1	6	(5)	1,060
Net interest payable	(37,093)	(37,598)	505	(73,194)
<b>STATUTORY SURPLUS/(DEFICIT)</b>	<b>17,927</b>	<b>7,268</b>	<b>10,659</b>	<b>24,399</b>

<b>INVESTMENT</b>				
Total Capital Investment Income	10,134	24,010	(13,876)	63,626
Core Investment Programme	13,640	44,238	30,598	84,591
New Build Programme	19,490	56,181	36,691	121,875
Other fixed assets	1,662	1,994	332	6,060
<b>Total Capital Investment Expenditure</b>	<b>34,792</b>	<b>102,413</b>	<b>67,621</b>	<b>212,527</b>
<b>NET CAPITAL INVESTMENT SPEND</b>	<b>(24,658)</b>	<b>(78,403)</b>	<b>53,745</b>	<b>(148,901)</b>

## Key highlights year to date:

The Group operating surplus for the 6 months ended 30 September was £55.0m which is £10.6m favourable to budget. At the statutory surplus level, a surplus of £17.9m is reported showing a favourable variance of £10.7m to budget. The majority of variance in both income and expenditure lines are a result of the changes in the operation of the business during the Covid-19 outbreak.

Total income at £186.0m is £7.5m lower than budgeted:

- Net rental income is £1.2m unfavourable to budget and includes the impact of delays in new build completions within all of the RSLs, delayed from March when work was suspended, as well as higher void levels although across the Group, a number of properties have been provided to local authorities to provide temporary homeless accommodation.
- Grant income has been recognised for new build completions across the RSLs; a result of the phased reopening of sites in the second quarter. To date, income has been recognised for the budget for 287 units – GHA – 130 units across the Inglefield, Linkwood, Bellrock, Auchinlea and Scaraway sites, Cube – 24 units for Westcliff, WLHP – 8 units at Dixon Terrace, DC – 125 units across the Bearverbank, Lang Loan, Morrison Street and Greendykes sites.
- Other income is £553k lower than budget at September 2020. The Foundation has received additional funding from Scottish Government for emergency food packages, this is offset by lower levels of income from owners for factoring services, with reduced cleaning and maintenance services being provided as well as lower levels of common repairs activity, a reduction of £403k in the costs of providing services is included in running costs.

Total expenditure of £130.0m is £17.8m favourable to budget:

- Employee costs are £4,646k favourable to budget mainly as a result of the claims received for staff under the Government job retention scheme.
- Running costs are £2,538k favourable to budget with the variance largely linked to the change in the operation of the business during lockdown which has resulted in lower than expected costs in a number of areas against budget which have helped create provision for unbudgeted spend on PPE for staff across the Group.
- Revenue repairs and maintenance expenditure is £9,442k favourable to budget. The service is now in a phased remobilisation phase. Reductions continue to be seen across all areas of repairs expenditure. Repairs costs are reported after taking account of furlough claims for in house repairs staff in Dunedin Canmore and DGHP.
- Irrecoverable vat and bad debts are £813k favourable to budget across the Group.
- The net capital position is £53.7m lower than budget. Capital investment income of £10.1m has been received for a number of sites across the group now completed as a result of a phased reopening of construction sites, in addition to £3.6m received from Allia for the Dargavel site.
- Core programme spend is lower than budget by £30.6m, with £3.4m spend in the month on essential works on boilers, voids, major roofing works and cladding work.
- New Build spend of £19.5m, with £6.4m incurred in the month, reflects the ongoing construction progress across the open sites including the completion of delayed units from March. Further sites in DGHP, GHA and Cube sites are due to open in October and November.
- Other fixed assets: of £1,662k is £332k favourable to budget, as a result of spend on the new repairs system initially being deployed at DGHP, the ASTRA customer relationship management system upgrade and mobile equipment provided to staff for home working.



# **Wheatley Group Financial Report To 30 September 2020 (Period 6)**

## **RSL Borrower Group**

## 2a) RSL Borrower Group – Year to date

### Key highlights year to date:

The RSL Borrower group operating surplus for the 6 months to September is £44.7m, £7.6m favourable to budget. At the statutory surplus level, a surplus of £12.2m is reported showing a favourable variance of £8.0m compared to the budget. The majority of variances in income and expenditure lines are due to the changes in the operation of the business during the lockdown.

Total income is £6.5m lower than budgeted:

- Net rental income is £821k unfavourable to budget across the RSLs. Rental income includes the impact of delays in new build completions within all of the RSLs, and a higher level of voids (£412k higher) I GHA and DC although a number of properties have been let as temporary homeless accommodation. Normal letting activities have been resumed across the RSLs.

- Grant income has been recognised primarily for new build properties where completion had been delayed in March 2020. To date, income has been recognised for the completion of 287 units – GHA – 130 units at Inglefield, Linkwood, Bellrock, Auchinlea and Scaraway, Cube – 24 units for Westcliff, WLHP – 8 units at Dixon Terrace, DC – 125 units at Bearverbank, Lang Loan, Morrison Street and Greendykes. All of these completions with the exception of Bellrock and Scaraway sites relate to the delayed units from March.

- Total expenditure is £14.0m favourable to budget. All operating cost lines are reporting lower than budgeted spend in the year to date largely linked to the change in the operation of the business during the Covid-19 restrictions.

- Employee costs are £3,280k favourable to budget mainly as a result of the claims received for staff under HMRC's job retention scheme, including the claims for the Borrower Group's share of Wheatley Solutions employee recharges.

- Total running costs are £1,702k favourable to budget with lower than expected costs in a number of areas such as office running costs, staff related expenditure, training and travel. The year to date spend includes additional costs of PPE for staff.

- Revenue repairs and maintenance expenditure is £7,672k favourable to budget. The service is now in a phased remobilisation phase. Reductions continue to be seen across all areas of repairs expenditure. Repairs costs 12,097k include the full cost of in house repairs staff in Dunedin Canmore Property Services after taking account of the claim for furloughed employees.

- Net capital expenditure is £38.6m lower than budget. Lower levels of capital expenditure have been driven by the postponement of non essential investment work and the closure of construction sites during the first quarter. From July sites have started a phased return to work, allowing new build completions and ongoing construction work to resume.

- Spend in core programme of £11.2m, an increase of £2m from August relates mainly to voids work, capitalised repairs, capitalised staff, the fixed overhead for City Building, boiler replacements and work on pre 1919 tenements.

- New build spend of £17.3m, an increase of £8m from the August spend, relates to the cost incurred for the completion of the sites highlighted above and ongoing costs for sites now open. (GHA - £10.8m, Cube - £2.2m, WLHP - £1.6m, LHA - £0.2m, DC - £2.4m).

- Grant claims have been submitted for HAG on new build of £9.6m to date and includes £3.6m income for one-off funding for the Dargavel project. Other grant claims are split :£1.4m in GHA, £1.5m in Cube, £1.4m in WLHP and £1.1m in DC.

YTD (£k)	RSL BORROWER			Full Year Budget £'000
	ACT £'000	BUD £'000	VAR £'000	
<b>INCOME</b>				
Net Rental Income	120,526	121,347	(821)	242,714
Grant income	15,164	20,962	(5,798)	45,733
Other Income	5,319	5,156	163	12,442
<b>Total Income</b>	<b>141,009</b>	<b>147,465</b>	<b>(6,456)</b>	<b>300,888</b>
<b>EXPENDITURE</b>				
Employee Costs	26,360	29,640	3,280	59,117
ER/VR	169	386	217	773
Running Costs	11,535	13,237	1,702	28,025
Repairs & Maintenance	12,097	19,769	7,672	36,929
Irrecoverable VAT & bad debts	5,057	5,734	677	11,465
Depreciation	41,045	41,060	15	82,184
Demolition Programme	2	465	463	930
<b>Total Expenditure</b>	<b>96,265</b>	<b>110,291</b>	<b>14,026</b>	<b>219,422</b>
<b>NET OPERATING SURPLUS</b>	<b>44,744</b>	<b>37,174</b>	<b>7,570</b>	<b>81,467</b>
Gain/(loss) on sale of fixed assets	1	6	(5)	13
Net interest payable	(32,559)	(32,969)	410	(64,088)
<b>STATUTORY SURPLUS/(DEFICIT)</b>	<b>12,186</b>	<b>4,211</b>	<b>7,975</b>	<b>17,392</b>

<b>INVESTMENT</b>				
Total Capital Investment Income	9,026	22,285	(13,259)	60,210
Core Investment Programme	11,175	30,423	19,248	59,486
New Build Programme	17,332	49,653	32,321	108,819
Other fixed assets	1,653	1,985	332	4,515
<b>Total Capital Investment Expenditure</b>	<b>30,160</b>	<b>82,061</b>	<b>51,901</b>	<b>172,820</b>
<b>NET CAPITAL INVESTMENT SPEND</b>	<b>(21,134)</b>	<b>(59,776)</b>	<b>38,642</b>	<b>(112,610)</b>

## 2b) GHA – year to date



	Year To September 2020			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
<b>INCOME</b>				
Rental Income	£91,520	£91,855	(£335)	£183,732
Void Losses	(£1,063)	(£638)	(£425)	(£1,275)
<b>Net Rental Income</b>	<b>£90,457</b>	<b>£91,218</b>	<b>(£760)</b>	<b>£182,457</b>
Other Income	£4,363	£4,103	£261	£8,648
Grant Income	£7,251	£20,856	(£13,605)	£34,259
<b>Total Income</b>	<b>£102,071</b>	<b>£116,176</b>	<b>(£14,105)</b>	<b>£225,364</b>
<b>EXPENDITURE</b>				
Employee Costs - Direct	£14,775	£17,138	£2,363	£34,112
Employee Costs - Group Services	£5,533	£6,019	£486	£12,037
ER / VR	£162	£386	£224	£773
Direct Running Costs	£5,371	£5,502	£131	£11,223
Running Costs - Group Services	£2,838	£3,811	£973	£7,696
Revenue Repairs and Maintenance	£8,801	£15,062	£6,261	£27,511
Irrecoverable VAT and bad debts	£4,737	£5,181	£444	£10,362
Depreciation	£30,816	£30,816	£0	£61,632
Demolition and Tenants Compensation	£2	£465	£463	£930
<b>TOTAL EXPENDITURE</b>	<b>£73,035</b>	<b>£84,379</b>	<b>£11,345</b>	<b>£166,273</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>£29,036</b>	<b>£31,797</b>	<b>(£2,760)</b>	<b>£59,091</b>
<i>Net operating margin</i>	28.4%	27.4%	1.1%	
RTB Income	£0	£0	£0	£0
Interest payable & similar charges	(£24,465)	(£24,773)	£307	(£49,553)
<b>STATUTORY SURPLUS / (DEFICIT)</b>	<b>£4,571</b>	<b>£7,024</b>	<b>(£2,453)</b>	<b>£9,538</b>
<b>INVESTMENT</b>				
	Actual £ks	Budget £ks	Variance £ks	Full Year Budget £ks
<b>Total Capital Investment Income</b>	<b>£1,359</b>	<b>£6,552</b>	<b>(£5,193)</b>	<b>£17,700</b>
<b>Total Expenditure on Core Programme</b>	<b>£9,206</b>	<b>£24,504</b>	<b>£15,298</b>	<b>£47,600</b>
<b>New Build &amp; Other Investment Expenditure</b>	<b>£10,896</b>	<b>£25,441</b>	<b>£14,544</b>	<b>£45,104</b>
<b>Other Capital Expenditure</b>	<b>£1,316</b>	<b>£1,628</b>	<b>£313</b>	<b>£3,257</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>£21,418</b>	<b>£51,573</b>	<b>£30,155</b>	<b>£95,961</b>
<b>NET CAPITAL EXPENDITURE</b>	<b>£20,060</b>	<b>£45,021</b>	<b>£24,962</b>	<b>£78,261</b>

### Key highlights year to date:

- Net operating surplus of £29,036k is £2,760k unfavourable to budget. Statutory surplus for the period to date is £4,571k, £2,453k unfavourable to budget. The main drivers of the variance are lower grant income due to a delay in new build completions and lower costs resulting from the current COVID 19 restrictions offsetting.
- Net rental income of £90,457k is £760k adverse to budget primarily as a result of delaying the letting of new build properties from March to date. Void losses are £425k higher than budget, representing 1.16% loss rate compared to budget of 0.7%. In September, GHA have provided 275 properties to GCC for use as temporary homeless accommodation, assisting in mitigating void losses.
- Grant income recognized at September relates to the total of 130 units completed at Inglefield, Linkwood, Bellrock, Auchinlea and Scaraway developments. Linkwood, Bellrock and Auchinlea completions include the delayed units originally scheduled for March completion.
- Total employee costs are £2,849k favourable to budget mainly driven by the claim under the Coronavirus job retention scheme. Included are employee recharges from Solutions which are also £486k favourable to budget.
- Total running costs are £1,104k favourable to budget with the variance largely linked to the change in the operation of the business during lockdown which has resulted in lower than expected costs in a number of areas against budget. PPE costs, unbudgeted to date of £365k.
- Revenue repairs and maintenance expenditure is £6,261k favourable to budget. The service was provide on a "life and limb" basis in Q1 and has also been impacted by the revised restrictions in September. Reductions are reported across most areas of repairs.
- The net capital position of £20,060k is £24,962k below budget. Grant income of £1.4m has been claimed for Sighthill £1,000k, Dovehill £209k and Hurlford Ave £159k, with receipts due to be received in October for Baillieston.
- Core capital investment programme spend on existing stock is £15,298k lower than budget driven by the postponement of new works during the lockdown. Additional spend to date includes repairs on central heating, kitchens and bathrooms.
- New build spend is £14,544k lower than budget following the closure all construction sites on 23 March. The September spend is broadly in line with budget for the month and includes spend for Scaraway (£1.6m), Auchinlea (£0.6m), Linkwood (£0.5m), Sighthill (£1.7m), Inglefield (£1.0m) and Baillieston (£0.9m). The costs at Inglefield, Linkwood, Bellrock, Auchinlea and Scaraway developments relate to completion of 130 units.
- Other capital expenditure of £1,316k, is £313k favourable to budget, and represents GHA's share of expenditure on the new repairs system initially being deployed at DGHP and the ASTRA customer relationship management system upgrade.

## 2c) Cube – Year to date



	Period To 30 Sept 2020			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
<b>INCOME</b>				
Rental Income	9,637	9,691	(55)	19,383
Void Losses	(137)	(214)	77	(428)
<b>Net Rental Income</b>	<b>9,500</b>	<b>9,478</b>	<b>22</b>	<b>18,955</b>
<b>Other Income</b>	<b>156</b>	<b>224</b>	<b>(68)</b>	<b>636</b>
<b>Grant Income</b>	<b>1,946</b>	<b>70</b>	<b>1,877</b>	<b>139</b>
<b>Total Income</b>	<b>11,602</b>	<b>9,771</b>	<b>1,831</b>	<b>19,730</b>
<b>EXPENDITURE</b>				
Employee Costs - Direct	1,611	1,754	143	3,508
Employee Costs - Group Services	407	444	36	888
ER / VR	0	0	0	0
Direct Running Costs	779	900	122	1,909
Running Costs - Group Services	209	284	76	567
Revenue Repairs and Maintenance	1,064	1,721	657	3,183
Bad debts	143	272	130	543
Depreciation	3,651	3,651	0	7,349
<b>TOTAL EXPENDITURE</b>	<b>7,863</b>	<b>9,026</b>	<b>1,163</b>	<b>17,946</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>3,739</b>	<b>745</b>	<b>2,994</b>	<b>1,784</b>
Interest Payable	(2,580)	(2,568)	(11)	(5,147)
<b>STATUTORY SURPLUS / (DEFICIT)</b>	<b>1,161</b>	<b>(1,823)</b>	<b>2,984</b>	<b>(3,363)</b>
<b>EBITDA</b>	<b>7,390</b>	<b>4,396</b>	<b>2,994</b>	<b>9,132</b>
<b>EBITDA (excluding grants)</b>	<b>5,444</b>	<b>4,326</b>	<b>1,117</b>	<b>8,993</b>

### Key highlights year to date:

- Net operating surplus of £3,739k is £2,994k favourable to budget. Statutory surplus for the period to date is £1,161k, £2,984k favourable to budget. The main drivers of the variance are higher grant income on the delayed Westcliff units completed in July and lower costs resulting from the current COVID 19 restrictions offsetting.
- Rental income received is £55k adverse budget as a result of the delay in Westcliff properties not completing until mid July 2020
- Void losses are running at 1.4% versus budget of 2.2% generating a favourable variance of £77k. Cube have provided 33 properties to GCC for use as temporary homeless accommodation, with further progress in letting 41 previous voids to tenants in September.
- Other income includes any income from non-social housing stock and district heating schemes (Broomhill, Collina, Gorget and Kelvindale). The adverse variance of £68k relates to District Heating income, through the temporary cessation of charging tenants for this service. Cube however continue to bear the costs.
- Direct employee costs are £143k favourable to budget, primarily as a result of the claim under the furlough scheme and savings in overtime and agency staff costs. Cube's share of Wheatley Solutions staff is also showing favourable to budget, with a similar claim made under the HMRC scheme.
- Direct Running Costs are favourable to budget by £122k, due to savings across a number of office and staff related items as a result of COVID 19 restrictions. Running Costs - Group Services of £209k represents Cube's share of Wheatley Solutions running Costs.
- Revenue repairs and maintenance expenditure is £657k favourable to budget, due to a lower level of reactive, cyclical and gas & lift servicing repairs being carried out as a result of the changes to the repairs service since April.
- Bad debts continue to be favourable to budget by £130k at end September.
- Net capital expenditure of £1,228k is £1,296k lower than the budget.
- Capital investment income of £1,525k includes £30k for Medical Adaptations and £1,495k grant income for Queens Quay. No other investment income has been claimed following the changes to the timing of works resulting from the closure of sites earlier in the year.
- Investment works expenditure of £404k mainly relates to £30k on adaptations, £184k on voids, £20k on boiler installations, £166k on capitalised repairs and capitalised staff.
- New build expenditure is reported favourable by £1,682k, with lower spend reported in the earlier months as a result of lockdown. The majority of costs to date relate to Queens Quay (£1.8m).
- Other capital expenditure of £106k relates to Cube's share of group wide IT investment.

