WHEATLEY HOUSING GROUP LIMITED
BOARD MEETING

Wednesday 26 April 2023 at 10.30am
Brasswell Office, Dumfries

AGENDA

1. Apologies for absence

2. Declarations of interest

3. Minute of meeting held on 15 March 2023, action list and matters arising

4. Group CEO update

Main Business

5. [redacted]

6. Supporting our customers – Wheatley Foundation Annual Report 2022-23

7. Regeneration update (verbal)

8. 2023/24 Group Delivery Plan

9. Group Suicide Prevention Framework

10. Home Safe building compliance update

11. Fire Prevention and Mitigation update

Other business

12. Governance update

13. Finance Report

14. Treasury update

15. Cloud telephony contract award

16. AOCB

Report

To: **Wheatley Housing Group Board**

By: **Laura Pluck, Group Director of Communities**

Approved by: **Steven Henderson, Group Chief Executive**

Subject: **Supporting our customers - Wheatley Foundation Annual Report 2022-23**

Date of meeting: **26 April 2023**

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1. Purpose

1.1 The purpose of this report is to:

1) Provide an update on the work of the Wheatley Foundation in 2022-23 and the additional support on offer to customers throughout the cost-of-living crisis.
2) Outline the impact of the support and Foundation programmes on our customers and set out our priorities for 2023-24.

2. Authorising and strategic context

2.1 Under the Group Standing Orders, the Group Board is responsible for approving strategy and has a role in monitoring and scrutinising overall performance against targets at both Group and subsidiary level. This report updates the Board on the performance of the Wheatley Foundation in the last year to allow it to carry out this role.

2.2 The work of the Foundation supports the delivery of our strategy and in particular our strategic theme, *Changing lives and communities*.

3. Background

3.1 The Foundation was created in 2016 to support our commitment to "Making Homes and Lives Better" for our customers and communities across Scotland. It aims to maximise access to employment, training and learning opportunities for customers of all ages and to support customers by tackling social exclusion and alleviating the impacts of poverty.

3.2 The Foundation helps us support our most disadvantaged customers and communities. The Foundation's brand and identity has developed over the past seven years to reinforce our reputation for supporting better lives. This is evidenced by the high-profile external funding awards secured previously from the Scottish Government and European Social Fund.

3.3 The Foundation played a key role in our response to the Covid-19 pandemic, primarily through supporting households via our Eatwell programme. On the back of this global pandemic, which we know had a severe impact on economic resilience within our communities, the cost-of-living crisis has quickly followed, compounding the impact on our customers.

3.4 Throughout 2022-23 the cost-of-living crisis has placed exceptional and unprecedented pressure on household budgets of our customers of whom over 30% are in receipt of universal credit and already economically challenged.

3.5 In August 2022, the Board approved the proposal for the introduction of the Here for You fund and campaign as the agreed response to support customers through the cost-of-living crisis. The new fund and campaign are managed by the Foundation.

3.6 In addition to the Here for You fund, our extensive wraparound support and Foundation programmes, our customer-focused operating model and approaches we adopt to engaging with our customers put us in a strong position to successfully understand the needs of our customers and respond to these effectively.

4. Discussion

4.1 A key aim of our new operating model, implemented in late 2021 was to ensure that our frontline teams were visible and even more present within their local communities by directing everyday interactions with customers to our new Customer First Centre ("CFC"). With a target of resolving 90% of customer queries or service requests at the first point of contact, the CFC in its first full year of operations has received and made c1million contacts with customers with 88.7% of these being resolved at first contact.

4.2 By design, this has drastically reduced the amount of contact made directly to frontline housing officers/Lowther agents that are transactional in nature. As a result, in the last 12 months there have been over 100,000 visits to tenants across our communities from housing officers and Lowther agents alone not only increasing the visibility of frontline staff in our communities but enabling a more in-depth picture of individual customer and community circumstance. This has been key as we have supported customers to navigate the cost-of-living crisis.

4.3 Frontline staff have had a crucial role in understanding customers impacted most by the cost-of-living crisis or those who would benefit from Foundation programmes. By Autumn 2022 it was apparent that the impact of the cost-of-living crisis was likely to be felt across a much wider segment of our customers, impacting those who wouldn't ordinarily access our wraparound services and as such raising awareness of the support we were able to offer as well as having extensive knowledge of external support individuals were entitled to draw down.

4.4 Our Here for You campaign was launched in August 2022 and has continued to be highlighted to our customers via our social media channels, through discussions with CFC staff and frontline staff working in customers' homes and our communities. Our annual rent campaign in the run-up to Christmas also carried the 'here for you' messaging, inviting people to reach out for help if they were struggling or worried about paying their rent.

4.5 Our winter planning approach played an even more important role this year as we worked with customers to ensure they were prepared for the winter months. This included top tips being highlighted on our websites and social medial channels and included home visits for individuals over the age of 70.

4.6 During 2022-23, the Foundation has provided vital support to thousands of households facing challenges because of the cost-of-living crisis through the Here for You fund. In addition, the Foundation has delivered an extensive planned programme of activity and initiatives for our customers and those living in our communities. Much of this seeks to proactively support customers to maximise employment, learning and training opportunities, tackle social exclusion and alleviate poverty.

4.7 The creation and launch of the Here for You approach brought together the wide range of internal and external customer support and advice already on offer. It also brought together our food, fuel and rent financial support offerings under one recognisable banner and referral process for frontline staff. The aim was to reach those most in need, supporting customers in crisis, while raising their awareness of and access to the range of wider wraparound support on offer to them.

4.8 The Here for You fund, as agreed with Board, has not been means-tested; instead frontline staff are empowered to use their professional judgement. A critical element of our Here for You approach is the continued customer conversation on individual circumstances, what external support is on offer and how to access this and the services and support we can offer both short and long-term.

4.9 The Foundation has invested almost £6m in Wheatley communities during 2022-23 of which £3.3m relates to our Here For You Fund. For the year, we supported over 23,000 households, achieving all annual targets including:

- 24,000 practical interventions to alleviate financial pressures, including support provided through the Here for You campaign.
- 5,255 children and young people participating in targeted Foundation activities.
- 802 Wheatley Works jobs, apprenticeship and training opportunities created, with 78% going to our customers.
- 56 bursaries provided to assist people to access higher education.
- £1.6m of external funding secured to support the delivery of Foundation programmes.

Tackling the impacts of poverty

4.10 The **Here for You** campaign has included signposting or helping customers access support or funding from other organisations, through referrals to our own internal wraparound support services, or utilising our Here for You fund. Since October 2022, there have been over 10,400 service requests by frontline staff for customers to get access to support.

4.11 During 22/23, the Here for You fund has provided:

- over 4,400 households with 6,186 food vouchers;
- almost 10,000 fuel vouchers to help customers pay for their gas and electricity; and
- over 5,200 households with rent payment support.

4.12 'Struggling with an unexpected bill, expenses, or other debts' has continued to be the most common reason for customers receiving support from the Here for You fund, with 53% of the service requests from frontline staff being for this reason. Other reasons have included Benefit Sanctions; Reduced work hours; Sick leave with no pay; Delay in payment/wages.

4.13 Some case study examples provided below give a snapshot of the impact of the Here for You campaign:

Single mother with a child battling cancer. Customer was awaiting a benefit claim and doing her utmost to sustain her rent payments while she awaited the outcome of the claim, but it was proving very challenging with increased bills and shopping costs. The Letting Agent provided support with her rent payment and offered Welfare benefit support. Customer has fed back ***'It's lifted a huge weight off my shoulders'*** Lowther Homes (East Scotland)

Customer struggling with 2 non-dependent charges for sons living at home. One son awaits further treatment after a bleed on the brain and has been told to obtain a PIP application – a Welfare Benefits Advisor assisted with the completion. Through HFY, the Housing Officer assisted with rent and fuel vouchers as the customer suffers from arthritis and requires the heating on constantly. Wheatley Homes Glasgow

Customer has young children and is on benefits after losing her job at the start of her tenancy. She was struggling with increased electricity bills and the cost of living. The customer was provided with advice on available grants from the electricity company and advice on changing from her prepaid meter which is more expensive. She benefited from a payment to support her rent which helped her while she arranged the change of meter and utilities grant funding. Lowther Homes (West Scotland)

Customer has complex needs, with Adult Support and Protection referrals progressed over the past 5-6 months, including a temporary decant to allow work needed to bring the property back to reasonable standard, and Fire Safety visits. Customer has rent debt and their gas meter was capped with over £300 debt. Fuel advisor explored options and agreed a repayment plan of £3.72 per week. Customer received a fuel voucher to help with a payment of debt and provide credit for heating/hot water. Welfare Benefits Officer support was arranged to ensure customer claims full entitlements. Significant additional support now in place to address other issues including welfare guardianship. The customer is engaging well and is ***"delighted with the support and ongoing weekly visits by the Housing Officer and Social Work Services"*** Wheatley Homes South

4.14 Demand for **financial, benefits and fuel advice** has remained high during 2022-23 with a total of £16 million financial gain for our customers as a direct result of our interventions.

Programme	Households Supported	Financial Gain
My Great Start	1,225	£2.6m
Welfare Benefit Advice	7,386	£13m
Fuel Advice	4,574	£0.4m

A sample of feedback from recipients is set out below:

"*It was an extremely helpful service - I know I couldn't have got through the change from tax credits to universal credit without it" Wheatley* Homes Glasgow

"They helped me massively, because I was in a position where I wasn't working and had not eaten properly for a couple of weeks. [The vouchers] were really helpful." Wheatley Homes East

"It took a lot of pressure off me - not having the stress of not having the food. Fruit is now a luxury, so we were able to buy fruit with the voucher, it helped me with eating healthier." Wheatley Homes Glasgow

"The advice given on reducing energy consumption was very helpful and has encouraged me to find other ways to achieve this." Loretto Housing

"Made my daily life a lot more tolerable with energy debt spiralling and helped my anxiety in one less thing to worry about with a large debt over my head I'm sincerely thankful for the help and service I received in a very quick time" Wheatley Homes East

4.15 Our **Home Comforts** programme has delivered free recycled furniture and white goods items to **809 homes**, supporting customers to create a home and sustain their tenancy. During 2022-23, Home Comforts was extended into Dumfries and Galloway, working in partnership with 2 local charities – SHAX, Dumfries and the Community Re-use Shop, Stranraer. This adds to the Home Comforts services delivered in the East in partnership with charity, Four Square, and in the West by our in-house NETS team, based in Glasgow.

"Over the moon with service, quality of furniture was brilliant, I was more than happy" Wheatley Homes East

"Getting the furniture helped me feel less stressed and allowed me to use my money for food and bills" Wheatley Homes Glasgow

4.16 During 2022, the Foundation supported the opening of a fourth community larder/pantry in Glasgow in partnership with Good Food Scotland. Since opening in September 2022, the new **Kennishead Larder** has become an instant hit in the community with **330 customers** signing up to access healthy, low-cost food including fresh fruit and vegetables, meat, cheese, bread, baby food, nappies, frozen food and tinned goods. Halal meat is also available to cater for the local Muslim community. Tenants spend on average £9.85 each visit, which buys them food and other essentials worth up to £20.

4.17 There are a further 2 Larders that will be opening in the coming months with our partners – LINKES in Knightswood and Balbeggie Street in Sandyhills. Both new larders are utilising space at the bottom of WHG multi-storey flats. Additionally, we are exploring options in Milton and Drumchapel. We are working with existing Larders/Pantries to develop and expand their services to meet demand in our communities, for example, supporting Summerhill Community Centre, Dumfries, to extend their opening hours, cater for more local families and provide certificated training/volunteering opportunities for people using the Pantry.

"The larder has been excellent for everybody and has made a big difference in the area." Wheatley Homes Glasgow

"You don't realise how difficult times are for people. A lot of people don't have access to cars and can feel isolated at home. They find it easier coming here as they can meet new people and have a chat while saving money on their shopping." Wheatley Homes Glasgow

Employment, Training & Learning

4.18 **Wheatley Works** bring together all the Foundation's employability support under one banner, providing a simple referral pathway for staff, partners and customers. Wheatley Works aim to deliver holistic, personalised 1:1 support for customers to help them improve skills and readiness to take up jobs, training and apprenticeship opportunities.

4.19 During 2022-23, Wheatley Works has supported **802 jobs, apprenticeship and training opportunities** this year across Group, with 78% going to Wheatley customers:

- 216 job opportunities
- 470 training opportunities
- 116 apprenticeships

"The course was really important in getting me mentally ready for work. That was invaluable. I've now got a lot more belief in myself." Wheatley Homes South

"The best thing about the job is being out in our communities and getting to know the tenants. I love coming to work every day and the banter is great!" Wheatley Homes Glasgow

"Just the fact I've got an interview, lets me know that I am worth something and I can actually do this sort of job". Wheatley Homes Glasgow

4.20 Since Wheatley Works was launched in 2018, over 3,000 opportunities have been created. This milestone was celebrated in January 2023 with customers that have been supported and the Minister for Higher Education and Further Education, Youth Employment and Training, Jamie Hepburn MSP.

4.21 **Way Ahead**, the Foundation's Glasgow-based ESF employability contract, supported 60 people that have been long-term unemployed, with mentors working with customers with issues ranging from addiction and convictions to homelessness.

4.22 City Building Glasgow recruited **64 new trade apprentices**, with 42% being secured by young people living in Wheatley homes.

4.23 A total of **94** people took up a **Changing Lives** placement or an **Environmental Apprenticeship**. Wheatley Works officers provide ongoing support to the trainees and apprentices within NETs teams, helping them to progress into permanent employment. 49 trainees/apprentices found jobs in 2022-23, 21 with Wheatley.

4.24 Contractual **Community Benefits** within newbuild contracts created 63 jobs and training opportunities, with 23% taken up by Wheatley customers:

- 34 work placements
- 11 apprenticeships
- 18 jobs

4.25 The **Wheatley Pledge** wage incentive scheme supported **16 local businesses** ranging from childcare to construction to **recruit 34 unemployed customers** to a variety of roles including bus driver, joiner, play worker, post office assistant and painter/decorator.

4.26 Fifty-six new **bursaries** were awarded in August 2022, with 5 being awarded to Ukranian students to enable them to study at the Royal Conservatoire of Scotland. In addition, year-two support was provided to 36 existing bursary students, including customers on low incomes, lone parents, carers and young people formerly in care.

"The course is based in Ayr, so the bursary has been a god send. Without it, I would have struggled to afford the cost of travel to Ayr from Glasgow for my classes. Having the bursary removed any worries about money and has been a massive help." Wheatley Homes Glasgow

"The bursary has been invaluable. I was able to buy a new laptop which I wouldn't have been able to afford otherwise. It also helped with the cost of textbooks and travel. Most importantly, it's taken away a lot of financial worry and means I can spend more of my spare time with my son instead of having to take on extra part-time work." Wheatley Homes South

4.27 **John Wheatley Learning Network** has provided free access to computers and the internet for **2,905 people** this year. The network, comprising 36 local centres, assists people to improve their digital skills and has supported 696 enrolments in certificated learning courses.

"Before I didn't know how to use a computer, it makes me feel a lot better now - that's all down to June (centre staff member) helping me with it." Wheatley Homes Glasgow

"The staff are very helpful and we've got great booklets to follow for our learning and our tutor has made learning easy for us. Hindi is our first language, but we are also both students in the ESOL class which also takes place here". Wheatley Homes Glasgow

Children and young people

4.28 Enabling people to achieve their potential by addressing imbalances in disadvantage and access to opportunities is what drives the work of the Foundation. No-one should be left behind because of the barriers they have experienced in life or simply because of where they live. To support our customers of the future, the Foundation has committed to delivering a range of education and learning programmes that help give children and young people the chance to thrive.

4.29 The **Dolly Parton Imagination Library** delivered over **6,400 free reading books** during 22/23 to 627 children living in Wheatley homes. The Foundation has now sent almost 27,000 books to children aged under 5, since the Imagination Library partnership was developed group-wide in 2018.

4.30 **StreetwYze** supported almost 200 young people to take part in workshop sessions to raise awareness of gang culture and knife crime. Young people have been learning about the consequences and ripple effect on not only themselves but the wider community with risk-taking behaviours through these workshops.

4.31 **Curiosity Collective** has supported over 3,200 primary-aged children with 2 Wonderbox activity packs. The aim of this project is to encourage children to engage in play and learning outside the classroom and give them some resources to do this. A final edition of the Wonderbox will be issued in June 2023.

4.32 **Dunedin Canmore Youth Project** has supported nearly 800 young people this year in Oxgangs, Slateford Green and Valley Park. Outreach work in the community and local schools covered subjects ranging from youth work to mental wellbeing and sexual health.

"It's a really good service, I love it and he loves it. He gets really excited when the books are delivered and we read them all together all the time. I'm so glad we were signed up" Wheatley Homes South

"I really like Wonderbox because it helps me express myself in lots of different ways" Loretto Housing

"I enjoy getting to try new activities and visit new places. I went to the Christmas markets for the first time this year and it was brilliant" Wheatley Homes East

External Funding

4.33 [redacted]

4.34 [redacted]

4.35 The cost-of-living crisis continues to disproportionately affect lower-income families who spend a greater proportion on essential bills and food. Therefore, the Here for You campaign will continue through 2023-24, with a key priority to continue to seek and secure external funding that allows existing Foundation programmes to be increased in scale (if required), or the development of new programmes that support customers and communities.

4.36 The Foundation priorities for 2023-24 reflect the Group's efforts to support customers by providing essential wraparound support to those at the highest risk of poverty, including families, young people and lone parents; and delivering programmes that provide access to fair, sustainable training and employment opportunities.

5. Customer Engagement

5.1 Enhancing customer engagement through co-design and development of services is a key strategic priority. The Group's customer engagement framework *Stronger Voices, Stronger Communities*, ensures customer involvement and feedback shape and determine the scope and nature of new programmes and activities.

5.2 In 2022, the Foundation commissioned independent research organisation Rocket Science to collect customer feedback on the impact of programmes such as EatWell, Environmental Roots, and Changing Lives, engaging 400 participants. Feedback from participants overall has been positive:

- a majority agreed that Foundation programmes have helped their household cope when life is difficult (63%) and have helped them feel more in control of their lives (61%).
- Processes for receiving services were considered straightforward, and successful in supporting vulnerable customers, who would otherwise find it difficult to access support.
- 82% customer satisfaction with EatWell (food vouchers) indicates it is an essential, well-regarded service, with 75% agreeing the service helped them cope when life is difficult and 87% saying it provided essential support during a crisis.
- The Environmental Roots programme is well received with 80% of customer satisfaction and focus group participants confirmed the pre-employability approach worked well for them in providing valuable support, new skills and confidence
- Changing Lives successfully helps customers gain new skills (88%) and creates financial stability (75%) and 81% agreed it helped them identify career goals; and they now felt much more optimistic about going for job opportunities.

5.3 While advice and practical support are valued by participants, some customers told us they continue to experience ongoing worries and financial difficulties due to the cost-of-living crisis, especially around food and increasing energy bills.

5.4 We will use the customer feedback to make improvements to the programmes where relevant.

6. Environmental and sustainability implications

6.1 Foundation programmes incorporate our sustainability objectives. This includes creating green jobs and training opportunities and contributing evidence of the Foundation's wider social value as part of Wheatley accreditation submissions, such as the Group's 2021-22 Environmental, Social and Governance (ESG) stakeholder report submissions. The Foundation recently recruited a Greener Communities Officer to ensure there remains a strong focus on sustainability objectives within the work of the Foundation.

7. Digital transformation alignment

7.1 The Group's five-year strategy is underpinned by digital transformation. The Foundation's contribution to the IT transformation agenda ranges from supporting You Choose Challenge online ballots to the distribution of digital EatWell supermarket vouchers and the extension of online and telephone advice and customer feedback services.

8. Financial and value for money implications

8.1 The Foundation continues to source, secure and maximise funding opportunities, as well as new partnerships to provide value for money for the business, customers and communities. The activities of the Foundation are supported by donations from our RSL subsidiaries and gift aid from Lowther.

8.2 As agreed with Board previously the Here for You Fund will continue into 2023-24 again and we propose up to £3m of support to our tenants most affected by the cost-of-living crisis in this period.

9. Legal, regulatory and charitable implications

9.1 The relevant legislation and regulation applying to this performance report is the General Data Protection Regulation (GDPR), particularly in relation to customer information and data sharing. Advice is sought from Wheatley legal, audit and governance colleagues in relation to service delivery, monitoring and evaluation. The information contained in this report meets the Foundation's reporting requirements and objectives as a registered charity.

10. Risk Appetite and assessment

10.1 The matters contained in this report primarily support our Changing Lives and Communities strategic theme and in particular the strategic outcome of "supporting economic resilience within our communities". Our agreed risk appetite for this in relation to finance/reputation and credibility is "open". However, this also recognises the overall benefits of investment whilst ensuring relevant controls to minimise and possibility of financial loss.

10.2 We measure our performance against key strategic indicators monthly and undertake any improvement work where necessary. We report on this quarterly to the Foundation Board to ensure that it remains informed of progress and to mitigate the risk associated with failure to deliver our strategy.

11. Equalities implications

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

12. Key issues and conclusions

12.1 Although 2022-23 was extremely challenging in the face of the cost-of-living crisis, over 23,000 households across Group have been supported through:

- provision of direct, practical assistance to vulnerable households experiencing crisis and financial hardship; over 24,000 interventions/supports were carried out this year;
- offering training and work support for both long-term unemployed people and young people with no qualifications/work experience; Wheatley Works has supported 802 jobs and training opportunities. Highlights include 91 apprentices starting with Group NETs teams/City Building Glasgow this year and 78% of those completing Environmental Roots moving into a longer-term paid placement or employment;
- developing activities for children and young people to reconnect, learn and play. 5,255 children and young people have been supported by the Foundation this year.

12.2 Foundation priorities for 2023-24 reflect the Group's efforts to support customers by providing essential wraparound support to those at the highest risk of poverty, including families, young people and lone parents; and delivering programmes that provide access to fair, sustainable training and employment opportunities.

12.3 The Here for You campaign will continue through 2023-24. In addition, we will work with organisations that share our values to develop our approach to food security. The development of local Pantry/Larder venues can not only provide a longer-term food security outcome for customers, but they can also play a key role as a Community Hub – acting as a springboard to other local support and connections for customers.

13. Recommendations

13.1 The Board is asked to:

1) Note the activity undertaken throughout 2022/23 to support customers and communities and;
2) Agree the proposed £3 million Here for You fund for 2023/24.

LIST OF APPENDICES
None

Report

To: Wheatley Housing Group Board

By: Anthony Allison, Group Director of Governance and Business Solutions

Approved by: Steven Henderson, Group Chief Executive

Subject: 2023/24 Group Delivery Plan

Date of Meeting: 26 April 2023

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1. Purpose

1.1 This report sets out for Board approval the draft 2023/24 Group Delivery Plan, comprising:

1) Strategic projects to be reported to the Board during 2023/24; and
2) Board-level performance measures and corresponding targets.

2. Authorising and strategic context

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

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

3. Background

3.1 As part of agreeing the PMF in June 2021 the Board agreed a broad five-year programme of strategic projects to support the delivery of our new strategy and performance measures and targets for the life of the strategy.

3.2 In agreeing the 5-year programme and measures and targets, the Board recognised and agreed that we would require to remain agile and flexible throughout the life of the strategy. As such, the programme and targets are subject to annual review to take into account what has been delivered to date, our business operating context and the external operating environment.

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

4. Discussion

4.1 Strategic and business context

4.1.1 Our strategic and business context continued to evolve significantly during 2022/23. This included:

- The cost-of-living crisis and the impact this has had on our customers and communities;
- A significant level of senior change in the business;
- Restructuring of our RSLs in the East of Scotland following endorsement from tenants to create Wheatley Homes East;
- Our ongoing repairs transformation, with a heightened emphasis on damp and mould processes and procedures;
- The influence on our rent setting process of the Tenant Protection Bill (Scotland) and our below inflation rent increases for 2023/24; and
- The significant level of tenant engagement over the year which has provided valuable customer insight on key priorities for tenants.

4.2 Group Delivery Plan 2023/24

4.2.1 The 2023/24 Group Delivery Plan is the third yearly plan of our five-year strategy. As has been reported to the Board since 2021, we have already delivered or commenced a wide number of major strategic projects and activities linked to key themes and targets within our strategy, including:

- Implementation new tenant engagement framework, recruitment of 1500+ Customer Voices and a community led development approach introduced;
- Major changes to our repairs service, including core IT platform upgrades;
- Strategic governance review, including the Creation of Wheatley Homes East, rebranding of DGHP;
- Reorganisation of the RSL borrower group, in particular to support Wheatley Developments;
- Creation of a single vehicle for Glasgow, Wheatley Homes Glasgow;
- Strategic Sustainability Framework agreed and pathway to Net Zero Group created;
- Strategic homelessness policy implemented;
- Major regeneration projects at Wyndford and Lochside are underway; and
- New operating model for customers and staff implemented.

4.2.2 The majority of these projects were key enablers to the delivery of our overall strategy and/or associated strategic results. As such, the focus of our year-3 delivery plan projects narrows to either the follow-on projects linked to these major projects or to measuring their impact, most specifically through customer satisfaction-based measures.

4.2.3 The proposed Delivery Plan focuses on the most strategically important areas, summarised under three broad areas of focus:

- Customer satisfaction, feedback and insight – reinforced as at the heart of our strategy and performance framework;
- Repairs – reaffirmed as customers' top priority;
- Development, regeneration and sustainable neighbourhoods – a continued focus on regenerating and building new and sustainable communities.

4.2.4 The full list of proposed projects and milestones to be reported to this Board is set out at **Appendix 1**. In addition to these, each individual partner Boards will consider any projects specific to them.

4.2.5 External dependencies have been identified to recognise that the delivery of some projects is not entirely within our control. A more detailed update on each of the four streams including recent relevant Housemark national analysis where applicable, is set out below.

Customer satisfaction, feedback and insight

4.2.6 Over 2022/23 we focussed on developing the infrastructure to enhance the amount of customer insight we can collect, in particular through the recruitment of customer voices and real time customer insight technology My Voice and Localz (Book it, track it, rate it).

4.2.7 This is reflected in our projects and changes to our measures. The projects to roll out Book It, Track It, Rate It across the group and implement My Voice (previously referred to as 'Rant and Rave') will significantly expand the level of real time customer feedback and instant customer satisfaction ratings. This will, in aggregate, provide us with significant customer insight.

4.2.8 The My Voice is currently in the pilot phase within the Customer First Centre and this has allowed us to introduce a new measure for 23/24 – Customer Satisfaction (CSAT). This will now become the apex performance measure for the CFC; providing direct feedback from customers, in real time, about how satisfied they were with the service. This provides a much greater level of insight into customer perception of the service and inherently reflects all aspects of the experience such as time to answer, first time resolution and the call handler.

4.2.9 Based on this the Grade of Service measure, the % of calls answered after 30 seconds, will now become a contextual measure. We will continue to monitor, manage and report performance but it will be replaced by CSAT as the key CFC measure and achieving high CSAT will be the main focus of the CFC.

4.2.10 By way of context recent Housemark analysis indicated that nationally average national call-waiting times more than doubled from around 50 seconds in 2019/20 to over 100 seconds. For large urban areas the increase has been more pronounced, to over 300 seconds. The analysis also concluded that whilst waiting a long time for a call to be answered does not necessarily mean a poor service, of all the non-satisfaction measures collected, call wait times correlated most strongly with overall perception.

4.2.11 Further engagement with Housemark affirmed that an average wait time of 40 seconds or less would represent excellent performance for a landlord of our nature. They also indicated that a more material impact on satisfaction arose when waiting time is 100 seconds or above. They also affirmed that first time resolution is as significant a driver of satisfaction as call waiting time. Our focus on monitoring and reporting CSAT, first time resolution and average waiting time therefore gives us the data on the key satisfaction drivers.

4.2.12 The cloud telephony project, whilst subject to Board approval, is focussed on ensuring that a critical part of our operating model has a robust and reliable platform. We also anticipate that it will provide us with better performance information which can, in turn, support us in continuously improving the customer experience. Customer insight will be a key driver of how we prioritise what functionality to implement with the new platform.

4.2.13 As Book It, Track It, Rate It is rolled out across the group we will report satisfaction levels to Boards within performance reports.

4.2.14 The Lowther Homes technology platform review project has been developed based on feedback from their customers that they want better online functionality, such as consent for works, and better billing arrangements.

4.2.15 In terms of engagement related measures, as previously agreed having successfully implemented our customer engagement framework we will no longer report on the number of Customer Voices and number of events.

4.2.16 It is intended that each Board will however receive a bi-annual customer insight report. This will aggregate all the key sources of customer feedback during the period, for example, My Voice, Book It Track It, Rate it, engagement activities and events and complaints into a more in-depth insight report. This is consistent with feedback from Boards across the Group that they want to see the various strands of customer feedback linked together and how we plan to respond to consistent themes or trends.

4.2.17 The delivery of the satisfaction, feedback and insight projects and performance targets will support the following outcomes:

- Ongoing, real time customer satisfaction data for key services such as our Customer First Centre and repairs;
- customer feedback and insight that we can use to quickly deploy service improvements; and
- increasing overall customer satisfaction;

<u>Repairs</u>

4.2.18 Our engagement with customers over 22/23 reinforced that repairs remains the key driver of tenant satisfaction. The introduction of Book It, Track It, Rate will, as set out above, provide us with more real time feedback on the service.

4.2.19 As previously discussed with the Board, our focus for repairs is improving the service based on tenant feedback and having performance measures which reflect tenant priorities.

4.2.20 We will be implementing a number of technology related upgrades, such as Servitor being introduced in the East and enhancements to the scheduling and reporting functionality in the West which enable us to have access to better performance data.

4.2.21 In tandem with the technology updates we will be making changes to existing systems which will allow us to enhance our automated performance reporting into areas previously discussed by the Board such as: no of cancelled/rescheduled jobs; number of repeat visits; no of jobs with follow on repairs; and damp and mould. A key focus is ensuring that our system set up and data are consistent across the group to allow like for like comparisons and internal benchmarking.

4.2.22 Over the course of the year the repairs performance framework and reporting to Boards will therefore be expanded as the technology and system changes are implemented. A measure we are however introducing immediately is the % of repairs complaints which move from Stage 1 to Stage 2. This provides us with an understanding of how well we are resolving issues for tenants when something has not gone well from the customer's perspective.

4.2.23 The Housemark UK data analysis identified that 'a relatively strong correlation between the length of time it takes to complete repairs and overall perception(satisfaction)'. Based on this we engaged with Homemark further to understand how the number of days impacted satisfaction.

4.2.24 The feedback for Housemark was that our proposed target of an average of 7 days for non-emergency repairs would be in the top quartile (up to 9 days). They also indicated that where repairs are completed in less than 7 days this can translate in up to 4% better satisfaction than the national average. However, they also indicated that this increased satisfaction is also linked to the ease of communication and how easy the landlord is to deal with.

4.2.25 This affirms that our focus on the CFC answering calls quickly, repairs being completed quickly and right first time are conducive to achieving strong customer satisfaction. Our enhanced real time satisfaction monitoring for repairs and the CFC will elevate our ability to affirm this is the customer's perception.

4.2.26 We are also engaged with Glasgow City Council as part of the City Building (Glasgow) LLP oversight group. The workstreams have continued to make progress and a further update on progress to date and next steps will be provided at the meeting.

4.2.27 Delivery of these repairs projects and activities will support the following strategic outcomes:

- Stronger and more harmonised core repairs systems and platforms across the group;
- Higher quality data and performance reporting which can support driving service improvement and efficiency monitoring; and
- Improved satisfaction with the repairs service for both tenants and owners – aiming to improve year on year to 2025/26, supported by new approaches to the collection, monitoring and reporting of customer experience.

Development, regeneration and sustainable neighbourhoods

4.2.28 The development of new homes and the regeneration of communities remains a key focus. Two of our key regeneration projects at Wyndford and Lochside continue into 2023/24. The key focus for both projects will be ongoing customer and community engagement as they transition through the master planning phases.

4.2.29 Regeneration and the delivery of new homes, especially where combined, need to be set within the context of how they interact with the wider neighbourhood. Feedback from tenants, particularly through our more local engagement, has highlighted the need for an integrated view of neighbourhoods in terms of physical assets, the environment and services.

4.2.30 Taking this, and feedback from the recent Wheatley Homes Glasgow strategy workshop, a strategic project to develop a new neighbourhood planning approach has been included. This would provide a future framework to plug new build and regeneration into, in particular how it would impact the neighbourhood based on the relevant Neighbourhood Plan.

4.2.31 The sustainability of our homes and neighbourhoods is also a key element of how we build, invest and deliver services to homes. The operationalisation of our Group strategic sustainability framework and development of a related performance framework is therefore a strategic project for 23/24.

4.2.32 We also anticipate that as My Voice rolls out over the course of the year it will consider how we can get feedback from customers on their environment and for new build, satisfaction with their new home.

4.2.33 The delivery of our new build and regeneration aspirations requires us to have the necessary funding in place. A linked project is a planned renegotiation of our covenants to release borrowing capacity to deliver new homes and deliver our overarching target of 4000 homes over the life of the strategy and 10,000 over the next decade.

4.2.34 Development, regeneration and sustainable neighbourhoods and performance targets will support the following outcomes:

- Sustainability embedded in all our activities through a strategic framework;
- A neighbourhood approach, involving co-creation with customers, which drives increased satisfaction with neighbourhoods;
- A fully developed future vision for the future of Wyndford and Lochside, driven by the views and aspirations of local communities; and
- Funding in place to deliver our long term ambition to deliver 10,000 new homes over the next 10 years.

4.3 Measures and Targets 2022/23

Strategic Results and Key Performance Indicators (KPIs)

4.3.1 When initially agreeing measures and targets in June 2021, it was recognised these would be subject to ongoing review as well as formal review annually.

4.3.2 Despite the extent of business and strategic change during 2022/23, we have made significant progress in this period and remain on track to deliver the vast majority of key outcomes and performance measures in our strategy.

4.3.3 Particular highlights include:

- Housing 10,000 homeless people or households, building on over 2,450 housed in year 1 to deliver a further 2,000 plus lets in year two;
- Maintaining tenancy sustainment close to 90% in our RSLs, demonstrating the success of our wraparound services and contribution to national targets to end homelessness and rough sleeping;
- Exceeding all Customer Voices recruitment and involvement targets for 2022/23, enabling us to build on this into 2023/24 as we strengthen their influence;
- Efficiently managing properties which became empty, making these available for those waiting on a home, and also minimising void loss, with days to let performance improving across our RSLs and Lowther;
- On track to reduce the number of accidental dwelling fires by 10%, being under our upper limit of 210 in 2021/22 and 205 in 2022/23 to achieve this;
- Exceeding the year 1 and 2 targets for vulnerable children benefitting from targeted Foundation programmes and reprofiling years 3-5 in line with anticipated funding to ensure at least, if not more than,10,000 benefit by 2026;
- Wheatley Care remaining in surplus, with 100% of care services breaking even before management fees.

4.3.4 The full list of proposed measures and targets to be reported to the Board from Year 3 of the strategy, 2023/24, is set out at **Appendix 2**.

4.3.5 At its last meeting, the Board agreed changes to a number of measures and targets as part of the rolling five-year development and investment plans. The annual review has highlighted a small number of additional measures where economic conditions mean we have revisited a measure and/or revised targets from Year 3 of our strategy, 2023/24.

4.3.6 There are a few proposed additions and deletions of measures, as follows:

- Introducing new measures for damp and mould in relation to how we meet our targets to get to every customer within 48 hours and have completed the repair in no more than 15 days;
- [redacted]
- Board administration: all newly added measures for 2022/23 met target, demonstrating processes are in place and are measured through a combination of individual Board updates, regular updates on recruitment to the RAAG Committee and annual individual appraisals; and
- Customer voices: all targets have been met or exceeded in 2022/23 and focus is now on the influence they have and the feedback loop to customers on this.

4.3.7 All other proposed changes are captured in **Appendix 2**, with pertinent points summarised below:

- New build: Targets are currently based on the Business Plan, as per 5 year plans, and will be increased as additional funds are secured;
- Gross rent arrears: It is proposed the RSL target for maximum arrears levels for the next two years is lowered ;
- Targets for CO2 reduction significantly increased for all remaining years to reflect our continued focus on sustainability
- Reduce volume emergency repairs by 10%: Volume has further increased during 2022/23 and as this increased customer demand is not anticipated to reduce, a change to the baseline year and new targets are proposed, with a -10% reduction on 2022/23 volumes by 2026;
- Average days to let a home: The strategic target is currently to get this to 14 days. While there has been significant progress in reducing days to let in 22/23, it is proposed to increase the strategic result to 16 days for RSLs. Both Scottish Housing Network and Housemark benchmarking affirm this remains highly challenging and upper quartile performance. This would acknowledge the interdependency with our repairs service to deliver void repairs while demand has generally increased and external factors impacting voids we cannot control but can have a substantial impact, namely utility connections such as meter repairs and reconnections;
- Percentage of reactive repairs carried Right first time (ARC) updated to 90%; and;
- Streamline and consolidate all satisfaction targets to 90%, including Lowther Homes moving from a Net Promoter Score to a satisfaction target.

Outstanding/ Updated Baselines

4.3.8 Many strategic results were new to our PMF for the Group Strategy 2021-2026 and therefore involve work to establish baselines. Several of these are now in place with targets in place. For the remaining baselines, new approaches to the collection, collation and reporting of these measures are underway:

- Our comprehensive customer satisfaction surveys will be undertaken in 2023/24;
- Following the CFC pilot, the MyVoice roll out to other pillars during 2023/24 will provide several additional customer measures.

5. Customer Engagement

5.1 Our Delivery Plan reflects our strong focus on our customers influencing and co-creating with us. Customer engagement is embedded as specific milestones of strategic projects which will directly impact the way we deliver services or the way they can be drawn down by customers.

5.2 The development of the measures and KPIs also reflects the importance of customer feedback driving how we measure the quality of a service and inform future service improvement.

6. Environmental and sustainability implications

6.1 A key project for 2023/24 is the implementation of our agreed strategic sustainability framework. As part of this a milestone included agreeing further measures will be developed for future incorporation into our PMF.

7. Digital transformation alignment

7.1 Our strategy is underpinned by digital transformation. The strategic projects for 2023/24 have been fully reviewed to ensure we have the appropriate technical and resource capacity alongside our Digital Programme.

8. Financial and value for money implications

8.1 There are no direct financial implications associated with this report, which are covered via the approved 2023/24 business plan.

9. Legal, regulatory and charitable implications

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

10. Risk Appetite and assessment

10.1 We do not have a single risk appetite in respect of strategy. Our risk appetite seeks to take into account a range of factors which may impact the delivery of our strategy.

10.2 In considering our Group Delivery Plan and KPIs for 2023/24 we have considered the continued level of uncertainty associated with the continuing impact of the pandemic and the current operating context of the Group.

10.3 Our strategy is highly ambitious and contains a high degree of interdependencies. The proposed approach seeks to mitigate the risk that the complexity associated with the level of interdependencies are not managed through a structured approach.

11. Equalities implications

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

12. Key issues and conclusions

12.1 The 2023/24 Delivery Plan projects reflect the significant progress to date and narrow in on areas we know reflect key customer priorities, such as repairs and neighbourhoods, and providing us with greater customer insight to drive future service improvement and satisfaction.

12.2 Our measures and targets have been informed by wider sector analysis where appropriate. We will continue throughout the year to seek to improve our ability to measure and report performance in areas which drive customer satisfaction and reflect customer priorities.

13. Recommendations

13.1 The Board is asked to:

1) Approve the 2023/24 strategic projects and associated milestones attached at **Appendix 1**; and
2) Approve the proposed measures and corresponding targets for 2023/24 at **Appendix 2**.

LIST OF APPENDICES:

Appendix 1: Strategic projects 2023/24
Appendix 2: Strategic Results and KPIs with associated targets for year 3-5

Project	Key Milestones	Interdependencies
Repairs technical enhancement programme* **** Each partner Board will have their own equivalent repairs project***	▪ Programme of research and engagement with customers on online repairs service to further refine functionality and usability – 30/9/23 ▪ CBG IT integration – Boxi reporting system implementation – 31/10/23 ▪ WHS DRS Upgrade – 31/10/23 ▪ CBG DRS upgrade – 31/10/23 ▪ Servitor and DRS fully implemented in WHE – 01/3/24	▪ External IT software providers ▪ Individual RSL Board repairs enhancement programme projects ▪ JV/WG Repairs Analytics resource recruited
Group wide implementation of Book It, Track It, Rate it	▪ Pilot commencement in Wheatley Homes East - 30/04/23 ▪ Pilot commencement in Wheatley Homes South - 30/05/23 ▪ Pilot finalised in with City Building delivered repairs - 30/05/23 ▪ Pilot evaluation, including customer feedback, and agreement to go live - City Building - 30/06/23 ▪ Pilot evaluation, including customer feedback, and agreement to go live - Wheatley Homes East – 30/7/23 ▪ Pilot evaluation, including customer feedback, and agreement to go live - Wheatley Homes South - 31/8//23	▪ External IT software providers
[redacted]		
My Voice – real time customer feedback reporting	▪ MY Voice CFC pilot concluded - 30/04/23 ▪ CFC customer insight operational framework implemented - 31/05/23 ▪ Implementation plan for key service pillars approved by ET - 31/05/23 ▪ On-board key service pillars to MYVoice customer insight platform - 30/11/23 ▪ Implement operational frameworks - 31/03/24	
Migration to new cloud telephony platform	▪ Group Board approval of proceeding to contract award – 30/4/23 ▪ Vendor Contract Award – 31/5/23 ▪ Full project delivery plan developed and commenced- 31/7/23 ▪ Phase 1 launch – 31/12/23 ▪ Phase 2 launch – 31/3/24	▪ External vendor

Project	Key Milestones	Interdependencies
Develop a new, integrated Neighbourhood Planning Approach	▪ Deliver workshop with key people involved in Neighbourhood tools and scoring mechanisms to map out roles and remit - 31/05/23 ▪ Develop a technical guidance document around application of tools and the scoring mechanisms within the neighbourhood assessment - 30/06/23 ▪ Trial and test the neighbourhood assessment, including engagement with customers, in one neighbourhood within WHG - 31/07/23 ▪ Based on the neighbourhood assessment, propose an example neighbourhood plan - 30/09/23 ▪ Provide worked example to WHG Board to review and agree as a model going forward - 30/09/23 ▪ Draft Neighbourhood approach for wider group to RSL Boards - 28/02/24	
Wyndford regeneration	[redacted]	
Lochside regeneration	[redacted]	
Interest cover covenant revision	▪ Formal request to all lenders – 30/04/23 ▪ Negotiating phase complete - 01/06/23 ▪ Final agreed outcome & credit process at each lender - with update to June Board 30/06/23 ▪ Approval from bank and legals - 30/06/23 ▪ Group and subsidiary Board approvals - 31/08/23 ▪ Revision complete- 30/09/23	▪ Lenders' consent
Implement Group sustainability framework	▪ Sustainability delivery workshop, including exploring the use of technology to track, record and report data, with nominated group leads - 30/04/23 ▪ Refine sustainability performance monitoring framework - 31/05/23 ▪ Develop sustainability delivery plan - 30/06/23 ▪ Quarterly sustainability updates to ET - 30/06/23 ▪ Annual sustainability progress report via PNAG to Group Board -31/12/23	

Group Board Strategic Results and KPIs 2023 to 2026

Proposed Changes from 2023/24 detailed under 'Update' and relevant change shown in red text

1. Delivering Exceptional Customer Experience

Indicators	Year 2 results at Jan '23 (unless stated)	Update	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Board Reporting Frequency
Overall customer satisfaction is above 90% (ARC)	Not applicable	New comprehensive customer satisfaction surveys (RSL tenants and RSL owners) will be undertaken and reported 2023/24	Updated baseline established	Target to be agreed following baseline	>90%	Strategic Result	Annually
Overall satisfaction among RSL households with children improved to 90%	Not applicable	This will be provided as a sub-set of the RSL tenants survey above. Households in question therefore now defined as RSL households for avoidance of doubt	Updated baseline established	Target to be agreed following baseline	90%	Strategic Result	Annually
RSL tenant satisfaction with value for money increased to 85% (ARC)	Not applicable	New comprehensive customer satisfaction surveys (RSL tenants) will be undertaken and reported 2023/24	Updated baseline established	Target to be agreed following baseline	85%	Strategic Result	Annually
90% of RSL customers feel they can participate in the landlord's decision making (ARC)	Not applicable	New comprehensive customer satisfaction surveys (RSL tenants) will be undertaken and reported 2023/24. Households in question therefore now defined as RSL households for avoidance of doubt	Updated baseline established	Target to be agreed following baseline	90%	Strategic Result	Annually
95% of customers actively engaged in shaping services feel they participate in decision making	Not applicable	To be targeted at Customer Voices	Baseline established	Target to be agreed following baseline	95%	Strategic Result	Annually
[redacted]							
Implement "rate it" score from the book it, track it, rate it repairs approach and aim to improve performance by 10%	Not applicable	Pilot underway and launching across 2023	Baseline established	Target to be agreed following baseline	Baseline + 10% improvement	Strategic Result	Quarterly

Indicators	Year 2 results at Jan '23 (unless stated)	Update	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Board Reporting Frequency
Percentage of tenants who sustain their tenancies for more than 12 months (ARC)	**RSL** **Actual** **Target** WH Glasgow 89.87% 90% Loretto 89.29% 90% WH East 89.11% 90% WH South 86.58% 88% Group 89.16% 90%	WH South use of incremental targets towards 90% in Year 5 is recommended to continue into Year 3	90%ays to WHS 88%	90%	90%	KPI Business value	Quarterly
CFC % calls answered within 30 seconds	78.03% YTD 57.31% In-month	This measure will no longer be targeted, instead contextual alongside the targeted satisfaction measure	~~30 seconds (80%)~~ Contextual	~~30 seconds (80%)~~ Contextual	~~30 seconds (80%)~~ Contextual	KPI Business Value	Quarterly
CFC CSAT Customer Satisfaction	Pilot at 4.1/5	NEW MEASURE 4/5 in Y3, increasing to 4.5/5 in Y4 and Y5	4/5	4.5/5	4.5/5	KPI Customer Value	Quarterly
CFC call abandonment rate	4.72% YTD 6.81% In-month	Reduce target to 5%, as generally regarded as industry benchmark. Industry benchmark for 2022 published as 9% but retain at 5% for us	~~7%~~ 5%	~~7%~~ 5%	~~7%~~ 5%	KPI Business value	Quarterly
CFC average wait time	58.29s YTD 86 In-month	Contextual	30s	30s	30s	KPI Business value	Quarterly
Percentage of calls to the CFC resolved at first contact	CSA only: 89.16% YTD 89.87% In-month	No change	90%	90%	90%	KPI Business Value	Quarterly
CFC cases raised, passed to housing / commercial officers for resolution	6.44% YTD 3.55% In-month	No change at this time; however, further consideration will be given to this during 2023, considering wider operating model	10%	10%	10%	KPI Business value	Quarterly
Satisfaction with complaints handling increased by 10%	Not applicable	Previously proposed as linked to MyVoice project implementation, scheduled during 2023	Baseline established	Target to be agreed following baseline	Baseline + 10% improvement	Strategic Result	Quarterly

Indicators	Year 2 results at Jan '23 (unless stated)	Update	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Board Reporting Frequency
Average number of working days to respond to stage 1 complaints (ARC)	**RSL Actual Target** WH Glasgow 3.97 5 Loretto 3.42 5 WH East 3.71 5 WH South 3.75 5 Lowther 3.47 5	No change to target	5	5	5	KPI Business value	Bi-annual
Average number of working days to respond to stage 2 complaints (ARC)	**RSL Actual Target** WH Glasgow 18.40 20 Loretto 17.71 20 WH East 18.14 20 WH South 18.42 20 Lowther 18.37 20	No change to target	20	20	20	KPI Business value	~~Quarterly~~ Bi-annual
Average number of working days to respond to all complaints – Stage 1 and 2 (ARC)	**RSL Actual Target** WH Glasgow 5.62 6 Loretto 5.12 6 WH East 5.16 6 WH South 5.43 6 Lowther 6.23 6	Change to contextual to reflect fluctuations in volume and performance for Stage 1 and Stage 2.	~~5~~ Contextual	~~5~~ Contextual	~~5~~ Contextual	KPI Business value	~~Quarterly~~ Bi-annual
Percentage of stage 1 complaints responded to within 5 working days (SPSO)	**Actual Target** Group 91.43% 100% WH Glasgow 90.58% Loretto 99.21% WH East 93.61% WH South 93.06% Lowther 90.80%	Change to 95% to reflect additional focus on quality of response	~~100%~~ 95%	~~100%~~ 95%	~~100%~~ 95%	KPI Business value	Bi-annual

Indicators	Year 2 results at Jan '23 (unless stated)	Update	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Type of measure	Board Reporting Frequency
Percentage of stage 2 complaints (direct to stage 2) responded to within 20 working days (SPSO)	**Actual** **Target** Group 100% 100% WH Glasgow 100% Loretto N/A WH East 100% WH South 100% Lowther 100%	No change to target	100%	100%	100%	KPI Business value	Bi-annual
Percentage of escalated complaints (from stage 1 to stage 2) responded to within 20 working days (SPSO)	**Actual** **Target** Group 96.37% 100% WH Glasgow 96.01% Loretto 100% WH East 96.88% WH South 100% Lowther 97.40%	No change to target	100%	100%	100%	KPI Business value	Bi-annual
Stage 2 repair complaints as a percentage of Stage 1 repair complaints	Group 10.01% WH Glasgow 6.72% Loretto 10.71% WHEast 6.82% WH South 7.39% Lowther Tenants 22.68% Lowther Owners 18.90%	NEW MEASURE linked to repairs customer insight gathering	Contextual	Contextual	Contextual	KPI Business Value	Bi-annual
Satisfaction with the process of getting my new home is improved by 10%	Not applicable	Previously proposed as linked to MyVoice project implementation, due during 2023	Baseline established	Target to be agreed following baseline	Baseline + 10% improvement	Strategic Result	Quarterly
Maintain overall customer satisfaction with Care services at over 90%	Not applicable	Surveys will recommence 2023/24 Satisfaction targets, as per other subsidiaries, should be 90%	90%	90%	90%	Strategic Result	Annually

2. Making the Most of Our Homes and Assets

Existing Indicators	Year 2 results at Jan ’23 (unless stated)	Update	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Measure type	Board Reporting Frequency
Achieve 95% customer satisfaction with their new build home	Not applicable	Question(s) to be aligned to Scottish Affordable Housing Supply VFM continuous improvement programme requirements	Baseline established	Target to be agreed following baseline	95%	Strategic Result	Quarterly
Maintain existing tenant satisfaction with the quality of their home at over 90% (ARC)	Not applicable	New comprehensive customer satisfaction surveys (RSL tenants) will be undertaken and reported 2023/24	Updated baseline established	Target to be agreed following baseline	>90%	Strategic Result	Annually
Develop 4,000 new homes across all tenures	**RSL / Actual (Feb ’23) / Annual Target** WH Glasgow / 103 / 155 Loretto / 193 / 185 WHE (Dunedin Canmore) / 60 / 72 WHE (WLHP) / 134 / 160 WHS / 37 / 37 Group / 527 / (YTD 609) 670	Year 1 438 delivered and Year 2 670 target (490 +180 carry over) = 1108. Any shortfall in Y2 will move into Y3, 2023/24. Change to targets Years 3 to 5 in line with approved business plan for new build. Total Year 3 to 5 = 2,636 (plus any Y2 carry forward): • Year 3 - 338 (plus any Y2 carry forward) • Year 4 - 1050 • Year 5 - 1248 Y1/Y2 1,108 + Y3-Y5 2,636 = 3,744 in Business Plan for 5 years of strategy	WH Glasgow - 55 Loretto - 24 WH East - 204 WH South - 31 Lowther - 24 Group - 338	WH Glasgow - 194 Loretto - 128 WH East - 444 WH South - 211 Lowther - 73 Group – 1,050	WH Glasgow - 326 Loretto - 128 WH East - 522 WH South - 202 Lowther - 70 Group – 1,248	Strategic Result	Quarterly
Invest £500m of new public and private finance in new build housing	Y1 Target - £125,310,000 Y2 Target - £127,730,000	Change to targets Years 3 to 5 in line with approved business plan for new build.	~~£134,795,000~~ £204,358,000	~~£160,118,000~~ 192,870,000	~~£108,749,000~~ 193,158,000	Strategic Result	Quarterly
Invest £360 million in improving, modernising and maintaining homes	YTD to Feb - £34.8m (core programme excluding overheads) Y2 annual target - £73,406,000 (NB: Y1 YE £110,744,000)	Change to targets Years 3 to 5 in line with approved business plan for investment.	~~£74,744,000~~ £84,935,000	~~£77,564,000~~ £70,751,000	~~£77,880,000~~ £71,703,000	Strategic Result	Quarterly

Existing Indicators	Year 2 results at Jan '23 (unless stated)	Update	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Measure type	Board Reporting Frequency
Achieve a 60:40 ratio of planned to reactive repair spending	**Group Actual** **Target** 49.1% (£54.8m) Planned 60:40 50.9% (£59m) Reactive	The currently agreed business plan assumes the following **2023.24** **2024.25** **2025.26** **Total** 53% 47% 46% 49% 47% 53% 54% 51% We will however continue to seek to achieve a 60/40 ratio	60:40	60:40	60:40	Strategic Result	Quarterly
Reduce the volume of emergency repairs by 10%	**Variance compared to 2021/22** Feb 2023 - +5.22% Target -2.5%	Repairs volumes, including emergencies, have increased during 2022/23 as demand increased post all pandemic restrictions being lifted. 10% reduction should be against this new baseline over the remaining three years of our strategy.	~~-2.5% (cumulative - 5%)~~ 3%	~~-2.5% (cumulative - 7.5%)~~ 3.5% (cumulative 6.5%)	~~2.5%~~ 3.5% (cumulative 10% fewer emergencies on Baseline year ~~2021/22~~ 2022/23)	Strategic Result	Quarterly
Reduce the output of CO_2 emissions from our homes by at least 4,000 tonnes per year	Anticipated -8,402 tonnes reduced in 2021/22 (Will be validated during 2022/23) Y2 target is -4,000	Increase from Year 3 in reduction per annum to 6,000 tonnes as per sustainability framework.	~~-12,000~~ -14,000 cumulative	~~-16,000~~ -20,000 cumulative	~~-20,000~~ -26,000 cumulative	Strategic Result	Annually
Reduce our corporate carbon footprint to carbon neutral by 2026	Baseline set: Groupwide, Planet Mark estimate we produced 2,632.5 tCO_2e (equivalent in CO_2 terms of all greenhouse gases) between 1 April 2021 and 31 March 2022 ~~Target is 75% of baseline~~	Adjustment to target years to acknowledge year lag in measurement and reporting. Final result will be known in 2026/27.	~~50% of baseline~~ 75% of baseline (c1980 tCO_2e)	~~25% of baseline~~ 50% of baseline (c1320 tCO_2e)	~~0~~ 25% of baseline (c660 tCO_2e)	Strategic Result	Annually
Average new build CO_2 output no greater than 1.8t	Target 1.8t	No change	1.8t	1.8t	1.8t	KPI Other	Annually
Increase the % of stock at EPC 'B' to 30%	Target 16%	No change	19%	24%	30%	KPI Other	Annually

<table>
<tr><th>Existing Indicators</th><th>Year 2 results at Jan ’23 (unless stated)</th><th>Update</th><th>Year 3 (2023/24)</th><th>Year 4 (2024/25)</th><th>Year 5 (2025/26)</th><th>Measure type</th><th>Board Reporting Frequency</th></tr>
<tr><td>Percentage of customers who have had repairs or maintenance carried out in last 12 months satisfied with the repairs and maintenance service (ARC)</td><td><table>
<tr><th>RSL</th><th>Actual (Feb ’23)</th><th>Target</th></tr>
<tr><td>WH Glasgow</td><td>89.73%</td><td>89%</td></tr>
<tr><td>Loretto</td><td>90.95%</td><td>89%</td></tr>
<tr><td>WH East</td><td>91.48%</td><td>89%</td></tr>
<tr><td>WH South</td><td>79.19%</td><td>89%</td></tr>
<tr><td>Group</td><td>89.07%</td><td>89%</td></tr>
</table></td><td>Change to 90% to reflect current performance and alignment across all satisfaction indicators</td><td>~~91%~~