	Period To 30 Sept 2020			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
<b>INVESTMENT</b>				
<b>Total Capital Investment Income</b>	<b>1,525</b>	<b>3,612</b>	<b>(2,087)</b>	<b>9,827</b>
<b>Investment Works</b>	<b>404</b>	<b>2,118</b>	<b>1,714</b>	<b>4,235</b>
<b>New Build</b>	<b>2,243</b>	<b>3,924</b>	<b>1,682</b>	<b>11,082</b>
<b>Other Capital Expenditure</b>	<b>106</b>	<b>93</b>	<b>(13)</b>	<b>187</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>2,753</b>	<b>6,136</b>	<b>3,382</b>	<b>15,505</b>
<b>NET CAPITAL EXPENDITURE</b>	<b>1,228</b>	<b>2,524</b>	<b>1,296</b>	<b>5,678</b>

## 2d) West Lothian Housing Partnership – Year to date

	Year to 30 September 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
<b>INCOME</b>				
Rental Income	1,659	1,802	(143)	3,664
Void Losses	(9)	(56)	47	(112)
<b>Net Rental Income</b>	<b>1,650</b>	<b>1,746</b>	<b>(96)</b>	<b>3,552</b>
Other Income	1	6	(5)	22
HAG Recognised in the Year	547	0	547	11,263
<b>TOTAL INCOME</b>	<b>2,198</b>	<b>1,752</b>	<b>447</b>	<b>14,836</b>
<b>EXPENDITURE</b>				
Employee Costs - Direct	241	273	32	546
Employee Costs - Group Services	45	45	0	72
Direct Running Costs	126	191	65	367
Running Costs - Group Services	28	28	0	46
Revenue Repairs and Maintenance	143	273	129	582
Bad Debts	18	25	7	49
Depreciation	796	851	55	1,702
<b>TOTAL EXPENDITURE</b>	<b>1,397</b>	<b>1,686</b>	<b>288</b>	<b>3,364</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>801</b>	<b>66</b>	<b>735</b>	<b>11,472</b>
<i>Net Operating Margin</i>	36%	4%	33%	77%
Interest receivable	0	1	(1)	2
Interest payable	(504)	(627)	122	(919)
<b>STATUTORY SURPLUS / (DEFICIT)</b>	<b>297</b>	<b>(560)</b>	<b>857</b>	<b>10,554</b>

	Year to 30 September 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
<b>INVESTMENT</b>				
<b>Total Capital Investment Income</b>	<b>1,392</b>	<b>2,894</b>	<b>(1,503)</b>	<b>8,659</b>
Total Expenditure on Core Programme	68	322	254	645
New Build & Other Investment	1,601	8,404	6,803	18,138
Other Capital Expenditure	19	13	(5)	27
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>1,688</b>	<b>8,739</b>	<b>7,051</b>	<b>18,809</b>
<b>NET CAPITAL EXPENDITURE</b>	<b>296</b>	<b>5,845</b>	<b>5,549</b>	<b>10,150</b>

### Key highlights year to date:

- Net operating surplus of £801k is £735k favourable to budget. Statutory surplus for the year to date is £297k, £857k favourable to budget.
- The main driver of the variance is HAG recognised in the year of £547k which relates to the final 8 units at Dixon Terrace completed in July. These units were originally due to be completed in March 2020 but were delayed due to site closures as a result of the Coronavirus epidemic.
- The original budget assumed that the units transferring from Barony HA would do so on 1 April 2020. The transfer took place on 17 May 2020. A number of the variances in the year to date relate to the revised timing of the transfer from Barony HA
- Gross rental income of £1,659k is £143k adverse to budget. The majority of this variance relates to the delay in the transfer of the Barony properties. Void losses are £47k favourable to budget.
- Total expenditure of £1,397k is £288k favourable to budget. Of this variance £113k relates to the Barony units. The largest variance in expenditure relates to revenue repairs and maintenance expenditure which is £129k favourable to budget, of which £32k relates to the Barony properties with the remaining variance due to the changes to the repairs service which has resulted in lower than expected costs.
- Group services charges for staff and running costs of £73k represent West Lothian's share of Wheatley Solutions' staff and service costs.
- Gross interest payable of £504k represents interest due on the loans due to Wheatley Funding Ltd 1.
- Core investment expenditure of £68k is £254k lower than budget, with £42k linked to the Barony units and the remaining variance attributable to the postponement of a number of planned investment works as a result of the Coronavirus epidemic.
- New Build expenditure of £1,601k is reported with the variance of £6,803k driven by the Scottish Government instruction to close all construction sites during Q1. The main variances relate to Almondvale where spend is £3,941k lower than budget and Jarvey Street where spend is £1,629k below the original budget. Grant income of £1,392k has been received in the year to date.

## 2e) Loretto Housing – Year to date

	Period To 30 September			Full Year
	Actual £k	Budget £k	Variance £k	
<b>INCOME</b>				
Rental Income	4,113	4,112	1	8,224
Void Losses	(127)	(133)	6	(266)
<b>Net Rental Income</b>	<b>3,986</b>	<b>3,979</b>	<b>7</b>	<b>7,959</b>
<b>Other Income</b>	<b>143</b>	<b>141</b>	<b>1</b>	<b>283</b>
<b>Grant Income</b>	<b>37</b>	<b>36</b>	<b>1</b>	<b>72</b>
<b>Total Income</b>	<b>4,166</b>	<b>4,157</b>	<b>9</b>	<b>8,314</b>
<b>EXPENDITURE</b>				
Employee Costs - Direct	638	669	31	1,338
Employee Costs - Group Services	124	135	11	269
ER / VR	0	0	0	0
Direct Running Costs	687	783	96	1,531
Running Costs - Group Services	63	86	23	172
Revenue Repairs and Maintenance	510	701	191	1,388
Bad debts	31	111	79	221
Depreciation	1,841	1,841	0	3,701
<b>TOTAL EXPENDITURE</b>	<b>3,894</b>	<b>4,324</b>	<b>430</b>	<b>8,620</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>271</b>	<b>(168)</b>	<b>439</b>	<b>(306)</b>
Interest Payable	(1,013)	(993)	(20)	(1,978)
<b>STATUTORY SURPLUS / (DEFICIT)</b>	<b>(741)</b>	<b>(1,160)</b>	<b>420</b>	<b>(2,284)</b>
<b>EBITDA</b>	<b>2,112</b>	<b>1,673</b>	<b>439</b>	<b>3,394</b>
<b>EBITDA (excluding grants)</b>	<b>2,075</b>	<b>1,637</b>	<b>438</b>	<b>3,322</b>

	Period To 30 September			Full Year
	Actual £k	Budget £k	Variance £k	
<b>INVESTMENT</b>				
<b>Total Capital Investment Income</b>	<b>3,643</b>	<b>4,045</b>	<b>(402)</b>	<b>8,889</b>
<b>Investment Works</b>	<b>248</b>	<b>763</b>	<b>515</b>	<b>1,525</b>
<b>New Build</b>	<b>194</b>	<b>4,267</b>	<b>4,073</b>	<b>11,036</b>
<b>Other Capital Expenditure</b>	<b>40</b>	<b>90</b>	<b>49</b>	<b>179</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>483</b>	<b>5,120</b>	<b>4,637</b>	<b>12,741</b>
<b>NET CAPITAL EXPENDITURE</b>	<b>(3,161)</b>	<b>1,075</b>	<b>4,235</b>	<b>3,851</b>

### Key highlights year to date:

- Net operating surplus of £271k is £439k favourable to budget. Statutory deficit for the period to date is £741k, £420k favourable to budget. The main drivers of the variance are lower costs resulting from the current COVID 19 restrictions offsetting.
- Void losses in the year to date are 3.2% against a budget of 3.34%. A further 21 previously void properties have been let in period 6.
- Grant income of £37k relates to medical adaptations only. There is no other grant income budgeted for the year, given the next new build completions for Loretto are due in 2021/22.
- Employee costs report a favourable variance of £31k, consisting of savings due to one employee seconded to Wheatley Care and £15k for the claim made under the Job Retention Scheme. Employees recharged from Group Services for Loretto's share of Wheatley Solutions staff is also showing favourable to budget.
- Direct running costs are £96k favourable to budget due primarily to reduced spend on office and staff related expenditure since the Covid 19 outbreak.
- Group Services Running Costs of £63k represents Loretto share of Wheatley Solutions running costs.
- Revenue repairs and maintenance expenditure is £191k favourable to budget due to lower levels of spend in reactive repairs and cyclical maintenance in line with the changes to the repairs service this financial year.
- Bad debts are £79k favourable to budget. A prudent approach was taken when setting the budget making additional provision to cover the impact of increasing numbers of tenants moving onto Universal Credit.
- The net capital position reports net income of £3,161k due to the receipt of funding of £3,606k for the Dargavel site from Allia.
- Investment works expenditure of £248k relates to voids, capitalised repairs and staff, £37k spend on medical adaptations and structural work for Duke Street.
- New build expenditure of £194k mainly relates to Eriboll and Hallrule Drive. The Dargavel site start date is October, for Hallrule, a start date of November is planned.
- Other capital expenditure of £40k relates to Loretto contribution to Wheatley Group IT. Full year budget includes £108k budgeted for office refurbishment and conversion of housing properties previously used as offices by Wheatley Care.



## 2f) Dunedin Canmore – Year to date

	Year to 30 September 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
<b>INCOME</b>				
Rental Income	14,712	15,129	(418)	30,153
Void Losses	(281)	(201)	(80)	(363)
<b>Net Rental Income</b>	<b>14,430</b>	<b>14,928</b>	<b>(498)</b>	<b>29,791</b>
HAG Recognised in the Year	5,383	0	5,383	0
Other Income	1,305	1,305	0	2,853
<b>TOTAL INCOME</b>	<b>21,119</b>	<b>16,233</b>	<b>4,886</b>	<b>32,643</b>
<b>EXPENDITURE</b>				
Employee Costs - Direct	2,206	2,333	127	4,667
ER/VR	7	0	(7)	-
Employee Costs - Group Services	764	830	66	1,679
Direct Running Costs	1,643	1,780	137	3,398
Running Costs - Group Services	391	528	137	1,071
Revenue Repairs and Maintenance	1,518	1,979	461	4,279
Bad Debts	127	145	18	290
Depreciation	3,808	3,901	92	7,801
<b>TOTAL EXPENDITURE</b>	<b>10,464</b>	<b>11,495</b>	<b>1,030</b>	<b>23,186</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>10,654</b>	<b>4,738</b>	<b>5,916</b>	<b>9,457</b>
<i>Net Operating Margin</i>	50%	29%	21%	29%
Interest receivable	1	6	(6)	13
Interest payable	(3,956)	(4,008)	52	(7,891)
<b>STATUTORY SURPLUS / (DEFICIT)</b>	<b>6,698</b>	<b>736</b>	<b>5,962</b>	<b>1,579</b>

### Key highlights year to date:

- Net operating surplus of £10,654k is £5,916k favourable to budget. Statutory surplus for the period to 30 September is £6,698k, £5,962k favourable to budget.
- The main driver of the variance is the £5,383k of HAG income recognised on completion of 83 units at Beavercreek (41 Social rent units), Lang Loan (7 social rent units), Morrison Crescent (19 MMR units) and Greendykes (16 MMR units). These units were originally due to be completed in period 12 of 2019/20.
- Net rental income is reporting a £498k adverse variance. Gross rent is £418k adverse to budget, the majority of this variance (£405k) relates to rental income expected from the units originally budgeted to be transferred from Barony HA on 1 April. These units were transferred on 1 September. The remaining variance reflects lower than expected new build completions in P12 of 2019/20.
- Total expenditure is £1,030k favourable to budget. Of this variance £193k is linked to the Barony units. Direct staff costs include a claim of £166k from the Job retention scheme.
- The largest favourable variance relates to repairs and maintenance costs which are £461k favourable to budget. Of this variance £51k relates to Barony and the remaining variance is a result of the revised operating model which has resulted in a lower number of repair jobs. Included in these costs is a loss of £355k in the YTD against a budgeted profit of £33k generated by Dunedin Canmore Property Services ("DCPS") due to a lower level of activity against which to recover staff time.
- While the lower activity levels result in a reduction to costs recorded for the work undertaken, the costs of the in-house repairs staff not allocated to repair jobs is reported as a loss within other income. The volume of reactive repair jobs is 39% lower than the same period last year.
- Interest expenditure is £52k favourable to budget. Borrowings are linked to the new build and core investment programmes.
- Investment expenditure on existing properties is £1,501k lower than budget. Of this variance £139k relates to Barony and the remaining variance reflects the postponement of a number of non essential work types in the investment programme.
- New build spend of £2,398k is £5,219k lower than budget as a result of site closures between March and June.

	Year to 30 September 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
<b>INVESTMENT</b>				
<b>Total Capital Investment Income</b>	<b>1,107</b>	<b>6,094</b>	<b>(4,987)</b>	<b>15,135</b>
Total Expenditure on Core Programme	1,217	2,717	1,501	5,437
New Build & Other Investment	2,398	7,617	5,219	23,925
Other Capital Expenditure	172	161	(10)	350
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>3,786</b>	<b>10,495</b>	<b>6,710</b>	<b>29,712</b>
<b>NET CAPITAL EXPENDITURE</b>	<b>2,679</b>	<b>4,402</b>	<b>1,723</b>	<b>14,577</b>



## 2g) Barony – Year to date



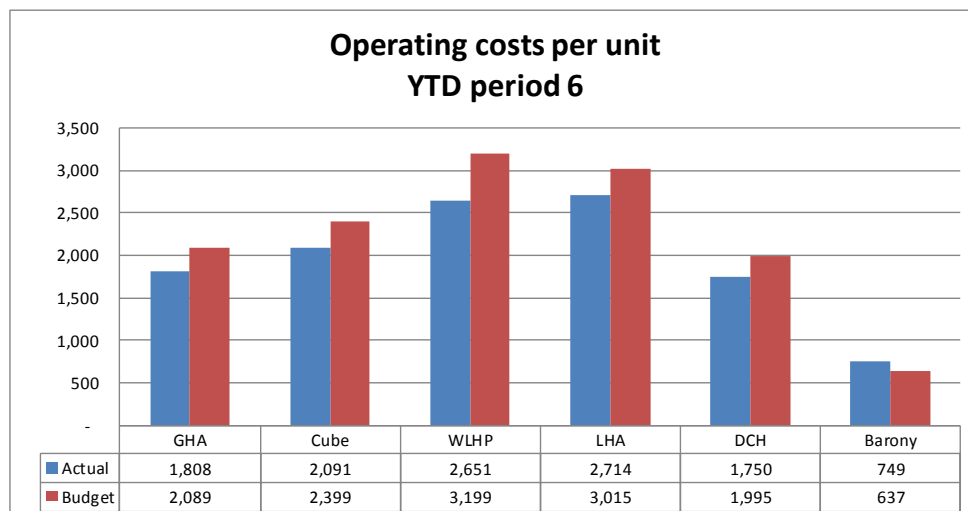
BARONY - HOUSING	Year to 31 August 2020		
	Actual £ks	Budget £ks	Variance £ks
<b>INCOME</b>			
Rental Income	540	546	(6)
Void Losses	(38)	(24)	(14)
<b>NET RENTAL INCOME</b>	<b>502</b>	<b>522</b>	<b>(20)</b>
Other Income	7	0	7
<b>TOTAL INCOME</b>	<b>509</b>	<b>522</b>	<b>(13)</b>
<b>EXPENDITURE</b>			
Employee Costs - Direct	15	17	2
Employee Costs - Group Services	0	0	0
Direct Running Costs	56	61	5
Running Costs - Group Services	0	0	0
Revenue Repairs and Maintenance	61	83	22
Bad Debts	1	3	2
Depreciation	133	133	0
<b>TOTAL EXPENDITURE</b>	<b>266</b>	<b>297</b>	<b>31</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>243</b>	<b>225</b>	<b>18</b>
Interest Payable	(41)	0	(41)
<b>STATUTORY SURPLUS / (DEFICIT)</b>	<b>202</b>	<b>225</b>	<b>(23)</b>

<b>INVESTMENT</b>			
<b>Total Capital Investment Income</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Expenditure on Core Programme	32	182	150
New Build	0	0	0
Other Capital Expenditure	0	0	0
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>32</b>	<b>182</b>	<b>150</b>
<b>NET CAPITAL EXPENDITURE</b>	<b>(32)</b>	<b>(182)</b>	<b>(150)</b>

### Key highlights year to date:

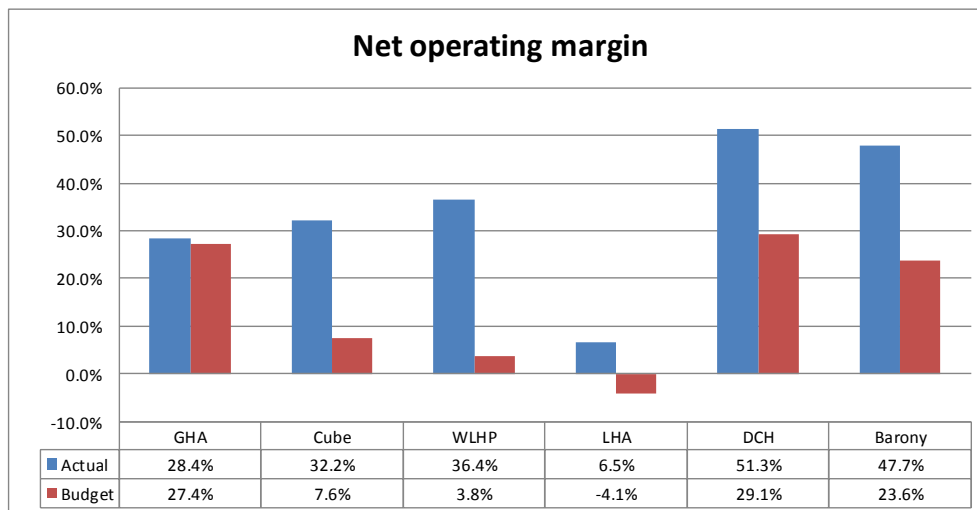
- The results reported for the year to date show trading up to 31 August 2020. Barony ceased trading after the transfer of engagements to Dunedin Canmore on 1 September.
- When setting the budget, the transfer of properties to West Lothian Housing Partnership and the transfer of engagements to Dunedin Canmore were both assumed to take place on 1 April 2020, and the results reported for Barony for the period to 31 August are compared to a notional budget for monitoring purposes.
- Net rental income of £502k is £20k adverse to budget. Rental income (including service charges) is £6k adverse to budget, with void losses £14k unfavourable to budget in the year to date, linked to supported properties and tenants relocating from Upper Gray Street to prepare for the disposal of the properties. The stock transfer to WLHP took place in May, therefore the results from June onwards include the remaining properties which transferred to Dunedin Canmore.
- Employee costs are £2k favourable to budget. Direct running costs are £5k favourable to budget for the year to date with lower property costs incurred.
- Repairs and maintenance expenditure is £61k, £22k favourable to budget. Reactive and cyclical repairs work are carried out by colleagues in Dunedin Canmore Property Services. Reactive repairs are favourable to budget by £26k, with cyclical repairs £10k favourable. Included within cyclical repairs is £7k for Legionella Testing.
- Core programme expenditure of £32k, is £150k favourable to budget. Due to the changes to the investment works in response to the COVID 19 pandemic..

### 3) Summary of RSL operating costs and margin v budget



#### Operating costs per unit:

- At period 6 all RSLs are reporting favourable operating costs per unit for the year to date. All expenditure lines are reporting lower than budget owing to the changes in the operation of the business during the lockdown.
- Operating costs per unit vary across the RSLs depending on the stock profiles and types of accommodation offered.
- Barony data is shown up to August, based on management accounts for the period prior to the transfer of engagements to Dunedin Canmore.



#### Net operating margin:

- Net operating margin is favourable to budget in all subsidiaries for the year to date. Similar to operating costs, favourable variances across all expenditure lines is driving higher margins in all RSLs.