90%</td><td>~~93%~~

90%</td><td>~~95%~~

90%</td><td>KPI Customer Value</td><td>Quarterly</td></tr>
<tr><td>Percentage of reactive repairs carried out in last year completed right first time (ARC)</td><td><table>
<tr><th>RSL</th><th>Actual (Feb ’23)</th><th>Target</th></tr>
<tr><td>WH Glasgow</td><td>89.46%</td><td>92%</td></tr>
<tr><td>Loretto</td><td>85.93%</td><td>97%</td></tr>
<tr><td>WH East</td><td>91.5%</td><td>95%</td></tr>
<tr><td>WH South</td><td>87.9%</td><td>88%</td></tr>
<tr><td>Group</td><td>91.72%</td><td>N/A</td></tr>
</table></td><td>Change to 90%. Scottish average for 2021/22 was 88.3%</td><td>~~WH East - 95%~~
~~WH South - 92%~~
~~WH Glasgow - 93%~~
~~Loretto - 97%~~

90%</td><td>~~WH East - 95%~~
~~WH South - 92%~~
~~WH Glasgow - 95%~~
~~Loretto - 97%~~

90%</td><td>~~WH East - 95%~~
~~WH South - 92%~~
~~WH Glasgow - 97%~~
~~Loretto - 97%~~

90%</td><td>KPI Business Value</td><td>Quarterly</td></tr>
<tr><td>Average length of time taken to complete emergency repairs (ARC)</td><td><table>
<tr><th>RSL</th><th>Actual (Feb ’23)</th><th>Target</th></tr>
<tr><td>WH Glasgow</td><td>3.42</td><td>3.0</td></tr>
<tr><td>Loretto</td><td>3.34</td><td>3.0</td></tr>
<tr><td>WH East</td><td>3.12</td><td>3.0</td></tr>
<tr><td>WH South</td><td>2.93</td><td>3.0</td></tr>
<tr><td>Group</td><td>3.32</td><td>3.0</td></tr>
</table></td><td>No change</td><td>3</td><td>3</td><td>3</td><td>KPI Business Value</td><td>Quarterly</td></tr>
</table>

<table>
<tr><th>Existing Indicators</th><th>Year 2 results at Jan ’23 (unless stated)</th><th>Update</th><th>Year 3 (2023/24)</th><th>Year 4 (2024/25)</th><th>Year 5 (2025/26)</th><th>Measure type</th><th>Board Reporting Frequency</th></tr>
<tr><td>Average length of time taken to complete non-emergency repairs (ARC)</td><td><table>
<tr><th>RSL</th><th>Actual (Feb ’23)</th><th>Target</th></tr>
<tr><td>WH Glasgow</td><td>8.99</td><td>5.5</td></tr>
<tr><td>Loretto</td><td>8.89</td><td>5.5</td></tr>
<tr><td>WH East</td><td>6.76</td><td>5.5</td></tr>
<tr><td>WH South</td><td>6.94</td><td>5.5</td></tr>
<tr><td>Group</td><td>8.50</td><td>5.5</td></tr>
</table></td><td>Change to 7 days.
Scottish average 2021/22 was 8.9 days. Housemark advise top quartile is up to 9 days.</td><td>~~5.5~~
7</td><td>~~5.5~~
7</td><td>~~5.5~~
7</td><td>KPI Business Value</td><td>Quarterly</td></tr>
<tr><td>New - % of damp and mould cases attended within 48 hours</td><td></td><td>This is a new measure to track our damp and mould performance. The targets reflects that although the majority will, some customers will not wish to have an appointment within 48 hours due to a later appointment being more convenient.</td><td>48 hours</td><td>48 hours</td><td>48 hours</td><td>KPI Business Value</td><td>Quarterly</td></tr>
<tr><td>New - % of damp and mould cases resolved within 15 days</td><td></td><td>This is a new measure to track our damp and mould performance and reflect our agreed target timescales. The 90% reflects the likelihood that some may be impacted by customer availability of choice re appointments.</td><td>90%</td><td>90%</td><td>90%</td><td>KPI Business Value</td><td>Quarterly</td></tr>
<tr><td>Number of times during the reporting year we did not meet our statutory obligations to complete a gas safety check within 12 months of a gas appliance being fitted or its last check (ARC)</td><td>0</td><td>No change</td><td>0</td><td>0</td><td>0</td><td>KPI Compliance</td><td>Quarterly</td></tr>
</table>

Existing Indicators	Year 2 results at Jan '23 (unless stated)	Update	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Measure type	Board Reporting Frequency
The average time to complete medical adaptations (ARC)	<table><tr><th>RSL</th><th>Actual (Feb '23)</th><th>Target</th></tr><tr><td>WH Glasgow</td><td>24.09</td><td>35</td></tr><tr><td>Loretto</td><td>19.11</td><td>35</td></tr><tr><td>WH East</td><td>16.91</td><td>35</td></tr><tr><td>WH South</td><td>33.65</td><td>35</td></tr><tr><td>Group</td><td>25.92</td><td>35</td></tr></table>	No change, progress to 25 days from Y3	25	25	25	KPI Compliance	Quarterly
Number of RIDDOR reported	<table><tr><th></th><th>Actual (Feb '23)</th><th>Target</th></tr><tr><td>Group</td><td>14</td><td>20</td></tr><tr><td>WH East</td><td>2</td><td>3</td></tr><tr><td>WH South</td><td>1</td><td>3</td></tr><tr><td>WH Glasgow</td><td>0</td><td>2</td></tr><tr><td>Loretto</td><td>0</td><td>0</td></tr><tr><td>Lowther</td><td>0</td><td>0</td></tr><tr><td>W360</td><td>9</td><td>10</td></tr><tr><td>Care</td><td>2</td><td>2</td></tr><tr><td>Foundation</td><td>0</td><td>0</td></tr><tr><td>Solutions</td><td>0</td><td>0</td></tr></table>	No change	Wheatley 360 - 10 Wheatley Solutions - 0 DGHP - 3 WH Glasgow – 2 WLHP - 0 Loretto - 0 DC - 3 Lowther - 0 Wheatley Foundation - 0 Wheatley Care - 2	Wheatley 360 - 10 Wheatley Solutions - 0 DGHP - 3 WH Glasgow – 2 WLHP - 0 Loretto - 0 DC - 3 Lowther - 0 Wheatley Foundation - 0 Wheatley Care - 2	Wheatley 360 - 10 Wheatley Solutions - 0 DGHP - 3 WH Glasgow – 2 WLHP - 0 Loretto - 0 DC - 3 Lowther - 0 Wheatley Foundation - 0 Wheatley Care - 2	KPI Compliance	Quarterly
Number of Health and Safety Executive or local authority environmental team interventions	2	No change	0	0	0	KPI Compliance	Quarterly
Number of new employee liability claims received	5	No change	0	0	0	KPI Compliance	Quarterly

Existing Indicators	Year 2 results at Jan ’23 (unless stated)	Update	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Measure type	Board Reporting Frequency
Number of open employee liability claims	9	No change	Contextual	Contextual	Contextual	KPI Compliance	Quarterly
Number of days lost due to work related accidents	423	No change	Contextual	Contextual	Contextual	KPI Compliance	Quarterly
Number of accidental fires in workplace.	0	No change	0	0	0	KPI Compliance	Quarterly

3. Changing Lives and Communities

Indicators	Year 2 as at Jan '23 (unless stated)	Update	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Measure type	Board Reporting Frequency
Percentage of lets to homeless applicants (ARC)	Group – 50%	No change	Contextual	Contextual	Contextual	Strategic Result	Quarterly
Percentage of relevant lets to homeless applicants	**RSL** | **Actual (Feb '23)** | **Target** WH Glasgow | 51.3% | 60% Loretto | 47.0% | 50% WH East | 59.0% | 50% WH South | 58.7% | 45% Group | 53.2% | 56%	While this will continue to be monitored to support agreements with LAs, change to contextual to reaffirm the number of homeless applicants housed (i.e., the 10,000 target) as priority indicator.	~~WH East - 50%~~ ~~WH South - 45%~~ ~~WH Glasgow - 60%~~ ~~Loretto - 50%~~ ~~Group - 56%~~ Contextual	~~WH East - 50%~~ ~~WH South - 45%~~ ~~WH Glasgow - 60%~~ ~~Loretto - 50%~~ ~~Group - 56%~~ Contextual	~~WH East - 50%~~ ~~WH South - 45%~~ ~~WH Glasgow - 60%~~ ~~Loretto - 50%~~ ~~Group - 56%~~ Contextual	Strategic Result	Quarterly
House an estimated 10,000 homeless people or households over 5 years	**Group RSL Actual (Feb '23)** | **Annual Target** 2,012 | 2,000	No change	2,000 (total 6,000)	2,000 (total 8,000)	2,000 (total 10,000)	Strategic Result	Quarterly
Over 70% of our customers live in neighbourhoods categorised as peaceful	**Group RSL Actual (Feb '23)** | **Annual Target** 67.6% | 68.5%	No change	69.0%	69.5%	>70%	Strategic Result	Quarterly
Reduce the number of accidental dwelling fires by 10%	**Group RSL Actual (Feb '23)** | **Annual Upper limit** 138 | 205	No change	6% reduction from baseline figure (Upper limit: 200)	8% reduction from baseline figure (Upper limit: 195)	10% reduction from baseline figure (Upper limit: 193)	Strategic Result	Quarterly
100% of applicable properties have a fire risk assessment	100%	No change	100%	100%	100%	Strategic Result	Quarterly
4,000 jobs and training and apprenticeship opportunities delivered	**Group Actual** | **Annual Target** 738 | 750	Revised Year 3-5 targets in line with current programmes. Remain on track to achieve 4,000 target over 5 years	~~850~~ 800	~~850~~ 800	~~850~~ 800	Strategic Result	Quarterly
250 customers have been supported to attend higher	Annual Target - 50	No change	50 (total 150)	50 (total 200)	50 (total 250)	Strategic Result	Annually

Indicators	Year 2 as at Jan '23 (unless stated)	Update	Year 3 (2023/24)	Year 4 (2024/25)	Year 5 (2025/26)	Measure type	Board Reporting Frequency
education and university through Wheatley bursaries							
10,000 vulnerable children benefit from targeted Foundation programmes	**Group Actual** 4,131 **Annual Target** 1,200	Revised Year 3-5 targets in line with current programmes. Remain on track to achieve 10,000 target over 5 years.	~~2,250~~ 1,200	~~2,400~~ 1,200	~~2,150~~ 1,200	Strategic Result	Annually
15% of tenants with online accounts are using the My Savings rewards gateway	13.11% (Feb '23) (Target 12%)		13%	14%	15%	Strategic Result	Annually
90% of Care services are graded 5 or above	**Wheatley Care Actual** 70% **Target** 90%		90%	90%	90%	Strategic Result	Quarterly
Achieve 85% satisfaction with Wheatley Environmental Services	Not applicable	Previously proposed as linked to MyVoice project implementation, due during 2023	Baseline established	Target to be agreed following baseline	85%	Strategic Result	Quarterly
% ASB cases resolved (ARC)	**RSL / Actual / Target** WH Glasgow / 86.22% / 98% Loretto / 98.53% / 98% WH East / 90.28% / 98% WH South / 100% / 98% Group / 91.77% / 98%	No change	98%	98%	98%	KPi Business Value	Quarterly

4. Developing Our Shared Capacity

Indicators	Year 2 at Jan ’23 (unless stated)	Update	Year 3 (2023/34)	Year 4 (2024/25)	Year 5 (2025/26)	Measure type	Board Reporting Frequency
[redacted]							
[redacted]							
Staff voluntary turnover (i.e. resignations) remains at less than 7%	Target – 7%	No change	7%	7%	7%	Strategic Result	Annually
250 young people are provided with structured opportunities to build their skills within the business	Target – 30	No change	55	55	55	Strategic Result	Annually
50 graduates are provided with opportunities to work and gain experience in our sectors	Target – 50	No change	51	51	51	Strategic Result	Annually
40% of promoted posts are filled with internal candidates	Target – 40%	No change	40%	40%	40%	Strategic Result	Annually
Our workforce's demographic makeup more closely resembles that of the communities in which we operate	Not applicable	Indicator development and staff and tenant surveys were undertaken to collect protected characteristics	Indicator and baseline introduced	Target to be set 2023/24 following baseline	Target to be set 2023/24 following baseline	Strategic Result	Annually
Over 90% of staff say they feel appreciated for the work they do			85.0%	88.0%	>90%	Strategic Result	Annually

5. Enabling Our Ambitions

Existing Indicators	Year 2 at Jan ‘23 (unless stated)	Update	Year 3 (2023/34)	Year 4 (2024/25)	Year 5 (2025/26)	Measure type	Board Reporting Frequency
Maintain a strong investment grade rating of A+ stable	A+ Stable	No change	A+ Stable	A+ Stable	A+ Stable	Strategic Result	Annually
Reduce gross rent arrears to 4.5% (previously 4%) (ARC)	**Group RSL YE Draft (Feb ’23)**: 5.69% **Target**: 5.67%	Updated to take into account current performance and projections	~~5.43%~~ 5.25%	~~5.04%~~ 4.99%	4.5%	Strategic Result	Quarterly
[redacted]							
£15 million generated in Gift Aid to Wheatley Foundation and reinvested in communities	Target - £3m	No change	£3m (total £9m)	£3m (total £12m)	£3m (total £15m)	Strategic Result	Annually
Average days to let a home maintained at ~~less than 14 days~~ 16 days (ARC)	**RSL** / **Actual** / **Target** WH Glasgow / 21.16 / 16 Loretto / 15.86 / 16 WH East / 18.48 / 16 WH South / 12.65 / 16 [redacted]	Change to 16 days for RSLs reflect perceived optimal performance level, balancing demand on void repairs with allocating homes in a timely manner. [redacted]	~~WH East - <14~~ ~~WH South - <14~~ ~~WH Glasgow - <14~~ ~~Loretto - <14~~ [redacted] RSLs - 16 [redacted]	~~WH East - <14~~ ~~WH South - <14~~ ~~WH Glasgow - <14~~ ~~Loretto - <14~~ [redacted] RSLs - 16 [redacted]	~~WH East - <14~~ ~~WH South - <14~~ ~~WH Glasgow - <14~~ ~~Loretto - <14~~ [redacted] RSLs - 16 [redacted]	Strategic Result	Quarterly
[redacted]							
Achieve targets across the 7 domains of our digital maturity assessment	Targets: Strategy - 3 People - 3 Platform - 2 Delivery - 2 Innovation - 2	No change	Strategy - 3 People - 3 Platform - 3 Delivery - 2 Innovation - 3	Strategy - 4 People - 3 Platform - 3 Delivery - 3 Innovation - 3	Strategy - 4 People - 4 Platform - 4 Delivery - 3 Innovation - 4	Strategic Result	Annually

<table>
<tr><th>Existing Indicators</th><th>Year 2 at Jan ‘23 (unless stated)</th><th>Update</th><th>Year 3 (2023/34)</th><th>Year 4 (2024/25)</th><th>Year 5 (2025/26)</th><th>Measure type</th><th>Board Reporting Frequency</th></tr>
<tr><td></td><td>Customer - 2
Data - 2</td><td></td><td>Customer - 3
Data - 3</td><td>Customer - 4
Data - 3</td><td>Customer - 4
Data - 4</td><td></td><td></td></tr>
<tr><td>Percentage of lettable homes that became vacant (turnover) (ARC)</td><td><table><tr><th>RSL</th><th>Actual</th><th>Target</th></tr><tr><td>WH Glasgow</td><td>7.91%</td><td>8.0%</td></tr><tr><td>Loretto</td><td>6.44%</td><td>8.0%</td></tr><tr><td>WH East</td><td>6.70%</td><td>7.3%</td></tr><tr><td>WH South</td><td>7.70%</td><td>8.0%</td></tr></table></td><td>No change</td><td>WH East - 7.3%
WH South - 8.0%
WH Glasgow - 8.0%
Loretto - 8.0%</td><td>WH East - 7.3%
WH South - 8.0%
WH Glasgow - 8.0%
Loretto - 8.0%</td><td>WH East - 7.3%
WH South - 8.0%
WH Glasgow - 8.0%
Loretto - 8.0%</td><td>KPi Business Value</td><td>Quarterly</td></tr>
<tr><td>[redacted]</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>[redacted]</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Number of services in deficit for more than two years</td><td>0</td><td>No change</td><td>0</td><td>0</td><td>0</td><td>KPI Business Value</td><td>Quarterly</td></tr>
<tr><td>[redacted]</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>[redacted]</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>[redacted]</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Over 50% of customers actively using their online account to make transactions with us</td><td></td><td>To reset baseline in Year 3</td><td>Reset baseline</td><td></td><td>>50%</td><td>Strategic Result</td><td>Quarterly</td></tr>
<tr><td>Achieve management costs per unit that remain in the lowest quartile among an independently selected UK and international benchmarking group</td><td></td><td>No change</td><td>Management costs in lowest quartile</td><td>Management costs in lowest quartile</td><td>Management costs in lowest quartile</td><td>Strategic Result</td><td>Annually</td></tr>
</table>

Report

To:	**Wheatley Housing Group Board**
By:	**Laura Pluck, Group Director of Communities**
Approved by:	**Steven Henderson, Group Chief Executive**
Subject:	**Group Suicide Prevention Framework**
Date of Meeting:	**26 April 2023**

1. Purpose

1.1 To seek approval of a Group Suicide Prevention Framework ("The Framework").

2. Authorising and strategic context

2.1 Under the Group Standing Orders, the Group Board is responsible for approval of group-wide policies and frameworks. The Framework closely aligns with the following strategic themes and outcomes:

- Delivering Exceptional Customer Experience; The Framework will continue to support our ambition of being sector-leading in the provision of customer services to the highest standard and support our agreed impact measures of ***reducing poverty and improving wellbeing*** and ***strengthening our communities***.
- Changing Lives and Communities; The Framework will help support our customers and communities' resilience levels through early intervention and prevention activity based on increased awareness levels of suicide prevention. This supports our outcome of **developing peaceful and connected communities**.
- Developing our Shared Capability; Having an informed workforce in suicide prevention will help support achievement of our strategic outcome of ***strengthening the skills and agility of our staff***. This will in turn provide better outcomes for our customers and the people we work for around suicide prevention activity and ensure they access the correct support to meet their needs and circumstances.

3. Background

3.1 Suicide is a complex issue that is rarely caused by one factor and is considered a public health issue. It affects all age groups and communities, however some individuals are more at risk of suicide as noted in Scotland's Suicide Prevention Strategy 2022-2032 'Creating Hope Together', where data from the Scottish Suicide Information Database (ScotSID) profiling suicide deaths between 2011 and 2019 notes:

- Just under three-quarters of all suicides in Scotland are male;
- Almost half (46%) were aged 35-54;
- 88% of people that die by suicide are of working age with two-thirds of these in employment at the time of their death.

3.2 Evidence tells us that suicide is three times higher in more deprived areas. As two-thirds of our communities are within the most deprived data zones as measured by the Scottish Index of Multiple Deprivation (SIMD), it is important that we have an awareness of this issue and have in place the correct measures to support those most at risk.

3.3 We have a long history of supporting the most vulnerable and marginalised groups within society through our work and the services we deliver. This includes our extensive range of wraparound support available for customers including Here for You, Welfare Benefits/Fuel Advice services, Home Comforts, Wheatley Foundation programmes, our Community Improvement Partnership and Wheatley Care.

3.4 We have developed a wide-ranging suite of policies that enable staff to best support vulnerable customers with any safeguarding issues through our Group Protecting People Policy Framework, however we do not currently have anything specifically relating to addressing suicide.

3.5 In Scotland there were 753 probable deaths by suicide in 2021. Just under the three-quarters these cases were males, and the highest prevalence of suicide was amongst the 45–54-year-old age group for both males and females who. Suicide can affect anyone and does not discriminate.

3.6 The Group Protection Team, as part of Wheatley 360, assume strategic and operational responsibility for suicide prevention. They ensure our people are supported to deal with any cases of this nature, as our frontline staff deal directly with our customers and are the staff group who generally experience anyone who is either feeling suicidal, has suicidal ideation, attempts suicide or has died by suicide (e.g. Housing, NETs, Care, Customer First Centre and Debt Recovery staff).

3.7 Within the team, there is a Suicide Prevention and Mental Health Coordinator (SPMHCo). The SPMHCo deals with any suicide cases across the business, including threats, ideation, attempts and deaths, and ensures staff are supported to know what action to take and when. They collate intelligence and information about suicide and provide advice, support, and guidance to anyone requiring this. The SPMHCo and Group Protection Liaison Manager attend operational and strategic meetings concerning prevention within the Glasgow and Dumfries & Galloway Local Authority Areas.

3.8 During the global pandemic, it was clear that people's mental health and resilience were challenged. In 2020/2021 the Group Protection Team dealt with 42 suicide attempts throughout that year. This accounts only for the cases they were made aware of and the likelihood and reality is the number of suicide attempts would have been much higher. This figure was reduced by 57% the following year in 2021/2022 as we moved out of the pandemic, where the team dealt with 18 cases.

3.9 It is anticipated that now we have entered and are living through the economic cost of living crisis, that again these same customers and many others will have their resilience and mental health challenged. During 2022/2023 the following figures were recorded by the Group Protection Team about suicide:

- 9 deaths by suicide;
- 21 suicide attempts;
- 29 suicidal ideations;
- 28 threats of suicide.

3.10 With the recent launch of the Scotland's Suicide Prevention Strategy 2022-2023, there was recognition of the importance being placed nationally on ensuring all sectors work in partnership to achieve the vision of reducing the number of deaths by suicide in Scotland. It was clear from this there was a need for the creation of The Framework for Group to help meet this vision and ensure that staff and leadership across our organisation were equipped to support with this.

4. Discussion

4.1 The Framework has been created to provide clear oversight of our commitment to supporting our customers impacted by suicide and of the activity we will take to meet the vision and priorities set out within. It is a tool to support any staff members who come into contact with anyone who expresses thoughts or threats of suicide, as well as those who attempt suicide. It also provides details of support for family members who are bereaved by suicide.

4.2 The vision for The Framework is for ***Wheatley communities to be supported; conversations about suicide normalised; and for the rate of suicides to decrease.*** We will achieve this vision through our five priority areas for activity, which are described in detail below.

4.3 Suicide is preventable and avoidable; therefore, we aspire to be proactive in supporting our customers and people we work for to access any support or assistance they require, as early as possible. The existence of The Framework to guide and enhance staff awareness around suicide prevention is a crucial part of our overall approach to ensuring our staff are informed and confident in dealing with this important issue.

4.4 The Framework was written in synergy with the Scottish Government and Convention of Scottish Local Authorities (COSLA) new suicide prevention ten-year strategy – Creating Hope Together – which runs from 2022–2032 and its supporting action plan. It also took cognisance of the Samaritans five-year suicide prevention strategy – Tackling Suicide Together: providing a safe space in uncertain times, which runs from 2022-2027 - and the Scottish Association for Mental Health (SAMH) strategy, 'We won't wait'.

4.5 It was important to devise The Framework in line with the national policy context, to ensure that we were mirroring the current agreed approach and identified guidelines. It was also crucial to incorporate other essential information within The Framework to provide context for its development, such as the prevalence of suicide within Scotland and within our communities, as well as the purpose of The Framework and our vision for it. The Framework also contains a section on definitions to help staff identify the language and terminology used within suicide, as well as an introductory section with sources of support in recognition that reading the document could be triggering for some people.

4.6 Within the Framework we created five priority areas to achieve our vision and set out the intended outcomes for each as follows:

	Priority Area	Outcomes
1.	Reduce suicide risk in our communities through awareness raising and an early intervention preventative approach.	Reduce the risk of customers being affected by suicide and raise awareness of the support services available.
2.	Provision of appropriate services to tackle inequalities and address the needs of individuals identified as at risk of suicide.	A range of support services are available for individuals to access to help address the ongoing issues they face.
3.	Suicide prevention training is available to all staff and tailored to their job role.	Our staff are confident and well trained in responding to customers affected by suicide/mental health and know how to tailor their approach to support them
4.	Establish effective strategic partnerships in relation to suicide prevention.	Continue to develop strategic partnerships with relevant partners and key organisations to ensure we deliver an innovative response to suicide prevention.
5.	Develop effective data collection and analysis measures and work to develop information-sharing pathways for suicide related activity.	Develop effective data collection and analysis measures and work to develop information-sharing pathways for suicide related activity.

4.7 The Framework was developed to outline the key priority areas we believe are essential to support suicide prevention and the activity we will undertake to achieve our vision of normalising conversations around suicide to better support those at risk and ultimately reduce the number of deaths by suicide within our communities. Under each priority area within The Framework there is a clear detailed outline of either work currently underway to achieve the outcomes set for each priority area, or future planned work to achieve the outcome.

4.8 The Framework highlights the need to utilise data that identifies those customer groups most at risk of suicide. The Framework identifies specific customer segments of note, to help raise awareness among staff around the need to be mindful of this when supporting and working with our customers. We want our people to confidently have conversations around suicide and be in the position to offer appropriate wraparound support and signposting options as necessary.

4.9 Crucially the document outlines steps staff members should take if they are presented with a situation involving suicide, including specifying which agencies require to be contacted and what steps require to be taken. It also identifies the services and support group has in place to offer customers, including details of our wraparound support services available.

4.10 Dealing with someone who is suicidal, or the aftermath of a suicide is not an easy task, therefore it is equally as important that staff are aware of the support available to them. This includes our employee assistance programme, W.E Benefits, and bespoke vicarious trauma training. The Group Protection team are specially trained in this area, with all team members being ASIST trained (Applied Suicide Intervention Skills Training) and several of the team also being Mental Health First Aid trained.

4.11 A key element identified as a priority area within the Framework is ensuring that staff receive bespoke suicide prevention training suited to their job role. This has been covered within the document, and working collaboratively with the Academy, we have already commenced work to identify the training that will best suit the needs of all relevant staff groups across the business (eg Care, Housing, NETs).

4.12 As with most areas across our business, this vision cannot be achieved by working in isolation, and establishing and maintaining key strategic partnerships is crucial for the success of the Framework. These partnerships will allow the sharing of best practice, information, data, and training to support achievement of our outcomes and enhance our position in supporting our customers effectively.

4.13 The intention is for a full launch of the Framework, once approved, to all key staff dealing with and supporting customers on a regular basis. This will include colleagues within the Customer First Centre, Housing, Care, NETs, Group Debt Recovery, Wheatley 360, Wheatley Foundation, and all relevant Wheatley Solutions Teams. Awareness will be raised around The Framework by utilising our WE Connect forum, and a clear communications strategy will be designed to ensure maximum reach of the document across the business to all staff.

4.14 The document will sit alongside, but not within, the Group Protecting People Framework. This is because suicide is prevalent across all areas of public protection including Domestic Abuse, Adult Support and Protection, Child Protection and the Multi-Agency Public Protection Arrangements (MAPPA).

4.15 The formulation of a suicide prevention action plan will complement The Framework, which mirrors the approach taken in the Scottish Government and COSLA strategy. This document will provide the detail around the activity that will be taken to deliver the vision and achieve the outcomes identified within the five priority areas.

5. Customer Engagement

5.1 There has been no direct customer engagement as part of this work, due to the nature of the content and associated sensitivity involved.

5.2 The Framework is to support staff in dealing with any customers or people we work for who present as suicidal, are at risk of suicide or have a relative/friend/neighbour who has died by suicide, to ensure they have the correct information and tools to support them.

6. Environmental and sustainability implications

6.1 The Framework is fundamentally around identifying and supporting customers to access appropriate support and services to meet their needs and helping to build resilience and wellbeing with them and within our communities. This meets the objectives of 3 of the UN sustainable goals, including:

Goal 3: Good Health and wellbeing;
Goal 10: Reduced inequalities;
Goal 11: Sustainable cities and communities.

7. Digital transformation alignment

7.1 The launch of the Framework, once approved, will comprise of a hybrid approach to educating staff of its existence and content. This will take the form of briefing sessions for managers across group via Microsoft Teams and in person sessions, with the ambition of utilising the same hybrid model for taking The Framework out to their respective teams.

7.2 The Framework will be available on the Protecting People WE Connect page, alongside other supporting information around suicide prevention and bereavement by suicide. WE Connect is routinely used by the Group Protection Team to highlight information of importance in relation to suicide prevention, including suicide prevention awareness week and suicide prevention campaigns from partners including the Samaritans.

8. Financial and value for money implications

8.1 There are no financial implications associated with implementation of The Framework.

9. Legal, regulatory, and charitable implications

9.1 There is no specific legislation in relation to suicide and/or suicide prevention. In the event of a suicide attempt, this invariably invokes a required response to submit an Adult Support and Protection referral to the relevant Local Authority, to help safeguard the individual and get the appropriate level of support in place. This is set out in the Adult Support and Protection (Scotland) Act 2007. This can also be the case for reported incidents of suicidal ideation and/or threats of suicide.

10. Risk Appetite and assessment

10.1 The Framework supports our ambitions across a number of our strategic themes, in particular: Delivering Exceptional Customer Experience, Changing Lives and Communities and Developing our Shared Capability. Our risk appetite in relation to operational delivery for these themes ranges from open to hungry.

10.2 This means we encourage innovation and in some case have a desire to ‘break the mould’ and challenge current working practices. The development of The Framework is consistent with these risk appetites.

10.3 The risk to the organisation for non-development of The Framework could be:

- Increased suicides within our communities, where staff are unable to implement an early intervention approach to offering support and signposting to vulnerable customers at risk;
- Uneducated workforce who are unable to respond to the needs of our customers;
- Reputationally it puts us behind other similar organisations who are actively involved in raising awareness of suicide prevention and educating their staff in this area;
- Less awareness of how much of an issue suicide is for us, without proactively seeking to establish partnerships to gather this vital data and our staff remaining unaware they require to feed this into the Group Protection Team.

11. Equalities implications

11.1 There is a well-known link between suicide and deprivation. The suicide rate is three times higher in the most deprived areas of the country compared to the least deprived areas. The reasons are varied and complex, however we do know that they centre on socio-economic issues such as disempowerment, social exclusion, poverty, poor mental health, trauma, adverse childhood experiences and more.

11.2 The rates of suicides in males has been consistently higher than females, a finding that goes back as far as 1994. We also know that those in the middle age bracket constitute the highest numbers of those who die by probable suicide.

11.3 The Framework identifies both as being key areas of focus for prevention activity, alongside some other groups including those who have experienced homelessness, those with addictions and those with mental health difficulties, and works to try and improve awareness of this risk for these groups and access to services and support for all.

11.4 An Equalities Impact Assessment has been undertaken on The Framework to ensure that it is inclusive and fair and designed to meet the needs of all customers across Group.

12. Key issues and conclusions

12.1 Suicide is an issue affecting all communities across Scotland. A link has been established between suicide and deprivation, therefore given that two thirds of Group communities are within the most deprived data zones as measured by the Scottish Index of Multiple Deprivation (SIMD), the establishment of The Framework is a practical step.

12.2 The global pandemic and cost of living crisis are external factors which have challenged the mental health and resilience of many of our customers and can have a detrimental effect on suicide within our communities as a result.

12.3 The Framework has been established to outline the priority areas for group to support our vision of ***Wheatley communities to be supported; conversations about suicide normalised; and for the rate of suicides to decrease.*** Five priority areas have been identified which includes:

1.	Reduce suicide risk in our communities through awareness raising and an early intervention preventative approach.
2.	Provision of appropriate services to address the needs of individuals identified as at risk of suicide.
3.	Suicide prevention training is available to all staff and tailored to their job role.
4.	Establish effective strategic partnerships in relation to suicide prevention.
5.	Develop effective data collection and analysis measures and work to develop information sharing pathways on suicide related activity.

12.4 It has been developed alongside the recently launched Scottish Government and COSLA ten-year strategy – Creating Hope Together - at the same time as taking cognisance of other important suicide prevention strategies in operation by the Samaritans and SAMH.

12.5 The document will help staff to understand customer segments who are more at risk of suicide and ensure they are confident in dealing with cases, taking the correct course of action and invoking the appropriate wraparound support and signposting the customer or person we work for requires.

12.6 An action plan will complement The Framework and will set out clearly the activity that will be taken to achieve the stated vision across each of the five priority areas.

13. Recommendations

13.1 The Board are asked to approve the Group Suicide Prevention Framework and its designation as a Group wide framework.

LIST OF APPENDICES:
Appendix 1: Suicide Prevention Framework [redacted] can be found here

Report

To: Wheatley Housing Group Board

By: Frank McCafferty, Group Director of Repairs and Assets

Approved by: Steven Henderson, Group Chief Executive

Subject: Home Safety building compliance update

Date of Meeting: 26 April 2023

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1. Purpose

1.1 This report provides an update to the Board on our Home Safety building compliance work streams during 2022/23 across our RSLs and Lowther Homes.

2. Authorising and strategic context

2.1 Under the Group Standing Orders, the Board has a role in the overall monitoring and scrutiny of our compliance with relevant legislation and regulation across our group entities. This report provides the Board with an update and details of the compliance works that are managed and undertaken and ongoing activities.

2.2 In line with our strategy, we will maintain our commitment to "make the most of our homes and assets". We will ensure through our home safety compliance programmes that we protect and maintain our existing assets.

3. Background

3.1 Our compliance work programmes are diverse and include, gas servicing, lift servicing, thermostatic mixing valves (TMVs), water management including legionella prevention and electrical works such as electrical inspections and smoke and heat detector renewals / replacements.

3.2 Landlords have:

- a legal duty to repair and maintain gas pipework, flues, and appliances in a safe condition, to ensure an annual gas safety check on each appliance and flue is carried out, and to keep a record of each safety check.

- a mandatory responsibility for electrical safety including carrying out Electrical Inspections, commonly referred to as EICR or FIT testing.

- other obligations under legislation or approved codes of practice (ACOPs) for a variety of building maintenance and inspection activities related to firefighting equipment (dry risers/sprinklers), lifting equipment, alarm systems etc.

3.3 The general arrangements for our compliance workstream are illustrated in the table below.

Work Stream	Cycle	Status
TMV maintenance and Installation	Annual	Rolling programme ongoing
Smoke and Heat Detector re-life programme	Every 10 years but is dictated *annually* by build date / LD2 install date	Rolling annual programme ongoing
Electrical (EICR)	Maximum Every 5 years	Rolling annual programme ongoing
Gas Servicing	Annual (10-month cycle)	Rolling programme ongoing
Lift Insurance Inspections	Six monthly	Rolling programme ongoing
Proactive Lift Maintenance	Monthly Checks	Ongoing programme
Mechanical and Electrical Work Servicing package	Subject to asset requirements: examples are CCTV, pumps, aerials, automated smoke vents, lightning conductors, "mansafe" systems, sprinkler systems, MSF ventilation fans.	Ongoing programme
Common window inspections	Annual	Ongoing
Dwelling windows and doors in our MSFs	5 yearly - 20% per year	Rolling programme ongoing
Emergency Lighting Maintenance (MSFs)	Annual	Rolling programme

3.4 The key objectives for Home Safety compliance work across the Group are*:*

- To keep customers safe within their homes by undertaking both statutory and good practice compliance activities in line with lifecycles/ recommendations;
- Package up home safety visits where practical and minimise the number of visits and decrease inconvenience to the customer whilst also improving value for money and productivity in service delivery;
- Promote the need for Home Safety works to our customers through regular marketing campaigns on our social media channels / RSL websites;
- Increase the visibility of the importance of our compliance work programmes with frontline staff, particularly colleagues who regularly engage with customers to help with promoting the need for access for these works.
- Comply with any guidance and requirements set by the Scottish Housing Regulator; and
- Work to help increase access levels for our delivery teams and other specialist contractors.

One and done approach

3.5 Our approach to delivering compliance activities across the Group is embedded in our Group Repairs and Maintenance Policy Framework:

"*The Group's approach is to offer a one-stop shop service through compliance trades teams for compliance events required within a customer's home. The aim of this service is to minimise disruption to the customer and to provide assurance on the safety of our homes."*

3.6 To that end, we have dedicated Home Safety delivery teams within City Building Glasgow (CBG) and our internal maintenance delivery teams that work collaboratively with our Asset Landlord Compliance teams at City Building (West) and within our asset teams across the East and South. These Home Safety Teams consists of key leads across, gas, electrical, water management, multi-storey flat (MSF) works and lift safety specific to each geographic area's requirements.

3.7 The one and done approach is consistently applied across the Country and is tailored to meet all compliance activities within our tenanted properties. Wherever practical for similar related compliance activities within our stock, we will endeavour to package works together taking cognisance of asset compliance cycles, property attributes and individual customer requirements.

Type of Package	Stock Targeted	Type of works
Home Safety Bundle 1: Gas and Water Mgt works	Gas properties	▪ Annual gas servicing ▪ Temperature checks at water outlets ▪ TMV servicing/installs ▪ Test/servicing of smoke/heat/carbon monoxide detectors ▪ Complete all certification
Home Safety Bundle 2: Electrical installs and servicing	All properties	▪ Installation of Smoke + Heat detectors (re-life programme) ▪ Carry out EICR inspections
Home Safety Bundle 3: Joinery and electrical	MSF & electric properties	▪ Test/servicing of smoke and heat detectors ▪ Service MSF dwelling windows and doors

3.8 Across Group when a property becomes vacant, we will use this opportunity to carry out any required compliance activities. This approach ensures that every new tenant moves into a home that is safe and secure for them to live in, while also maximising the access opportunity to undertake as much cyclical or capital compliance works as possible while the property is vacant.

4. Discussion

Gas Safety

4.1 To achieve compliance in Gas Safety, we need to undertake a gas safety check of the **46,791** homes across the Group who have a gas supply.

4.2 Key to the delivery of this programme and full compliance is timeous access to our customers homes. In addition to the formal appointment letters sent our teams carry out proactive outbound calling through our customer first centre (CFC), to maximise access into our tenants' homes and allow them the flexibility to change appointments to suit them by speaking directly with our call handlers.

4.3 As a last resort, and only after we have exhausted all reasonable efforts to obtain access through communication and liaison, we move to a forced appointment. This helps us maintain 100% compliance, ensuring the safety of our tenants and protection of our assets.

Total Gas Services required	Total Complete	Percentage complete to date
46,791	46,791	100%

Water Management

4.4 Water management is delivered through a year-round rolling programme.

4.5 The testing regime varies on a site-by-site basis taking into consideration the water system installed, the type of property and the customer demographic. Works undertaken can include individual tasks such as visual inspections of the tanks, risk assessments, temperature checks of both the water inlet and of resting water within the tank, bacterial testing which checks the water supply for various bacteria including e-coli and legionella and chemical testing for metal and mineral contents to ensure that water meets the relevant water quality standards as set by the Water Supply (Water Quality) (Scotland) Regulations 2001.

4.6 The table below provides details of progress against the rolling annual programme. All relevant premises tasks are 100% complete. The outstanding visits, noted below, require access into some non-communal area's for domestic dwellings on more lower risk inspections, such as visual tank condition checks, and despite repeated attempts, access has not been obtained. Ongoing joint working between our asset, frontline teams and maintenance delivery teams will ensure these addresses be reprioritised during April – May 2023 *

Inspections/tasks completed so far	Total Inspections/tasks Required	Percentage completion
4,312	4,464	96.59%

TMV Servicing

4.7 The table below provides the total number of qualifying households within this programme and our progress to date.

Qualifying Households	Inspections completed so far	Total Inspections/Assessments Required	Percentage completion
6,281	5,016	6,281	79.85%

**Repeated attempts are made to gain access, however as this workstream is best practice, forced access arrangements are not used in this programme **

4.8 Our TMV programme is not mandatory; it is a best practice approach which involves a rolling annual programme and includes potentially vulnerable customer groups within qualifying households (e.g. those containing under 5s or over 75s and also some Care sites). As this programme is predominately based on age demographics the qualifying household list is reviewed and updated annually.

We do not currently utilise forced appointments to ensure 100% success in this area and will attempt to co-ordinate with housing colleagues to have any outstanding checks carried out at the “annual conversation” visit.

Smoke and Heat Detectors

4.9 Our **62,543** RSL and Lowther Homes properties have LD2 smoke and heat detectors installed, either at the point of construction (for new build stock) or as an upgrade as part of our rolling programme of re-life works (10-year cycle) All customers are offered a minimum of two appointments to enable the works to be completed at a time suitably convenient for them. As a last resort, we would move to a forced appointment to ensure we maintain compliance in this area. *As at 4th April there are 7 properties (6 x WHG & 1 x Loretto) that require upgrading. Actions are being taken by frontline teams and other support agencies to complete this work as a priority.*

Periodic Electrical Testing (EICR)

4.10 In May 2020 the Scottish Government updated its guidance to all social landlords via the Scottish Housing Quality Standards (SHQS), requiring that periodic electrical inspections be undertaken in all properties on a cycle of no more than 5 years. This brought the social housing sector in line with guidance issued to the private rented sector in 2015. Landlords must make “reasonable efforts” to ensure that homes are accessed to carry out the inspection.

4.11 We have an ongoing rolling programme of work to access all homes that still require an updated electrical inspection certificate. The table below shows the position across Group with obtaining access to carry out the electrical inspection. To complete the checks needed the property must have sufficient credit in the electricity meter and clear access to all power outlets in all rooms/cupboards.

Stock	EICR Total Out with 5 years	Percentage complete to date
63,957	116	99.82%

Arrangements are being taken forward with frontline teams and other support agencies to facilitate access and complete the electrical inspections as a matter of priority

Lift Inspections and Maintenance

4.12 Lift inspections by our insurance engineers are completed through a rolling programme. Proactive servicing of our lifts is also carried out monthly via our approved Insurance company (Houghton's).

4.13 Lift performance, such as time to complete any minor defects or major repairs, is routinely monitored and managed by our own asset teams.

4.14 Emergency call outs are dealt with within set SLA timescales for example, 1 hour for trapped passenger(s) and all other emergencies within 4 hours.

No. of lifts	Total Inspections complete	Percentage complete to date
654	654	100%

Mechanical and Electrical Works

4.15 For some of our assets our specialist M&E contractor (Equans) work under our instruction to undertake all statutory compliance works which are accessible within common areas of our blocks or within landlord-controlled areas (tank rooms, risers etc.). This includes water testing, dry riser testing, fire alarm maintenance, CCTV repairs and maintenance.

4.16 Performance remains above satisfactory with emergency callouts being dealt with within agreed timescales.

4.17 The majority of our M&E equipment is within communal areas of MSF blocks, with access not required into our customers' homes, which allows our specialist contractor to be able to plan works throughout the year ensuring all our M&E works are up to date.

Management and Delivery

4.18 Our asset teams will continue to undertake the day-to-day management of our Home Safety compliance work programmes including all project management functions, supporting our CFC model with customer communication and providing performance and financial monitoring and reporting. This ensures that we will continue to provide a robust landlord assurance function and maintain compliance across the various workstreams.

5. Customer Engagement

5.1 Experience highlights the importance of proactively engaging with our customers, and emphasising the need for our compliance work programmes through our annual “Stay Safe” Messaging and use of social media and our RSL websites. We will seek to continue to develop our approach to working with all of our customers to deliver our compliance activities, utilising the Customer First Centre to engage our customers and work with our inhouse maintenance teams, City Building and our specialist M&E contractor (Equans), to continue to maximise our access rates.

5.2 We will further strengthen communications with customers at each communication stage to explain:

- what we are doing and why it’s important;
- how we will ensure the work can be carried out safely;
- what we need them to do; and
- how they can get in touch to talk to us.

5.3 Key messages in all our communications to customers across Group on compliance will be:

- Compliance activities are essential work aimed at keeping you and your home safe.

- Promote positive messaging to improve the profile of compliance activities so that our customers see them as “value works”.

5.4 These key messages, supplemented where appropriate with details of the individual project or work being carried out in the respective location(s), will be communicated to customers through a range of channels including telephone calls, online, web and social media.

6. Environmental and sustainability implications

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

6.2 However our approach to carrying out associated compliance works in one visit wherever practical will as a result lead to fewer travel visits by engineers and trade staff across our assets.

7. Digital transformation alignment

7.1 We will look to align our compliance work programmes with our overall group digital transformation strategy. This will include looking to give customers more choice over appointment timeframes and offering a digital self-serve method for the customer to arrange compliance works in their homes.

8. Financial and value for money implications

8.1 There is no direct value for money implications arising from this report. Budgets for these work streams have already been agreed and approved as part of the 5-year Capital Investment plan previously presented to the various RSL boards.

9. Legal, regulatory and charitable implications

9.1 In considering the current legal implications, the Group will respond to any changes to regulations from the Scottish Government and SHR as and when they may arise.

10. Risk Appetite and assessment

10.1 The groups risk appetite relating to building compliance work streams is minimal" i.e. preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.

10.2 Risks relating to repairs and maintenance are set out in our risk register. In addition, some compliance activities, for example gas servicing, and electrical safety are embedded in the Scottish Housing Regulator's annual reporting return requirements.

11. Equalities implications

11.1 There are no equalities implications associated with this report.

12. Key issues and conclusions

12.1 We will continue to complete all essential compliance activities keeping our homes and customers safe. We will also continue to develop our approach to maximising access for compliance works through our new operating model. This will be consistently applied across group.

12.2 Our "one and done" approach will continue to be offered where possible for similar related compliance activities subject to asset cycles, property attributes and customer requirements. Ensuring we remain agile and alert to any changing legislation or best practice is key to maintaining our commitment to provide a robust level of landlord assurance across the various compliance activities.

12.3 Our asset teams across group will continue to robustly monitor and manage the performance across this workstream to ensure that tasks are completed on time and to the required standards.

13. Recommendations

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

LIST OF APPENDICES:
None

Report

To: **Wheatley Housing Group Board**

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

Approved by: **Steven Henderson, Group Chief Executive**

Subject: **Fire Prevention and Mitigation Framework**

Date of Meeting: **26 April 2023**

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1. Purpose

1.1 The purpose of this report is to provide the Board with an update on the implementation and performance of our Fire Prevention and Mitigation Framework (FPMF) in 2022/23 and, more specifically:

- The current rate of Accidental Dwelling Fires (ADFs) across the Group,
- The current rate of Home Fire Safety Visits (PCRAs) across the Group,
- Progress with Fire Risk Assessment (FRA) Programmes to include, MSF and Living Well premises,
- Update on Fire Safety Legislation and Best Practice.

1.2 This report also provides an opportunity to review the updated Group Fire Prevention and Mitigation Framework following its annual review, attached at Appendix 1 for approval by the Board.

2. Authorising and strategic context

2.1 Under the Group Standing Orders the Board is responsible for approving our strategic measures and performance targets. The Board is also responsible for approving and designating Group frameworks and policies.

2.2 Developing peaceful and connected neighbourhoods is one of our strategic outcomes under the theme, *Changing lives and communities*. Within this outcome we have a minimal risk appetite to legal compliance and a commitment to ensuring the best fire safety precautions throughout our homes.

2.3 This report seeks to demonstrate our commitment and the commitment outlined in the Group Fire Prevention and Mitigation Framework (FPMF) to achieve legal compliance with current fire safety legislation and best practice guidance, namely:

- Fire (Scotland) Act 2005.
- Fire Safety (Scotland) Regulations 2006.
- Practical Fire Safety Guidance for Existing High Rise Domestic Premise.
- Practical Fire Safety Guidance for Specialised Housing.

3. Background

3.1 In the context of fire safety our commitment to delivering excellence has been endorsed by the Scottish Government's Building Safer Communities, and Unintentional Harm Hub who highlighted our Fire Safety Operating Model as a fire prevention exemplar.

3.2 Keeping our customers and communities as safe as they can be, will always be of paramount importance to us and this is recognised within our 2021-2026 Strategy: Your Home, Your Community, Your Future, in which we clearly state that fire safety will remain a priority.

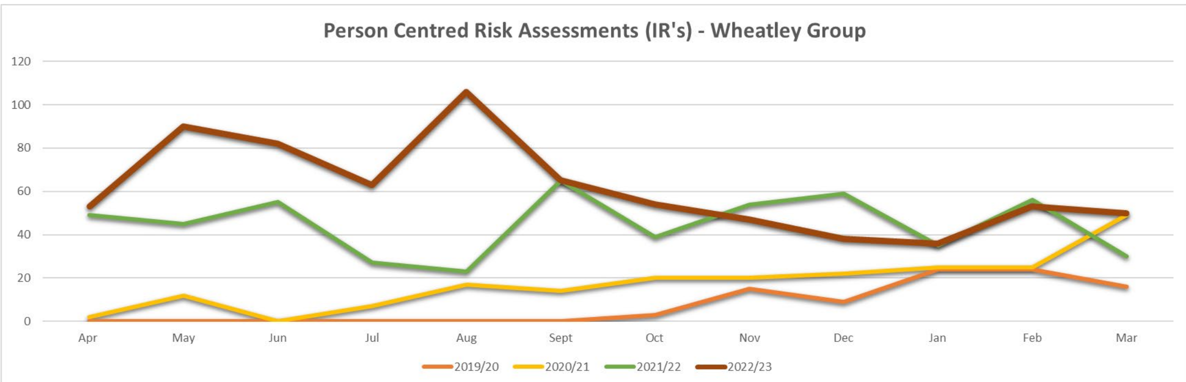
3.3 As a key strategy for us, the FPMF 2021-2026 was developed and approved by the Board in April 2021. This evidences to all partners and stakeholders the importance we place on fire safety and how we ensure fire safety in our homes and communities is maintained in accordance with legislation and best practice. The Framework is reviewed annually to consider legislative, performance and good practice changes, as well as any business / organisational changes.

3.4 This report also provides an update on the positive progress being made in our rate of Home Fire Safety Visits (PCRAs) and Accidental Dwelling Fires (ADFs) and outlines our compliance in the completion and implementation of fire risk assessments required under current fire safety legislation and best practice fire safety guides, issued by the Scottish Government.

4. Discussion

Person Centred Fire Risk Assessments (PCRAs)

4.1 The Fire Safety Team set an ambitious target in the last year to complete 600 PCRAs between April 2022 and March 2023, that would see an increase of 10% from the previous year's performance of 548 in 2021/22.



4.2 In the last 12 months between April 2022 – March 2023, the Fire Safety Team have exceeded targets and increased the number of PCRAs conducted from the previous year by 22%, resulting in approximately 737 PCRAs.

4.3 In addition to the Fire Safety Team conducting PCRAs, there has been a further 1139 Home Fire Safety Visits undertaken in our customers' homes by Scottish Fire and Rescue between April 2022 – March 2023.

4.4 In our efforts to reduce the fire risk for our most vulnerable customers, the fire safety team provide fire safety advice, guidance and fire safety products to help reduce the risk of accidental dwelling fires. As a result of the 737 PCRAs carried out this year, the fire safety team have arranged for:

- 390 customers being gifted with fire safety products e.g. air fryers etc
- 182 stove guards being recommended for customers with electric cookers
- 114 customers receiving an upgrade to their LD2 home fire detection
- 47 housing first customers receiving a visit and fire safety starter pack
- 262 fire safety repairs being raised (e.g. replacement of letter boxes, self-closing devices on flat entrance doors, re-alignment of internal doors etc.)

4.5 As part of the PCRA process in the last year, the fire safety team have also incorporated a holistic approach that looks beyond the immediate fire safety issues that include aspects of health, safety and wellbeing.

4.6 This approach is consistent with Scottish Fire and Rescue proposals to transition their home fire safety visits to safe and well visits. This has resulted in our fire safety team incorporating referrals to our Home-comforts Team, Handyperson Service and other wrap around services like Tenancy Support and the Eat Well team in addition to, the fire safety advice and fire safety products that they issue.

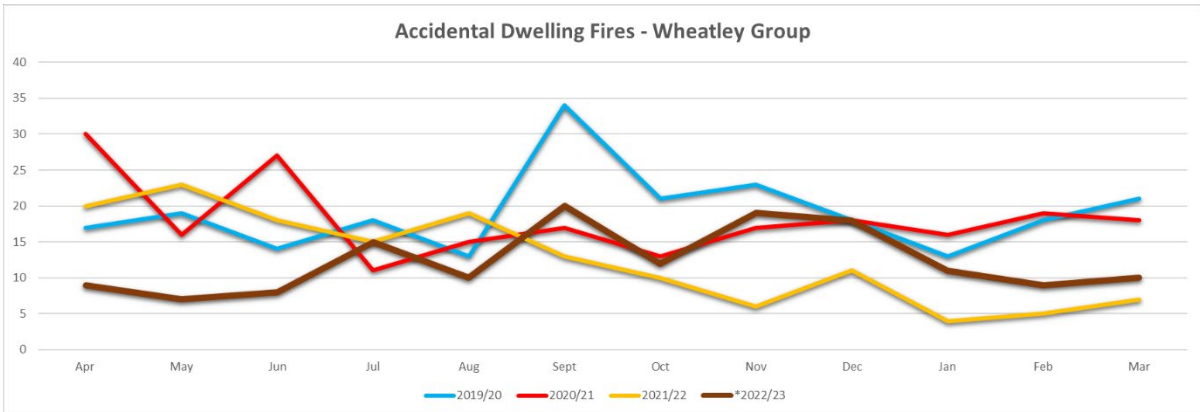
Accidental Dwelling Fires (ADFs)

4.7 The impact of PCRAs undertaken in the last 12 months by the Fire Safety Team, is a significant factor that cannot be underestimated in our efforts to reduce ADFs in customers' homes.

4.8 The number of ADFs experienced in our customers' homes between 2020/21 was 217. We previously set a target to reduce the number of ADFs by a further 10% between 2021 and 2026.

4.9 Between April 2022 and March 2023, there were 148 ADFs in customers' homes. This is a reduction of 3 ADFs in comparison to the 151 ADFs recorded in 2021/22 and an overall reduction of 32% since 2020/21, that keeps us on track to achieve our targets by 2025/26

4.10 It is therefore evident that the efforts of the Fire Safety Team through customer engagement and PCRAs are having a positive impact on the reduction of ADFs.



Fire Risk Assessment

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

4.11 The completion of FRAs in our relevant premise extends currently to our Corporate Estate that includes, HMOs, Care Premises, Offices Workshops and Depots.

4.12 In 2022/23, 82 FRAs in relevant premises had been undertaken to ensure their recommended frequency of review had been met and thereby ensuring ongoing legal compliance.

4.13 Currently, all of our relevant premises have a valid FRA to satisfy the requirements and legal obligations set out in the Fire Safety Scotland Act 2005 and Fire Safety Scotland Regulations 2006.

4.14 No significant issues were identified within our relevant premises during the course of the FRA programme as they have well established, mature fire safety arrangements in place overseen by competent staff and management teams.

Non-Relevant Premises (MSFs and Living Well)

4.15 The completion of fire risk assessments in non-relevant premises is not a legal requirement but one, that is considered best practice in guidance issued by the Scottish Government.

4.16 In recognition of Practical Fire Safety Guidance for a) Existing High Rise Domestic Premise (MSF) and b) Specialised Housing (Living Well), the Board have previously agreed a 3-year recurring cycle of fire risk assessments, in line with the recommendations outlined in said guidance.

4.17 However, where any significant change to our MSF or Living Well premises is identified by our repairs team, environmental teams or locality housing directors, such as refurbishment or increase in fire incidents, our fire risk assessments will be reviewed more frequently to ensure fire safety arrangements continue to be robust and effective.

4.18 The first programme of fire risk assessments in MSFs and Living Well premises was accelerated and completed 12 months ahead of schedule in March 2022. The cycle of fire risk assessments in MSFs and Living Well premises recommenced in July 2022 and will follow a three-year recurring cycle.

4.19 As part of the initial Living Well FRA programme, 43 buildings were identified as requiring an FRA. It has since come to light that 12 of these buildings are not classed as Living Well properties and as a result have been reclassified as a relevant premise.

4.20 As a relevant premise, the 12 x premises shall remain on the fire risk assessment programme and be completed in the same 3 year cycle as a Living Well premise.

Actions Arising from FRAs

4.21 During the period 2022/23, there were approximately 135 Fire Risk Assessments completed for both relevant and non-relevant premises.