# **Wheatley Group Financial Report To 30 September 2020 (Period 6)**

## **Dumfries & Galloway Housing Partnership (DGHP)**

## 4) Dumfries and Galloway Housing Partnership – year to date



	Year to 30 September 2020			Full Year
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	Budget £ks
<b>INCOME</b>				
Rental Income	£22,190	£22,124	£66	£44,799
Void Losses	(£578)	(£449)	(£129)	(£890)
<b>Net Rental Income</b>	<b>£21,612</b>	<b>£21,675</b>	<b>(£63)</b>	<b>£43,909</b>
Grant Income	£0	£0	£0	£1,367
Other Income	£1,167	£909	£258	£1,677
<b>Total Income</b>	<b>£22,779</b>	<b>£22,584</b>	<b>£195</b>	<b>£46,953</b>
<b>EXPENDITURE</b>				
Employee Costs - Direct	£2,599	£3,073	£474	£6,656
Employee Costs - Group Services	£0	£0	£0	£0
ER / VR	£689	£476	(£213)	£476
Direct Running Costs	£2,209	£2,422	£213	£4,900
Running Costs - Group Services	£0	£0	£0	£0
Revenue Repairs and Maintenance	£3,765	£5,027	£1,262	£12,239
Irrecoverable VAT and bad debts	£282	£461	£179	£921
Depreciation	£4,520	£4,520	£0	£9,005
Demolition and Tenants Compensation	£0	£0	£0	£0
<b>TOTAL EXPENDITURE</b>	<b>£14,064</b>	<b>£15,979</b>	<b>£1,915</b>	<b>£34,197</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>£8,715</b>	<b>£6,605</b>	<b>£2,110</b>	<b>£12,756</b>
Net operating margin	38.3%	29.2%	9.0%	27.2%
RTB Income	£75	£121	(£46)	£241
Net Interest payable & similar charges	(£3,369)	(£3,369)	£0	(£6,451)
<b>STATUTORY SURPLUS / (DEFICIT)</b>	<b>£5,421</b>	<b>£3,357</b>	<b>£2,064</b>	<b>£6,546</b>

	Year to 30 September 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
<b>INVESTMENT</b>				
<b>Total Capital Investment Income</b>	<b>£1,108</b>	<b>£1,725</b>	<b>(£617)</b>	<b>£3,449</b>
<b>Total Expenditure on Core Programme</b>	<b>£2,405</b>	<b>£13,379</b>	<b>£10,974</b>	<b>£25,105</b>
<b>New Build &amp; other investment expenditure</b>	<b>£2,158</b>	<b>£6,528</b>	<b>£4,370</b>	<b>£13,056</b>
<b>Other Capital Expenditure</b>	<b>£9</b>	<b>£9</b>	<b>£0</b>	<b>£1,545</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>£4,572</b>	<b>£19,916</b>	<b>£15,344</b>	<b>£39,706</b>
<b>NET CAPITAL EXPENDITURE</b>	<b>£3,464</b>	<b>£18,191</b>	<b>£14,727</b>	<b>£36,257</b>

### Key highlights year to date:

- Net operating surplus of £8,715k is £2,110k favourable to budget. Statutory surplus for the period to end of September is £5,421k, £2,064k favourable to budget.
- Net Rental income is £63k unfavourable to budget. Letting activities had slowed due to Covid19 impact. Void losses are £129k higher than budget, representing 2.6% loss rate compared to budget of 2.0%, with income received from Dumfries and Galloway Council for homeless lets helping to mitigate the void losses.
- Other income includes all income from service charges, Temporary accommodation / Young Persons project ("YPP"), and miscellaneous income from tenants such as Women's Aid. Land rent is being received for Curries Yard whilst development is delayed. The YYP lottery grant is being matched by the council which was not budgeted. Homeless lets income is favourable to budget due to Covid-19 restrictions extending the lets compared to what was budgeted.
- Total expenditure of £14,064k is favourable to budget by £1,915k. Within staff costs of £2,599k, a £300k claim has been included in relation to the Coronavirus Job Retention Scheme, resulting in overall favourable position to budget.
- Direct running costs savings of £213k are due to a lower level of expenses such as, travel, subsistence and training during Covid 19.
- Repairs and maintenance costs are £1,262k favourable to budget with the in house service delivering a "Safety First" repairs service rather than the full budgeted service. A further claim of £294k has been included for furloughed in house repairs staff under the job retention scheme. Contracts for Gas Servicing and Landscaping are included in this line.
- In capital investment spend, grant of £1,108k was received from the Scottish Government relating to Lincluden and Sanquhar developments. Core investment expenditure of £2,405k is £10,974k lower than budget, with a spend of £1m in the month, reflecting increased activity taking place. The year to date variance is attributable to the postponement of a number of planned investment works as a result of the Coronavirus epidemic.
- New Build expenditure of £2,158k is £4,370k lower than budget, with spend in the month of £1.0m with increased activity taking place across Sanquhar, and Lincluden, both sites underway in June, and Monreith in August.
- Other capital expenditure of £9k is for the initial planning for new Hubs in Dumfries and Stranraer.

# **Wheatley Group Financial Report To 30 September 2020 (Period 6)**

## **Care and Commercial**

## 5a) Wheatley Care – Year to Date

WHEATLEY CARE - COMPANY	Year to 30 September 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
<b>INCOME</b>				
Care Projects	9,750	10,000	(250)	19,981
COVID 19 PPE Reclaim Income	25	-	25	-
Head Office	22	24	(2)	47
<b>TOTAL INCOME</b>	<b>9,797</b>	<b>10,024</b>	<b>(227)</b>	<b>20,028</b>
<b>CARE CONTRACT COSTS</b>				
Employee Costs - Care Contracts	7,357	7,836	479	15,670
Running Costs - Care Contracts	917	1,189	272	2,379
<b>TOTAL CARE CONTRACT COSTS</b>	<b>8,274</b>	<b>9,025</b>	<b>751</b>	<b>18,049</b>
<b>EXPENDITURE</b>				
Employee Costs - Head Office	731	564	(167)	1,127
Employee Costs - Group Services	72	75	3	150
ER/VR	47	-	(47)	-
Head Office Running Costs	73	95	22	190
Running Costs - Group Services	40	47	7	94
Group recharges - PPE	391	-	(391)	-
Management fee payable to LHA	101	101	-	203
<b>TOTAL EXPENDITURE</b>	<b>1,455</b>	<b>882</b>	<b>(573)</b>	<b>1,764</b>
<b>SURPLUS/(DEFICIT)</b>	<b>68</b>	<b>117</b>	<b>(49)</b>	<b>215</b>

### Key highlights to date:

- Net Operating surplus of £68k is £49k unfavourable to budget for the year to September 2020. Total income is £227k adverse to budget, offset by lower Care contract employee and running costs being favourable to budget in the period. Unbudgeted PPE costs of £391k are reported. Included within Head Office employee costs is a one off payment to Care staff that worked throughout lock down, paid in August.
- Total **Care Project income** of £9,750k is £250k unfavourable to budget. This is due to service hours at SDS services being below budgeted levels in the year (£167k adverse to budget). In addition, £100k of income was budgeted for the new Edinburgh HST service. The new service was delayed due to COVID, and commenced in September with £8k of income recognised. A backdated rate uplift from GCC was received in September, totalling £60k of additional income.
- Running costs – Care Contract** costs of £917k are £272k favourable to budget. There was a budget of £20k for running costs for the new Edinburgh HST service, which as noted above commenced in September. Almost every service is reporting a favourable variance to budget for running costs. The drop-in Day Centres in Edinburgh and Fife are also currently closed, and are therefore incurring no day to day running costs (£32k favourable to budget).
- Employee Costs – Care Contracts** expenditure of £7,357k is £479k favourable to budget. This relates to a number of services operating with staff vacancies vs budget. Staff savings are mostly linked to fewer hours being delivered at services, and management of customer vacancies. Staff levels are monitored monthly and adjusted to meet individual service needs. The Glasgow services continue to contribute the largest positive variance to budget - £255k favourable to budget, linked to the reduction in SDS hours.
- Employee Costs – Head Office** expenditure of £731k is £167k unfavourable to budget. Included within Head Office employee costs is a maternity cover post. In August, a one off payment was made to Care staff that worked throughout lock down, totalling £117k.
- Head Office Running Costs** of £73k are £22k favourable to budget with savings in property costs and direct running costs including training.
- Group recharges – PPE** unbudgeted costs total £391k. Claims have been submitted to local authorities and the position will remain under review. A summary of claims to date is included at page 15 of this pack.

## 5b) YourPlace – Year to date

[redacted]





## 5c) Lowther – Year to date

[redacted]



## 6) Wheatley Solutions – Year to date



	Year to Sept 20			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
<b>EXPENDITURE</b>				
<u>Employee costs</u>				
Executive Team	765	766	1	1,527
Employee Relations and WFP	1,009	938	(72)	1,870
Marketing and Communications	337	351	14	700
Assurance	663	653	(10)	1,303
Academy	356	376	20	750
Finance	1,213	1,162	(51)	2,318
Company Secretary	374	407	33	811
Information Technology	619	608	(11)	1,213
Business Growth	361	408	47	814
Wheatley Hub	1,970	1,969	(1)	3,914
Property	505	441	(65)	879
Wheatley 360	180	184	3	366
Furlough income	(914)	0	914	0
<b>Total employee costs</b>	<b>7,334</b>	<b>8,157</b>	<b>823</b>	<b>16,111</b>
<u>Running costs</u>				
Executive Team	15	112	96	209
Employee Relations and WFP	224	336	112	720
Marketing and Communications	59	226	167	461
Assurance	24	41	18	83
Academy	110	323	213	645
Finance	232	282	50	589
Company Secretary	118	282	164	738
Information Technology	1,885	2,074	189	4,148
Business Growth	52	220	168	490
Wheatley Hub	17	22	5	43
Property	858	828	(30)	1,656
Wheatley 360	11	10	(1)	20
<b>Total running costs</b>	<b>3,691</b>	<b>4,842</b>	<b>1,151</b>	<b>9,986</b>
Regulated insurance activities	0	1,594	1,594	3,189
Head office costs	652	652	0	1,305
<b>TOTAL EXPENDITURE</b>	<b>11,677</b>	<b>15,246</b>	<b>3,568</b>	<b>30,590</b>

### Key highlights year to date:

The table presents the financial performance of Wheatley Solutions for the first six months of the 2020/21 financial year. Both employee costs and running costs are recovered in full by way of a recharge to each of the group subsidiaries. This recharge is reflected in the bottom half of the table.

Overall, Wheatley Solutions reports total expenditure of £11,677k. This is £3,568k lower than budget for the period with lower employee and running costs and the delay in the transfer of regulated insurance activity from YourPlace being the key drivers for the variance.

- Employee costs of £7,334k are £823k favourable to budget due to a claim of £914k for furloughed staff for the period to September. Furlough income is reported separately to the budgeted staff costs for each department.
  - Variance reported across departments either relates to changes made to budgeted structure as at 1 April 2020 or maternity leave cover for staff (Finance, Assurance, Employee Relations). Some additional costs are also reported linked to staff working from home receiving an allowance as well as payment to staff for foregoing annual leave.
- Running costs of £3,691k are favourable to budget by £1,151k for the period. The key variances within this are:
  - A number of the departments report lower costs across Wheatley Solutions with large number of staff working from home. Reduced activity in Academy, Business Growth (lower litigation costs) and marketing expenditure are the areas contributing most to savings against budget.
  - Property expenditure of £858k is slightly ahead of with budget overall. Savings through Facilities Management, such as reduced postage costs, are helping to fund additional spend on PPE costs of £170k to support the Group's response to the Covid19 pandemic.
- Regulated insurance activities continue to be provided by Your Place. FCA approval has been granted and intention is for this to transfer across to Wheatley Solutions from 31 October.
- Due to lower than budgeted costs, the income received from subsidiaries is less than budgeted. The only exception to this is Your Place, which has been adjusted to reflect the continued provision of regulated insurance activities by YourPlace..

# 7) Wheatley Foundation – Year to date

	Sept 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
<b>INCOME</b>				
Donations from Wheatley subsidiaries	1,743	1,293	450	3,924
Employability Grants	20	187	(167)	300
External income	843	230	613	710
<b>Total Income</b>	<b>2,606</b>	<b>1,711</b>	<b>896</b>	<b>4,934</b>
<b>EXPENDITURE</b>				
Overheads	347	539	180	1,094
Tackling Poverty & Social Inclusion	1,594	282	(1,311)	642
Education	49	38	(12)	210
Digital Inclusion				63
Employability	645	1,100	455	1,800
Sports / Arts		3	3	44
Money/Welfare Benefits advice	735	737	2	1,471
<b>TOTAL EXPENDITURE</b>	<b>3,370</b>	<b>2,699</b>	<b>(671)</b>	<b>5,345</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>(764)</b>	<b>(989)</b>	<b>225</b>	<b>(411)</b>

## Key highlights to date:

The table presents the financial performance of Wheatley Foundation for the first six months of this financial year. The Wheatley Foundation reports a deficit of £764k for the period. This is favourable to budget by £225k. The Foundation is able to support this position since it started the year with a sufficient level of cash reserves and ends the period with a closing reserve of £392k.

**Income** of £2,606k is reported for the period, which is £896k higher than budget.

- Donations from Wheatley group subsidiaries total £1,743k. Annual gift aid from Your Place is budgeted to be received later in the year. An additional £450k donation has been made by GHA to support emergency food packages.
- Employability grants of £20k are lower than budget by £167k.
- External income of £843k is reported; the majority of income raised is in relation to Foundation activity in supporting the Group's most vulnerable customers through the impact of the Covid-19 outbreak. Notable donations and grants:
  - Scottish Government grants totalling £680k, with £330k from the Wellbeing Fund to support the emergency response fund and £350k from the Food Fund.
  - Other donations include: Dunedin Canmore Foundation donation of £20k, Energy Action Group (£10k), Shepherd & Wedderburn (£10k), Foundation Scotland (£9k), Wheatley supplier and private donations of £20k.

**Expenditure** of £3,370k is £671k higher than budgeted.

- Overhead costs of £347k are £180k lower than budget due to number of Foundation staff being placed on furlough leave.
- In the Tackling Poverty & Social Inclusion category, spend of £1,594k is reported against a budget of £282k. The emergency food packages being delivered across the Group to support customers facing financial hardship are shown here. Over 26,000 packages have been delivered since mid-March, more recently support has now moved to provision of supermarket vouchers. Emergency response fund payments have also increased during the period. The main project spend for the period relates:
  - Home Comforts and Eat Well spend of £151k. This is for the core staff and running costs of project
  - Emergency food support of £1,044k and emergency response payments of £291k.
  - Financial inclusion project costs of £90k.
- Employability expenditure of £645k is £455k lower than budget. The key items of expenditure for the period relate to £608k for the modern apprentices, City Building apprenticeship programmes and Wheatley Works costs of £37k. The majority of apprentices have been furloughed for the period.

	Foundation reserves £ks
Opening reserve 1st April 2020	1,156
Surplus / (Deficit) for YTD	(764)
Closing reserve 30th September 2020	392

## 8) City Building (Glasgow) LLP

	Period to 19 June 2020			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
<b>INCOME</b>				
Customer & client income	£18,394	£33,191	(£14,797)	139,800
<b>TOTAL INCOME</b>	<b>£18,394</b>	<b>£33,191</b>	<b>(£14,797)</b>	<b>139,800</b>
<b>EXPENDITURE</b>				
Employee Costs	£12,364	£13,208	£844	55,820
Premises Costs	£330	£655	£325	2,716
Transport Costs	£845	£1,410	£565	6,570
Supplies & Services	£3,275	£13,715	£10,440	59,486
Support Services (RSBi & Training)	£202	£222	£20	1,002
Inter Company Trading	£0	£0	£0	0
<b>TOTAL EXPENDITURE</b>	<b>£17,016</b>	<b>£29,210</b>	<b>£12,194</b>	<b>125,594</b>
<b>GROSS MARGIN</b>	<b>£1,378</b>	<b>£3,981</b>	<b>(£2,603)</b>	<b>14,206</b>
<i>Gross margin</i>	7.5%	12.0%	-4.5%	10.2%
<b>OVERHEADS</b>				
Employee Costs	£1,686	£1,833	£147	8,267
Premises Costs	£445	£433	(£12)	1,949
Transport costs	£68	£121	£53	544
Supplies & Services	£1,079	£942	(£137)	4,240
Recharge to CBC/RSBi/Training	(£1,900)	(£1,803)	£97	(8,127)
<b>TOTAL OVERHEADS</b>	<b>£1,378</b>	<b>£1,526</b>	<b>£148</b>	<b>6,873</b>
<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>£0</b>	<b>£2,455</b>	<b>(£2,455)</b>	<b>7,333</b>
Redundancy costs	£0	£0	£0	0
<b>NET OPERATING SURPLUS AFTER REDUNDANCY COSTS</b>	<b>£0</b>	<b>£2,455</b>	<b>(£2,455)</b>	<b>7,333</b>

### Key highlights to date:

- Results are presented for City Building (Glasgow) LLP, the joint venture entity between Wheatley and Glasgow City Council. The latest results are to the period ended 19 June 2020. City Building operates a different accounting cycle to the Wheatley Group.
- As a 50:50 joint venture, the results of City Building will be accounted for as an associate undertaking in the Group's statutory results.
- The net operating surplus reported here is stated before accounting for the discount to be given to the joint venture partners. The Group's share of City Building's budgeted discount is included in the Group repairs budget.
- City Building's operations have been impacted by the lockdown and levels of work have reduced by £19,439k compared to budget. Included in income is a claim for furloughed staff of £4,642k for the period to date. Given the restrictions that have been in place and the recommencement of work on a phased basis, it is likely that City Building will not be able to generate a surplus sufficient to meet the budgeted discount. This has been taken into account in the Q1 forecast full year out-turn for the Group.
- Gross Margin generated to 19 June of £1,378k, is £2,603k unfavourable to budget. Overhead costs are £148k favourable to budget.

# 9) Wheatley Group – Consolidated Balance Sheet



Balance Sheet	Current Month	Previous yr end
	As at	As at
	30 Sept 2020	31 March 2020
	£ks	£ks
<b>Fixed Assets</b>		
Social Housing Properties	2,245,046	2,231,905
Properties under construction	111,517	122,275
Other tangible fixed assets	60,895	59,541
Investment properties	222,341	222,779
Investments -other	116	116
<b>Fixed Assets</b>	<b>2,639,915</b>	<b>2,636,616</b>
<b>Debtors Due More Than One Year</b>		
Development Agreement	19,225	20,478
Inter Company Loan	0	0
Pension Asset	13,585	13,585
<b>Current Assets</b>		
Trade debtors	0	0
Rent & Service charge arrears	18,092	13,548
less: Provision for rent arrears	(8,114)	(7,743)
Prepayments and accrued income	8,236	11,559
Intercompany debtors	0	0
Other debtors	13,547	16,354
	<b>31,761</b>	<b>33,718</b>
Bank & Cash	162,487	116,361
<b>Current Assets</b>	<b>194,249</b>	<b>150,079</b>
<b>Current Liabilities</b>		
Trade Liabilities	(4,931)	(8,529)
Accruals	(34,208)	(33,746)
Deferred income	(59,136)	(66,303)
Rents & service charges in advance	(11,890)	(10,288)
Intercompany creditors	(0)	(1)
Other creditors	(12,739)	(12,855)
	<b>(122,904)</b>	<b>(131,722)</b>
<b>Net Current Assets</b>	<b>90,570</b>	<b>38,835</b>
<b>Long Term Liabilities</b>		
Contingent efficiencies grant	(34,915)	(34,915)
Bank finance	(1,272,157)	(1,236,725)
Bond finance	(300,000)	(300,000)
Development Agreement	(19,225)	(20,478)
Provisions	(1,179)	(1,178)
Deferred income	53,980	57,701
Intercompany creditors	0	0
Other creditors	(3,159)	(3,957)
Pension liability	(4,943)	(4,943)
<b>Long Term Liabilities</b>	<b>(1,581,598)</b>	<b>(1,544,495)</b>
<b>Net Assets</b>	<b>1,162,472</b>	<b>1,144,541</b>
<b>Funding Employed</b>		
<b>Capital &amp; Reserves</b>		
Share Capital	37	37
Retained Income b/fwd	708,012	708,008
Income & Expenditure	17,927	0
Movement in Pensions Provision	0	0
Designated Reserves/gain on business	0	0
Revaluation Reserves	436,496	436,496
<b>Funding Employed</b>	<b>1,162,472</b>	<b>1,144,541</b>

## Key highlights:

- Group net assets stand at £1,162.5m at 30 September 2020.
- The Balance Sheet as at 31 March 2020 is in line with the audited 2019/20 financial statements, and includes the year end statutory adjustments for property and pension valuations as well as the fair value calculation on the Scottish Government loan.
- The Group Balance Sheet incorporates the assets liabilities transferred through the acquisition of Dumfries and Galloway Housing Partnership ("DGHP") in December 2019.
- Current assets (excluding cash) are £1.9m lower than the year end position mainly driven by the lower levels of prepayments and other debtors, offset by higher balances for rent arrears, which fluctuate throughout the year depending on the timing of invoices.
- Current liabilities are £8.8m lower than the year end, with lower levels of deferred income and trade creditors. The movement on deferred income has been impacted by the release of grant to the income statement in the year less any additional grant received in the bank in the year.
- Long term liabilities are £37.1m higher with additional borrowings in WFL1 of £72m, offset with capital repayments to HSBC of £40m.
- Income and expenditure of £17,927k relates to the group profit for the year to date.