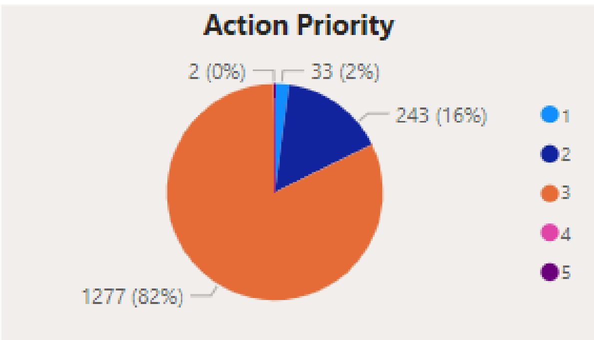
4.22 The composition of fire safety actions can be broken down into Management (Procedural, Training, Housekeeping Checks etc), Physical (Repairs, Signage, Door Upgrades etc) and Maintenance (Fire Alarms, Extinguishers, Lighting etc) actions that can be associated with various fire safety measures and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

4.23 The majority of actions can be categorised as Priority 3 or lower (P3 – 81.9%), Priority 2 (16%) or Priority 1 (2.1%).

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

4.24 The Fire Risk Assessments across Relevant and Non-Relevant Premises generated the following number of actions in between April 2022 and March 2023:

- All Actions – 1556 (100%)
- Closed Actions – 1350 (87%)
- Open / Ongoing – 166 (10%)
- Ongoing 3rd Party – 40 (3%)



P1 – 2%	70% Complete
P2 –16%	89% Complete
P3 – 82%	87% Complete

**Priority Ratings P4 & P5 no longer in use and recorded as P3*

4.25 Open and Ongoing actions that remain to be completed, account for 10% of all actions generated in the FRA Programme for 2022/23. In the main, these actions remain open / outstanding.

4.26 Ongoing with 3rd party actions that remain outstanding account for a further 3% of all actions generated in the FRA Programme for 2022/23, due to supply, material or labour requirements.

4.27 On reflection of the recommended actions raised between April 2022 and March 2023, there is clear evidence from the previous year that findings are now reducing in priority with there being fewer P1 and P2 from the previous year.

Fire Safety Update

Fire Prevention and Mitigation Framework

4.28 There are no significant changes in our updated FPMF. The key changes relate to either progress to date, updating elements to reflect our current working practices and to reflect changes in terminology.

4.29 For example Home Fire Safety visits are now referred to as Person Centred Risk Assessments and allows the Fire Safety Team to incorporate Scottish Fire and Rescue Services Safe and Well concept into our assessment that keeps the customers safety and wellbeing front and centre of our engagement.

4.30 Our targets to reduce Accidental Dwelling Fires by 10% over the period of our Group Strategy 2021 – 2026 have not changed and we currently remain on track to achieve this.

4.31 These changes are highlighted in track changes in the updated Framework document included at Appendix 1.

Scottish Government Technical Advice Note: Dec 2022 v2.0

4.32 Scottish Government have updated their Technical Advice Note: Determining Fire Risk posed by External Wall Systems in relation to Grenfell Phase 01 recommendations and changes to the Fire Safety Order in England and Wales.

4.33 The Technical Advice Note is not a legal requirement but one of best practice for us to consider and presents a requirement to review and / or appraisal external wall systems (cladding) on buildings of 2 or more storeys.

4.34 The Technical Advice Note progresses beyond the initial data gathering exercise on cladding that was provided by us to the Scottish Government following Grenfell.

4.35 The Technical Advice Note now recommends a further review and appraisal of external wall systems that considers the fire risk posed by the as built system and materials.

4.36 As a result, the Scottish Government have established a pilot scheme to assess external wall systems (Single Building Assessment) to further inform their cladding and remediation strategy. There are currently 105 buildings being assessed as part of the pilot that consists mainly of private registered landlords and 'orphaned' buildings.

4.37 We are currently in discussion with the Scottish Government cladding and remediation team to establish a working partnership and access to government funding that supports the review and appraisal of our stock profile.

4.38 Notwithstanding, we have commenced and commissioned a review of fire risk appraisals to 4 x multi storey blocks that were clad pre-stock transfer.

4.39 **It should be noted that none of our multi storey blocks have Grenfell Style cladding**. We will continue to liaise with the Scottish Govt in relation to the actions required to comply with the guidance issued and update the Board with the detailed action plan when this has been agreed.

Fire Safety England Regulations 2022

4.40 The Fire Safety (England) Regulations 2022 introduce new duties under the Fire Safety Order for building owners or managers (responsible persons) in England only and do not currently apply in Scotland.

4.41 These regulations made it a requirement in law for responsible persons of high-rise blocks of flats to provide information to Fire and Rescue Services to assist them to plan and, if needed, in providing an effective operational response.

4.42 Also, the regulations require responsible persons in multi-occupied residential buildings which are high-rise buildings, as well as those above 11 metres in height, to provide additional safety measures such as, providing residents with fire safety instructions and information on the importance of fire doors.

4.43 The Environmental Teams (NETS) currently undertake many of the inspections and checks in our Fire Precautions Log Book at our Multi Storey Flats,which have been implemented by the updated Regulations in England. This is a best practice approach in Scotland that includes housekeeping checks, fire doors in common areas, checks of dry risers, sprinkler systems in bin rooms and emergency lighting systems etc.

5. Customer Engagement

5.1 Although the annual review of our FPMF has not required customer engagement, it has a very clear focus on customer engagement.

5.2 The Fire Safety Team works with our housing and care colleagues to conduct PCRAs for customers who are particularly vulnerable to fire, due to physical, cognitive, mental impairments, substance misuse issues or the condition in which they are maintaining their home. At the time of the visit, an assessment of the property and the customer's needs is carried out to determine suitable fire prevention control measures.

5.3 Customer Information Leaflets (My Safety) are also distributed to customers by our Housing Officers and made available online providing safety information in relation to fire and how customers can arrange a home fire safety visit.

5.4 Our FRA programme is communicated and discussed with Directors and Senior Management across all subsidiaries on a regular basis at our Fire Working Group and Executive Fire Liaison Meeting.

6. Environmental and sustainability implications

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

6.2 The immediate short-term effects of house fires and building fires are the obvious risk and displacement to customers, release of toxic gas, smoke and other by products that contaminate the local environment, which can also impact air quality because of the release greenhouse gases like carbon monoxide and carbon dioxide.

6.3 Negative consequences of a building fire on the environment can also endanger the health and well-being of our customers' their neighbours and our communities.

6.4 Targeting PCRAs for vulnerable customers and ensuring our fire safety arrangements remain effective in the implementation and review of a robust fire risk assessment programme, shall contribute to our overall commitment to positively impact our environmental and sustainability responsibilities.

7. Digital transformation alignment

7.1 In support of our Digital Transformation, we have developed a Fire Risk Assessment Dashboard with our colleagues in Asset Intelligence.

7.2 The Power BI Dashboard interfaces with our PIMSS Asset Management System to provide real time data on the current progress and status of our Fire Risk Assessment Programme, Accidental Dwelling Fires, Person-Centred Risk Assessments and Fire Investigation Notes.

7.3 Access to Power BI Dashboard and PIMSS is shared with Duty Holders and Relevant Persons for access, visibility and updating progress.

7.4 Virtual drop-in sessions were held by the Group Fire Safety Manager via MS Teams throughout the year to assist Duty Holders with their fire risk assessment, person-centred risk assessment, fire investigation and operation assurance visit actions.

8. Financial and value for money implications

8.1 The implementation and completion of PCRAs and FRA programme has significantly increased the number of fire safety repairs since it commenced.

8.2 In driving a positive fire safety culture, which impacts the number of ADFs in our homes and workplace, there are significant cost savings associated with the cost of fires, which are not immediately visible.

8.3 The reduction in ADFs for the second consecutive year demonstrates a positive commitment and investment on our part to reduce the costs associated with house fires and the subsequent impact that this can have on customers and their neighbouring tenants / properties.

9. Legal, regulatory and charitable implications

9.1 The approach to fire risk assessment in a legal context is one of a statutory nature for relevant premises and best practice for non-relevant premises.

9.2 The Fire Safety Scotland Act 2005 and Fire Safety Scotland Regulations 2006 place legal obligations on Duty holders' to conduct Fire Risk Assessments in Relevant Premise (Non Domestic Premise).

9.3 Relevant Premise are those premises that are covered by fire safety legislation and enforced under current legislation by Scottish Fire and Rescue. Premises such as HMOs, Care Premises, Offices, Workshops and Depots are legally required to have a current fire risk assessment in place.

9.4 Multi Storey Flats (Practical Fire Safety Guide for Existing High Rise Domestic Premise) and Living Well Premises (Practical Fire Safety Guide for Specialised Housing) are recognised as a domestic premise and the recommendation to conduct fire risk assessments is one of best practice and not a legal requirement.

9.5 The current changes in Fire Safety Legislation have been introduced to recognise and implement the recommendations from the Grenfell Phase 01 Inquiry. These regulations and statutory obligations do not currently apply in Scotland due to differences in legislation and best practice that are currently in place.

9.6 There is currently a review of the Scottish Government's Technical Advice Note and English Fire Legislation being undertaken by Group Health and Safety and Compliance, Repairs, Investment and Compliance and the Group Director for Repairs and Assets to evaluate their impact for implementation.

10. Risk Appetite and assessment

10.1 This report most closely aligns with our ambition to develop peaceful and connected communities. Within this, our risk appetite for legal/regulatory compliance is minimal and we have a commitment to ensuring the best fire safety precautions throughout our homes.

10.2 The Fire Scotland Act 2005 and Fire Safety Scotland Regulations 2006, allows for a route of enforcement action and prosecution in the event of deviation from statutory requirements and specifically for Relevant Premise (Non-Domestic) therefore, strong regulatory compliance in this area must be maintained.

11. Equalities implications

11.1 Our FPMF does not require an equality impact assessment however, equalities have been considered within its development and operation. For example, as outlined in the Framework particular attention is given to identify and support customers who are more vulnerable to fire, for example due to age, a disability or a physical, cognitive or mental condition. We apply a person-centred approach meaning that as well as an assessment of the property, we also assess our customer's needs during fire safety visits to determine suitable fire prevention control measures.

11.2 We also work closely with our care colleagues who provide support for those in specialist accommodation or through our Livingwell sites for older customers, to ensure we have an effective programme of FRAs for these properties.

11.3 Our FPMF is available on request at no extra cost translated or in large print, in Braille, on tape on in another non-written format.

12. Key issues and conclusions

12.1 The Fire Safety Team have exceeded their target of 600 PCRAs between April 2022 – March 2023 by completing 734 PCRAs.

12.2 The impact of PCRAs on accidental dwelling fires has for the second consecutive year seen a reduction in the number of accidental dwelling fires experienced in customers' homes.

12.3 Fire risk assessments in both our relevant and non-relevant premise in accordance with Scottish Government guidelines and best practice maintains our position of strong legal compliance for fire safety.

12.4 It is further noted that Scottish Fire and Rescue Services increased their number of Operational Assurance Visits at our MSFs to 371 in the last year raising 1 action for every 5 visits.

12.5 It is evident that our approach to customer safety in our Fire Prevention and Mitigation Framework is having a positive impact on accidental dwelling fires and by the completion of PCRA and FRAs in our customers' homes and premises, there continues to be a strong fire safety arrangements and performance across our Group.

12.6 The Group Fire Safety and Compliance Team will continue to monitor any new legislative changes and best practice guidance and provide advice on changes required to ensure we maintain in our sector leading position.

13. Recommendations

13.1 The Board is asked to:

1) Note the contents of this report and the progress with our Fire Prevention and Mitigation Framework and receive a future update on compliance with the Scottish Govt Technical Advice (Dec 2022 v02); and
2) Approve the revised Group FPMF (2023) at Appendix 1.

LIST OF APPENCIES:
Appendix 1: Fire Prevention and Mitigation Framework [redacted]
can be found here

Report

To: **Wheatley Housing Group Board**

By: **Anthony Allison, Group Director of Governance and Business Solutions**

Approved by: **Steven Henderson, Group Chief Executive**

Subject: **Governance update**

Date of Meeting: **26 April 2023**

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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:

1) appointment of a Senior Independent Director and associated updates to the Articles of Association;
2) updates to the Strategic Agreements; and
3) the Board strategy residential.

2. Authorising and strategic context

2.1 The Board, being also the members of the company, are responsible for any changes to the governance arrangements which are covered by the reserved matters within the Group Standing Orders or Articles of Association.

3. Background

3.1 At its February meeting the Board agreed to create the role of a Senior Independent Director ("SID"). This included approving a role profile and a recruitment and selection process. As part of this it was agreed the selection panel would be made up of at least two Group Remuneration, Appointments, Appraisal and Governance Committee members.

3.2 Our next Board meeting forms part of the wider annual strategy residential. The format of our strategy residentials has core common elements each year and is subject to Board review at the meeting prior to the residential.

4. Discussion

<u>Senior Independent Director</u>

4.1 As required by the process and timetable agreed by the Board an Expression of Interest ("EOI") form was issued to all Board members and an appointment panel was formed consisting of two RAAG Committee members, supported by the Group Chief Executive.

4.2 The appointment panel undertook interviews for the role based on the agreed role profile, in particular the relevant skills and experience required. Following the interviews, where the panel found all candidates had relevant skills and experience, the panel agreed to recommend Caroline Gardner for appointment as the SID.

4.3 As previously agreed by the Board, the introduction of the SID role will replace the Group Vice-Chair role. Tracked change wording updates to the relevant Articles to effect the change is set out at Appendix 1. Subject to any feedback from the Board these will be presented at a Special General Meeting after the Group Board in June.

<u>Strategic Agreements</u>

4.4 Following discussion by the Board at its meeting on 15 March the Strategic Agreement with Glasgow City Council has now been subject to review by the Wheatley Homes Glasgow Board and the Glasgow City Council ("GCC") Economy, Housing, Transport and Regeneration City Policy Committee. Based on their feedback the following changes have been incorporated:

- Reflect the feedback from this Board regarding our commitment to refugees and asylum seekers by adding the following text:

  Glasgow has a proud tradition of supporting people seeking asylum and refuge from danger and conflict overseas. We are committed to providing welcome and protection to these households, to offer support and to be responsive in finding housing solutions to emerging needs as global events and circumstances lead households to come to the city looking for a new home, whether temporarily or permanently.

- Reflect feedback for GCC to include more explicit reference in 2 areas- (1) joint commitment to engagement of residents/ tenants in regeneration and service planning/ development alongside capacity building and (2) delivery of joint vision around vibrant communities via adding the text below:

  (1)The involvement and participation of residents and tenants remain central to the development and delivery of housing-led regeneration in the city. We are committed to the involvement of tenants and residents in the development of housing plans and in the housing services they receive, as well as supporting the capacity building of tenants and residents to engage, either individually or through the development of representative groups.

  (2)The vibrancy of communities is reliant on effective neighbourhood management. Our approach is to work collaboratively with communities to deliver services which create a quality and well-maintained environment and in which, residents feel safe and able to thrive.

4.5 The formal review and endorsement of the agreement the GCC Economy, Housing, Transport and Regeneration City Policy Committee is a significant step in affirming our relationship, partnership working and shared future objectives with a key stakeholder.

4.6 The next stage is for the Strategic Agreement to be receive final approval by GCC via their City Administration Committee at a date to be agreed in the near future.

4.7 We are also in the final stages of agreeing the strategic agreement with Dumfries and Galloway Council. It has been updated to reflect feedback from a wider Wheatley Homes South briefing session for elected members in Dumfries and Galloway, to add the following sections:

Access to affordable housing for Veterans

DGC and WHS will work together to ensure the appropriate access to affordable housing for service personnel, veterans, and their families. Working with service personnel and veteran support organisations like Citizens Advice, Royal British Legion, Veterans Housing Scotland and other appropriate organisations, a programme of support will be developed.

Support for Downsizing

Together DGC and WHS will develop a programme of support for those under occupying their home to move into more suitable homes. Focused on providing a safe, secure, and warm home for those requiring to resize. This can have the benefit of reduced energy bills and easier maintenance as well as providing additional family sized homes to the letting pool. Work will be undertaken to build a package of support including identifying properties and support with the physical move of home.

4.8 We anticipate finalising this formally with Dumfries and Galloway Council in the coming months and this will, for the first time, put Wheatley Homes South's partnership with the strategic housing authority on a formal footing.

Board residential

4.9 Our annual Board residential is over Thursday 22 and Friday 23 June 2023 and will again be held, given its central location, at the Westerwood Hotel in Cumbernauld. The proposed key elements of the residential are as follows:

Day 1 (10.30am start) – Current position

- Board meeting
- Guest speaker covering a specific element of our external operating context
- National sector update – performance and key trends
- A review of progress to date with our five-year strategy

Day 2 – future position (c12.30 finish)

- Proposed updates to our strategy to reflect our current operating context, progress to date, partner Board feedback and our anticipated future operating context
- Review of Board three-year succession plan

4.10 Board feedback is sought on the proposed key elements of the workshop.

5. Customer Engagement

5.1 As an internal governance related matter there are no direct customer implications.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

9.1 Any changes to our Articles of Association will require us to convene a Special General Meeting and lodge the changes with Companies House. We will also be required to notify the Scottish Housing Regulator under their statutory guidance on notifiable events.

10. Risk Appetite and assessment

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

10.2 This reflects our risk appetite in relation to laws and regulation, which is "averse", with the avoidance of risk and uncertainty is a key organisational objective and a priority for tight management controls and oversight.

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

10.4 We mitigate this risk by having clearly defined roles and responsibilities across our governance framework, regularly reviewing our framework and submitting our governance arrangements to external review. The introduction of the SID role is on the basis of a clearly defined, Board approved, role profile.

11. Equalities implications

11.1 There are no equalities implications arising from this report.

12. Key issues and conclusions

12.1 The proposed appointment of a SID and its incorporation into our Articles allows us to formally document the process for raising any issues beyond via the Chair and resolve how some of the activities, such as Chair appraisal, previously undertaken by the Group Vice-Chair are handled in future.

12.2 The positive progress with both Strategic Agreements with key strategic housing authority partners is a key step in supporting the delivery of our Group strategy. The annal residential will consider our progress more widely as well as any refinements we wish to make to reflect progress to date and our wider operating context.

13. Recommendations

13.1 The Board is asked to:

1) Approve the appointment of Caroline Gardner as the Board Senior Independent Director with immediate effect;
2) Agree the proposed update to the GCC and DGC Strategic Agreements and delegate authority to the Group Chief Executive to agree any further non-material changes;
3) Agree that we call a Special General Meeting to pass a resolution to adopt the revised Articles of Association attached at Appendix 1, subject to any agreed amendments; and
4) Provide feedback on and agree the outline structure of the June residential.

LIST OF APPENDICES:
Appendix 1 – Tracked changed relevant Articles

Appendix 1: Proposed changes to Articles of Association

Subject	Article	Proposed change
Procedure at General Meeting	26.1	The Chairperson will be the chairperson at all meetings of the Company. If there is no Chairperson or he/she is not present or willing to act, the ~~Vice Chairperson will act as the chairperson of the meeting. If the Vice Chairperson is not present or willing to act~~, the Members present must elect a Board Member to be chairperson of the meeting. The Senior Independent Director shall preside over the election and shall have a second and deciding vote in the event of a tie.
The Board of Management	37.1	The Company shall have a Board comprised as follows: ~~37.1.1 From the end of the 2019 AGM until the end of the 2021 AGM, the Company shall have a Board of up to 17 Board Members comprising~~: 37.1.1~~.1~~ up to ~~eight~~ six Non Executive Board Members; 37.1.~~1~~.2 up to ~~six~~ five Subsidiary Chair Board Members; 37.~~1.~~1.3 up to two Co-opted Board Members; and 37.~~1.~~1.4 one Other Board Member; and ~~37.1.2 From the end of the 2021 AGM, the Company shall have a Board of up to 16 Board Members comprising:~~ ~~37.1.2.1 up to seven Non Executive Board Members;~~ ~~37.1.2.2 up to six Subsidiary Chair Board Members;~~ ~~37.1.2.3 up to two Co-opted Board Members; and~~ ~~37.1.2.4 one Other Board Member.~~ The Company shall keep up to date a register of the names of the Board Members which shall be made available to any person at no cost. The names of the Board Members will also be published by the Company on its website, and in its annual reports and other similar documentation.
	37.7	The Board may appoint one of the Non-Executive Board Members or Subsidiary Chairperson Board Members to act as the Senior Independent Director. The Senior Independent Director shall be appointed by the Board on such terms as determined by the Board from time to time and as set out in these Articles.

Subject	Article	Proposed change
Appointing Board Members	39.8	The Board shall be entitled from time to time and at any time to appoint up to ~~six~~ five persons as Subsidiary Chair Board Members and to remove from office any such Subsidiary Chair Board Member. The persons appointed as Subsidiary Board Members in terms of this article 39.9 must each be the chair of a Subsidiary at the time of their appointment.
	39.9	A Subsidiary Chair Board Member shall remain in office until such time as he/she is removed by the Board in terms of article 39.8 or has nine years' continuous service on the Board, unless otherwise approved by the Board in accordance with article 39.5, or is no longer the chair of a Subsidiary. Notwithstanding this Article 39.9 at the discretion of the Board a Subsidiary Chair Board Member may remain in office until the conclusion of the next Board meeting following their retirement as chair of a Subsidiary.
The Secretary and Office Bearers	59.8	If the Chairperson is not present at a Board Meeting or is not willing to act, ~~the Vice Chairperson will act as the chairperson of the Board Meeting. If the Vice Chairperson is not present or willing to act~~, the Board Members present will elect another Board Member to be chairperson for the Board Meeting. The Senior Independent Director shall preside over the election and shall have a second and deciding vote in the event of a tie. If the Chairperson arrives at the meeting late, he/she will take over as chairperson of the Board Meeting as soon as the current agenda item is concluded.
	59.13	~~The Board may appoint a Vice Chairperson to act in the absence of the Chairperson appointed in accordance with article 59.7 on such terms as the Board shall think fit.~~
Interpreting these Articles	85.1.23	“Senior Independent Director” means a person appointed in accordance with Article 37.7
	85.1.26	~~**"Vice Chairperson"** means the vice chairperson of the Company referred to in Rule 59.13.~~

Wheatley Group

Report

To: Wheatley Housing Group Board

By: Pauline Turnock, Group Director of Finance

Approved by: Steven Henderson, Group Chief Executive

Subject: Finance report

Date of Meeting: 26 April 2023

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1. Purpose

1.1 The purpose of this paper is to:

1) provide an update on the Group's financial performance for the year to 31 March 2023;
2) seek approval for submission of the RSL Borrower Group's management accounts to 31 March 2023 to our bank lenders as part of our usual quarterly covenant returns;
3) seek approval of the 2023/24 Group budget;
4) seek approval of the 2023/24 City Building (Glasgow) financial projections; and
5) seek approval for the submission of Five Year Financial Projections to the Scottish Housing Regulator.

2. Authorising and strategic context

2.1 Under the Group Standing Orders the Group Board is responsible for monitoring and scrutinising financial performance.

2.2 The strategic context is one of a challenging external environment, with inflation continuing to remain high. The rent cap for social rents expired on 31 March 2023, with the retention of a cap for PRS/ MMR. Scottish Government have set this at 3% from April 2023 to October 2023.

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

3. Background

Financial performance to 31 March 2023

3.1 The results for the period to 31 March as presented in Appendix 1 are:

	Year Period 12		
£m	**Actual**	**Budget**	**Variance**
Turnover	418.4	395.7	22.7
Operating expenditure	(330.9)	(323.3)	(7.6)
Operating surplus	**87.5**	**72.4**	**15.1**
Operating margin	*20.9%*	*18.3%*	
Net interest payable	(65.4)	(65.7)	0.3
Surplus	**22.1**	**6.7**	**15.4**
Net Capital Expenditure	**(130.5)**	**(132.8)**	**2.3**

4. Discussion

4.1 The Group is reporting a statutory surplus of £22.1m, £15.1m favourable to budget. Higher grant income recognised from new build completions originally budgeted in the prior year and favourable variances across a number of other expenditure lines offset costs in delivering the increased demand for repairs and maintenance as we addressed the post-Covid backlog.

4.2 Key variances against budget include:

- Within turnover, grant income is £16.6m favourable to budget and relates to the completion of 644 units (519 social rent and 125 MMR) in the year. This includes 180 units delayed from 2021/22.
- Net rental income is £1.2m favourable to budget with a stronger performance in void rent loss levels driving the variance.
- Other income is £4.9m favourable to budget linked to unbudgeted grant income for decarbonisation and renewables projects in WH South and the Scottish Housing Net Zero funded projects across the RSLs as well as higher levels of adaptation grant.
- In operating expenditure, total costs are £7.6m unfavourable to budget, driven by higher spend on revenue repairs and maintenance and running costs.
    - Staff costs are broadly in line with budget and include a favourable variance due to lower employee care contract costs in Wheatley care. This relates to a number of services operating with staff vacancies against budget. Also included in this line is a one off payment to staff in recognition of cost of living has been made in March 2023.

- Running costs are £2.9m unfavourable. This includes higher costs in the Foundation to support tenants facing financial hardship with support provided through the Here For You Fund. Additional costs for the extension of the 2022/23 stock condition survey are reported here. These items are offset by a reduction in Wheatley Solutions running costs where a number of departments are reporting lower spend for the year.

- Revenue repairs and maintenance spend is £9.4m unfavourable to budget. The variance primarily relates to a higher than budgeted spend across responsive repairs in the RSLs. There is a higher demand for repairs with increasing number of new jobs coming through the Customer First Centre and inflationary pressure on the cost of materials in the in-house services in the south and east. In 2022/23, completed job numbers have increased 28% from 2019/20 in the west and 32% in the east, picking up lower activity levels in the two previous years.

- Bad debt costs are £2.0m lower than budget. Coupled with strong delivery of rent arrears within target, we have continued to maintain a prudent level of provision for bad debts.

4.3 Net capital expenditure is £2.3m lower than budget. Within this, new build spend is £1.5m lower than budget which links through to new build grant income claimed which is £0.7m lower than budget at the year end. New build spend reflects the accelerated spend at Southfort St in Edinburgh, Raw Holdings in West Lothian, Roslin Ph2 and Westcraigs in WH East and Curries Yard in WH South offset by delays in planning approvals and slow progress on other sites. Greater spend had been anticipated across sites at WH Glasgow including Shawbridge Arcade and Calton; at Forfar Avenue in Loretto due to planning delays; at WH East including underspend at Penicuik, Rowanbank and Winchburgh BB.

4.4 Net investment in our existing homes after taking account of fully funded SHNZ, energy efficiency and adaptations work was £73.2m which was £0.5m higher than budget. Higher spend across void improvements and capitalised repairs in the RSLs has been managed within broadly within the overall capital budget allocation.

Group Budget 2023/24

4.5 At the previous meeting in February 2023 the Board were presented with the revised five-year financial projections and agreed that the 2023/24 figures would form the basis of the 2023/24 annual budget, which is also presented in Appendix 1. This paper provides additional detail and commentary.

4.6 The budget is summarised below and compared against the financial projections.

Group	Full Year		
£m	Actual 2022/23	Budget 2023/24	Projections 2023/24
Turnover	418.4	413.3	413.3
Operating expenditure	(330.9)	(342.5)	(342.5)
Operating surplus	**87.5**	**70.8**	**70.8**
Operating margin	20.9%	*17.1%*	*17.1%*
Net interest payable	(65.4)	(71.5)	(71.5)
Surplus/(Deficit)	**22.1**	**(0.7)**	**(0.7)**
Net Capital Expenditure	**(130.5)**	**(183.1)**	**(183.1)**

4.7 The 2023/24 budget shows an operating surplus of £70.8m, and a statutory deficit of £0.7m, both in line with the financial projections approved in February 2023.

4.8 On repairs costs, we have agreed a [redacted] in repairs schedules of rates with Glasgow City Council and City Building (Glasgow), which provides strong value for money in the context of the current economic and inflationary climate. Total repairs spend in 2022/23 was £73.5m and included a number of non recurring items shown in more detail in the table below. After allowing for these items the table below shows that the 2023/24 repairs budget of £73.8m includes adequate provision for the agreed increase on the CBG schedule of rates and the updated allocation of overheads to members.