# 10) Wheatley Group – Q2 Forecast



Group - £m	FULL YEAR		
	Budget	Q2 Forecast	Variance
<b>INCOME</b>			
Net Rental Income	302,539	299,384	(3,155)
Grant Income	47,100	33,934	(13,166)
Other Income	41,620	41,501	(119)
<b>Total Group Income</b>	<b>391,258</b>	<b>374,819</b>	<b>(16,440)</b>
<b>EXPENDITURE</b>			
Employee Costs	88,596	83,485	5,111
ER/VR	1,209	12,000	(10,792)
Running Costs	46,754	45,136	1,618
Repairs & Maintenance	51,863	44,745	7,118
Irrecoverable VAT & bad debt	12,600	13,897	(1,297)
Depreciation	92,932	91,718	1,213
Demolition	930	930	-
<b>Total Group Expenditure</b>	<b>294,882</b>	<b>291,911</b>	<b>2,971</b>
<b>NET OPERATING SURPLUS</b>	<b>96,377</b>	<b>82,908</b>	<b>(13,468)</b>
<i>Net operating margin</i>	<i>24.6%</i>	<i>22.1%</i>	<i>-2.5%</i>
Gain/(loss) on sale of fixed assets	1,060	-	(1,060)
Net Interest Payable	(73,194)	(70,527)	2,667
<b>STATUTORY SURPLUS</b>	<b>24,242</b>	<b>12,381</b>	<b>(11,861)</b>
<b>INVESTMENT</b>			
Total Capital Investment Income	(63,626)	(38,857)	(24,769)
Core Investment Programme	84,591	46,486	38,105
New Build Programme	121,875	67,696	54,179
Other fixed assets	6,060	5,509	551
<b>NET CAPITAL INVESTMENT SPEND</b>	<b>148,901</b>	<b>80,834</b>	<b>68,067</b>

## Key highlights:

- The Group forecast full year out-turn at the end of Quarter 2 shows a net operating surplus of £82,908k, which is £13,468k unfavourable to budget and a statutory surplus of £2,381k, which is £11,861k lower than budget
- Adjusted EBITDA after excluding grant income on new build completions of £140,692k is forecast compared to an EBITDA of £142,209k budgeted.
- Net rental income is expected to be £3,155k unfavourable to budget and includes the impact of delays in new build completions within all of the RSLs. The forecast also reflects a higher level of voids across the majority of the RSLs. The forecast is based on the recommencement of new build handovers recommence in Q2 with rental income earned on these properties from September. The forecast also includes rebates on rents for stair cleaning and environmental services not carried out in the quarter to June.
- Grant income is expected to be £13,166k lower than budget. The forecast is based on the updated profile for 2020/21 completions and the recognition of grant on March 2020 completions coming through in Q2.
- Other Income is forecast to be £119k lower than budgeted, largely as a result of higher furnished lets income offset by lower factoring income in YourPlace driven by lower service charges billed in Q1 to customer and lower levels of repairs and building insurance services. This is offset by lower cost of sales reported through running costs, which are £762k favourable to budget.
- Total expenditure is expected to be £2,971k lower than budget. This includes a higher level of expenditure being set aside for ERVR bringing forward staff changes linked to the accelerated implementation of the new operating model, with efficiencies achieved through increased levels of mobile working and the use of digital technology to transform working practices.
- Employee costs are forecast to be £5,111k lower based on claims under the job retention scheme being made through to October 2020. Claims made for furloughed repairs and capital staff are reported through repairs and investment lines.
- Running costs are expected to be £1,618k lower than budget, reflecting savings made through to Q2 in office and staff related expenditure creating capacity to absorb additional costs incurred for PPE across the Group..
- A variance of £7,118k is expected in repairs which reflects the lower costs to the end of Q2 with work recommencing on a phased basis, and expected to be back at planned levels by November 2020.
- Incremental provision for additional bad debts costs of £1,297k has been included in the forecast, increasing the charge for the year. This is a prudent approach and reflects the expected increase in the number of tenants moving onto Universal Credit, and for arrears balance s to remain outstanding for longer.
- The marketing for sale of supported properties in the east has been held up by the restrictions in place in Q1.
- Interest payments are forecast to be £2,667k lower than budget as a result of the revised investment and new build expenditure profile and the lower level of debt drawn to fund capital expenditure.
- The level of new build grant income claimed has been aligned with the revised new build spend profile, reducing investment income by £24,769k. This also reflects claims for completions assumed to have completed in 2019/20.
- The core investment programme is expected to recommence with external investment works and compliance works being prioritised initially, expecting to be back at planned levels by November 2020. Revised spend for the year is £46,486k, lower than budget by £38,105k.
- The new build development spend is expected to be £54,179k lower than budget, deferring costs into 2021/22.

## Report

**To:** Wheatley Housing Group Board

**By:** Steven Henderson, Group Director of Finance

**Approved by:** Martin Armstrong, Group Chief Executive

**Subject:** Treasury Update

**Date of Meeting:** 28 October 2020

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### 1. Purpose

1.1 The purpose of this report is to:

- note the liquidity position of Wheatley Group as at 30 September 2020;
- note the planned security transfer from the Bond to EIB to allow the drawdown of the remaining £28m availability from the EIB 2018 facility; and
- note the covenants for quarter-end to 30 Sep 2020

### 2. Authorising context

- 2.1 Under the group standing orders the Group Board is responsible for approving Group policies.
- 2.2 Under the terms of the Intra-Group Agreement between the Wheatley Group and its RSL subsidiaries, as well as the Group Authorise, Manage, Monitor Matrix, the Group Board is responsible for the on-going monitoring of performance against agreed targets. This includes the on-going performance of its finances.

### 3. Risk Appetite and assessment

- 3.1 The Board's risk appetite for funding risk is "cautious", which is defined as "preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward".
- 3.2 Our current liquidity risk is low given the significant steps the Board has agreed to put in place over the last 18 months to strengthen our funding position.

### 4. Background

- 4.1 This report sets out the cash availability as at the end of July, August and September 2020 to provide comfort to the Board that we are in a strong position at this time, with no requirement to raise new or replace existing committed terms until a minimum of 18 months prior to 2023/24 (when the [redacted] is due to expire). Our liquidity position has been further boosted by the £150m CCFF scheme, which was approved by HM Treasury / the Bank of England on 1 September. We are yet to issue notes under this facility.



- 4.2 We have a further £28m to draw from the EIB 2018 facility, with an availability period to 13 June 2021. We require sufficient security to be pledged to EIB prior to drawdown. We propose a transfer of c. £20m security from the Bond security pool which has adequate headroom to efficiently access the EIB funding.
- 4.3 Covenants are provided to our lenders at quarter-end to 30 September 2020, and are set out in the appended treasury pack.

## 5. Discussion

### (i) Liquidity update

- 5.1 We have four main sources of liquidity:
- a) Cash-at-hand and/or on term deposits
  - b) Committed Revolving Credit Facilities (“RCFs”) and/or overdraft facilities
  - c) Undrawn committed term facilities (£28m remains to be drawn from EIB)
  - d) Bank of England CCFF scheme (£100m)
- 5.2 The table below shows the full Group position (WFL1, WFL2 and DGHP):
- [redacted]
- 5.3 WFL1 was formally accepted as an Issuer under the Covid Corporate Financing Facility (CCFF) scheme with a maximum limit of £150m on 1 September 2020.
- 5.4 Given the continued robust liquidity position across the Group (primarily in WFL1 and DGHP), we have placed several term deposits. These deposits are with non-lending banks as none of our current lenders are paying acceptable rates (generally less than 5 basis points). The Treasury Management Policy (TMP) permits a maximum of £75m or 40% of available funding to be placed for a maximum term of 6 months with non-lending banks who meet stringent minimum credit rating criteria.

Both banks ([redacted]) meet the TMP Investment Criteria, with details of the deposits set out below (please note the [redacted] deposit was placed just after the quarter-end):

WHG entity	Counterparty	Amount	Date deposit placed	Maturity Date	Rate
WFL1	[redacted]	£30.0m	11/08/20	11/02/21	0.32%
WFL1	[redacted]	£15.0m	02/10/20	06/04/21	0.45%
DGHP	[redacted]	£30.0m	19/08/20	19/02/21	0.31%

- 5.5 As indicated in the August Board update, we anticipated placing additional term deposits once we had received confirmation of acceptance for the CCFF scheme. The [redacted] deposit was placed at 0.45% in early October. WFL1 can access funding via the CCFF scheme at a rate of SONIA + 0.20%. SONIA is currently c. 0.06%; meaning the all-in cost of funding via this route would be 0.26%. We can issue notes under this scheme until the end of March 2021.
- 5.6 The TMP requires specific Board approvals to be sought prior to deposits being placed for longer than 6 months and/or if they would exceed the maximum amounts set out in the policy. There are limited counterparties paying more than a de minimis return at this time as set out in the following table (information

provided by TP ICAP – a money market broker, on 13 October 2020). Many of these counterparties would not meet our criteria for investment on the basis of their credit rating:

Financial Counterparty	Term deposit rates	
	3 months	6 months
National Counties B.S.	0.22%	0.34%
Newcastle B.S.	-	0.32%
Aldermore Bank		0.45%
Close Brothers Limited	-	0.45%
Qatar National Bank	0.25%	0.35%
Sainsbury's Bank	0.30%	0.35%

- National Counties Building Society does not have a credit rating
- Newcastle Building Society has been rated "Withdrawn" by Fitch; it was previously rated until June 2020, but has cancelled the external credit accreditation this summer
- Aldermore Bank is not rated and is owned by a Private Equity fund
- Close Brothers Limited is rated Aa3 (Long Term) and P1 (Short Term) by Moody's
- Qatar National Bank is rated Aa3 (Long Term) and P1 (Short Term) by Moody's
- Sainsbury's Bank is wholly owned by J Sainsbury Plc Group, but does not have a stand-alone credit rating

5.7 The cashflow forecast (included in the Board pack), anticipates no drawdowns at WFL1 level and across the RSL Borrower Group, WLHP requires intra-group funding (£4m) in relation to the 120-unit Almondvale development before the end of the financial year and GHA is forecast to draw £10m in Q4 in relation to the ER/VR programme cost. The other RSLs are adequately funded to require no additional drawdowns from WFL1.

5.8 Since the March lockdown, we have to date maintained a balance of available funding in WFL1/RSL BG based on the normal cash usage over a six-month period (c.£20m per quarter). The [redacted] £30m deposit matures early February and the £28m EIB funding will be drawn shortly after financial year end. Given the high levels of cash liquidity and relative lack of deposit counterparties which meet our TMP criteria, we do not anticipate drawing funds and/or issuing notes under the CCFF.

**(ii) Security update – addressing EIB final drawdown of £28.0m**

5.9 The EIB 2018 facility of £185m has thus far been drawn in two tranches:

Amount	Drawdown date	Fixed rate payable
£85.0m	01/10/19	[redacted]%
£72.0m	24/04/20	[redacted]%

£28m remains available under the facility to be drawn by 13 June 2021.

- 5.10 Sufficient security needs to be in place prior to drawing the remaining £28m. The covenant requirements for security requires cover of [redacted] times asset cover where the properties are valued at EUV-SH and [redacted] times asset cover where the properties are valued on a MV-T basis.
- 5.11 While there is some headroom in the security pool for EIB (based on the current drawn balance), there remains a requirement for an additional £21m of assets to be secured to enable the drawdown of the remaining funding. The most efficient way of completing the security charging exercise for the EIB is to re-allocate £21m of assets from another lender whilst maintaining adequate asset cover.
- 5.12 This approach was adopted before in 2018 whereby £59m worth of assets were transferred from the Bond to EIB and HSBC. On this occasion, again there is adequate headroom in the Bond security pool to permit a £21m withdrawal and transfer to the EIB. Headroom against minimum value for the Bond will reduce from £44.8m to £26.0m. The EIB facility will have headroom against minimum value of £5.8m after the scheduled 31 March 2021 capital repayment of £4.9m.
- 5.13 The £21m security we propose to transfer from the Bond is covered by 2 titles in the Glasgow area, consisting of 270 units owned by Glasgow Housing Association. Similar to the approach carried out during the last re-allocation exercise, full title diligence, environmental reports, title searches and property valuations will be required with new certificates of title prepared by our lawyers. We anticipate completion of this security charging exercise no later than 31 March 2021.
- 5.14 Following the completion of the security, we will complete the EIB drawdown process prior to the end of the availability period in June 2021.

***(iii) Covenant position across WFL1, WFL2, DGHP***

- 5.15 The appended treasury pack sets out the covenants for WFL1, WFL2 and DGHP to 30 September 2020. These will be submitted to the respective lenders in line with our loan agreements.
- 5.16 All Wheatley borrowers remain covenant compliant, with compliance forecast in the business plan until the next refinancing date (2023/24 when [redacted] is repaid).

**6. Key issues and conclusions**

- 6.1 The liquidity position remains robust with further support resulting from the acceptance onto the CCFF scheme.
- 6.2 Past experience of security charging exercises suggests the process can take considerably longer than forecast and therefore a reallocation of security from an existing pool, a route which we have followed previously (in 2018) is the preferred approach given the impending end of the availability period (June 2020) and staffing requirements. Our covenant position remains robust across our lending agreements.

## **7. Value for money implications**

7.1 Not applicable.

## **8. Impact on financial projections**

8.1 As noted above.

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

9.1 The security transfer from the bond to the EIB will require input from both external and internal legal counsel. This is a well-established process with Pinsents acting for the Group and Brodies acting for the EIB. The securities will remain within the Security Trust Deed, which is managed by M&G Prudential.

9.2 There are no regulatory or charitable implications.

## **10. Partnership implications**

10.1 None.

## **11. Implementation and deployment**

11.1 The security work is forecast to take 3 months to complete (should be finalised by end February), comfortably within the availability period (13 June 2021).

## **12. Equalities impact**

12.1 Not applicable.

## **13. Recommendations**

13.1 The Board is requested to:

- 1) Note the liquidity position for the Group;
- 2) Note the proposed security transfer from the Bond to EIB; and
- 3) Note the covenant compliance across WFL1, WFL2 and DGHP.

Appendix 1 – [redacted]

## Report

**To:** Wheatley Housing Group Board

**By:** Steven Henderson, Group Director of Finance

**Approved by:** Martin Armstrong, Group Chief Executive

**Subject:** Governance update

**Date of Meeting:** 28 October 2020

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### 1. Purpose

- 1.1 To update the Board and, where applicable, seek approval in relation to the following Governance related matters:
- Committee memberships;
  - Annual Assurance Statement; and
  - Transfer of YourPlace business to Lowther Homes

### 2. Authorising context

- 2.1 Under its Terms of Reference, the Audit Committee is responsible for reviewing the Group's Annual Assurance Statement and making recommendations to the Board on our submission to the Scottish Housing Regulator ("SHR").
- 2.2 The SHR was in the process of consulting on changes to its Regulatory Framework, including the approach to the Annual Assurance Statement ("the Statement"), during August this year. Based on this, we delayed the completion of our Statement until the changes were confirmed to allow us to take into account any amendments. As a result of this, the Statement did not go to the Group Audit Committee's August meeting as would otherwise have been case.
- 2.3 Appointments to Group Committees and their Terms of Reference are reserved to the Group Board under the Group Standing Orders, based on recommendations from the Group RAAG Committee.

### 3. Risk Appetite and assessment

- 3.1 The Group's risk appetite in relation to laws and regulation is "averse", with the avoidance of risk and uncertainty is a key Organisational objective and a priority for tight management controls and oversight.
- 3.2 A material risk for the Group is that we do not comply with the SHR Regulatory Framework ("the Framework"). Any non-compliance would be made public by the SHR and give rise to the risk of a covenant breach and, more widely, damage confidence in the Group.

- 3.3 The pandemic has had significant implications for the wider sector in terms of restrictions in place and their impact on Registered Social Landlords (“RSLs”) ability to comply with all relevant laws and regulation. We have sought to mitigate any such risk to the fullest extent possible and have, and will continue to, regularly report to the Board on this.
- 3.4 We further manage this risk by having remobilisation plans which allow us to prepare for changes in restrictions and transition our services accordingly. Remobilisation plans are routinely reviewed by the Group Executive on an ongoing basis.

#### **4. Background**

- 4.1 We are required to produce a Statement annually, taking into account the associated requirements of the Framework and statutory guidance. For this year’s statement, the Framework includes some temporary changes for 2020/21 only.
- 4.2 We have been engaging all Boards across the Group regarding our governance arrangements, and the associated implications for compliance with the Framework, since the onset of the pandemic. This has included Committee and Board memberships across the Group.

#### **5. Discussion**

##### Committee memberships

- 5.1 The Group Remuneration, Appointments, Appraisal and Governance Committee (“the Committee”) routinely review our Committee memberships. At its last meeting the Committee reviewed membership across our Group Committees, in particular in relation to the partnership commitment to Dumfries and Galloway Housing Partnership (“DGHP”) regarding a member being appointed to the Group Audit Committee.
- 5.2 The Committee considered the overall skills matrix for the Group Audit Committee and also succession planning for assumed 2021 retirees. Based on this, the Committee noted a future skills gap in relation to Legal/Regulatory when Peter Kelly and Sheila Gunn retire in 2021. The need for additional finance skills has been mitigated by the agreement to extend Martin Kelso’s tenure until 2022.
- 5.3 Based on this, the Committee agreed to recommend Fiona Burden for appointment to the Group Audit Committee. Fiona is a lawyer and currently Head of Legal at Tesco Bank, with extensive experience operating in regulated business.
- 5.4 In addition to this, Fiona has a personal connection to the Dumfries and Galloway area, having spent her formative years in Lockerbie and maintaining close family connections in the area.

If agreed, the Group Audit Committee membership (maximum of 7) will be follows:

- 1) Martin Kelso (Chair)
- 2) Sheila Gunn
- 3) Bernadette Hewitt
- 4) Jo Armstrong
- 5) Peter Kelly
- 6) Angela Mitchell
- 7) Fiona Burden

5.5 The Committee also considered the membership of the Group Development Committee, particularly within the DGHP context. At present the DGHP Board retains its own Development Committee. This is not aligned to the wider Group approach, but was recognised as an important transitional step as DGHP established its own development programme.

5.6 As the DGHP development programme is now established, coupled with there being no approvals anticipated in the coming months, it is intended that the DGHP Board will consider winding up this Committee at its November meeting. This would also involve DGHP transitioning to the Group approach to development governance, part of which includes a Board member also being a member of the Group Development Committee.

5.7 It is therefore proposed that, subject to the DGHP Board agreeing to wind up its Development Committee, its current Chair, John Henderson, is appointed to the Group Development Committee. John is both a resident of Dumfries and Galloway as well as having relevant skills and experience as a retired solicitor who specialised in commercial and domestic conveyancing.

5.8 If agreed, the Group Development Committee membership will be follows:

- 1) Jo Armstrong (Chair)
- 2) Bryan Duncan
- 3) Ronnie Jacobs (Lowther drawn member)
- 4) Andrew Clark (GHA drawn member)
- 5) Kerri McGuire (Cube drawn member)
- 6) Douglas Robin (LHA drawn member)
- 7) Lesley Bloomer (WLHP drawn member)
- 8) Jack Cadell (DCH drawn member)
- 9) John Henderson (DGHP drawn member)

5.9. This would require agreement to increase the number of members drawn from partners Boards to 7 in the Group Development Committee's Terms of Reference. The total size of 9 in total is higher than we initially anticipated, however this will be reviewed within 12 months to take into account future retirements in 2021 and the outcome of the Cube strategic review.

5.10 The Board previously agreed at its meeting on 19 February 2020 that remuneration of £7,000 per annum should be paid to DGHP-drawn Group Development Committee and Group Audit Committee members. It is anticipated both would take up their memberships immediately, attending their first meeting in the February 2021 meeting cycle with an induction undertaken prior to this.



- 5.11 No changes are proposed to the membership or office bearers of the Group Remuneration, Appointments, Appraisal and Governance or Strategic Development Committees. The memberships are therefore proposed to remain as follows:

*RAAG (Ex-Officio membership)*

1. Group Chair - Alastair MacNish (Committee Chair)
2. Group Vice-Chair - Sheila Gunn
3. Chair of GHA - Bernadette Hewitt
4. Chair of Group Audit Committee – Martin Kelso
5. Chair of Group Development Committee - Jo Armstrong

*Strategic Development (Maximum of 7)*

1. Alastair MacNish (Chair)
2. Sheila Gunn
3. Bernadette Hewitt
4. Jo Armstrong
5. Martin Kelso
6. Jo Boaden

Annual Assurance Statement

- 5.12 As part of the revision to the SHR's Framework, the requirements relating to the Statement were amended. The submission deadline was extended from the end of October to the end of November. Additionally, the SHR recognised that:

*“Given the circumstances, it may be that the level of external, independent assurance could be less than the previous year. However, in most cases it would be appropriate for governing bodies and committees to place reliance on some or all of the independent, external assurance received for the previous year's assurance statement.”*

- 5.13 As with the previous year's Statement, it will cover all RSLs in the Group and it is for the Board to determine whether, under the circumstances, any non-compliance is sufficient to be considered 'material'. In assessing materiality we have based this on the SHR's Statutory Guidance which states we should consider whether the issue could:

- *seriously affect the interests and safety of tenants, people who are homeless or other service users;*
- *threaten the stability, efficient running or viability of service delivery arrangements;*
- *bring the landlord into disrepute, or raise public or stakeholder concern about your organisation or the social housing sector; and*
- *in the case of RSLs, put at risk the good governance and financial health of the organisation.*

5.14 Taking into account the current SHR Framework and Guidance our proposed Statement is as follows:

*The Group Board considered evidence at its meeting on 28 October 2020 and confirmed we have appropriate assurance that all Registered Social Landlords which are part of Wheatley Housing Group Limited (being Wheatley Housing Group, GHA, Dunedin Canmore Housing, Cube Housing Association, Dumfries and Galloway Housing Partnership, Loretto Housing Association and West Lothian Housing Partnership) materially comply with:*

- *all relevant regulatory requirements set out in Chapter 3 of the Regulatory Framework;*
- *all relevant standards in the Scottish Social Housing Charter; and*
- *taking into account the current guidance and restrictions relating to the Covid 19 pandemic, all relevant legislative duties*

The Covid 19 pandemic has impacted the planned achievement of the Scottish Housing Quality Standard for all Dumfries and Galloway Housing Partnership stock. Full compliance is expected to be achieved early in 2021/22.

The spreadsheets attached at Appendices 1-3 document:

- a breakdown of the compliance requirements associated with 3 areas identified in the statement;
- a summary of our self-assessment findings;
- the key sources of assurance and evidence; and
- a declaration of our compliance status.

The appendices relate to the following areas:

- Appendix 1 Self assessment against Chapter 3 Section 1;
- Appendix 2 Self assessment against Chapter 3 Section 2 – Regulatory Standards of Governance and Financial Management; and
- Appendix 3 Self assessment against Chapter 3 Section 3 – Constitutional requirements.

5.15 Our declaration and sources of assurance are the same as the previous year for the vast majority of the requirements. This reflects the fact that the obligations are recurring and we have correspondingly set up correspondingly recurring means to achieve compliance. Within this context and in keeping with the SHR guidance we have therefore placed some reliance on external or independent assurance undertaken in previous years. This is in addition to in year assurance in areas such as Cyber Security, the standard KPMG external audit, JC Chatham advice on our Treasury management Policy review and external legal advice on a range of areas such as our constitutional changes, funding activity and external reviews on our demand analysis assumptions by both Retties (for MMR/PRS) and Indigo House (for Dumfries and Galloway).

5.16 As these were subject to detailed Group Audit Committee and Board review last year, the additional detail on the statement below focuses on changes or new issues which have emerged in year and the non-Framework related compliance requirements:

## Dumfries and Galloway Housing Partnership

- 5.17 At the time last year's statement was due DGHP were not part of the Group and therefore had their own assurance statement. DGHP declared two areas of material noncompliance as follows:

*"Standard 3.3: DGHP identified a weakness in its data and data management systems in early 2019, and therefore does not have assurance on effectiveness of systems to monitor and accurately report delivery of its asset management plans. "*

*"Standard 3.7: DGHP identified a weakness in its data and data management systems in early 2019, and therefore does not have assurance on effectiveness of systems to provide accurate and timely statutory returns to the Scottish Housing Regulator, or the accuracy of data previously provided. We do have assurance relating to provision of regulatory financial returns."*

- 5.18 DGHP's plan to achieve compliance was based on undertaking a full stock condition survey and updating their systems with the data from the survey. Linked to this was the accurate data allowing DGHP to accurately understand its Scottish Housing Quality Standard ("SHQS") and Energy Efficiency Standard for Social Housing ("ESSH") compliance levels.
- 5.19 As part of the Statement full compliance with SHQS was projected for September 2020 and December 2020 for ESSH. In relation to SHQS, this standard is already expected to be in place for all stock save where a specific exemption applies.
- 5.20 In total 1579 DGHP properties are still in the process of being brought up to the full SHQS. This has been severely impacted by the pandemic where restrictions have meant we have been unable to undertake the necessary work. As a direct result of this, we now forecast all properties being completed by July 2021.
- 5.21 In the context of our Statement, the underlying Regulatory Standard non-compliance issues have been addressed with DGHP now having robust data which allows it to report accurately and timeously to the SHR. The SHR is aware of the position and we are reporting regularly on progress with the SHQS.
- 5.22 In context, this represents c2.5% of the Group's overall social housing stock. On the basis of the low proportion of the Group's overall stock, that we have plans in place to address this issue as soon as practically possible and as discussed with the SHR, it is suggested that this is referenced within our statement but not as representing 'material non-compliance'.

## Covid-19

### *Service model*

- 5.23 The pandemic has had implications for our service model as we have had to adjust our operating model to comply with the associated restrictions. As a result of this, we had to adjust service levels, particularly in areas such as repairs and environmental services.

- 5.24 As part of this process, the Board has discussed and agreed the Operating Model and approach to remobilisation. We have considered the implications our revised service models have had in relation to compliance with the Social Housing Charter (“the Charter”) and ‘all relevant legislation’.
- 5.25 On the basis that we have sought to balance delivering as full a service model as possible with complying with the restrictions in place and appropriately protecting both our tenants and staff we have not assessed this resulting any level of ‘material’ non-compliance.
- 5.26 We have maintained an emergency repairs service and throughout the pandemic we have where possible strengthened our compliance at the earliest opportunity such as transitioning gas safety check to forced entry, other than those who are shielding, where appropriate to do so.

### *Governance*

- 5.27 We agreed changes to constitutions across the Group as part of our response to the pandemic. As part of this we had to balance achieving the overarching Regulatory Standard (6) of having appropriately skilled and knowledgeable governing bodies with specific elements of the Framework regarding tenure.
- 5.28 As part of this, the Board agreed that, in recognition of the exceptional circumstances, we extend some RSL Board Chairs beyond the SHR’s 5 year tenure limit for Chairs and adjust our own absolute 9 year tenure limits. As part of this, the Board agreed this represented a ‘non material’ breach on the basis that it does not represent a permanent change, rather one off, time bound extensions in recognition of the circumstances.
- 5.29 We also made a series of other constitutional changes. As part of this process individual Boards considered the implications for compliance with the Framework. All changes were agreed by members unanimously at the subsequent Special General Meetings.

### Social Housing Charter

- 5.30 The Charter, distinct from the Framework, contains a total of 16 outcomes and standards that social landlords should aim to achieve. As two of the standards only apply to Local Authorities, 14 apply to us. A copy of the standards is attached at Appendix 4. The Statutory Guidance in relation to the Statement requires us to also include a statement of compliance with the Charter.
- 5.31 The SHR sets a wide range of specific performance measures RSLs must collect as part of compliance with the standards in the charter. The measures form what we report to the SHR each year as part of the Annual Return on the Charter.
- 5.32 The Charter measures are augmented by the SHR prescribing a wide range of specific questions that RSLs must ask as part of their tenant satisfaction surveys relating to the Charter standards. It is not a requirement to conduct this survey annually therefore our approach for this year does not impact our compliance.

- 5.33 We therefore have in place a very robust approach to assurance and evidence of how we are performing relative to the charter. The key issues in relation to the Charter relate to the implications of DGHP's progress against SHQS and the changes to our Operating Model which are covered previously in the report.

All relevant legislative duties.

- 5.34 This requirement of the statement is, by its nature, very wide ranging. Our approach to compliance in this area is a combination of the legal framework for our activities and our internal policies, which give substance to the respective laws and regulations. Policies are reviewed by expert internal staff and, where appropriate, by external advisors. We also routinely engage external expertise in complex, non-core areas such as fundraising and FCA related activity.
- 5.35 In order to monitor compliance we operate a 4 Lines of Defence Model that provides assurance to senior management and Board members about the operation of internal controls in place to confirm the Group's meeting legal obligations.
- 5.36 Beyond our core 4 Lines of Defence Model, we are subject to external scrutiny for example through the annual external audit process in specific areas of legislation and spot inspections, such as HMRC.
- 5.37 We have not had any instances where a judgement has gone against the Group that we materially not meeting legislative duties.
- 5.38 The pandemic has impacted our legislative duties, such as through new acts introduced and derogations granted to existing legislation. These changes have been monitored on an ongoing basis and have been supported by updates to the Board on the substance of the changes and how we will comply with them.

[paragraphs 5.39-.5.40 redacted]

## **6. Key issues and conclusions**

- 6.1 Our Statement has been developed within the context of the impact of the pandemic and the associated updated to the Framework and associated guidance. We have engaged with the SHR throughout the pandemic on the key issues identified in development of our Statement.
- 6.2 It is intended that to have more up to date external assurance we will commission a full external independent assessment of our compliance for next year's statement. This will be a two stage process with a desktop review undertaken early in 2021 to identify any potential areas for improvement we can implement immediately and then a full review ahead of the Statement being provided to the Group Audit Committee and Board.

## **7. Value for money implications**

- 7.1 There are no direct Value for Money implications arising from the assessment of compliance with all relevant requirements at Chapter 3 of the Regulatory Framework.

## **8. Impact on financial projections**

- 8.1 No direct financial implications result from assessing compliance with all relevant requirements at Chapter 3 of the Regulatory Framework. The Group Audit Committee will be notified of any material change to the level of assurance supporting the Annual Statement and of any actions to be taken by management to mitigate material non-compliance which have financial implications.
- 8.2 The additional remuneration will be met from within existing budgets.

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

- 9.1 Preparing and submitting an Annual Assurance Statement satisfies the Scottish Housing Regulator's requirement for each RSL to confirm compliance with all the relevant requirements at chapter 3 of the Regulatory Framework.

## **10. Partnership implications**

- 10.1 There are no direct partnership implications arising from this report.

## **11. Implementation and deployment**

- 11.1 Whilst responsibility for implementing the Regulatory Framework rests with the Group Board, Directors and the Executive Management Team, it is incumbent upon all management teams and employees to embrace "good practice" principles of governance and financial management at all times.

## **12. Equalities impact**

- 12.1 There is no impact to equalities arising from this report.

## **13. Recommendations**

- 13.1 The Board is asked to:
- 1) Approve the appointment of Fiona Burden to the Group Audit Committee and remuneration at £7,000 per annum
  - 2) Approve the appointment of John Henderson to the Group Development Committee and remuneration at £7,000 per annum upon the DGHP Development Committee ceasing;
  - 3) Approve the Group Development Committee Terms of reference being updated to allow up to 7 members drawn from subsidiary Boards;
  - 4) Approve the Group's Annual Assurance Statement;
  - 5) [redacted]; and
  - 6) [redacted]

## **List of Appendices**

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| Appendix1 | Self-assessment against Chapter 3 Section 1   |
| Appendix2 | Self-assessment against Chapter 3 Section 2 – Regulatory Standards of Governance and Financial Management |
| Appendix3 | Self-assessment against Chapter 3 Section 3 – Constitutional requirements                                 |
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Requirements for RSLs	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
<b>Assurance &amp; Notification</b>			
Prepare an Annual Assurance Statement in accordance with our published guidance, submit it to us between April and the end of October each year, and make it available to tenants and other service users.	This year's statement takes into account the (time limited) updates to the SHR's Regulatory Framework and associated guidance in relation to the preparation of Annual Assurance Statements. Details are both are clearly set out for the Board in the report seeking approval.	Our existing Assurance statement is published and available to all tenants and other service users via our own and the SHR's website.	<b>Compliant</b>
Notify SHR during the year of any material changes to the assurance in its Assurance Statement.	There were no material changes to the previous statement during the year	Not applicable	<b>Not applicable</b>
Have assurance and evidence that it is meeting all of its legal obligations associated with housing and homelessness services, equality and human rights, and tenant and resident safety.	<p>In practical terms the Group operates a 4 Lines of Defence model that provides assurance to senior management and Board members about the operation of internal controls in place to confirm the Group's meeting legal obligations in these areas. This includes an IA function that delivers risk-based audits that test operation of Line 1 and Line 2 controls in specific areas.</p> <p>In these particular areas where there is defined legislation, we have Group wide policies which codify how we will meet out legislative requirements. Policies are reviewed by expert internal staff and, where appropriate, by external advisors.</p> <p>The Group employs sufficiently qualified individuals to effect the policies, including legal, health and safety and housing.</p> <p>Legal implications set out in all Board reports to ensure any obligations are identified - supported by a team of in house solicitors and external legal advisors.</p>	<p><b>Group policies and associated documents</b></p> <ul style="list-style-type: none"> <li>- Group Board approved Health and Safety Policy detailing legal requirements</li> <li>- Group Policy Framework on Advice and Letting</li> <li>- Group Fire Mitigation Framework</li> <li>- Group Anti Social Behaviour Policy Framework</li> </ul> <p><b>Board reporting</b></p> <ul style="list-style-type: none"> <li>- Group Health and Safety policy Board report, followed by update reports and specific reports relating to the pandemic</li> <li>- Board update reports on Fire Safety</li> <li>- Board updates during the pandemic on compliance related activity</li> <li>- Board updates during pandemic on service levels and remobilisation relative to the then prevailing pandemic related legislation and/or restrictions</li> <li>- Risk appetite and analysis sections in Board reports</li> <li>- Strategic risk registers</li> </ul> <p><b>Independent assurance</b></p> <ul style="list-style-type: none"> <li>- Internal Audit activity</li> </ul> <p><b>External assurance</b></p> <ul style="list-style-type: none"> <li>- engagement of independent experts on asbestos</li> </ul>	<b>Compliant</b>
Notify SHR of any tenant and resident safety matters which have been reported to, or are being investigated by the Health and Safety Executive, or reports from regulatory or statutory authorities, or insurance providers, relating to safety concerns.	These circumstances have not arisen in year.		<b>Not applicable</b>
Make its Engagement Plan easily available and accessible to its tenants and service users, including online.	<p>Scottish Housing Regulator Engagement Plans are available on each RSL website.</p> <p>Copies are also available on request from any Local Office.</p>	The plan can be accessed via individual RSL websites in the 'about us' and 'get involved' sections.	<b>Compliant</b>
Register all requirements for providing data to us with the Information Commissioner's Office as a purpose for which they are acquiring data under the Data Protection Act 2018.	<p>Privacy Impact Statements confirm the purposes for which we hold and use data, including for regulatory requirements.</p> <p>All RSLs are registered with ICO.</p>	ICO registration is verifiable via its website.	<b>Compliant</b>
<b>Scottish Social Housing Charter Performance</b>			
Submit an Annual Return on the Charter to us each year in accordance with our published guidance.	The Annual Return requires to be submitted via the SHR Portal. The ARC return is reviewed and agreed by relevant Boards and reviewed internally against the SHR technical guidance.	The SHR Portal documents receipt of our ARC return and the SHR also publishes our Charter return on their website.	<b>Compliant</b>



Involve tenants, and where relevant other service users, in the preparation and scrutiny of performance information. It must: -' agree its approach with tenants -' ensure that it is effective and meaningful – that the chosen approach gives tenants a real and demonstrable say in the assessment of performance -' publicise the approach to tenants -' ensure that it can be verified and be able to show that the agreed approach to involving tenants has happened -' involve other service users in an appropriate way, having asked and had regard to their needs and wishes.	At the most senior level, we have tenants on our Boards and, within GHA, we have Area Committees.  The ongoing level of involvement of our Local Committees, Registered Tenant Organisations, Communities of Interest and Scrutiny Panel has been impacted for part of the year by the pandemic, however the approach itself is established and embedded. The extension of the deadline of the Annual Report to Tenant to the end of the calendar year will allow us to engage the Scrutiny Panel in its preparation.	<b>Governance Framework</b> - RSL constitutions reserving Board places to tenant members - GHA Area Committee Terms of Reference - Stronger Community Voice consultation document  <b>Board/Committee/Forum discussions and reporting</b> - Area Committee reports and minutes - Group Scrutiny Panel meeting agendas  <b>External</b> - Quality Scotland external independent support provided to Group Scrutiny Panel  <b>Other</b> - RSL websites publicly set out the report	<b>Compliant</b>
Report its performance in achieving or progressing towards the Charter outcomes and standards to its tenants and other service users (no later than October each year). It must agree the format of performance reporting with tenants, ensuring that it is accessible for tenants and other service users, with plain and jargon-free language.	We publish an annual report to tenants, the format of which has been agreed by Boards and the Group Scrutiny Panel. This year's report is not due to be issued until the end of December in line with the updates to the SHR Regulatory Framework.	Prior year published Annual Report to Tenants	<b>Compliant</b>
When reporting its performance to tenants and other service users it must: - provide them with an assessment of performance in delivering each of the Charter outcomes and standards which are relevant to the landlord - include relevant comparisons – these should include comparisons with previous years, with other landlords and with national performance - set out how and when the landlord intends to address areas for improvement - give tenants and other service users a way to feed back their views on the style and form of the reporting.	Included in the last Annual Report to Tenants and will be incorporated in this year's, due by the end of December. The relevant comparisons will be dependent on the availability ARC performance data for the sector.	Annual Report to Tenants issued in October 2019.	<b>Compliant</b>
Make the SHR report on performance easily available to its tenants, including online.	This is published via our website	Performance published on RSL websites (Home/About us/How we do business/Performance)	<b>Compliant</b>
<b>Whistleblowing</b>			
Have effective arrangements and a policy for whistleblowing by staff and governing body/elected members which it makes easily available and which it promotes.	We have a Group Whistleblowing policy in place. The policy is available to all staff and an internal staff awareness raising blog was undertaken via intranet recently. The review of the policy is reserved to the Group Audit Committee.	<b>Governance Framework</b> Group Whistleblowing Policy  <b>Committee reporting</b> Audit Committee report and minute of discussion and approval of whistleblowing policy  <b>Other</b> Director of Assurance intranet blog raising awareness of whistleblowing and signposting to policy	<b>Compliant</b>
<b>Tenants and service users redress</b>			
Make information on reporting significant performance failures, including our leaflet, available to its tenants.	We have a link to the significant performance failure SHR leaflet available on all RSL websites (contact us/complaints and compliments)  The SHR leaflet also available in Local Housing Offices as part of the core leaflet suite	RSL Websites (Contact us/complaints and compliments)  RSL Complaints Leaflets (make reference to significant performance failures)  SHR Leaflets available in local offices	<b>Compliant</b>
Provide tenants and other service users with the information they need to exercise their right to complain and seek redress, and respond to tenants within the timescales outlined in its service standards, in accordance with guidance from the Scottish Public Services Ombudsman (SPSO).	The Group Complaints Policy is based on and complies with SPSO guidance. All Boards are made aware that SPSO guidance applies to the complaints handling.  Our complaints procedure is set out on RSL websites, our complaints leaflet is available in Local Housing Offices as part of the suite of core leaflets	Group Complaints Policy Board report and record of Board approval Complaints Leaflets RSL Websites (Contact us/complaints and compliments)	<b>Compliant</b>