	£m
2022/23 Total Repairs	**73.5**
Non recurring items:	
Electrical installation testing	(0.3)
Damp & Mould	(1.3)
Staff one off payments (WHG in-house)	(0.3)
Q1 catch up repairs	(3.1)
Reduction in fuel costs	(0.5)
2022/23 Core Repairs	**68.0**
2023/24 uplift	4.6
2023/24 addn overhead allocation	0.6
2023/24 Repairs	**73.2**
2023/24 Repairs Budget allocation	**73.8**

4.9 The Group operating surplus budgeted of £70.8m compares to actual net operating surplus of £87.5m for 2022/23. This variation is caused by a number of key movements which are either:

- non-cash in nature such as the amount of grant income recognised which relates to the profile of new build completions (£54.6m in 22/23 compared to £29.0m budgeted for 23/24) and the increase in the depreciation adjustment; or

- not associated with core trading items such as the receipt of other grant income for Scottish Housing Net Zero projects and adaptations (£7.1m in 22/23 compared to £18.2m budgeted for 23/24).

Key financial metrics – interest cover and debt per unit

4.10 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 and WFL2 were met as at 31 March 2023. Covenant measures are draft and are subject to final audit.

4.11 Interest covenant is [redacted] which is in line with the position as presented to and approved by the Board in March 2023.

CBG Financial Projections

4.12 [redacted]

Five Year Financial Projections

4.13 The Five Year Financial Projections is a web-based return designed by the Scottish Housing Regulator to collect the financial projections and related information of all RSLs in Scotland in a standard format. The information provided is used to calculate a number of financial ratios and is used by the SHR as part of its annual review of the financial viability of RSLs and in making decisions on the level of engagement. It is also used to allow developing trends, patterns and emerging issues to be identified and considered across the sector.

4.14 The return for Wheatley Housing Group Limited contains only direct income and costs of the parent company itself, such as Board member payments and audit fees. The financial projections of our RSL operating subsidiaries will be approved by each RSL board and will be submitted separately. The SHR require covenant information to be included in the return and for the Wheatley Group have asked that this information is provided for the RSL Borrower Group in the Wheatley Group return, an approach that is similar to the Loan Portfolio Submission and in line with last year's submission. At other points in the year we submit our whole Group long term financial projections i.e. our 30 year business plan which was presented to the February Board and the annual accounts which will be presented to the August Board meeting.

4.15 The summary sheet and accompanying financial data and five year projections to be submitted to the regulator are attached at Appendix 4. The Board are requested to consider and approve these financial projections. Once approved, these will be submitted to the Scottish Housing Regulator.

4.16 This year the deadline for the submission of the five-year Financial Projections is 31 May 2023.

5. Customer Engagement

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

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8. Financial and value for money implications

8.1 As noted above.

9. Legal, regulatory and charitable implications

9.1 As noted above.

10. Risk Appetite and assessment

10.1 The Board's agreed risk appetite for business planning and budgeting assumptions is "open". This level of risk tolerance is defined as "prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level".

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

11. Equalities implications

11.1 There are no equalities implications arising from this report.

12. Key issues and conclusions

12.1 This paper presents the financial performance position for the year to 31 March 2023 and the budget for 2023/24.

13. Recommendations

13.1 The Board is requested to:

1) Note the financial performance for the Group to 31 March 2023;
2) Approve the RSL Borrower Group accounts at Appendix 2 for submission to the Group's lenders;
3) Approve the Group budget for 2023/24;
4) Approve the City Building (Glasgow) 2023/24 financial projections; and
5) Approve the summary sheet and accompanying financial data and projections at Appendix 4; authorise these to be submitted to the Scottish Housing Regulator; and delegate authority to the Group Director of Finance to approve any factual data updates that are required in advance of the submission.

LIST OF APPENDICES:

Appendix 1	Wheatley Group Financial Report to 31 March 2023
Appendix 2	RSL Borrower Group Financial Report to 31 March 2023
Appendix 3 (a) & (b)	[redacted]
Appendix 4	[redacted]

Appendix 1: Wheatley Group Financial Report To 31 March 2023 (Period 12)

1a) Wheatley Group – Year to 31 March 2023

	Year to 31 March 2023		
	Actual £'000	Budget £'000	Variance £'000
INCOME			
Net Rental Income	314,089	312,908	1,181
Grant income	57,280	40,709	16,571
Other Income	46,978	42,099	4,879
Total Income	**418,347**	**395,716**	**22,631**
EXPENDITURE			
Employee Costs	90,635	90,608	(27)
ER/VR	3,174	5,149	1,975
Running Costs	48,431	45,497	(2,934)
Repairs & Maintenance	73,490	64,095	(9,395)
Bad debts	4,124	6,127	2,003
Depreciation	109,624	109,624	-
Demolition Programme	1,382	2,205	823
Total Expenditure	**330,860**	**323,305**	**(7,555)**
NET OPERATING SURPLUS	**87,487**	**72,411**	**15,076**
	20.9%	18.3%	
Net interest payable	(65,417)	(65,700)	283
STATUTORY SURPLUS/(DEFICIT)	**22,070**	**6,711**	**15,359**

Key highlights:

The Group operating surplus for the period ended 31 March was £87,487k which is £15,076k favourable to budget. At the statutory surplus level, a surplus of £22,070k is reported showing a favourable variance of £15,359k to budget. The variance to budget reflects lower void rent losses, higher grant income recognised from delayed new build completions and favourable variances across a number of other expenditure lines offset by costs in delivering the increasing demand for repairs and maintenance and the additional support for tenants provided through our Here For You Fund.

Total income of £418,347k is £22,631k favourable to budget:

- Net rental income is £1,181k favourable to budget across the RSLs. Year to date rent loss on voids at 1.08% is lower than budget of 1.70% across all RSLs and Lowther, driving the favourable variance.
- New build grant income recognised to date relates to 644 units completed (519 SR and 125 MMR) in the RSL borrower group. The favourable variance to budget is primarily due to grant recognition for 180 units delayed from 2021/22.
- Other income is £4,879k favourable to budget arising from by unbudgeted grant income for decarbonisation and renewables projects in WH South, recognition of the SHNZ grant and adaptation grant. Also reported are L&A damages for Sighthill and income from the continuation of the furnished let service in WH Glasgow.

Total expenditure of £330,860k is £7,555k unfavourable to budget:

- Staff costs (direct and group services) are broadly in line with budget with a favourable variance in employee care contract costs from budget in Wheatley care due to a number of services operating with staff vacancies against budget and lower staff costs across Wheatley Solutions offset by the one-off cost of living payment processed in March to all staff.
- Running costs (direct and group services) are £2,934k unfavourable to budget. Higher than budgeted direct running costs across the RSLs include the costs of the extension in scope of the 2022/23 Stock Condition Survey; in Wheatley Foundation costs include the spend on the Here For You Fund. The Group continued to have lower than budgeted group recharges where a number of departments are currently reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance spend is £9,395k unfavourable to budget. The variance relates to a higher than budgeted spend across responsive repairs. There is a higher demand for repairs with increasing number of new jobs coming through the Customer First Centre and inflationary pressure on the cost of materials in the in-house services in the south and east. In 2022/23, completed job numbers have increased 28% from 2019/20 in the West and 32% in the East, picking up lower activity levels in the two previous years.
- Bad debts are £2,003k favourable to budget across the Group with a prudent provision set aside for increases in arrears.

Net interest payable is £283k lower than budget linked to lower loan balances drawn contrasted with higher floating interest rates in the year than assumed in the budget.

1a) Wheatley Group – Year to 31 March 2023

CAPITAL INVESTMENT	Year to 31 March 2023		
	Actual £'000	Budget £'000	Variance £'000
CORE PROGRAMME			
Grant Income	**7,251**	**902**	**6,349**
Core Investment Programme - grant funded	2,846	-	(2,846)
Adpatations - grant funded	4,405	902	(3,503)
Total Grant Funded Core Investment	**7,251**	**902**	**(6,349)**
Core Investment Programme	48,491	53,759	5,268
Adaptations	1,179	1,537	358
Voids	16,204	12,449	(3,755)
Capitalised Repairs	7,276	4,920	(2,356)
Total Core Investment	**73,150**	**72,665**	**(485)**
NET CORE INVESTMENT SPEND	**73,150**	**72,665**	**(485)**
NEW BUILD			
New Build Grant Income Received	52,345	53,062	(717)
New Build Investment	94,703	96,168	1,465
NET NEW BUILD INVESTMENT SPEND	**42,358**	**43,106**	**748**
OTHER FIXED ASSET INVESTMENT SPEND	**14,966**	**16,986**	**2,020**
TOTAL NET CAPITAL INVESTMENT SPEND	**130,474**	**132,757**	**2,283**

Key highlights:

Net capital expenditure of £130,474k is £2,283k favourable to budget.

- Within core investment, net spend is £485k higher than budget. It includes fully funded investment works of £7,251k in relation to SHNZ (£2,162k) and decarbonisation energy efficiency projects (£684k) in addition to an additional £3,503k of adaptations work which has been fully funded. Within other core programme categories higher spend in capitalised voids, capitalised repairs and unfunded adaptations has been broadly managed within the overall core investment programme line.
- New build spend reflects the accelerated spend at Southfort, Raw Holdings, Roslin Ph2 and Westcraigs. in WH East and Curries Yard in WH South offset by delays in planning approvals and slow progress on other sites due to supply issues. Greater spend had been anticipated across sites at WHGlasgow including Shawbridge Arcade and Calton; at Forfar Avenue in Loretto due to planning delays; and at WH East including underspend at Penicuik, Rowanbank, Winchburgh BB due to a combination of spend being accelerated into 2021/22 and delays.
- Other fixed assets investment includes spend on corporate estate and IT capital projects.

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Wheatley Group Financial Report
To 31 March 2023 (Period 12)

RSL Borrower Group

2a) RSL Borrower Group – Year to 31 March 2023

	Year to 31 March 2023		
	Actual £'000	Budget £'000	Variance £'000
INCOME			
Net Rental Income	296,499	295,179	1,320
Grant income	57,280	40,709	16,571
Other Income	19,923	14,703	5,220
Total Income	**373,702**	**350,591**	**23,111**
EXPENDITURE			
Employee Costs	67,868	66,538	(1,330)
ER/VR	3,174	5,149	1,975
Running Costs	42,246	34,440	(7,806)
Repairs & Maintenance	67,031	58,395	(8,636)
Bad debts	3,730	5,820	2,090
Depreciation	109,624	109,624	-
Demolition Programme	1,382	2,205	823
Total Expenditure	**295,055**	**282,171**	**(12,884)**
NET OPERATING SURPLUS	**78,647**	**68,420**	**10,227**
	21.0%	19.5%	
Net interest payable	(62,514)	(62,797)	283
STATUTORY SURPLUS/(DEFICIT)	**16,133**	**5,623**	**10,510**

Key highlights:

The operating surplus to 31 March is £78,647k, £10,337k favourable to budget. At the statutory surplus level, a surplus of £16,133k is reported showing a favourable variance of £10,510k compared to the budget. The variance to budget reflects lower void rent losses, higher grant income recognised from delayed new build completions and favourable variances across a number of other expenditure lines offset by costs in delivering the increasing demand for repairs and maintenance and an additional £7m of funding provided to the Foundation for projects to support tenants through the cost of living crisis.

Total income of £373,702k is £23,111k favourable to budget:

- Net rental income is £1,320k favourable to budget across the RSLs. Rent loss on voids at 1.06% is lower than the overall 1.61% budget driving the favourable variance.
- New build grant income recognised to date relates to 644 units completed (519 SR and 125 MMR) in the RSL borrower group. The favourable variance to budget is primarily due to grant recognition for 180 units delayed from 2021/22.
- Other income is £5,220k favourable to budget arising from by unbudgeted grant income in WH South for decarbonisation and renewables, recognition of the SHNZ grant for projects in Glasgow, East and South and adaptation grant received in WH Glasgow. L&A damages for Sighthill and continuation of the furnished let service generating income in WH Glasgow remain favourable to budget.

Total expenditure of £295,055k is £12,884k unfavourable to budget:

- Employee costs (direct and group services) are £1,330k unfavourable to budget. The key driver for the additional spend for the year is an unbudgeted one-off cost of living payment to all staff made in March 2023, with lower ERVR costs in the year providing financial capacity for the one off payment.
- Running costs are £7,806k unfavourable to budget linked to donations in the year of £7,000k to the Foundation to provide support for our tenants through this financially challenging period. Running costs also include the costs in relation to the extension in scope of the 2022/23 Stock Condition Survey. Group recharges are lower than budget with a number of departments are reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance spend is £8,636k unfavourable to budget. The variance relates to a higher than budgeted spend across responsive repairs. There is a higher demand for repairs with increasing number of new jobs coming through the Customer First Centre and inflationary pressure on the cost of materials in the in-house services in the south and east. In 2022/23, completed job numbers have increased 28% from 2019/20 in the West and 32% in the East picking up lower activity levels in the two previous years
- Bad debts are £2,090k favourable to budget across the Borrower Group with a prudent provision set aside for increases in arrears.

Interest payable is £283k favourable to budget and reflects the higher floating rate than assumed in the business plan.

2a) RSL Borrower Group – Year to 31 March 2023

CAPITAL INVESTMENT	Year to 31 March 2023		
	Actual £'000	Budget £'000	Variance £'000
CORE PROGRAMME			
Grant Income	**7,251**	**902**	**6,349**
Core Investment Programme - grant funded	2,846	-	(2,846)
Adpatations - grant funded	4,405	902	(3,503)
Total Grant Funded Core Investment	**7,251**	**902**	**(6,349)**
Core Investment Programme	47,086	52,791	5,705
Adaptations	1,179	1,537	358
Voids	16,204	12,449	(3,755)
Capitalised Repairs	7,276	4,920	(2,356)
Total Core Investment	**71,745**	**71,697**	(48)
NET CORE INVESTMENT SPEND	**71,745**	**71,697**	**(48)**
NEW BUILD			
New Build Grant Income Received	50,672	48,869	1,803
New Build Investment	93,353	90,929	(2,424)
NET NEW BUILD INVESTMENT SPEND	**42,681**	**42,060**	**(621)**
OTHER FIXED ASSET INVESTMENT SPEND	**14,966**	**16,986**	**2,020**
TOTAL NET CAPITAL INVESTMENT SPEND	**129,392**	**130,743**	**1,351**

Key highlights:

Net capital expenditure of £129,392k is £1,351k lower than budget.

- Within core investment, net spend is broadly in line with budget. It includes fully funded investment works of £7,251k in relation to SHNZ (£2,162k) and decarbonisation energy efficiency projects (£684k) in addition to £3,503k more adaptations work which has been fully funded. Within other core programme categories higher spend in capitalised voids, capitalised repairs and unfunded adaptations has been managed within the overall core investment programme line.
- New build spend reflects the accelerated spend at Southfort, Raw Holdings, Roslin Ph2 and Westcraigs. in WH East and Curries Yard in WH South offset by delays in planning approvals and slow progress on other sites due to supply issues. Greater spend had been anticipated across sites at WHGlasgow including Shawbridge Arcade and Calton; at Forfar Avenue in Loretto due to planning delays; and at WH East including underspend at Penicuik, Rowanbank, Winchburgh BB due to a combination of spend being accelerated into 2021/22 and delays.
- Other fixed assets investment includes spend on corporate estate and IT capital projects.

2b) RSL Borrower Group underlying surplus – Year to 31 March 202

Wheatley Group

The Wheatley Group and RSL Borrower Group operating Statement (Income and Expenditure Account) on pages 2 and 4 are prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2014).

However, the inclusion of grant income on new build developments creates volatility in the results and does not reflect the underlying cash surplus/deficit on our letting activity.

The chart below therefore shows a measure of underlying surplus in the RSL Borrower Group which adjusts our net operating surplus by excluding the accounting adjustments for the recognition of grant income and depreciation, but including capital expenditure on our existing properties.

In the year to 31 March 2023, an underlying surplus of £458k has been generated using this measure which is £2,471k unfavourable to budget. The variance is driven by higher repairs and maintenance costs.

Underlying Surplus - YTD 2023

	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks
Net operating surplus	78,647	68,420	10,227
add back:			
Depreciation	109,624	109,624	0
One off items not related to underlying surplus*	8,330	990	7,340
less:			
Grant income	(54,633)	(40,709)	(13,924)
Net interest payable	(62,514)	(62,797)	283
Total expenditure on Core Programme	(78,996)	(72,599)	(6,397)
Underlying surplus	**458**	**2,929**	**(2,471)**

* Foundation endowment and staff cost of living payments

2c) Wheatley Homes Glasgow – Year to 31 March 2023

	Year to 31 March 2023		
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks
INCOME			
Rental Income	£203,240	£203,455	(£215)
Void Losses	(£2,075)	(£3,097)	£1,022
Net Rental Income	**£201,165**	**£200,358**	**£807**
Grant Income	£11,499	£7,269	£4,230
Other Income	£14,533	£10,653	£3,880
Total Income	**£227,197**	**£218,280**	**£8,917**
EXPENDITURE			
Employee Costs - Direct	£36,183	£35,196	(£987)
Employee Costs - Group Services	£15,612	£15,397	(£215)
ER / VR	£2,892	£4,408	£1,516
Direct Running Costs	£18,744	£13,994	(£4,750)
Running Costs - Group Services	£9,387	£9,745	£358
Revenue Repairs and Maintenance	£45,302	£40,294	(£5,008)
Bad debts	£2,599	£4,114	£1,515
Depreciation	£75,334	£75,334	£0
Demolition and Tenants Compensation	£1,109	£1,517	£408
TOTAL EXPENDITURE	**£207,162**	**£199,999**	**(£7,163)**
NET OPERATING SURPLUS / (DEFICIT)	**£20,035**	**£18,281**	**£1,754**
Net operating margin	*8.8%*	*8.4%*	*0.4%*
Net Interest payable & similar charges	(£45,260)	(£46,446)	£1,186
STATUTORY SURPLUS / (DEFICIT)	**(£25,225)**	**(£28,165)**	**£2,940**

INVESTMENT	Year to 31 March 2023		
	Actual	Budget	Variance
Total Capital Investment Income	**£13,595**	**£10,711**	**£2,884**
Total Expenditure on Core Programme	£51,927	£44,287	(£7,640)
New Build & other investment expenditure	£19,682	£25,748	£6,066
Other Capital Expenditure	£10,048	£10,093	£45
TOTAL CAPITAL EXPENDITURE	**£81,657**	**£80,128**	**(£1,529)**
NET CAPITAL EXPENDITURE	**£68,062**	**£69,417**	**£1,355**

Key highlights:

Net operating surplus of £18,975k is £1,754k favourable to budget. Statutory deficit for the period to 31 March is £25,225k, which is £2,940k favourable to budget. The main drivers of the variance are the favourable position on void rent losses, higher grant income from new build completions, higher other income linked to SHNZ and adaptations and lower interest payable.

- Net rental income is £807k favourable to budget. Gross rental income is £215k unfavourable to budget relating to the timing of the clearance of the Wyndford blocks, a reduction in income relating to the clearance and change of tenure for several Livingwell sites and fewer acquisitions. Void losses are £1,022k lower than budget and represent a 1.02% void loss rate compared to the budgeted rate of 1.5%.
- Grant income recognised relates to 119 units completed by March: 26 SR units at Damshot, 27 MMR units at Hurlford (both delayed from last year), 46 MMR units at Watson and 20 MMR units at Sighthill (56 units budgeted). The unfavourable variance linked to Sighthill is offset by the grant released for Damshot and Hurlford.
- Other income is £3,880k favourable to budget due Social Housing Net Zero (SHNZ) grant of £1,885k, Adaptation grant of £1,628k and higher miscellaneous income, relating to Sighthill (L&A damages and reimbursement from Keepmoat).
- Total employee costs (direct and group services) are £1,203k unfavourable to budget. The overspend to budget relates to the cost of living payment processed in March to all staff and in direct staff costs additional public holiday payments are also included. ERVR spend has been lower which has provided financial capacity for the one off payment to staff.
- Total running costs (direct and group services) are £4,392k unfavourable to budget. The higher spend in direct running costs is linked to an additional donations to the Foundation to provide support for our tenants through this financially challenging period. Group recharges are £358k favourable to budget due to several departments reporting lower costs across Wheatley Solutions, leading to the underspend against budget.
- Revenue repairs and maintenance spend is £5,008k unfavourable to budget with higher than budgeted spend across responsive repairs which is £7,221k higher than budget, with cyclical and compliance spend £2,213k lower than budget. The overspend on reactive repairs is linked to the clearance of the repairs backlog and higher demand for repairs (28% ytd increase in job numbers vs ytd 2021/22) with increasing number of new jobs coming through the Customer First Centre.

Gross interest payable of £45,260k represents interest due on the loans due to Wheatley Funding No.1 Ltd. Costs are £1,186k lower than budget linked to a lower loan balance than the budget assumed.

Net capital expenditure of £68,062k is £1,355k lower than budget.

- Investment programme spend is £7,640k unfavourable to budget and includes £1,885k of unbudgeted spend on SHNZ projects, which are wholly grant funded and higher spend in adaptations (partially grant funded), capitalised voids and repairs.
- New build spend is £6,066k lower than budget following delays on Calton Village and Shawbridge Arcade.
- Capital investment income (grants) is £2,884k higher than budget. Whilst new build grant claims are lower due to delayed the Shawbridge Arcade project, this is offset by SHNZ grant of £1,885k, related to the investment programme, and £1,628k adaptations grant.
- Other capital expenditure of £10,048k is £45k lower than budget and includes work on local touchdown hubs and IT capital investment.

2d) Loretto Housing – Year to 31 March 2023

	Year To 31 March 2023		
	Actual £k	Budget £k	Variance £k
INCOME			
Rental Income	14,840	14,823	17
Void Losses	(206)	(478)	272
Net Rental Income	**14,634**	**14,345**	**289**
Grant Income	**19,965**	**18,875**	**1,090**
Other Income	**493**	**315**	**179**
Total Income	**35,092**	**33,535**	**1,558**
EXPENDITURE			
Employee Costs - Direct	1,326	1,384	58
Employee Costs - Group Services	604	596	(9)
ER / VR	52	185	133
Direct Running Costs	2,048	1,812	(237)
Running Costs - Group Services	371	385	14
Revenue Repairs and Maintenance	3,134	2,569	(565)
Bad debts	158	394	235
Depreciation	7,320	7,320	0
TOTAL EXPENDITURE	**15,013**	**14,645**	**(368)**
OPERATING SURPLUS / (DEFICIT)	**20,079**	**18,890**	**1,189**
Interest Payable	(3,477)	(3,320)	(157)
STATUTORY SURPLUS / (DEFICIT)	**16,602**	**15,571**	**1,032**

	Year To 31 March 2023		
	Actual £k	Budget £k	Variance £k
INVESTMENT			
Total Capital Investment Income	**6,811**	**8,088**	**(1,276)**
Investment Programme	2,144	5,339	3,195
New Build Programme	12,940	14,115	1,175
Other Capital Expenditure	248	434	186
TOTAL CAPITAL EXPENDITURE	**15,332**	**19,888**	**4,556**
NET CAPITAL EXPENDITURE	**8,521**	**11,800**	**3,279**

Loretto Housing

Key highlights:

Net operating surplus of £20,079k is £1,189k favourable to budget. Statutory surplus for the year is £16,602k, £1,032k favourable to budget. The main drivers of the favourable variance are higher grant and other income and lower void losses.

- Gross rental income of £14,840k is £17k favourable to budget due to early completions at the Sawmill Field and Vellore Road new build sites, and more service charge income for two supported sites linked to the delay of service re-configurations or the changes having a lesser impact than assumed. This offsets the loss in rental income from delays in completions at the Dargavel, Hallrule and Queens Quay new build sites during the year, noting that all sites have now completed.
- Void losses in the year to date are 1.39% against a budget of 3.22%.
- Grant income mainly relates to the release of grant for new build completions; Grant has been released for 4 units at Dargavel delayed from 2021/22 plus a further 45, 32 units at Hallrule, 80 units at Queens Quay, 36 units at Sawmill and 8 units at Vellore Rd (not in this year's programme).
- Other income reports a favourable variance to budget of £179k due to receipt of development fees for Queens Quay and Dargavel L&A damages.
- Direct employee costs are £58k favourable to budget due to landlord services income, linked to the Nets service provided to owners in Loretto mixed tenure blocks. Employees recharged from Group Services are for Loretto's share of Wheatley Solutions staff.
- Direct running costs are £237k unfavourable to budget and includes the additional donations made to the Foundation to support our tenants through this financially challenging period. Group Services running costs are £14k favourable to budget due to several departments reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance is £565k unfavourable to budget due to an overspend on reactive repairs, reflecting a continued increase in customer demand, catch on repairs backlog earlier in the year and the timing of cyclical compliance work.
- Bad debts are £235k favourable to budget. A prudent approach was taken when setting the budget.

Gross interest payable represents interest due on the loans due to Wheatley Funding Ltd. Costs are £157k unfavourable to budget due to the higher variable rate in the latter months of the year compared to the assumed rate in the budget.

Net capital expenditure of £8,521k is £3,279k favourable to budget.

- Capital investment income (grant) is £1,276k lower than budget mainly due to the Forfar Avenue and Gartcosh site starts being delayed. This is partially offset by the grant received for the Vellore Rd turnkey project, which was not anticipated in this financial year, and East Lane, a new project.
- New build spend is £1,175k lower than budget mainly due to the Forfar Avenue and Gartcosh site starts being delayed. This saving is partially offset by the Vellore Rd and East Lane projects.
- Investment programme expenditure of £2,144k relates to core programme works, capitalised repairs and voids. An underspend is reported due some of the programme and Duke Street being deferred until next year.
- Other capital expenditure of £248k relates to the Loretto contribution to IT capital investment.

2e) West Lothian Housing Partnership – Year to 31 March 2023

WEST LOTHIAN Housing Partnership

	Year to 4th September 2022			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INCOME				
Rental Income	1,805	1,988	(183)	1,988
Void Losses	(2)	(27)	25	(27)
Net Rental Income	**1,803**	**1,961**	**(158)**	**1,961**
Grant Income Recognised in the Year	3,376	3,275	101	3,275
Other Income	2	33	(31)	33
TOTAL INCOME	**5,181**	**5,269**	**(88)**	**5,269**
EXPENDITURE				
Employee Costs - Direct	206	209	3	209
Employee Costs - Group Services	36	36	(0)	36
ER/VR	0	0	0	0
Direct Running Costs	172	182	10	182
Running Costs - Group Services	21	23	2	23
Revenue Repairs and Maintenance	310	304	(6)	304
Bad Debts	3	28	25	28
Depreciation	963	963	(0)	963
TOTAL EXPENDITURE	**1,711**	**1,745**	**34**	**1,745**
NET OPERATING SURPLUS / (DEFICIT)	**3,470**	**3,524**	**(54)**	**3,524**
Net Operating Margin	*67%*	*67%*	*0%*	*67%*
Interest receivable	0	0	(0)	0
Interest payable	(488)	(555)	67	(555)
STATUTORY SURPLUS / (DEFICIT)	**2,982**	**2,969**	**13**	**2,969**

	Year to 4th September 2022			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INVESTMENT				
Total Capital Investment Income	**173**	**3,103**	**(2,930)**	**3,103**
Total Expenditure on Core Programme	229	347	118	347
New Build & Other Investment	2,847	4,633	1,786	4,633
Other Capital Expenditure	31	33	2	33
TOTAL CAPITAL EXPENDITURE	**3,107**	**5,013**	**1,906**	**5,013**
NET CAPITAL EXPENDITURE	**2,934**	**1,910**	**(1,024)**	**1,910**

Key highlights:

Full year budget includes the activities of WLHP up to the transfer to Wheatley Homes East.

Net operating surplus of £3,470k is £54k adverse to budget. Statutory surplus for the period to 4 September 2022 is £2,982k, is £13k favourable to budget. The main driver being favourable variance relating to interest payable.