Ensure it has effective arrangements to learn from complaints and from other tenant and service user feedback, in accordance with SPSO guidance.	<p>Our complaints policy builds in requirement to review and Boards routinely updated on this. Boards received bi-annual updates on complaints and what lessons we are learning from them. This performance data and analysis is also publish on the website.</p> <p>There is a lessons learned field within ASTRA which should be completed to record lessons learned for every complaint received. New complaints reports will capture lessons learned and allow for further analysis of lessons learned including the information recorded by staff within Astra.</p> <p>The standard Board bi-annual report has been delayed post pandemic as business has focussed on more essential activity however complaints performance has remained under review.</p>	<p><b>Policy</b> - Group Complaints policy</p> <p><b>Reporting and monitoring</b> - Board performance reports which include measure on complaints handling</p> <p><b>Public reporting</b> - Complaints data published on RSL Websites</p> <p><b>Other</b> - ASTRA</p>	Compliant
<b>Equality and Human Rights</b>			
Have assurance and evidence that it considers equality and human rights issues properly when making all of its decisions, in the design and review of internal and external policies, and in its day-to-day service delivery.	In recognition of this feedback, the SHR has stated it now intends to work with representative bodies, the Equalities and Human Rights Commission, and Scottish Human Rights Commission (“SHRC”) to develop a 'guidance framework'. To allow sufficient time for this guidance to be developed, the SHR will now not start assessing compliance with the requirements until April 2021.		
To comply with these duties, landlords must collect data relating to each of the protected characteristics for their existing tenants, new tenants, people on waiting lists, governing body members and staff. Local authorities must also collect data on protected characteristics for people who apply to them as homeless. Landlords who provide Gypsy/Traveller sites must collect data on protected characteristics for these service users.	We have agreed a new Equality and Diversity policy and also engaged external expertise via IoD Scotland to support the implementation of this policy.		
<b>Requirements for RSLs Only</b>			
<b>Each RSL Must:</b>			
Comply with the Standards of Governance and Financial Management and associated statutory guidance.	See commentary and evidence provided for each of the seven standards of governance and financial management.		
Comply with, and submit information to us in accordance with, our guidance on: - notifiable events - group structures - consulting tenants where tenant consent is required - financial viability of RSLs: information requirements - determination of accounting requirements - preparation of financial statements.	See commentary and evidence provided for each of the seven standards of governance and financial management.	Landlord Portal	
Keep up to date organisational details in the Register of Social Landlords, by maintaining the information provided through the Landlord Portal.	<p>Organisational details up-to-date and regularly maintained via the SHR Landlord Portal</p> <p>All updated are monitored by Company Secretary and control checks are in place, specifically the portal is reviewed and updated monthly and after every Board cycle</p>	Landlord Portal SHR Website	Compliant
Make publicly available, including online, up to date details of: - who is on its governing body - the date when they first became a member/office holder - how to become a member of the RSL and of the governing body, and - minutes of governing body meetings.	<p>About us section of RSL websites includes information about who is on the governing body and the date they first became an office holder.</p> <p>The 'getting involved' section of each RSL website sets out how to become a member of the RSL (where applicable).</p> <p>The Associations are required to send intimation of the intended date of the Annual General Meeting and information on the nomination procedure for Board Members to all our Members not less than 28 days before the Annual General Meeting.</p>	<p>RSL websites - 'about us' and 'get involved' sections.</p> <p>Published membership policy via website</p> <p>Published minutes via website</p>	Compliant

Regulatory Standards of Governance and Financial Management	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
<b>Standard 1</b> The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.			
1.1 The governing body sets the RSL's strategic direction. It agrees and oversees the organisation's business plan to achieve its purpose and intended outcomes for its tenants and other service users.	<p>The Group Standing Orders formally define the Board's role in this regard, with the approval of the strategy (strategic direction) and business plan <u>reserved</u> to Boards for approval.</p> <p>The business plan is always considered within the context of outcomes it contributes to achieving for tenants and its implementation is overseen by the budget and finance reports monitored thereafter.</p> <p>We have also additionally reflected on our 5 year strategy since the onset of the pandemic over the course of a number of Board workshops, where the impact on tenants has been at the forefront.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders</li> <li>- Governing Body Members Handbook</li> </ul> <p><b>Board discussions and reporting</b></p> <ul style="list-style-type: none"> <li>- Board strategy workshop materials</li> <li>- Board reports on strategy development process and associated minutes</li> <li>- Board report on business plan and associated minuted confirming Board approval</li> <li>- Board reports detailing implications for financial projections during pandemic</li> </ul> <p><b>External validation/corroboration</b></p> <ul style="list-style-type: none"> <li>- Campbell Tickell 2018 governance review findings</li> </ul>	Compliant
1.2 The RSL's governance policies and arrangements set out the respective roles, responsibilities and accountabilities of governing body members and senior officers, and the governing body exercises overall responsibility and control of the strategic leadership of the RSL.	<p>The Group Standing Orders detail respective roles and responsibilities of the Group and subsidiary Boards in the Group Authorising Framework (GAF) and the Group Authorise, Manage, Monitor Matrix (GAMM) as well as detailing the Scheme of Financial Delegation and delegations to Group CEO.</p> <p>Board member roles and responsibilities are set out in the Standing Orders and the Governing Body Member Handbook.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders</li> <li>- Governing Body Members Handbook</li> </ul> <p><b>External validation</b></p> <ul style="list-style-type: none"> <li>- Campbell Tickell governance review</li> <li>- IIP Accreditation</li> </ul>	Compliant
1.3 The governing body ensures the RSL complies with its constitution and its legal obligations. Its constitution adheres to these Standards and the constitutional requirements set out below.	<p>The RSLs are appropriately constituted and the Group Standing Orders set out effective decision making processes.</p> <p>Board minutes and reports will provide details of how constitutional compliance is ensured where applicable.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- Individual entity constitutions</li> <li>- Group Standing Orders</li> <li>- Board report template</li> </ul> <p><b>External validation</b></p> <ul style="list-style-type: none"> <li>- External legal advisor engagement in the process of drafting and revising constitutions</li> </ul>	Compliant
1.4 All governing body members accept collective responsibility for their decisions.	<p>This is enshrined in the Code of Conduct as a requirement and re-emphasised in the governing body member handbook. No governing body members have breached the code of conduct in this regard, as such no action has been taken.</p>	<p>No issues raised or identified during the year of a Board member not accepting collective responsibility</p> <p>Board appraisal forms and interviews - issue not raised</p> <p>Signed Codes of Conduct</p>	Compliant
1.5 All governing body members and senior officers understand their respective roles, and working relationships are constructive, professional and effective.	<p>The respective roles are set out in the Group Standing Orders and reinforced by the Governing Body Members Handbook which sets out roles clearly and is explicit about the distinction between the role of management and the role of the Board.</p> <p>A comprehensive induction programme is in place, with discussion about the role of the Board and Management.</p> <p>This area is also explored and tested as part of the annual appraisal process.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- Recruitment and Selection Process and Induction Programme</li> <li>- Group Standing Orders</li> <li>- Governing Body Members Handbook</li> <li>- Governing Board Members Appraisal Policy</li> </ul> <p><b>External Validation</b></p> <ul style="list-style-type: none"> <li>- Campbell Tickell interviews with Board members as part of previous governance review</li> <li>- IoD interviews as part of Board effectiveness</li> </ul>	Compliant
1.6 Each governing body member always acts in the best interests of the RSL and its tenants and service users, and does not place any personal or other interest ahead of their primary duty to the RSL.	<p>The Standing Orders set out clearly the relationship between the parent Board and subsidiaries and the division of responsibilities.</p> <p>All Board Members are required to sign the Code of Conduct and complete a Governing Body Member Declaration of Interests form which covers this and the organisation maintains a register of interests. There is a standing Board meeting agenda item regarding declaration of interests.</p> <p>Board appraisal has a specific question regarding decision making being in the best interests and no issues have been identified regarding independence of decision making.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>Board Code of Conduct</li> <li>Group Standing Orders</li> <li>Arrangements in place in respect of conflicts and declarations of interest - standard Board agenda item and Register of Interests form</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>Annual Board appraisal - no issues raised by any Chair or Board member</li> </ul>	Compliant
1.7 The RSL maintains its independence by conducting its affairs without control, undue reference to or influence by any other body (unless it is constituted as the subsidiary of another body).	<p>The Group Standing Orders set out clearly the relationship between the parent Board and subsidiaries and the division of responsibilities. The composition of the Board is such that no other body exercises undue control or influence over the group and this is formally documented in Intra Group Agreements</p> <p>The requirement to act in the best interests of the group is reflected in the Group Code of Conduct. All Board Members complete a Governing Body Member Declaration which covers this and the organisation maintains a register of interests.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>Group Code of Conduct</li> <li>Register of Interests form</li> <li>Group Standing Orders</li> <li>Arrangements in place in respect of conflicts and declarations of interest</li> <li>Intra Group Agreement</li> </ul> <p><b>External validation</b></p> <ul style="list-style-type: none"> <li>Independent legal advice for RSL subs on Intra Group Agreement with Parent and on relevant transactions eg MMR stock disposal and GHA/Lowther equity</li> </ul>	Compliant
<b>Standard 2</b> The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And			



2.1 The RSL gives tenants, service users and other stakeholders information that meets their needs about the RSL, its services, its performance and its future plans.	<p>Each RSL within the group has a website which includes an 'Access to Information' section and a Publication Scheme. This explains clearly and comprehensively what information is available (with links ) and how to obtain information which is not published, including fees applicable.</p> <p>Provided via a combination of:</p> <ul style="list-style-type: none"> <li>- Website</li> <li>- annual report to tenants</li> <li>- newsletters</li> <li>- consultations</li> </ul> <p>We ask tenants as part of our Tenant Satisfaction Survey what tenants think about being kept informed.</p>	<p><b>Publications</b></p> <p>Subsidiary and group websites Tenants newsletters (e.g. The Key) Information on performance, future plans eg investment and satisfaction results published on websites Annual Report to Tenants</p> <p><b>External validation</b></p> <p>BMG Tenant Satisfaction survey</p>	Compliant
2.2 The governing body recognises it is accountable to its tenants, and has a wider public accountability to the taxpayer as a recipient of public funds, and actively manages its accountabilities.	<p>Governing Body Handbook recognise the Group's governing bodies' accountability to tenants and service users (section regarding the role of the Board).</p> <p>Each RSL subsidiary publishes an Annual Report to Tenants, setting out how it has performed.</p> <p>Our Publication Scheme ensures that we provide a significant amount of information , supporting accountability.</p>	<p><b>Governance Framework</b></p> <p>Governing Body Members Handbook Annual Report to Tenants Wheatley Group Annual Report and Financial Statements Subsidiary and group websites (investor relations section of website gives information on use of funds, including public funds) Group Code of Conduct Group Engagement Framework</p>	Compliant
2.3 The governing body is open and transparent about what it does, publishes information about its activities and, wherever possible, agrees to requests for information about the work of the governing body and the RSL.	<p>We are committed to being transparent and open about the way we work, the services we provide and the decisions we make. One of the ways we do this is through our publications scheme under The Freedom of Information (Scotland) Act 2002.</p> <p>We are bound by the Environmental Information (Scotland) Regulations 2004 which gives the public the right to access environmental information we hold.</p>	<p><b>EVIDENCE:</b></p> <p>Provided via a combination of:</p> <ul style="list-style-type: none"> <li>- Website</li> <li>- Annual Report to Tenants</li> <li>- newsletters</li> </ul>	Compliant
2.4 The RSL seeks out the needs, priorities, views and aspirations of tenants, service users and stakeholders. The governing body takes account of this information in its strategies, plans and decisions.	<p>The previous Strategy (Investing in our Futures) states the intention to ensure customers drive outcomes for their communities, to use customer insight to shape products and services for customers which meet their needs, to target resources according to customer and stakeholder priorities and to ensure all care customers have a say in the support they receive. This is further strengthened in the new strategies, which seek to give tenants more power and control to effect these changes directly.</p> <p>We have also agreed to undertake a survey to seek the views of our customers on our response to pandemic to inform our future decision making.</p> <p>Our Engagement Framework incorporates a variety of ways customers are engaged across the group to shape what the group does. We do this via a combination of:</p> <ul style="list-style-type: none"> <li>- community governance structures</li> <li>- locality planning</li> <li>- use of complaints</li> <li>- annual satisfaction surveys</li> <li>- consultations</li> <li>- tenant members on boards representing service user views</li> </ul> <p>Tenant board members bring customer insight to strategic decision making. The Locality Plans have been developed through engagement with customers and stakeholders. The Group operates customer segmentation to understand their customer base and shape services accordingly.</p>	<p><b>External validation</b></p> <ul style="list-style-type: none"> <li>- Staff satisfaction surveys and results</li> <li>- Meetings between senior management and stakeholders</li> <li>- Direct Board engagement with key stakeholders eg Housing Minister</li> <li>- BMG independently facilitated rent setting workshops for 2020/21 rent setting process</li> </ul> <p><b>Decision making</b></p> <ul style="list-style-type: none"> <li>- Annual Board strategy workshop briefing packs detailing background information</li> <li>- Board composition includes tenants - builds in feedback at decision making point</li> <li>- Board report on rent setting - documents extensive consultation feedback</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- ongoing Board reports on key areas of tenant feedback, including complaints</li> </ul> <p><b>Engagement Framework</b></p> <ul style="list-style-type: none"> <li>- Locality plans, including the range of engagement and feedback events facilitated during the process</li> </ul>	Compliant
2.5 The RSL is open, co-operative, and engages effectively with all its regulators and funders, notifying them of anything that may affect its ability to fulfil its obligations. It informs the Scottish Housing Regulator about any significant events such as a major issue, event or change as set out and required in notifiable events guidance.	<p>We have high engagement and as such meet the SHR on a regular basis as well as having an ongoing line of communication. Regular meetings held with Funders. We notify SHR of 'Notifiable Events' in accordance with requirements of SHR Notifiable Events guidance.</p>	<p>SHR Quarterly Meeting agendas Funder meeting agendas Group Engagement Plan - published by WHG and SHR</p>	Compliant
<p><b>Standard 3</b></p> <p>The RSL manages its resources to ensure its financial well-being while maintaining rents at a level that tenants can afford to pay.</p> <p><b>Guidance</b></p>			
3.1 The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and control costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times.	<p>The Standing Orders set out clear financial delegations and there is an appropriate Treasury Management Policy in place. The Treasury Management policy was reviewed and refined this year and financial information is regularly reported to the Board including compliance with golden rules and covenants.</p> <p>In addition to this we regularly report to Boards and have an extensive discussion each year on financial projections and treasury management, including liquidity. This has been heightened during the pandemic, with scenario testing on potential adverse Covid-19 impacts undertaken and reported to Boards.</p>	<p><b>External validation</b></p> <ul style="list-style-type: none"> <li>- Review by Rathbones of core business planning assumptions</li> <li>- Group Treasury Management Policy was reviewed by our external treasury advisors</li> <li>- External audit process</li> </ul> <p><b>Governance and Policy Framework</b></p> <ul style="list-style-type: none"> <li>- Treasury Management Policy</li> <li>- Group Value for Money framework</li> <li>- Group Whistleblowing Policy</li> <li>- Fraud, Corruption and Bribery Policy</li> <li>- Group Standing Orders including financial delegations</li> </ul> <p><b>Ongoing reporting</b></p> <ul style="list-style-type: none"> <li>- Quarterly treasury report to Group Board on funding requirements and liquidity</li> <li>- Covenant compliance</li> <li>- Internal Audit core programme of auditing key financial controls</li> <li>- Finance reports to Boards</li> </ul>	Compliant

3.2 The governing body fully understands the implications of the treasury management strategy it adopts, ensures this is in the best interests of the RSL and that it understands the associated risks.	<p>There is a suitable treasury management policy in place, which was reviewed by the Board during the last 6 months.</p> <p>The Board skills matrix is takes into account the need for membership to include Non-Executives with relevant skills and experience i this area.</p> <p>Boards routinely seek sufficient external independent guidance to ensure its decisions are in our best interest, with significant input from external legal advisors.</p>	<p><b>Board membership</b></p> <ul style="list-style-type: none"> <li>-The Board succession planning specifically seeks to ensure we have individuals with skills and experience in this area</li> </ul> <p><b>Policy Framework</b></p> <ul style="list-style-type: none"> <li>- Treasury Management Policy</li> <li>- Quarterly treasury update to Wheatley Group Board</li> </ul> <p><b>External validation</b></p> <ul style="list-style-type: none"> <li>-Treasury Management CPD Session (Rathbones) held on 31 October 2018 (slides from session)</li> <li>- Extensive external legal advice on any major funding transactions, specifically in relation to the risks</li> </ul>	Compliant
3.3 The RSL has a robust business planning and control framework and effective systems to monitor and accurately report delivery of its plans. Risks to the delivery of financial plans are identified and managed effectively. The RSL considers sufficiently the financial implications of risks to the delivery of plans.	<p>Business planning process takes into account a wide range of variables, which are reflected in Board reports eg sensitivity testing, assumptions. These were reviewed and tested during the pandemic to reflect the change in risk profile.</p> <p>Financial performance is reported to Board as a standing item detailing performance relative to business plans and budgets.</p> <p>Reports to the Board on financial projections as part of the business planning process set out comprehensive and clearly explained information including appropriate context, detailed financial projections and details of projected compliance with golden rules and covenants.</p> <p>Minutes demonstrate a good level of Board engagement with financial projection reporting. Regular reporting to Board provides clear information about financial performance across the group including all subsidiaries as well as performance against covenants and golden rules.</p> <p>This was declared as an area of material non compliance by DGHP due to not having accurate regarding the effectiveness of its systems to monitor and accurately report delivery of its asset management plans. This was addressed by the full stock condition survey undertaken and subsequent updates to DGHP's reporting system.</p>	<p><b>External validation</b></p> <ul style="list-style-type: none"> <li>- Independent Quality Review of Internal Audit by PwC</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Annual stress testing of business plan as part of Board approval process</li> <li>- Pandemic specific scenario testing on financial projections</li> <li>- Risk register considered by the Group Audit Committee at every meeting and by each Board periodically</li> <li>- Comprehensive review of risk register by Group Audit Committee and Group Board during pandemic - report and associated minutes</li> <li>- Board reports regarding Financial Performance</li> <li>- Treasury management reports</li> </ul>	Compliant
3.4 The governing body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases.	Our assumptions are validated externally where appropriate and always subject to sensitivity analysis. As part of agreeing our financial projections each year the rent increase is subject to specific separate report which takes into account affordability for tenants.	<p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Board reports regarding Financial Performance and Financial Projections</li> <li>- Report to Group Board on treasury update and policy</li> <li>- Financial performance report to Group Board and Subsidiary Board meeting</li> <li>- Minutes of Group and Subsidiary Board meetings</li> <li>- Risk Registers</li> <li>-Tenant rent setting consultation results</li> </ul>	Compliant
3.5 The governing body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases.	We have an on-going process and report compliance as part of finance report to Group Board in addition to projected compliance being a consideration when assessing and agreeing our financial projections.	<p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Financial performance and treasury reports to Group Board</li> <li>- Report to Boards on financial projections</li> </ul>	Compliant
3.6 The governing body ensures that employee salaries, benefits and its pension offerings are at a level that is sufficient to ensure the appropriate quality of staff to run the organisation successfully, but which is affordable and not more than is necessary for this purpose.	<p>All staff gradings are subject to an internal assessment using defined criteria by Employee Relations.</p> <p>The pension arrangements are routinely reviewed by the Board/RAAG and this included changes for auto enrolment to not offer SPF to all incoming employees. This was on the basis that it was not necessary to attract employees.</p> <p>Overall staffing costs and their impact are considered as part of the financial projections.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Confidential minute of RAAG report to Board on Chief Executive's remuneration</li> <li>- Financial projections</li> <li>- Dual pension arrangements in place for GHA</li> </ul>	Compliant
3.7 The governing body ensures the RSL provides accurate and timely statutory and regulatory financial returns to the Scottish Housing Regulator. The governing body assures itself that it has evidence the data is accurate before signing it off.	<p>All returns are submitted to the SHR. Where appropriate, Regulatory returns (such as 5 year financial projections, loan portfolio) are included on the agendas for all RSL Board meetings in May. The same is also true of the Annual Return on the Charter (also May.) Governing Body requires formal Board reports to be provided with clear recommendations about sign-off.</p> <p>DGHP declared material non compliance on this area in its previous Statement, related to their non compliance under Standard 3.3 rendering them unable to assure the information submitted to the SHR. Tis has been addressed by the completion of a full stock condition survey and systems updated to allow data to be extracted and furnished to the SHR.</p>	<p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Board papers and agendas</li> </ul>	Compliant
<p><b>Standard 4</b></p> <p>The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.</p> <p><b>Guidance</b></p>			
4.1 The governing body ensures it receives good quality information and advice from staff and, where necessary, expert independent advisers, that is timely and appropriate to its strategic role and decisions. The governing body is able to evidence any of its decisions.	<p>Board reports are structured in a Board approved standard format with specific headings to ensure appropriate information is contained in key areas such as finance, risk and legal/regulatory.</p> <p>Board feedback on reports is received during meetings as well as part of the annual Board appraisal.</p>	<p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- <b>Board reporting template</b></li> <li>- Board meeting papers</li> <li>- Board and Committee minutes</li> </ul> <p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders and Scheme of Delegation</li> </ul> <p><b>External Assurance</b></p> <ul style="list-style-type: none"> <li>- Campbell Tickell review of governance arrangements, including the quality of Board papers.</li> </ul>	Compliant
4.2 The governing body challenges and holds the senior officer to account for their performance in achieving the RSL's purpose and objectives.	This is primarily discharged via Board meetings.	<p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Board Reports and associated minutes</li> </ul>	Compliant



4.3 The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigation, internal control and audit.	<p>We have a clearly defined risk management framework. This is reviewed on an ongoing basis. Risk analysis is a specific element of all Board papers and therefore embedded in our decision making at Board level.</p> <p>Where there is a particular risk there is an enhanced level of Board reporting on specific risks as has been in place throughout the pandemic.</p>	<p><b>Group policies</b></p> <ul style="list-style-type: none"> <li>- Risk management policy</li> </ul> <p><b>Governance framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders and Audit Committee Terms of Reference</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Reports to Group Audit Committee and all RSL Boards</li> <li>- Minutes relative to the above</li> </ul>	Compliant
4.4 Where the RSL is the parent within a group structure it fulfils its responsibilities as required in our group structures guidance to: (a) control the activities of, and manage risks arising from, its subsidiaries; (b) ensure appropriate use of funds within the group; (c) manage and mitigate risk to the core business; and (d) uphold strong standards of governance and protect the reputation of the group for investment and other purposes.	<p>The role and controls of the Parent are codified in all subsidiary constitutions, along with the roles and responsibilities set out in Intra Group agreements and the Group Standing Order.</p> <p>Examples of this include Parent approval rights over areas such as Board appointments, constitutional changes, policy and funding.</p> <p>In addition to this, our standard reporting arrangements are such that the Group Board always receives Group wide performance information as well as details of any material issues at individual subsidiary level.</p>	<p><b>Governance Framework</b></p> <ul style="list-style-type: none"> <li>- Constitutions</li> <li>- Group Standing Orders</li> <li>- Intra Group Agreement</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Board packs</li> </ul>	Compliant
4.5 The RSL has an internal audit function. The governing body ensures the effective oversight of the internal audit programme by an audit committee or otherwise. It has arrangements in place to monitor and review the quality and effectiveness of internal audit activity, to ensure that it meets its assurance needs in relation to regulatory requirements and the Standards of Governance and Financial Management. Where the RSL does not have an audit committee, it has alternative arrangements in place to ensure that the functions normally provided by a committee are discharged.	<p>We have a clearly established Group Audit Committee with a remit including oversight of internal audit.</p> <p>The IA team is required to have an External Quality Assessment at least every 5 years to give the AC assurance on the quality and effectiveness of the Internal Audit function. (Last completed in 2015 and 2018)</p>	<p><b>Governance framework</b></p> <ul style="list-style-type: none"> <li>- Audit Committee Terms of Reference</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Assurance Update Board Reports</li> <li>- Group Audit Committee reports</li> </ul> <p><b>External</b></p> <ul style="list-style-type: none"> <li>- IA EQA</li> </ul>	Compliant
4.6 The governing body has formal and transparent arrangements for maintaining an appropriate relationship with the RSL's external auditor and its internal auditor.	This is clearly defined via the Group Standing Orders, mainly within the purview of the Group Audit Committee	<p><b>Governance framework</b></p> <ul style="list-style-type: none"> <li>- Audit Committee Terms of Reference</li> </ul>	Compliant
<b>Standard 5</b> The RSL conducts its affairs with honesty and integrity. <b>Guidance</b>			
5.1 The RSL conducts its affairs with honesty and integrity and, through the actions of the governing body and staff, upholds the good reputation of the RSL and the sector.	<p>The Wheatley Group Code of Conduct and Conflicts Policy sets out expectations.</p> <p>Staff are also bound by the Code of Conduct and HR Policies. We have a Whistleblowing Policy and Anti-fraud, Corruption and Bribery Policy.</p> <p>This has been strengthened for the Group Board via stronger provisions for dealing with any suspected breaches, with the power now in place to enforce vacation of office.</p>	<p><b>Governance framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders</li> <li>- Group Code of Conduct (governing body and staff)</li> <li>- Whistleblowing policy</li> </ul>	Compliant
5.2 The RSL upholds and promotes the standards of behaviour and conduct it expects of governing body members and staff through an appropriate code of conduct. It manages governing body members' performance, ensures compliance and has a robust system to deal with any breach of the code.	We operate a Group Code of Conduct which all members are required to sign up to. It includes arrangements to deal with any breach of the code. An appraisal system is in place to manage governing body performance. Similar arrangements are in place for staff via HR policies and the Staff code of conduct.	<p><b>Governance framework</b></p> <ul style="list-style-type: none"> <li>- Group Code of Conduct and Conflicts Policy</li> <li>- Governing Body Appraisal Policy</li> </ul>	Compliant
5.3 The RSL pays due regard to the need to eliminate discrimination, advance equality and human rights, and foster good relations across the range of protected characteristics in all areas of its work, including its governance arrangements.	<p>Our leaders empower all employees to live the Wheatley Group values; Trust, Community, Excellence and Ambition. The values are integrated into the My Contribution appraisal process.</p> <p>This is also embedded in our HR policies</p>	<p><b>Group policies and associated documents</b></p> <ul style="list-style-type: none"> <li>- Wheatley Group Values</li> <li>- HR policies including Dignity at Work and Employee Code of Conduct</li> <li>- Group Governing Body Member Code of Conduct and Conflicts Policy</li> <li>- Group Equality and Diversity policy</li> </ul>	Compliant
5.4 Governing body members and staff declare and manage openly and appropriately any conflicts of interest and ensure they do not benefit improperly from their position.	We operate a register of interests and declarations of interest is a standing item on Board meeting agendas.	<p><b>Group policies and associated documents</b></p> <ul style="list-style-type: none"> <li>- Group Code of Conduct and Conflicts Policy</li> <li>- Register of Interests form</li> <li>- Group policy on gifts, hospitality, payments and benefits</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Minutes of Board meetings</li> <li>- Example of standing item on Board meeting agendas</li> </ul>	Compliant
5.5 The governing body is responsible for the management, support, remuneration and appraisal of the RSL's senior officer and obtains independent, professional advice on matters where it would be inappropriate for the senior officer to provide advice.	<p>Group CEO appraisal is undertaken by Group Chairman and remuneration levels are set by the Board based on previous SHR Recommended practice such as relevant benchmarking and metrics such as pay per home.</p> <p>The Board accesses independent professional advice and holds discussions without the Group Chief Executive where appropriate.</p>	<p><b>Group governance framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders</li> </ul> <p>Board reporting</p> <ul style="list-style-type: none"> <li>- Reports to RAAG Committee and Group Board on Group CEO terms and conditions.</li> </ul>	Compliant
5.6 There are clear procedures for employees and governing body members to raise concerns or whistleblow if they believe there has been fraud, corruption or other wrongdoing within the RSL.	We have specific Whistleblowing and Fraud, Bribery and Corruption Policies in place, approved by the Group Audit Committee.	<p><b>Group policies</b></p> <ul style="list-style-type: none"> <li>- Group Whistleblowing policy</li> <li>- Group Fraud, Corruption and Bribery policy</li> </ul>	Compliant

5.7 Severance payments are only made in accordance with a clear policy which is approved by the governing body, is consistently applied and in accordance with contractual obligations. Such payments are monitored by the governing body to ensure the payment represents value for money. Alternatives to severance must be considered including redeployment.	Our existing approach to ER/VR consists of two elements: our individual policies on Early Retirement and Redundancy and affordability criteria we apply agreeing any form of what may be classified as a 'severance payment'.  We engage external legal advice in relation to any settlement agreements.	<b>Group policies and associated documents</b> - Policies on redeployment, redundancy and early retirement linked to redundancy (GHA, Cube, Loretto, WLHP, Dunedin Canmore and Barony) - Legal Advice regarding severance	Compliant
5.8 Where a severance payment is accompanied by a settlement agreement this must not be used to limit public accountability or whistleblowing. RSLs must take professional legal advice before entering into a settlement agreement.			Compliant
<b>Standard 6</b> The governing body and senior officers have the skills and knowledge they need to be effective. <b>Guidance</b>			
6.1 The RSL has a formal, rigorous and transparent process for the election, appointment and recruitment of governing body members. The RSL formally and actively plans to ensure orderly succession to governing body places to maintain an appropriate and effective composition of governing body members and to ensure sustainability of the governing body.	We have undertaken a comprehensive review of our succession plans in light of the pandemic to ensure we maintain an appropriate and effective composition.  Recruitment vacancies are always advertised and subject to: - the process set out in constitutions - recruitment policy - RAAG committee agreement  The Board undertake an annual appraisal process.	<b>Group governance framework</b> - Group Standing Orders Appendix 3A Governing Body Recruitment Policy and Procedures - Group Standing Orders [ Appendix 3B Governing Body Appraisal Policy and Group Succession Planning Policy - Sub Board skills matrices and succession plans	Compliant
6.2 The governing body annually assesses the skills, knowledge, diversity and objectivity it needs to provide capable leadership, control and constructive challenge to achieve the RSL's purpose, deliver good tenant outcomes, and manage its affairs. It assesses what is contributed by continuing governing body members, and what gaps there are that need to be filled.	Annual appraisal is in place and the policy includes self assessment together with a 1-2-1 review with Chair to evaluate performance. The Group has an appropriate Succession Planning Policy in place.	<b>Group governance framework</b> - Constitutions - Group Standing Orders [1 - Appendix 3B Governing Body Appraisal Policy and Group Succession Planning Policy]  <b>Board reporting and monitoring</b> - Board appraisal report to Group Board; - RSL Board Succession Plans - Board induction process - Subsidiary Board reports on appraisal and succession Feb 2020	Compliant
6.3 The RSL ensures that all governing body members are subject to annual performance reviews to assess their contribution and effectiveness. The governing body takes account of these annual performance reviews and its skills needs in its succession planning and learning and development plans. The governing body ensures that any non-executive member seeking re-election after nine years' continuous service can demonstrate their continued effectiveness.	An annual appraisal process is in place and the policy includes self assessment together with a 1-2-1 review with the Chair to evaluate performance.  During this year we reappointed a small number of Non-Executives beyond 9 year's service. In agreeing this the Board specifically gave consideration to the individual's ongoing effectiveness and independence.	<b>Group governance framework</b> - Constitutions - Group Standing Orders [1 - Appendix 3B Governing Body Appraisal Policy and Group Succession Planning Policy] - Board induction process - Board CPD Programme  <b>Board reporting and monitoring</b> - Board appraisal report to Group Board; - 3-year Succession Plans including specific agreement to extend beyond 9 years and assessment of continued effectiveness to support this	Compliant
6.4 The RSL encourages as diverse a membership as is compatible with its constitution and actively engages its membership in the process for filling vacancies on the governing body.	Our approach was reviewed in year and agreed by all relevant Boards taking into account this Regulatory Standard	<b>Group policies</b> - Membership Policies  <b>Group governance framework</b> - Constitutions  <b>Board reporting</b> - reports to individual Boards regarding membership changes and assessing compliance with this standard as part of the changes agreed	Compliant
6.5 The RSL ensures all new governing body members receive an effective induction programme to enable them to fully understand and exercise their governance responsibilities. Existing governing body members are given ongoing support and training to gain, or refresh, skills and expertise and sustain their continued effectiveness.	We have a structured approach to board induction and CPD. In addition to this, we take into account operating context, with tailored CPD delivered during the pandemic on virtual meetings.	<b>Induction and training</b> - Induction process - CPD programme - Institute of Directors (IoD) induction programme session on the Role of a Non-Exec Director	Compliant
6.6 If the governing body decides to pay any of its non-executive members then it has a policy framework to demonstrate clearly how paying its members will enhance decision-making, strengthen accountability and ownership of decisions, improve overall the quality of good governance and financial management and deliver value for money.	The Group Governing Body Remuneration Policy sets out the Group's approach to remuneration - which is to remunerate non-executive positions in order to attract and retain those with the right talents, skills and experience. The remuneration is based on a number of principles, which are set out in the Policy.	<b>Group policy framework</b> - Governing Body Remuneration Policy - Governing Body Member Remuneration Benchmarking Report  <b>Board reporting and monitoring</b> - Board reports	Compliant
6.7 The governing body is satisfied that the senior officer has the necessary skills and knowledge to do his/her job. The governing body sets the senior officer's objectives, oversees performance, ensures annual performance appraisal, and requires continuous professional development.	This is overseen via the Group Chair, who undertakes an annual appraisal of the Group Chief Executive and provides feedback to the Group RAAG Committee and Group Board.	<b>Board reporting and monitoring</b> - Confidential minutes of RAAG report to Group Board.	Compliant
<b>Standard 7</b> The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants. <b>Guidance</b>			
7.1 The governing body discusses and scrutinises any proposal for organisational change and ensures that the proposal will benefit current and future tenants.	The Barony change was reviewed and approved by both the Barony and Group Boards taking into account the implications for tenants.	<b>Board reporting and monitoring</b> - Board reports - Board minutes	Compliant



7.2 The RSL ensures that its governance structures are as simple as possible, clear and allow it to meet the Standards of Governance & Financial Management, Constitutional Requirements, and Group Structures guidance.	<p>We operate a relatively flat and simple corporate structure. Governance Review with advice from Campbell Tickell, supports recent decision to rationalise the Group by dispersing activities of Barony and ultimately winding one entity up. We have now also agreed to consider the Group structure further as part of the Cube strategic review.</p> <p>Intra-group agreements are in place between the parent and each subsidiary.</p>	<p><b>Group governance framework</b></p> <ul style="list-style-type: none"> <li>- Group Standing Orders</li> <li>- Intra-Group Agreements</li> </ul> <p><b>External validation</b></p> <ul style="list-style-type: none"> <li>- Campbell Tickell Governance review</li> </ul> <p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Board packs</li> </ul>	Compliant
7.3 The RSL ensures adequate consultation with, and support from, key stakeholders including tenants, members, funders (who may need to give specific approval) and local authorities as well as other regulators.	The Barony change involved significant engagement with key stakeholders, including Local Authorities and the Care Inspectorate	<p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Board reports</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>- Exchanges with Local Authorities and Care Inspectorate</li> </ul>	
7.4 The governing body is satisfied that the new (or changed) organisation will be financially viable, efficient and will provide good outcomes for tenants.	This was assessed fully in relation to Barony, in the case of DGHP this was pre Group	<p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Board reports</li> <li>- Board minutes</li> </ul>	
7.5 The RSL establishes robust monitoring systems to ensure that delivery of the objective of the change and of commitments made to tenants are achieved (for example in relation to service standards, operating costs and investment levels).	This applies within the Barony and DGHP context. We have clear monitoring arrangements in place for ensuring commitments to tenants are monitored and delivered. These will also be reported to the relevant Boards on an ongoing basis. As the more significant change, the DGHP commitments are reported at DGHP and Group Board level as part of the Transformation Programme	<p><b>Board reporting</b></p> <ul style="list-style-type: none"> <li>- reports to DGHP and Group Boards</li> <li>- Repots to WLHP and DCH Boards on Barony tenant commitments such as rent increase levels</li> </ul>	Compliant
7.6 Charitable RSLs seek consent/ notify OSCR of changes to their constitution and other changes as appropriate.	In progress for current rule changes. OSCR approval sought prior to Barony Trasfer of Engagements and dissolution	Formal notification documents to OSCR	
7.7 The governing body ensures that disposals, acquisitions and investments fit with the RSL's objectives and business plan, and that its strategy is sustainable. It considers these taking account of appropriate professional advice and a consideration of value for money - whether as part of a broader strategy or on a case by case basis.	This is not an ongoing requirement, rather a requirement to be met if and when such activity happens. Such activities remain reserved to the Board unless otherwise delegated under very clear criteria.	<p><b>Board reporting and monitoring</b></p> <ul style="list-style-type: none"> <li>- Barony Board report</li> <li>- GHA Board reports</li> </ul>	Compliant
7.8 The RSL complies with regulatory guidance on tenant consultation, ballots and authorisation.	This has applied to the Barony reorganisation in year. As part of this process we engaged throughout with the SHR and reviewed the regulatory guidance in advance of agreeing the key milestones.	Board reports relating to the Barony reorganisation and the associated tenant consultation documentation.	
7.9 The RSL notifies the Regulator of disposals in accordance with regulatory guidance.	We have a clear, robust internal process in place for ensuring that all disposals are notified to the SHR. All staff who are potentially involved in disposals are clear on where this triggers a notification requirement.	SHR Portal holds records of all notifiable disposals.	Compliant
7.10 The RSL only agrees fixed or floating charges where the assets are used to support core activities. This should exclude providing security in relation to staff pensions.	<p>The Group funding structure is split between 'RSL' and 'Others.' Wheatley Funding No. 1 Limited (WFL1) was formed as a special purpose vehicle to facilitate funding the Group RSLs from bond issuance and bank lenders. WFL1 borrows funds from the bond issuer and banks and on-lends them to the RSLs within the Group in accordance with the criteria set out in the Intercompany Loan Agreements. The Bond is secured against Group Properties. These Charged Properties are named in the Bond Trust Deed and there are requirements to notify the Trustee if the Group wants to add, substitute, release or dispose of a property charged against the Bond loan value. A Secured stock spreadsheet is maintained by the Treasury Team.</p> <p>Annual Valuations on the Group Assets are undertaken by JLL including separate valuations for each funder against assets. In addition, Prudential Securities provides its own report on funding against the Group Assets which Treasury reconcile quarterly against their own records.</p>	<p><b>Corporate records</b></p> <ul style="list-style-type: none"> <li>- Financial records of RSLs and WFL1</li> <li>- Security spreadsheet</li> </ul>	Compliant