- Rental income is £183k adverse to budget primarily due to delayed handovers at Almondvale in 2021/22.This includes £16k relating to 22 Almondvale properties which were leased to Wheatley Homes East prior to the transfer. To date, 48 units have completed with 23 units handed over in September post transfer.
- In other income the variance relates to amounts budgeted for lease income from Almondvale MMR properties from Lowther, however these units are delayed until November 2022.
- Grant income recognised in the year relates to the 48 units completing at Almondvale and £23k of medical adaptation grant claimed in the year.
- Revenue repairs and maintenance are £6k adverse to budget, following an increase in demand for repairs services in the year.
- Bad debts are £25k favourable with a prudent approach taken when setting the budget.
- Interest payable of £488k is £67k lower than budget linked to lower loan balances drawn than assumed in the budget.

Net capital expenditure of £2,934k is £1,024k higher than budget. The variance is driven by lower levels of grant income claimed offset in part by lower spend on the new build programme.

- Core investment expenditure of £229k is £118k lower than budget mainly due to the actual timing of the spend on bathrooms in the year to date against programmed spend as well as only emergency boiler installations going ahead.
- New Build expenditure of £2,847k is £1,786k lower than budget driven by lower spend at Winchburgh BB (£2m) caused by a delay to projected start date, offset by overspend at Almondvale and Jarvey St.

2f) Wheatley Homes East – Year to 31 March 2023

	Year to 31 March 2023		
	Actual £k	Budget £k	Variance £k
INCOME			
Rental Income	34,435	34,545	(110)
Void Losses	(541)	(560)	19
Net Rental Income	**33,894**	**33,985**	**(91)**
Grant Income Recognised in the Year	16,510	7,166	9,344
Other Income	3,820	3,193	627
TOTAL INCOME	**54,224**	**44,344**	**9,880**
EXPENDITURE			
Employee Costs - Direct	4,516	4,537	21
Employee Costs - Group Services	2,160	2,116	(44)
ER/VR	9	556	547
Direct Running Costs	4,720	4,011	(709)
Running Costs - Group Services	1,321	1,367	46
Revenue Repairs and Maintenance	6,291	5,068	(1,223)
Bad Debts	305	341	36
Depreciation	12,358	12,358	0
TOTAL EXPENDITURE	**31,680**	**30,354**	**(1,326)**
NET OPERATING SURPLUS / (DEFICIT)	**22,544**	**13,990**	**8,554**
Net Operating Margin	*42%*	*32%*	*10%*
Interest receivable	10	7	3
Interest payable	(7,775)	(7,303)	(472)
STATUTORY SURPLUS / (DEFICIT)	**14,779**	**6,694**	**8,085**

	Year to 31 March 2023		
	Actual £k	Budget £k	Variance £k
INVESTMENT			
Total Capital Investment Income	**26,796**	**22,306**	**4,490**
Total Expenditure on Core Programme	6,196	5,851	(345)
New Build & Other Investment	46,877	37,042	(9,835)
Other Capital Expenditure	3,451	1,510	(1,941)
TOTAL CAPITAL EXPENDITURE	**56,524**	**44,403**	**(12,121)**
NET CAPITAL EXPENDITURE	**29,728**	**22,097**	**(7,631)**

Key highlights:

The results and budget includes activities transferred from WLHP from 5 September 2022.

Net operating surplus of £22,544k is £8,554k favourable to budget. Statutory surplus for the year is £14,779k, £8,085k favourable to budget. The main drivers of the variance are higher than budgeted grant income recognised offset in part by higher than budgeted direct running costs and repairs & maintenance costs.

Total income is £9,880k favourable to budget:

- Gross rent is £110k adverse to budget due to delayed completions at South Gilmerton, Wisp 3C and Almondvale. This is partially offset by early handovers at Penicuik and Roslin Ph2. Void losses are £19k favourable to budget.
- Grant income recognised is £9,344k favourable to budget due to handovers at Almondvale (72 SR & 26 MMR units) and South Gilmerton (18 units) expected to complete in 2021/22, completing in 2022/23. In total 251 SR units and 32 MMR units have completed in 2022/23.
- Other income of £3,820k is £627k favourable to budget mainly due to £626k of unbudgeted gift aid income from Wheatley Development Scotland. WHEPS is also currently £30k favourable to budget offset by local authority income at WH East Harbour being £69k under budget. This is subject to ongoing contract discussions.

Total expenditure is £1,326k unfavourable to budget:

- Employee costs include the cost of the one-off cost of living payment to staff, with capacity for this available within the ERVR line
- Total running costs (direct and group services) are £663k adverse to budget. Direct running costs include additional donations to the Foundation to support for our tenants through this financially challenging period. Group recharges are £46k favourable to budget due to several departments reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance spend is £1,223k unfavourable to budget. The variance primarily relates to a higher than budgeted spend across responsive repairs. The increase in spend in responsive repairs is due to the clearance of repairs backlog by c600 jobs, an increase in demand (32% ytd increase in job numbers v ytd 2019/20) and inflationary pressures on the cost of materials.

Interest payable of £7,775k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders. Variable rate sin the second half of the year have been higher than those assumed in the budget.

Net capital expenditure of £29,728k is £7,631k higher than budget.

- Capital investment income relates to the cash receipt of new build grants, Scottish Housing Net Zero funding and medical adaptation grants and is £4,490k higher than budget, mainly due to accelerated spend on new build sites.
- Investment programme spend is £345k higher than budget due to fire safety works, mainly at the Harbour, as well as higher capitalised voids and repairs.
- New build spend of £46,877k is £9,835k higher than budget due to accelerated spend at Southfort, Raw Holdings, Roslin Ph2 and Westcraigs. Spend at MacMerry is also higher than budget due to deferred spend from 21/22 being incurred in 22/23. This is partially offset by lower than budgeted spend at Penicuik, Rowanbank and Winchburgh BB.
- Other Capital Expenditure includes accelerated refurbishment works.

2g) Wheatley Homes South – Year to 31 March 2023

OPERATING STATEMENT	Year to March 2023		
	Actual £ks	Budget £ks	Variance £ks
INCOME			
Rental Income	45,362	45,184	179
Void Losses	(359)	(654)	295
Net Rental Income	**45,003**	**44,529**	**474**
Grant Income	5,930	4,124	1,805
Other Income	3,948	2,240	1,709
TOTAL INCOME	**54,881**	**50,893**	**3,988**
EXPENDITURE			
Employee Costs - Direct	5,280	5,258	(22)
Employee Costs - Group Services	2,847	2,807	(41)
ER/VR	221	-	(221)
Direct Running Costs	4,325	2,203	(2,121)
Running Costs - Group Services	1,749	1,813	64
Revenue Repairs and Maintenance	12,222	10,248	(1,974)
Bad debts	665	943	278
Depreciation	13,649	13,649	(0)
Demolition and compensation	273	688	415
TOTAL EXPENDITURE	**41,230**	**37,608**	**(3,622)**
NET OPERATING SURPLUS	**13,651**	**13,285**	**366**
Net operating margin	*25%*	*26%*	*-1%*
Interest Receivable and similar income	22	33	(11)
Interest payable & similar charges	(5,599)	(5,213)	(385)
STATUTORY SURPLUS	**8,074**	**8,105**	**(31)**

INVESTMENT	Actual £ks	Budget £ks	Variance £ks
TOTAL CAPITAL INVESTMENT INCOME	**10,548**	**5,563**	**4,985**
Capital Investment spend	18,051	16,775	(1,276)
New Build Programme	12,078	9,391	(2,687)
Other Fixed Assets	1,188	4,916	3,728
TOTAL INVESTMENT EXPENDITURE	**31,317**	**31,082**	**(235)**
NET CAPITAL EXPENDITURE	**20,769**	**25,519**	**4,750**

Key highlights :

Net operating surplus of £13,651k is £366k favourable to budget. Statutory surplus for the year to 31 March is £8,074k, which is £31k adverse to budget. The key drivers of the variance are increased repair costs and higher than budgeted running costs due to additional donations to Wheatley Foundation being paid in the year.

- Net Rental income is £474k favourable to budget with void losses being £295k favourable to budget representing a 0.8% void loss rate compared to the budgeted rate of 1.4%.
- Grant income recognised in the year relates to 37 social rent units completed with 18 units at Eastriggs and 19 units at Nursery Avenue and is £1,805k higher than budget driven by additional adaptation income claimed.
- Other income is £1,709k favourable to budget with unbudgeted income recognised for the decarbonisation and renewable project of £684k, SHNZ project of £214k and gift aid received from Wheatley Development Scotland Limited, £462k.
- Total employee costs (direct and group services) are £63k higher than budget. Employee costs includes the additional one-off cost of living payment paid in March 2023.
- ER/VR costs are £221k adverse to budget following the commitment of seven members of staff to take ERVR in 2022/23. This cost will yield future revenue savings.
- Total running costs (direct and group services) are £2,057k adverse to budget. Direct running costs include additional donations to Wheatley Foundation to provide support for our tenants through this financially challenging period. Group recharges are £64k favourable to budget due to several departments currently reporting lower costs across Wheatley Solutions, leading to the underspend against budget.
- Repair costs are £1,974k over budget with higher than budgeted spend across responsive repairs. Increased responsive repairs is driven by increased demand, higher material and subcontractor costs.
- Demolition costs are £415k lower than budget relating to timing of works at Troqueer and Kelloholm. Costs of £273k relates to buy back of properties at Lochside and Gowanlea and a number of disturbance costs driven by regeneration projects.

Gross interest payable of £5,599k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders. The variable interest rate shas been higher in the second half of the year compared to the rate assumed in the budget.

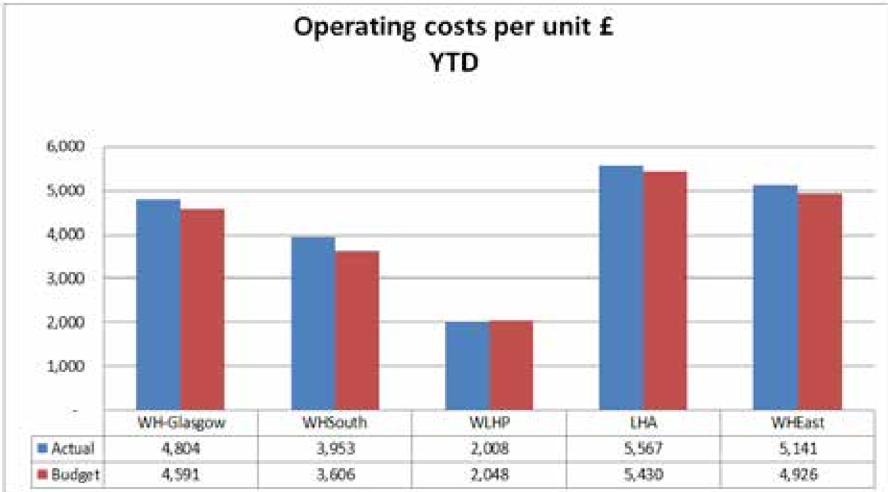
Net capital expenditure of £20,769k is £4,750k lower than budget.

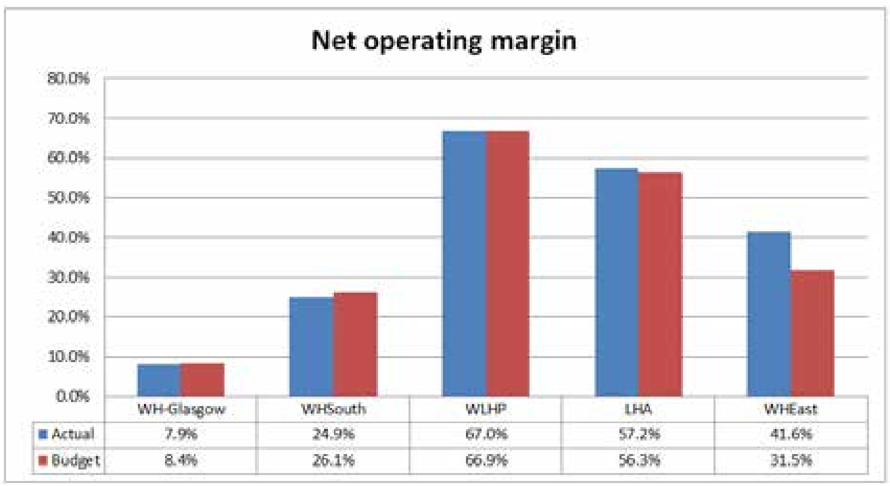
- Total core investment spend of £18,051k is £1,276k higher than budget due to increased spend on adaptations and capitalised voids, partly offset by the deferral of boiler replacements to 2023/24.
- New Build expenditure is £2,687k over budget driven by advanced spend at Curries Yard partly offset by deferral of Glenluce and Corsbie Rd to 2023/24.
- Other capital expenditure of £1,188k is £3,728k lower than budget. Other capital spend includes work on local touchdown hubs and IT costs.

2h) Wheatley Developments Scotland – Year to 31 March 2023

[redacted]

3) Summary of RSL operating costs and margin v budget





Operating costs per unit:

- At March 2023 operating costs per unit are marginally higher than budget across all RSLs with the exception of Loretto. This variance is attributable to the higher repair costs to maintain our properties and the additional donations to Wheatley Foundation.
- Operating costs per unit vary across the RSLs depending on the stock profiles and types of accommodation offered.

Net operating margin:

- Net operating margin is in line with budget across the RSLs.
- Similar to operating costs, the variances across expenditure lines is impacting margins in the RSLs.

Wheatley Group Financial Report
To 31 March 2023 (Period 12)

Care and Commercial

4a) Wheatley Care – Year to 31 March 2023

[redacted

4b) Lowther – Year to 31 March 2023

[redacted]

5) Wheatley Solutions – Year to 31 March 2023

[redacted]

6) Wheatley Foundation – Year to 31 March 2023

[redacted]

7) City Building (Glasgow) LLP – Period to 2 December 2022

[redacted]

8) Wheatley Group – Consolidated Balance Sheet

	As at 31 March 2023 £ks	As at 31 March 2022 £ks
Fixed Assets		
Social Housing Properties	2,558,843	2,496,586
Investment properties	267,299	262,635
Other tangible fixed assets	76,775	63,053
Investments -other	116	116
Fixed Assets	**2,903,033**	**2,822,390**
Debtors Due More Than One Year		
Inter Company Loan	0	0
Pension Asset	58,166	58,166
Current Assets		
Stock	1,713	1,412
Trade debtors	2,530	1,848
Rent & Service charge arrears	23,296	28,883
less: Provision for rent arrears	(14,293)	(12,517)
Prepayments and accrued income	11,668	5,176
Intercompany debtors	0	0
Other debtors	26,608	32,200
	51,522	**57,002**
Bank & Cash	38,499	64,724
Current Assets	**90,021**	**121,726**
Current Liabilities		
Trade Liabilities	(6,543)	(15,056)
Accruals	(69,659)	(60,082)
Deferred income	(54,281)	(60,580)
Rents & service charges in advance	(15,880)	(14,785)
Intercompany creditors	(0)	(0)
Other creditors	(14,750)	(20,724)
	(161,113)	**(171,227)**
Net Current Assets	**(71,092)**	**(49,501)**
Long Term Liabilities		
Contingent efficiencies grant	(46,764)	(46,764)
Bank finance	(1,246,339)	(1,210,196)
Bond finance	(300,000)	(300,000)
Provisions	(8,779)	(9,070)
Deferred income	(32,648)	(31,543)
Intercompany creditors	0	0
Pension liability	(388)	(388)
Long Term Liabilities	**(1,634,918)**	**(1,597,961)**
Net Assets	**1,255,189**	**1,233,094**
Funding Employed		
Capital & Reserves		
Share Capital	0	0
Retained Income b/fwd	755,777	670,828
Income & Expenditure	22,070	84,924
Revaluation Reserves	477,342	477,342
Funding Employed	**1,255,189**	**1,233,094**

Key highlights:

- Group net assets are £1,255.2.0m at 31 March 2023.
- The Balance Sheet as at 31 March 2023 is subject to the year end statutory adjustments for property and pension valuations as well as the fair value calculation on the Scottish Government loan and external audit.
- The fixed asset movements from the year end reflects investment in the core programme, the new build programme, and any other fixed asset additions, less depreciation to date.
- Current assets (excluding cash) are £5.5m lower than 31 March 2022 mainly driven by the reduction in other debtors due to the timing of grant receipts and rent and service charge arrears from the 2021/22 year end. The March 2022 housing benefit payment from GCC was not received until 1 April 2022.
- Current liabilities are £10.1m lower than the year end position, with a reduction in trade creditors in WH South and a reduction in deferred income following the recognition of new build grants on completion of units.
- Income and expenditure of £22.1m relates to the group surplus for the year.

10) Wheatley Group – Budget 2023/24

	2022/23	2023/24		
	Actuals £k	Budget £k	Projections £k	Variance £k
INCOME				
Net Rental Income	314,089	327,376	327,376	-
Grant Income New Build	54,633	29,005	29,005	-
Grant Income Other	7,121	18,244	18,244	-
Other Income	42,504	38,710	38,710	-
Total Group Income	**418,347**	**413,335**	**413,335**	**-**
EXPENDITURE				
Employee Costs	90,635	94,850	94,850	-
ER/VR	3,174	5,910	5,910	-
Running Costs	48,431	48,411	48,411	-
Repairs & Maintenance	73,490	73,751	73,751	-
Bad debts	4,124	6,122	6,122	-
Depreciation	109,624	112,408	112,408	-
Demolition	1,382	1,105	1,105	-
Total Group Expenditure	**330,860**	**342,557**	**342,557**	**-**
NET OPERATING SURPLUS	**87,487**	**70,778**	**70,778**	**-**
Net operating margin	20.9%	17.1%	17.1%	0.0%
Net Interest Payable	(65,417)	(71,472)	(71,472)	-
STATUTORY SURPLUS	**22,070**	**(694)**	**(694)**	**-**

INVESTMENT				
Total Capital Investment Income	(59,596)	(120,782)	(120,782)	-
Core Investment Programme	80,401	85,234	85,234	-
New Build Programme	94,703	205,454	205,454	-
Other fixed assets	14,966	13,198	13,198	-
NET CAPITAL EXPENDITURE	**130,474**	**183,104**	**183,104**	**-**

Key highlights:

- The table compares the 2023/24 Group budget to the financial projections approved at the Group board in February 2023. The 2022/23 full year actual results are also presented for comparative purposes.
- The 2023/24 budget shows a net operating surplus of £70.8m, and a statutory deficit after interest costs of £0.7m, both in line with the financial projections approved in February 2023.
- Notable variances against 2022/23 actuals include:
  - Grant income recognised is directly linked to the number of properties completed in the year. A total of 438 units are included in the financial projections and are budgeted to complete with grant recognised of £29.0m. In 2022/23 the £54.6m of grant income reported relates to completions of 644 units. All RSLs are planning completions in 2023/24.
  - Grant Income Other in 2023/24 includes Social Housing Net Zero (SHNZ) and aids and adaptations grant income.
  - Staff costs include the cost of living increase and the full year costs for the specialist, dedicated teams that support our customers by providing proactive support to help resolve issues at first point of contact.
  - Running costs reflect the targeted savings from the rationalisation of our operating model however are offset by the provision for the impact of high rates of inflation on operating costs.
  - Repairs and maintenance includes provision for inflationary pressures and the increased demand for repairs experienced throughout 2022/23.
  - Bad debt costs include a prudent provision for an increase in rent arrears. A similar approach was taken in 2022/23 with the bad debt costs reporting spend lower than budget.

Appendix 2: Wheatley Group Financial Report RSL Borrower Group & Quarterly Covenants To 31 March 2023 (Period 12)

2a) RSL Borrower Group – Year to 31 March 2023

	Year to 31 March 2023		
	Actual £'000	Budget £'000	Variance £'000
INCOME			
Net Rental Income	296,499	295,179	1,320
Grant income	57,280	40,709	16,571
Other Income	19,923	14,703	5,220
Total Income	**373,702**	**350,591**	**23,111**
EXPENDITURE			
Employee Costs	67,868	66,538	(1,330)
ER/VR	3,174	5,149	1,975
Running Costs	42,246	34,440	(7,806)
Repairs & Maintenance	67,031	58,395	(8,636)
Bad debts	3,730	5,820	2,090
Depreciation	109,624	109,624	-
Demolition Programme	1,382	2,205	823
Total Expenditure	**295,055**	**282,171**	**(12,884)**
NET OPERATING SURPLUS	**78,647**	**68,420**	**10,227**
	21.0%	19.5%	
Net interest payable	(62,514)	(62,797)	283
STATUTORY SURPLUS/(DEFICIT)	**16,133**	**5,623**	**10,510**

Key highlights:

The operating surplus to 31 March is £78,647k, £10,337k favourable to budget. At the statutory surplus level, a surplus of £16,133k is reported showing a favourable variance of £10,510k compared to the budget. The variance to budget reflects lower void rent losses, higher grant income recognised from delayed new build completions and favourable variances across a number of other expenditure lines offset by costs in delivering the increasing demand for repairs and maintenance and an additional £7m of funding provided to the Foundation for projects to support tenants through the cost of living crisis.

Total income of £373,702k is £23,111k favourable to budget:

- Net rental income is £1,320k favourable to budget across the RSLs. Rent loss on voids at 1.06% is lower than the overall 1.61% budget driving the favourable variance.
- New build grant income recognised to date relates to 644 units completed (519 SR and 125 MMR) in the RSL borrower group. The favourable variance to budget is primarily due to grant recognition for 180 units delayed from 2021/22.
- Other income is £5,220k favourable to budget arising from by unbudgeted grant income in WH South for decarbonisation and renewables, recognition of the SHNZ grant for projects in Glasgow, East and South and adaptation grant received in WH Glasgow. L&A damages for Sighthill and continuation of the furnished let service generating income in WH Glasgow remain favourable to budget.

Total expenditure of £295,055k is £12,884k unfavourable to budget:

- Employee costs (direct and group services) are £1,330k unfavourable to budget. The key driver for the additional spend for the year is an unbudgeted one-off cost of living payment to all staff made in March 2023, with lower ERVR costs in the year providing financial capacity for the one off payment.
- Running costs are £7,806k unfavourable to budget linked to donations in the year of £7,000k to the Foundation to provide support for our tenants through this financially challenging period. Running costs also include the costs in relation to the extension in scope of the 2022/23 Stock Condition Survey. Group recharges are lower than budget with a number of departments are reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance spend is £8,636k unfavourable to budget. The variance relates to a higher than budgeted spend across responsive repairs. There is a higher demand for repairs with increasing number of new jobs coming through the Customer First Centre and inflationary pressure on the cost of materials in the in-house services in the south and east. In 2022/23, completed job numbers have increased 28% from 2019/20 in the West and 32% in the East picking up lower activity levels in the two previous years
- Bad debts are £2,090k favourable to budget across the Borrower Group with a prudent provision set aside for increases in arrears.

Interest payable is £283k favourable to budget and reflects the higher floating rate than assumed in the business plan.

2a) RSL Borrower Group – Year to 31 March 2023

CAPITAL INVESTMENT	Year to 31 March 2023		
	Actual £'000	Budget £'000	Variance £'000
CORE PROGRAMME			
Grant Income	**7,251**	**902**	**6,349**
Core Investment Programme - grant funded	2,846	-	(2,846)
Adpatations - grant funded	4,405	902	(3,503)
Total Grant Funded Core Investment	**7,251**	**902**	**(6,349)**
Core Investment Programme	47,086	52,791	5,705
Adaptations	1,179	1,537	358
Voids	16,204	12,449	(3,755)
Capitalised Repairs	7,276	4,920	(2,356)
Total Core Investment	**71,745**	**71,697**	(48)
NET CORE INVESTMENT SPEND	**71,745**	**71,697**	**(48)**
NEW BUILD			
New Build Grant Income Received	50,672	48,869	1,803
New Build Investment	93,353	90,929	(2,424)
NET NEW BUILD INVESTMENT SPEND	**42,681**	**42,060**	**(621)**
OTHER FIXED ASSET INVESTMENT SPEND	**14,966**	**16,986**	**2,020**
TOTAL NET CAPITAL INVESTMENT SPEND	**129,392**	**130,743**	**1,351**

Key highlights:

Net capital expenditure of £129,392k is £1,351k lower than budget.

- Within core investment, net spend is broadly in line with budget. It includes fully funded investment works of £7,251k in relation to SHNZ (£2,162k) and decarbonisation energy efficiency projects (£684k) in addition to £3,503k more adaptations work which has been fully funded. Within other core programme categories higher spend in capitalised voids, capitalised repairs and unfunded adaptations has been managed within the overall core investment programme line.
- New build spend reflects the accelerated spend at Southfort, Raw Holdings, Roslin Ph2 and Westcraigs. in WH East and Curries Yard in WH South offset by delays in planning approvals and slow progress on other sites due to supply issues. Greater spend had been anticipated across sites at WHGlasgow including Shawbridge Arcade and Calton; at Forfar Avenue in Loretto due to planning delays; and at WH East including underspend at Penicuik, Rowanbank, Winchburgh BB due to a combination of spend being accelerated into 2021/22 and delays.
- Other fixed assets investment includes spend on corporate estate and IT capital projects.

2b) RSL Borrower Group underlying surplus – YTD

The Wheatley Group and RSL Borrower Group operating Statement (Income and Expenditure Account) on pages 2 and 4 are prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2014).

However, the inclusion of grant income on new build developments creates volatility in the results and does not reflect the underlying cash surplus/deficit on our letting activity.

The chart below therefore shows a measure of underlying surplus in the RSL Borrower Group which adjusts our net operating surplus by excluding the accounting adjustments for the recognition of grant income and depreciation, but including capital expenditure on our existing properties.

In the year to 31 March 2023, an underlying surplus of £458k has been generated using this measure which is £2,471k unfavourable to budget. The variance is driven by higher repairs and maintenance costs.

Underlying Surplus - YTD 2023			
	YTD Actual £ks	**YTD Budget £ks**	**YTD Variance £ks**
Net operating surplus	78,647	68,420	10,227
add back:			
Depreciation	109,624	109,624	0
One off items not related to underlying surplus*	8,330	990	7,340
less:			
Grant income	(54,633)	(40,709)	(13,924)
Net interest payable	(62,514)	(62,797)	283
Total expenditure on Core Programme	(78,996)	(72,599)	(6,397)
Underlying surplus	**458**	**2,929**	**(2,471)**

* Foundation endowment and staff cost of living payments

2c) Wheatley Homes Glasgow – Year to 31 March 2023

	Year to 31 March 2023		
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks
INCOME			
Rental Income	£203,240	£203,455	(£215)
Void Losses	(£2,075)	(£3,097)	£1,022
Net Rental Income	**£201,165**	**£200,358**	**£807**
Grant Income	£11,499	£7,269	£4,230
Other Income	£14,533	£10,653	£3,880
Total Income	**£227,197**	**£218,280**	**£8,917**
EXPENDITURE			
Employee Costs - Direct	£36,183	£35,196	(£987)
Employee Costs - Group Services	£15,612	£15,397	(£215)
ER / VR	£2,892	£4,408	£1,516
Direct Running Costs	£18,744	£13,994	(£4,750)
Running Costs - Group Services	£9,387	£9,745	£358
Revenue Repairs and Maintenance	£45,302	£40,294	(£5,008)
Bad debts	£2,599	£4,114	£1,515
Depreciation	£75,334	£75,334	£0
Demolition and Tenants Compensation	£1,109	£1,517	£408
TOTAL EXPENDITURE	**£207,162**	**£199,999**	**(£7,163)**
NET OPERATING SURPLUS / (DEFICIT)	**£20,035**	**£18,281**	**£1,754**
Net operating margin	*8.8%*	*8.4%*	*0.4%*
Net Interest payable & similar charges	(£45,260)	(£46,446)	£1,186
STATUTORY SURPLUS / (DEFICIT)	**(£25,225)**	**(£28,165)**	**£2,940**

INVESTMENT	Year to 31 March 2023		
	Actual	Budget	Variance
Total Capital Investment Income	**£13,595**	**£10,711**	**£2,884**
Total Expenditure on Core Programme	£51,927	£44,287	(£7,640)
New Build & other investment expenditure	£19,682	£25,748	£6,066
Other Capital Expenditure	£10,048	£10,093	£45
TOTAL CAPITAL EXPENDITURE	**£81,657**	**£80,128**	**(£1,529)**
NET CAPITAL EXPENDITURE	**£68,062**	**£69,417**	**£1,355**

Key highlights:

Net operating surplus of £18,975k is £1,754k favourable to budget. Statutory deficit for the period to 31 March is £25,225k, which is £2,940k favourable to budget. The main drivers of the variance are the favourable position on void rent losses, higher grant income from new build completions, higher other income linked to SHNZ and adaptations and lower interest payable.