Appendix 3

The constitution of the RSL must comply with all legislative requirements under the 2010 Act (which are not replicated here) and the following regulatory requirements:	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
	All RSL rules take into account the SFHA Charitable Model Rules, subject to us ensurign that the reflect our own needs. All constitutions are subject to a) review by individual Baords b) review by our external legal advsiors, and c) agreement by members.		Compliant
1. It sets out clearly the RSL’s purpose, objects and powers.		All RSL Rules/Articles of Association and supporting Board papers at time of approval.  Harper MacLeod are involved in the preperation of all constitutional changes.	Compliant
2. The RSL is able to fulfil its obligations in terms of its legal status and (if relevant) its obligations as a registered charity. These obligations and how they will be met are set out in the constitution.		All RSL Rules/Articles of Association and supporting Board papers at time of approval.  Harper MacLeod are involved in the preperation of all constitutional changes.	Compliant
3. There is a system for keeping accounts and ensuring an independent audit by an appropriately qualified person. There is a proper procedure for appointing an auditor. The governing body should take whatever measures are necessary to ensure the continuing independence of the auditor including periodic review of the need for audit rotation. The RSL must send a copy of its accounts and the auditor’s report to us within six months of the end of the period to which they relate.		All RSL Rules/Articles of Association and supporting Board papers at time of approval.  Harper MacLeod are involved in the preperation of all constitutional changes.	Compliant
4. It is clear what investments and borrowing the governing body can authorise.		All RSL Rules/Articles of Association and supporting Board papers at time of approval.  Harper MacLeod are involved in the preperation of all constitutional changes.	Compliant
5. There is a procedure for dealing with disputes on matters contained within the constitution.		All RSL Rules/Articles of Association and supporting Board papers at time of approval.  Harper MacLeod are involved in the preperation of all constitutional changes.	Compliant
6. It is clear how changes can be made to the constitution.		All RSL Rules/Articles of Association and supporting Board papers at time of approval.  Harper MacLeod are involved in the preperation of all constitutional changes.	Compliant
7. It is clear how the RSL can be closed down.		All RSL Rules/Articles of Association and supporting Board papers at time of approval.  Harper MacLeod are involved in the preperation of all constitutional changes.	
8. The RSL can demonstrate its governance and financial arrangements are such as to allow the Regulator to regulate effectively, and exercise our full regulatory powers.		All RSL Rules/Articles of Association and supporting Board papers at time of approval.  Harper MacLeod are involved in the preperation of all constitutional changes.	Compliant
In relation to an RSL within a group structure:			
9. Each organisation within the group must have a distinct legal identity and separate constitution. The constitutional and financial relationships between all organisations in the group (registered or non-registered) must be documented formally and in terms that are transparent and understandable.		All RSL Rules/Articles of Association	Compliant
10. If any of the organisations within the group are charities, the RSL’s role and relationships with other group members are consistent with charity law.		All RSL Rules/Articles of Association	Compliant
11. The constitutions of group members must enable the parent to exercise control and to take corrective action where required.		All RSL Rules/Articles of Association	Compliant
12. There are procedures in place designed to avoid conflicts of interest, particularly where members of the subsidiary’s governing body are also members of the parent’s governing body.		All RSL Rules/Articles of Association	Compliant
13. Where it is constituted as a subsidiary of another body, the RSL’s constitution permits control by the parent but with sufficient independence to carry out its business, within limits set by the parent.		All RSL Rules/Articles of Association	Compliant
With regard to the governing body of the RSL and the members of the governing body:			
14. Recruitment to the governing body is open and transparent. It is clear who is eligible to become a member of the governing body and how to become a member of the governing body whether by election, nomination, selection, etc and how membership is ended. There is a procedure for removing members from the governing body.		All RSL Rules/Articles of Association	Compliant
15. There is a procedure by which members stand down from the governing body to allow for a turnover in membership. Governing body members are appointed for specific terms subject to re-election or re-appointment.		All RSL Rules/Articles of Association	Compliant
16. The membership of the governing body must be no fewer than seven and not normally exceed 15 members, including co-opted members. Names of the governing body members must be accessible to the public.		All RSL Rules/Articles of Association	Compliant
17. The powers and responsibilities of the governing body are clearly set out.		All RSL Rules/Articles of Association	Compliant
18. The roles, powers and responsibilities of governing body office bearers are set out. And any delegation to committees or staff are clearly set out in standing orders and delegated authorities.		All RSL Rules/Articles of Association	Compliant
19. There are provisions for the RSL to remove a governing body member who does not sign up to the code of conduct and to take action against or remove a governing body member in breach of the code.		All RSL Rules/Articles of Association	Compliant
20. Where the constitution allows executive staff on to the governing body, they must be excluded from holding office, and cannot form a quorum or a majority. Executive members of the governing body should not receive any additional payment for their governing body role over and above what they are entitled to under their contract of employment.		All RSL Rules/Articles of Association	Compliant
21. It is clear what types of meetings can and should be held and their purpose. There are clear procedures to call all meetings, and it is clear what the quorum of meetings should be, how resolutions will be passed, and decisions recorded, and how many meetings should take place each year, subject to a minimum of six governing body meetings a year.		All RSL Rules/Articles of Association	Compliant
22. The governing body cannot act for longer than two months if its membership falls below seven. If at the end of that period it has not found new members then the only power it will have is to act to bring the governing body members up to seven.		All RSL Rules/Articles of Association	Compliant
23. There is a clear process to identify and address any conflicts of interest on the governing body.		All RSL Rules/Articles of Association	Compliant

24. The Chairperson’s role is set out formally; the Chairperson is responsible for the leadership of the governing body and ensuring its effectiveness in all aspects of its role. There is a clear process to select the Chairperson, who cannot be an executive member, and must not hold office continuously for more than five years.		All RSL Rules/Articles of Association	Compliant
25. If the RSL pays any of its non-executive governing body members then it must ensure that: a) the governing body takes account of independent guidance in setting payment amounts and can demonstrate value for money; b) the payments are linked to specified duties and there is a clear process for assessing performance in carrying out these duties; c) details of governing body payments are published in the RSL’s annual accounts; and d) where an RSL has subsidiaries it must ensure any payments and benefits to subsidiary governing body members are included in the policy. Charitable RSLs must comply with the Charities and Trustee Investment (Scotland) Act 2005 and any associated guidance from the charity regulator when considering payments or benefits to charity trustees.		All RSL Rules/Articles of Association	Compliant
26. The role and status of co-optees is set out. Co-optees do not form part of any quorum required for meetings of the governing body and may not vote on matters directly affecting the constitution and membership of the organisation or the election or appointment of its office bearers.		All RSL Rules/Articles of Association	Compliant
With regard to the general membership of the RSL:			
27. It is clear who is eligible to become a member of the RSL and who cannot, and it is clear how to become a member and how membership is ended. Names of the members must be accessible to any other member or anyone with an interest in the RSL’s funds.	This is detailed through a combination of constitutions and membership policies	All RSL Rules/Articles of Association - Membership policies	Compliant
28. Membership of the RSL should reflect the purpose and objects of the RSL.	Members for GHA and WHG are the Board, so by definition reflect the purpose and objects as they set them - Other RSLs have membership policy which set out the membership. Membership primarily open to tenants, Board members and the Parent .	All RSL Rules/Articles of Association - Membership policies	Compliant
29. There is a clear procedure, including the quorum and voting procedure, for the membership of the RSL to meet and it is clear what business the membership can discuss and what decisions it can make, subject to a minimum of one annual meeting.	Clearly detailed within each constitution	All RSL Rules/Articles of Association	Compliant



# The Scottish Social Housing Charter

April 2017



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# The Scottish Social Housing Charter

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# 1. Introduction

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## 1 Status of the Charter

1.1 As required by section 31 of the Housing (Scotland) Act 2010, the Scottish Ministers, in this Scottish Social Housing Charter, set the standards and outcomes that all social landlords should aim to achieve when performing their housing activities.

1.2 The first Charter came into effect on 1 April 2012 and was reviewed during 2016. This revised Charter was approved by resolution of the Scottish Parliament on 8th February, has effect from 1 April 2017 and continues to apply until the Parliament approves a further revised Charter.

1.3 Before submitting the revised Charter to the Scottish Parliament for approval, and as required by section 33 of the 2010 Act, the Scottish Ministers consulted the Scottish Housing Regulator; tenants in social housing and their representative bodies; social landlords; homeless people; and other stakeholders about the Charter's contents. They have taken account of all their views to ensure that the outcomes in the Charter:

- describe the results that tenants and other customers expect social landlords to achieve
- cover social landlords' housing activities only
- can be monitored, assessed and reported upon by the Scottish Housing Regulator.

1.4 The Charter does not replace any of the legal duties that apply to social landlords, but in several cases the outcomes describe the results social landlords should achieve in meeting their legal duties.



## **2 Purpose of the Charter**

2.1 The Charter helps to improve the quality and value of the services that social landlords provide, and supports the Scottish Government's long-term aim of creating a safer and stronger Scotland. It does so by:

- stating clearly what tenants and other customers can expect from social landlords, and helping them to hold landlords to account
- focusing the efforts of social landlords on achieving outcomes that matter to their customers
- providing the basis for the Scottish Housing Regulator to assess and report on how well landlords are performing. This assessment enables the Regulator, social landlords, tenants and other customers to identify areas of strong performance and areas needing improvement.

2.2 The Regulator's reports also help the Scottish Government to ensure that public investment in new social housing goes only to landlords assessed as performing well.

## **3 Scope and content of the outcomes and standards**

3.1 The Charter has seven sections covering: equalities; the customer/landlord relationship; housing quality and maintenance; neighbourhood and community; access to housing and support; getting good value from rents and service charges; and other customers. It contains a total of 16 outcomes and standards that social landlords should aim to achieve. The outcomes and standards apply to all social landlords, except that number 12 applies only to councils in relation to their homelessness duties; and number 16 applies only to councils and registered social landlords that manage sites for Gypsy/Travellers.

3.2 Each section is accompanied by a short description of the context of the outcome or standard, including the areas of activity to which it applies and any relevant legal duties connected with it. The description is not part of the outcome, and does not tell social landlords how to achieve it. That is a matter for each landlord to decide in consultation with its tenants and other customers.

3.3 During the Charter review, many stakeholders said that all the standards and outcomes should be reflected across the whole of a landlord's activities. For example, the communication outcome requires landlords to manage their businesses so that tenants and other customers find it easy to communicate



with their landlord and get the information they need about their landlord. This information would include how and why their landlord makes decisions and provides its services; how it communicates its plans for providing repairs, maintenance and improvements; how it provides information on housing options; and how it helps tenants sustain their tenancy.

## **4 Assessing social landlords' achievement of the outcomes**

4.1 Social landlords are responsible for meeting the standards and outcomes set out in the Charter. They are accountable to their tenants and other customers for how well they do so. They should ensure their performance management and reporting systems show how well they are achieving the outcomes; identify any areas where they need to improve; and enable them to report to their tenants and other customers and the Scottish Housing Regulator.

4.2 Under the 2010 Act, the Scottish Housing Regulator is responsible for monitoring, assessing and reporting on how well social landlords, individually and collectively, achieve the Charter's outcomes.

## **5 Reviewing and revising the Charter**

5.1 Unless stakeholders raise urgent and significant concerns about how the Charter is working in practice, the Charter will apply for five years from 1 April 2017. In consultation with stakeholders, the Ministers will review its effect during 2021 on the quality and value of social landlords' services, and its value to tenants and other customers, social landlords and the Scottish Housing Regulator.

## 2. Charter outcomes and standards

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### The customer/landlord relationship

#### 1: Equalities

Social landlords perform all aspects of their housing services so that:

- *every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.*

This **outcome** describes what social landlords, by complying with equalities legislation, should achieve for all tenants and other customers regardless of age, disability, gender reassignment, marriage and civil partnership, race, religion or belief, sex, or sexual orientation. It includes landlords' responsibility for finding ways of understanding the rights and needs of different customers and delivering services that recognise and meet these.

#### 2: Communication

Social landlords manage their businesses so that:

- *tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides.*

This **outcome** covers all aspects of landlords' communication with tenants and other customers. This could include making use of new technologies such as web-based tenancy management systems and smart-phone applications. It is not just about how clearly and effectively a landlord gives information to those who want it. It also covers making it easy for tenants and other customers to make complaints and provide feedback on services, using that information to improve services and performance, and letting people know what they have done in response to complaints and feedback. It does not require landlords to provide legally protected, personal or commercial information.

### 3: Participation

Social landlords manage their businesses so that:

- *tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with.*

This **outcome** describes what landlords should achieve by meeting their statutory duties on tenant participation. It covers how social landlords gather and take account of the views and priorities of their tenants, other customers, and bodies representing them such as registered tenant organisations; how they shape their services to reflect these views; and how they help tenants, other customers and bodies representing them such as registered tenant organisations to become more capable of involvement – this could include supporting them to scrutinise landlord services.

## Housing quality and maintenance

### 4: Quality of housing

Social landlords manage their businesses so that:

- *tenants' homes, as a minimum, meet the Scottish Housing Quality Standard (SHQS) when they are allocated; are always clean, tidy and in a good state of repair; and also meet the Energy Efficiency Standard for Social Housing (EESH) by December 2020.*

This **standard** describes what landlords should be achieving in all their properties. It covers all properties that social landlords let, unless a particular property does not have to meet part of the standard.

If, for social or technical reasons, landlords cannot meet any part of these standards, they should regularly review the situation and ensure they make improvements as soon as possible.

## 5: Repairs, maintenance and improvements

Social landlords manage their businesses so that:

- *tenants' homes are well maintained, with repairs and improvements carried out when required, and tenants are given reasonable choices about when work is done.*

This **outcome** describes how landlords should meet their statutory duties on repairs and provide repairs, maintenance and improvement services that safeguard the value of their assets and take account of the wishes and preferences of their tenants. This could include setting repair priorities and timescales; setting repair standards such as getting repairs done right, on time, first time; and assessing tenant satisfaction with the quality of the services they receive.

## Neighbourhood and community

### 6: Estate management, anti-social behaviour, neighbour nuisance and tenancy disputes

Social landlords, working in partnership with other agencies, help to ensure as far as reasonably possible that:

- *tenants and other customers live in well-maintained neighbourhoods where they feel safe.*

This **outcome** covers a range of actions that social landlords can take on their own and in partnership with others. It covers action to enforce tenancy conditions on estate management and neighbour nuisance, to resolve neighbour disputes, and to arrange or provide tenancy support where this is needed. It also covers the role of landlords in working with others to tackle anti-social behaviour.

## Access to housing and support

### 7, 8 and 9: Housing options

Social landlords work together to ensure that:

- *people looking for housing get information that helps them make informed choices and decisions about the range of housing options available to them*
- *tenants and people on housing lists can review their housing options.*

Social landlords ensure that:

- *people at risk of losing their homes get advice on preventing homelessness.*

These **outcomes** cover landlords' duties to provide information to people looking for housing and advice for those at risk of becoming homeless. This could include providing housing 'health checks' for tenants and people on housing lists to help them review their options to move within the social housing sector or to another sector.

### 10: Access to social housing

Social landlords ensure that:

- *people looking for housing find it easy to apply for the widest choice of social housing available and get the information they need on how the landlord allocates homes and on their prospects of being housed.*

This **outcome** covers what social landlords can do to make it easy for people to apply for the widest choice of social housing that is available and suitable and that meets their needs. It includes actions that social landlords can take on their own and in partnership with others, for example through Common Housing Registers or mutual exchange schemes, or through local information and advice schemes.

## 11: Tenancy sustainment

Social landlords ensure that:

- *tenants get the information they need on how to obtain support to remain in their home; and ensure suitable support is available, including services provided directly by the landlord and by other organisations.*

This **outcome** covers how landlords on their own, or in partnership with others, can help tenants who may need support to maintain their tenancy. This includes tenants who may be at risk of falling into arrears with their rent, and tenants who may need their home adapted to cope with age, disability, or caring responsibilities.

## 12: Homeless people

Local councils perform their duties on homelessness so that:

- *homeless people get prompt and easy access to help and advice; are provided with suitable, good-quality temporary or emergency accommodation when this is needed; and are offered continuing support to help them get and keep the home they are entitled to.*

This **outcome** describes what councils should achieve by meeting their statutory duties to homeless people.

## Getting good value from rents and service charges

### 13: Value for money

Social landlords manage all aspects of their businesses so that:

- *tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.*

This **standard** covers the efficient and effective management of services. It includes minimising the time houses are empty; managing arrears and all resources effectively; controlling costs; getting value out of contracts; giving better value for money by increasing the quality of services with minimum extra cost to tenants, owners and other customers; and involving tenants and other customers in monitoring and reviewing how landlords give value for money.

### 14 and 15: Rents and service charges

Social landlords set rents and service charges in consultation with their tenants and other customers so that:

- *a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and service users can afford them*
- *tenants get clear information on how rent and other money is spent, including details of any individual items of expenditure above thresholds agreed between landlords and tenants.*

These **outcomes** reflect a landlord's legal duty to consult tenants about rent setting; the importance of taking account of what current and prospective tenants and other customers are likely to be able to afford; and the importance that many tenants place on being able to find out how their money is spent. For local councils, this includes meeting the Scottish Government's guidance on housing revenue accounts. Each landlord must decide, in discussion with tenants and other customers, whether to publish information about expenditure above a particular level, and in what form and detail. What matters is that discussions take place and the decisions made reflect the views of tenants and other customers.



## Other customers

### 16: Gypsy/Travellers

Local councils and social landlords with responsibility for managing sites for Gypsy/Travellers should manage the sites so that:

- *sites are well maintained and managed, and meet the minimum site standards set in Scottish Government guidance.*

This **outcome** includes actions landlords take to ensure that: their sites meet the Scottish Government guidance on minimum standards for Gypsy/Traveller sites, and those living on such sites have occupancy agreements that reflect the rights and responsibilities set out in guidance.

All the standards and outcomes in the Charter apply to Gypsy/Travellers.

**Scottish Government**  
**April 2017**

## 3. A note about language

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We use some key phrases throughout the Charter, which we explain below.

### **Housing (Scotland) Act 2010, section 31**

Section 31 of the Act says that:

‘Ministers must set out standards and outcomes which social landlords should aim to achieve when performing housing activities.

‘The document in which those standards and outcomes are set out is to be known as the “Scottish Social Housing Charter”.’

### **Long-term aims**

The Scottish Government has five long-term aims, known as the strategic objectives. Everything it does should contribute towards making Scotland:

- wealthier and fairer
- healthier
- safer and stronger
- smarter
- greener.

The Charter supports the aim of creating ‘A safer and stronger Scotland’.

### **Outcome**

- An outcome is a result we want to happen.
- The Charter sets out the results that a social landlord should achieve for its tenants and other customers.
- The Charter is not about what a landlord does or how it does it. It is about the customer’s experience of using a landlord’s services.

## **Scottish Housing Regulator**

The Regulator is the independent body that the Scottish Parliament created to look after the interests of people who are or may become homeless, tenants of social landlords, or users of the services that social landlords provide. The Regulator monitors, assesses, and reports on how landlords are performing against the Charter's outcomes and standards.

## **Scottish Housing Quality Standard (SHQS)**

The SHQS is the Scottish Government's main way of measuring the quality of social housing in Scotland.

## **Energy Efficiency Standard for Social Housing (EESH)**

The EESH aims to improve social housing's energy efficiency in Scotland. It will help to reduce energy consumption, fuel poverty and greenhouse gas emissions. The standard will also contribute to reducing carbon emissions by 42% by 2020, and 80% by 2050, in line with what's required by the Climate Change (Scotland) Act 2009.

## **Social housing**

Housing provided by councils and housing associations under a Scottish Secure Tenancy or Short Scottish Secure Tenancy.

## **Social landlord**

- A council landlord.
- A not-for-profit landlord, registered with the Scottish Housing Regulator (for example, a housing association, or co-operative).
- A council that does not own any housing but provides housing services, for example services for homeless people.

## Stakeholder

A person or organisation with an interest in social housing and the way it is regulated. The following are some examples of stakeholders:

- The Scottish Housing Regulator.
- Tenants of social landlords and bodies representing their interests.
- Homeless people and bodies representing their interests.
- Users of housing services provided by social landlords and bodies representing the interests of those users.
- Social landlords and bodies representing their interests.
- Secured creditors of registered social landlords and bodies representing those secured creditors.
- The Accounts Commission for Scotland.
- The Equalities and Human Rights Commissions and other bodies representing equal opportunities interests.

## Standard

A level of quality that every social landlord should achieve.

## Tenants and other customers

- People who are already tenants of a social landlord.
- People who may become tenants in the future – for example, someone who has applied for a tenancy.
- Homeless people.
- People who use the housing services provided by a social landlord – for example, home owners who pay a social landlord to provide a factoring service, or Gypsy/Travellers who use sites provided by a social landlord.



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