- Net rental income is £807k favourable to budget. Gross rental income is £215k unfavourable to budget relating to the timing of the clearance of the Wyndford blocks, a reduction in income relating to the clearance and change of tenure for several Livingwell sites and fewer acquisitions. Void losses are £1,022k lower than budget and represent a 1.02% void loss rate compared to the budgeted rate of 1.5%.
- Grant income recognised relates to 119 units completed by March: 26 SR units at Damshot, 27 MMR units at Hurlford (both delayed from last year), 46 MMR units at Watson and 20 MMR units at Sighthill (56 units budgeted). The unfavourable variance linked to Sighthill is offset by the grant released for Damshot and Hurlford.
- Other income is £3,880k favourable to budget due Social Housing Net Zero (SHNZ) grant of £1,885k, Adaptation grant of £1,628k and higher miscellaneous income, relating to Sighthill (L&A damages and reimbursement from Keepmoat).
- Total employee costs (direct and group services) are £1,203k unfavourable to budget. The overspend to budget relates to the cost of living payment processed in March to all staff and in direct staff costs additional public holiday payments are also included. ERVR spend has been lower which has provided financial capacity for the one off payment to staff.
- Total running costs (direct and group services) are £4,392k unfavourable to budget. The higher spend in direct running costs is linked to an additional donations to the Foundation to provide support for our tenants through this financially challenging period. Group recharges are £358k favourable to budget due to several departments reporting lower costs across Wheatley Solutions, leading to the underspend against budget.
- Revenue repairs and maintenance spend is £5,008k unfavourable to budget with higher than budgeted spend across responsive repairs which is £7,221k higher than budget, with cyclical and compliance spend £2,213k lower than budget. The overspend on reactive repairs is linked to the clearance of the repairs backlog and higher demand for repairs (28% ytd increase in job numbers vs ytd 2021/22) with increasing number of new jobs coming through the Customer First Centre.

Gross interest payable of £45,260k represents interest due on the loans due to Wheatley Funding No.1 Ltd. Costs are £1,186k lower than budget linked to a lower loan balance than the budget assumed.

Net capital expenditure of £68,062k is £1,355k lower than budget.

- Investment programme spend is £7,640k unfavourable to budget and includes £1,885k of unbudgeted spend on SHNZ projects, which are wholly grant funded and higher spend in adaptations (partially grant funded), capitalised voids and repairs.
- New build spend is £6,066k lower than budget following delays on Calton Village and Shawbridge Arcade.
- Capital investment income (grants) is £2,884k higher than budget. Whilst new build grant claims are lower due to delayed the Shawbridge Arcade project, this is offset by SHNZ grant of £1,885k, related to the investment programme, and £1,628k adaptations grant.
- Other capital expenditure of £10,048k is £45k lower than budget and includes work on local touchdown hubs and IT capital investment.

1f) Loretto Housing – Year to date

	Year To 31 March 2023		
	Actual £k	Budget £k	Variance £k
INCOME			
Rental Income	14,840	14,823	17
Void Losses	(206)	(478)	272
Net Rental Income	**14,634**	**14,345**	**289**
Grant Income	**19,965**	**18,875**	**1,090**
Other Income	**493**	**315**	**179**
Total Income	**35,092**	**33,535**	**1,558**
EXPENDITURE			
Employee Costs - Direct	1,326	1,384	58
Employee Costs - Group Services	604	596	(9)
ER / VR	52	185	133
Direct Running Costs	2,048	1,812	(237)
Running Costs - Group Services	371	385	14
Revenue Repairs and Maintenance	3,134	2,569	(565)
Bad debts	158	394	235
Depreciation	7,320	7,320	0
TOTAL EXPENDITURE	**15,013**	**14,645**	**(368)**
OPERATING SURPLUS / (DEFICIT)	**20,079**	**18,890**	**1,189**
Interest Payable	(3,477)	(3,320)	(157)
STATUTORY SURPLUS / (DEFICIT)	**16,602**	**15,571**	**1,032**

	Year To 31 March 2023		
	Actual £k	Budget £k	Variance £k
INVESTMENT			
Total Capital Investment Income	**6,811**	**8,088**	**(1,276)**
Investment Programme	2,144	5,339	3,195
New Build Programme	12,940	14,115	1,175
Other Capital Expenditure	248	434	186
TOTAL CAPITAL EXPENDITURE	**15,332**	**19,888**	**4,556**
NET CAPITAL EXPENDITURE	**8,521**	**11,800**	**3,279**

Key highlights year to date:

Net operating surplus of £20,079k is £1,189k favourable to budget. Statutory surplus for the year is £16,602k, £1,032k favourable to budget. The main drivers of the favourable variance are higher grant income and other income plus lower void losses.

- Gross rental income of £14,840k is £17k favourable to budget due to early completions at the Sawmill Field and Vellore Road new build sites, and more service charge income for two supported sites because of service re-configurations either not happening yet or having a lesser impact than assumed. This offsets the loss in rental income from delays in completions at the Dargavel, Hallrule and Queens Quay new build sites during the year, noting that all sites have now completed.
- Void losses in the year to date are 1.39% against a budget of 3.22%.
- Grant income mainly relates to the release of grant for new build completions; Grant has been released for 4 units at Dargavel delayed from 2021/22 plus a further 45, 32 units at Hallrule, 80 units at Queens Quay, 36 units at Sawmill and 8 units at Vellore Rd (not in this year's programme).
- Other income reports a favourable variance to budget of £179k due to receipt of development fees for Queens Quay, Dargavel L&A damages and WDS gift aid income.
- Direct employee costs are £58k favourable to budget due to landlord services income, linked to the Nets service provided to owners in Loretto mixed tenure blocks. Employees recharged from Group Services are for Loretto's share of Wheatley Solutions staff.
- Direct running costs are £237k unfavourable to budget and includes the contribution to the Here for You Fund of £150k and an additional donation to Wheatley Foundation of £82k approved in March 2023 to continue our support for our tenants through this financially challenging period with further funding to allow the continuation of the Here For You Fund. Group Services running costs are £14k favourable to budget due to several departments reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance is £565k unfavourable to budget due to an overspend on reactive maintenance, reflecting a continued increase in customer demand, and higher cyclical compliance costs.
- Bad debts are £235k favourable to budget. A prudent approach was taken when setting the budget.

Gross interest payable represents interest due on the loans due to Wheatley Funding Ltd. Costs are £157k unfavourable to budget.

Net capital expenditure of £8,521k is £3,279k favourable to budget.

- Capital investment income (grant) is £1,276k lower than budget mainly due to the Forfar Avenue and Gartcosh site starts being delayed. This is partially offset by the grant received for the Vellore Rd turnkey project, which was not anticipated in this financial year, and East Lane, a new project.
- New build spend is £1,175k lower than budget mainly due to the Forfar Avenue and Gartcosh site starts being delayed. This saving is partially offset by the Vellore Rd and East Lane projects.
- Investment programme expenditure of £2,144k relates to core programme works, capitalised repairs and voids. An underspend is reported due some of the programme and Duke Street being deferred until next year.
- Other capital expenditure of £248k relates to the Loretto contribution to Wheatley Group IT.

1e) West Lothian Housing Partnership – Year to date

WEST LOTHIAN Housing Partnership

	Year to 4th September 2022			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INCOME				
Rental Income	1,805	1,988	(183)	1,988
Void Losses	(2)	(27)	25	(27)
Net Rental Income	**1,803**	**1,961**	**(158)**	**1,961**
Grant Income Recognised in the Year	3,376	3,275	101	3,275
Other Income	2	33	(31)	33
TOTAL INCOME	**5,181**	**5,269**	**(88)**	**5,269**
EXPENDITURE				
Employee Costs - Direct	206	209	3	209
Employee Costs - Group Services	36	36	(0)	36
ER/VR	0	0	0	0
Direct Running Costs	172	182	10	182
Running Costs - Group Services	21	23	2	23
Revenue Repairs and Maintenance	310	304	(6)	304
Bad Debts	3	28	25	28
Depreciation	963	963	(0)	963
TOTAL EXPENDITURE	**1,711**	**1,745**	**34**	**1,745**
NET OPERATING SURPLUS / (DEFICIT)	**3,470**	**3,524**	**(54)**	**3,524**
Net Operating Margin	*67%*	*67%*	*0%*	*67%*
Interest receivable	0	0	(0)	0
Interest payable	(488)	(555)	67	(555)
STATUTORY SURPLUS / (DEFICIT)	**2,982**	**2,969**	**13**	**2,969**

	Year to 4th September 2022			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INVESTMENT				
Total Capital Investment Income	**173**	3,103	(2,930)	3,103
Total Expenditure on Core Programme	229	347	118	347
New Build & Other Investment	2,847	4,633	1,786	4,633
Other Capital Expenditure	31	33	2	33
TOTAL CAPITAL EXPENDITURE	**3,107**	**5,013**	**1,906**	**5,013**
NET CAPITAL EXPENDITURE	**2,934**	**1,910**	**(1,024)**	**1,910**

Key highlights year to date:

Full year budget includes the activities of WLHP up to the transfer to Wheatley Homes East.

Net operating surplus of £3,470k is £54k adverse to budget. Statutory surplus for the period to 4 September 2022 is £2,982k, is £13k favourable to budget. The main driver being favourable variance relating to interest payable.

- Rental income is £183k adverse to budget primarily due to delayed handovers at Almondvale in 2021/22.This includes £16k relating to 22 Almondvale properties which were leased to Wheatley Homes East prior to the transfer. To date, 48 units have completed with 23 units handed over in September post transfer.
- In other income the variance relates to amounts budgeted for lease income from Almondvale MMR properties from Lowther, however these units are delayed until November 2022.
- Grant income recognised in the year relates to the 48 units completing at Almondvale and £23k of medical adaptation grant claimed in the year.
- Revenue repairs and maintenance are £6k adverse to budget, following an increase in demand for repairs services in the year.
- Bad debts are £25k favourable with a prudent approach taken when setting the budget.
- Interest payable of £488k is £67k lower than budget linked to lower loan balances drawn than assumed in the budget.

Net capital expenditure of £2,934k is £1,024k higher than budget. The variance is driven by lower levels of grant income claimed offset in part by lower spend on the new build programme.

- Core investment expenditure of £229k is £118k lower than budget mainly due to the actual timing of the spend on bathrooms in the year to date against programmed spend as well as only emergency boiler installations going ahead.
- New Build expenditure of £2,847k is £1,786k lower than budget driven by lower spend at Winchburgh BB (£2m) caused by a delay to projected start date, offset by overspend at Almondvale and Jarvey St.

1g) Wheatley Homes East – Year to date

	Year to 31 March 2023		
	Actual £k	Budget £k	Variance £k
INCOME			
Rental Income	34,435	34,545	(110)
Void Losses	(541)	(560)	19
Net Rental Income	**33,894**	**33,985**	**(91)**
Grant Income Recognised in the Year	16,510	7,166	9,344
Other Income	3,820	3,193	627
TOTAL INCOME	**54,224**	**44,344**	**9,880**
EXPENDITURE			
Employee Costs - Direct	4,516	4,537	21
Employee Costs - Group Services	2,160	2,116	(44)
ER/VR	9	556	547
Direct Running Costs	4,720	4,011	(709)
Running Costs - Group Services	1,321	1,367	46
Revenue Repairs and Maintenance	6,291	5,068	(1,223)
Bad Debts	305	341	36
Depreciation	12,358	12,358	0
TOTAL EXPENDITURE	**31,680**	**30,354**	**(1,326)**
NET OPERATING SURPLUS / (DEFICIT)	**22,544**	**13,990**	**8,554**
Net Operating Margin	*42%*	*32%*	*10%*
Interest receivable	10	7	3
Interest payable	(7,775)	(7,303)	(472)
STATUTORY SURPLUS / (DEFICIT)	**14,779**	**6,694**	**8,085**

	Year to 31 March 2023		
	Actual £k	Budget £k	Variance £k
INVESTMENT			
Total Capital Investment Income	**26,796**	**22,306**	**4,490**
Total Expenditure on Core Programme	6,196	5,851	(345)
New Build & Other Investment	46,877	37,042	(9,835)
Other Capital Expenditure	3,451	1,510	(1,941)
TOTAL CAPITAL EXPENDITURE	**56,524**	**44,403**	**(12,121)**
NET CAPITAL EXPENDITURE	**29,728**	**22,097**	**(7,631)**

Key highlights year to date:

The results and budget includes activities transferred from WLHP from 5 September 2022.

Net operating surplus of £22,544k is £8,554k favourable to budget. Statutory surplus for the year to 31 March is £14,779k, £8,085k favourable to budget. The main drivers of the variance are higher than budgeted grant income recognised offset in part by higher than budgeted direct running costs and repairs & maintenance costs.

Total income is £9,880k favourable to budget:

- Gross rent is £110k adverse to budget due to delayed completions at South Gilmerton, Wisp 3C and Almondvale. This is partially offset by early handovers at Penicuik and Roslin Ph2. Void losses are £19k favourable to budget.
- Grant income recognised is £9,344k favourable to budget due to handovers at Almondvale (72 SR & 26 MMR units) and South Gilmerton (18 units) expected to complete in 2021/22, completing in 2022/23. In total 251 SR units and 32 MMR units have completed in 2022/23.
- Other income of £3,820k is £627k favourable to budget mainly due to £626k of unbudgeted gift aid income from Wheatley Development Scotland. WHEPS is also currently £30k favourable to budget offset by local authority income at WH East Harbour being £69k under budget. This is subject to ongoing contract discussions.

Total expenditure is £1,326k unfavourable to budget:

- Employee costs - direct are currently £21k favourable to budget with ER/VR costs of £17k, a favourable variance of £539k.
- Total running costs (direct and group services) are £663k adverse to budget. Direct running costs include £400k for the 22/23 Here For You Fund and £218k additional donations to Wheatley Foundation approved in March 2023 to continue our support for our tenants through this financially challenging period with further funding to allow the continuation of the Here For You Fund. Group recharges are £46k favourable to budget due to several departments currently reporting lower costs across Wheatley Solutions, leading to the underspend against budget.
- Revenue repairs and maintenance spend is £1,223k unfavourable to budget. The variance primarily relates to a higher than budgeted spend across responsive repairs which is £1,390k higher than budget, with cyclical and compliance spend £167k lower than budget. The increase in spend in responsive repairs is due to the clearance of repairs backlog by c600 jobs, an increase in demand (32% ytd increase in job numbers v ytd 2019/20) and inflationary pressures on the cost of materials.

Interest payable of £7,775k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders.

Net capital expenditure of £29,728k is £7,631k higher than budget.

- Capital investment income relates to the cash receipt of new build grants, Scottish Housing Net Zero funding and medical adaptation grants and is £4,490k higher than budget, mainly due to accelerated spend on new build sites.
- Investment programme spend is £345k higher than budget due to fire safety works, mainly at the Harbour, as well as higher capitalised voids and repairs.
- New build spend of £46,877k is £9,835k higher than budget due to accelerated spend at Southfort, Raw Holdings, Roslin Ph2 and Westcraigs. Spend at MacMerry is also higher than budget due to deferred spend from 21/22 being incurred in 22/23. This is partially offset by lower than budgeted spend at Penicuik, Rowanbank and Winchburgh BB.
- Other Capital Expenditure includes accelerated refurbishment works.

2g) Wheatley Homes South – Year to date

OPERATING STATEMENT	Year to March 2023		
	Actual £ks	Budget £ks	Variance £ks
INCOME			
Rental Income	45,362	45,184	179
Void Losses	(359)	(654)	295
Net Rental Income	**45,003**	**44,529**	**474**
Grant Income	5,930	4,124	1,805
Other Income	3,948	2,240	1,709
TOTAL INCOME	**54,881**	**50,893**	**3,988**
EXPENDITURE			
Employee Costs - Direct	5,280	5,258	(22)
Employee Costs - Group Services	2,847	2,807	(41)
ER/VR	221	-	(221)
Direct Running Costs	4,325	2,203	(2,121)
Running Costs - Group Services	1,749	1,813	64
Revenue Repairs and Maintenance	12,222	10,248	(1,974)
Bad debts	665	943	278
Depreciation	13,649	13,649	(0)
Demolition and compensation	273	688	415
TOTAL EXPENDITURE	**41,230**	**37,608**	**(3,622)**
NET OPERATING SURPLUS	**13,651**	**13,285**	**366**
Net operating margin	*25%*	*26%*	*-1%*
Interest Receivable and similar income	22	33	(11)
Interest payable & similar charges	(5,599)	(5,213)	(385)
STATUTORY SURPLUS	**8,074**	**8,105**	**(31)**

INVESTMENT	Actual £ks	Budget £ks	Variance £ks
TOTAL CAPITAL INVESTMENT INCOME	**10,548**	**5,563**	**4,985**
Capital Investment spend	18,051	16,775	(1,276)
New Build Programme	12,078	9,391	(2,687)
Other Fixed Assets	1,188	4,916	3,728
TOTAL INVESTMENT EXPENDITURE	**31,317**	**31,082**	**(235)**
NET CAPITAL EXPENDITURE	**20,769**	**25,519**	**4,750**

Wheatley Homes South

Key highlights :

Net operating surplus of £13,651k is £366k favourable to budget. Statutory surplus for the year to 31 March is £8,074k, which is £31k adverse to budget. The key drivers of the variance are increased repair costs and higher than budgeted running costs due to additional donations to Wheatley Foundation being paid in the year.

- Net Rental income is £474k favourable to budget with void losses being £295k favourable to budget representing a 0.8% void loss rate compared to the budgeted rate of 1.4%.
- Grant income recognised in the year relates to 37 social rent units completed with 18 units at Eastriggs and 19 units at Nursery Avenue and is £1,805k higher than budget driven by additional adaptation income claimed.
- Other income is £1,709k favourable to budget with unbudgeted income recognised for the decarbonisation and renewable project of £684k, SHNZ project of £214k and gift aid received from Wheatley Development Scotland Limited, £462k.
- Total employee costs (direct and group services) are £63k higher than budget. The direct employee costs includes the additional cost of living payment paid in March 2023. The group services recharge reflects WH-South's share of changes in Wheatley Solutions staff from the budgeted structure.
- ER/VR costs are £221k adverse to budget following the commitment of seven members of staff to take ERVR in 2022/23. This cost will yield future revenue savings.
- Total running costs (direct and group services) are £2,057k adverse to budget. Direct running costs include £500k for the 22/23 Here For You Fund and £1,439k additional donations to Wheatley Foundation approved in March 2023 to continue our support for our tenants through this financially challenging period with further funding to allow the continuation of the Here For You Fund. Group recharges are £64k favourable to budget due to several departments currently reporting lower costs across Wheatley Solutions, leading to the underspend against budget.
- Repair costs are £1,974k over budget with higher than budgeted spend across responsive repairs which is £3,090k over budget. Increased responsive repairs is driven by increased demand, higher material and subcontractor costs. Cyclical, compliance and overhead spend is £1,116k lower than budget.
- Demolition costs are £415k lower than budget relating to timing of works at Troqueer and Kelloholm. Costs of £273k relates to buy back of properties at Lochside and Gowanlea and a number of disturbance costs driven by regeneration projects.

Gross interest payable of £5,599k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders.

Net capital expenditure of £20,769k is £4,750k lower than budget.

- Total core investment spend of £18,501k is £1,276k higher than budget due to increased spend on adaptations and capitalised voids, partly offset by the deferral of boiler replacements to 2023/24.
- New Build expenditure is £2,687k over budget driven by advanced spend at Curries Yard (not part of 2022/23 budget) partly offset by deferral of Glenluce and Corsbie Rd to 2023/24.
- Other capital expenditure of £1,188k is £3,728k lower than budget. Other capital spend includes work on local touchdown hubs and IT costs.

1i) Wheatley Developments Scotland

[redacted]

1j) WFL1 and WGC

WFL1 Limited	Period to 31 March 2023 Actual £ks
INCOME	
Operating Income	2,694
EXPENDITURE	
Administration Costs	(2,690)
TOTAL EXPENDITURE	**4**
NET OPERATING SURPLUS	**4**
Finance Income	56,183
Finance Charges	(56,183)
PROFIT / (LOSS) BEFORE TAX	**4**

Wheatley Funding No. 1 Limited

Operating income of £2,694k has been recognised in the year. Operating income relates to the recharge of commitment fees on the loan facility for the RSLs.

Administration expenses are for the commitment fees charged on the borrowings for the RSL Borrower group. £2,690k of fees have been incurred and subsequently recharged to the RSLs.

Finance costs relate to interest charges of £56,183k charged on the facilities to WFL1. These charges are passed on to the RSLs in full.

Wheatley Group Capital plc	Period to 31 March 2023 Actual £ks
INCOME	
Operating Income	(43)
EXPENDITURE	
Administration Costs	43
TOTAL EXPENDITURE	**43**
NET OPERATING SURPLUS	**0**
Finance Income	13,125
Finance Charges	(13,125)
PROFIT / (LOSS) BEFORE TAX	**0**

Wheatley Group Capital Plc

Administration expenses are for the fees charged on the Bond in place for the RSL Borrower group. £43k of fees have been incurred and subsequently recharged to the RSLs.

Operating income of £43k has been recognised in the year. Operating income relates to the recharge of fees to the RSLs.

Finance charges of £13,125k have been recognised in the year. This relates to interest on the £300m bond that sits in Wheatley Group Capital plc. The interest rate is 4.375% per annum.

This is passed on to WFL1, and the recovery from WFL1 recognised as Finance Income. The interest costs are subsequently recharged from WFL1 to the RSLs.

2a) RSL Borrower Group – Consolidated Balance Sheet

Wheatley Group

RSL Borrower Group	As at 31 March 2023 £ks	As at 31 March 2022 £ks
Fixed Assets		
Social Housing Properties	2,557,712	2,085,407
Investment properties	110,271	97,330
Other tangible fixed assets	76,459	62,063
Investments -other	12,073	12,073
Fixed Assets	**2,756,515**	**2,256,873**
Debtors Due More Than One Year		
Development Agreement	0	0
Inter Company Loan	18,163	18,163
Pension Asset	58,167	58,167
Current Assets		
Stock	1,713	717
Trade debtors	2,296	0
Rent & Service charge arrears	18,271	21,100
less: Provision for rent arrears	(10,631)	(7,881)
Prepayments and accrued income	10,338	3,085
Intercompany debtors	2,882	8,602
Other debtors	19,614	19,729
	44,483	**45,352**
Bank & Cash	23,955	12,880
Current Assets	**68,438**	**58,232**
Current Liabilities		
Trade Liabilities	(5,666)	(3,795)
Accruals	(58,630)	(49,821)
Deferred income	(54,127)	(56,419)
Rents & service charges in advance	(14,821)	(13,308)
Intercompany creditors	0	(6,148)
Other creditors	(12,563)	(15,440)
	(145,807)	**(144,931)**
Net Current Assets	**(77,369)**	**(86,699)**
Long Term Liabilities		
Contingent efficiencies grant	(46,764)	(46,764)
Loan - private finance	(1,169,839)	(942,635)
Bond finance	(300,000)	(300,000)
Development Agreement	0	0
Provisions	(1,946)	(2,149)
Deferred income	(32,648)	(26,003)
Intercompany creditors	0	0
Other creditors	0	0
Pension liability	(383)	(383)
Long Term Liabilities	**(1,551,580)**	**(1,317,934)**
Net Assets	**1,203,896**	**928,570**
Funding Employed		
Capital & Reserves		
Share Capital	0	0
Retained Income b/fwd	710,421	555,993
Income & Expenditure	16,133	56,164
Movement in Pensions Provision	0	0
Revaluation Reserves	477,342	316,413
Funding Employed	**1,203,896**	**928,570**

Key highlights:

The RSL Borrower Group net assets stand at £1,203.9m at 31 March 2023.

- Current assets (excluding cash) are £0.9m lower than the year end position mainly due to lower rent arrears net of provision than as at 31 March 2022 driven by the timing of housing benefit payments.
- Overall current liabilities are £0.9m higher than the 2022 year end position mainly due to a an increase in accruals recognised at the year end offset by an reduction in intercompany creditors.
- Long term liabilities at 31 March 2023 include loans relating to WH South following it joining the RSL Borrower group on 1 April 2022.
- Income and expenditure relates to the RSL Borrower Group surplus for the period to 31 March 2023.

2b) RSL Borrower Group – Cash Flow Statement

Wheatley Group

For the year ended 31 March 2023	2022/23 £'000
Net cash generated from operating activities (see Note1)	122,215
Cashflow from investing activities	
Purchase of tangible fixed assets	(186,105)
Grants received	57,923
	(128,182)
Cashflow from financing activities	
Interest paid	(59,005)
Additional funding received in year to date	33,180
Transfer of cash balance from WHSouth and WDS	42,867
	17,042
Net change in cash and cash equivalents	**11,075**
Cash and cash equivalents at the beginning of the year	12,880
Cash and cash equivalents at the end of the period	23,955

Note 1	2022/23
Cashflow from operating activities	
Operating surplus for the period	78,647
Adjustments for non cash items:	
Depreciation of tangible fixed assets	109,624
Movements in working capital	(8,776)
Adjustments for investing or financing activities:	
Government grants utilised in the year	(57,280)
Cashflow from operating activities	**122,215**

Wheatley Group

Report

To: Wheatley Housing Group Board

By: Pauline Turnock, Group Director of Finance

Approved by: Steven Henderson, Group Chief Executive

Subject: Treasury update

Date of Meeting: 26 April 2023

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1. Purpose

1.1 The purpose of this report is to:

1) Update the Board with a quarterly overview on the liquidity position, cashflow forecast and covenants on our debt facilities to 31 March 2023; and
2) Update the Board on progress with proposed amendments to our WFL1 debt facility agreements

2. Authorising and strategic context

2.1 The Group Standing Orders state that matters in relation to Group treasury management and funding are reserved to the Group Board.

2.2 Under the terms of the Intra-Group Agreements between the Wheatley Group and its subsidiaries the Group Board is responsible for the on-going monitoring of performance against agreed targets. This includes the on-going performance of its finances.

2.3 Raising additional funding and ensuring our existing financing arrangements are fit for purpose provides us with the financial resources to enable our ambitions to deliver new energy-efficient affordable homes and to invest in our existing stock to maintain high quality homes for our customers.

3. Background

3.1 Several payments and receipts of note have been made during the fourth quarter including the £35m drawdown from Allia, a net £15m drawdown from [redacted], scheduled capital repayments to [redacted] of £16.3m and interest payments totalling £15m across WFL1. We have remained compliant with the minimum £10m balance in the RSL Borrower Group, in line with the Treasury Management Policy, during this quarter.

3.2 Covenants for our WFL1 and WFL2 facilities remain compliant for Q4 (as at 31 March 2023).

3.3 We are in the early stages of discussions with our WFL1 lenders to make some amendments to [redacted] to create increased capacity in our investment programme for works which improve the energy efficiency and sustainability of our homes. We are also discussing a way to simplify approvals for disposals and an improvement in the efficiency of the use of assets for security purposes.

4. Discussion

i. Liquidity Position

4.1 Our funding arrangements have two main sources of liquidity:

a) Cash-at-hand and/or on term deposits
b) Committed Revolving Credit Facilities ("RCFs") and/or overdraft facilities

4.2 The cash position across the Group for the second half of the financial year is set out below:

[redacted]

4.3 Year-end cash in the RSL Borrower Group was £21.0m, compliant with Treasury Management Policy (min. £10m). The Foundation had a higher-than-average cash balance at year-end at £8.2m, reflecting the larger donations from the RSLs in anticipation of the continuation of the 'Here for You' fund for 2023/24 to support our customers through the continuing cost of living crisis.

4.4 The table below sets out the Group's committed liquidity facilities (WFL1 RCFs and overdrafts) over the last six-month period:

[redacted]

4.5 [redacted]

4.6 Immediately available WFL1 facilities (RCFs and overdrafts) totalled £270.3m (£280.7m at 31 December 2022). [redacted].

ii. Cashflow forecasts

4.7 [redacted]

4.8 We anticipate an additional £10m drawdown during quarter 1 from our RCFs to support the new build programme funding requirement across our RSLs and Lowther. [redacted].

iii. Covenant position across WFL1 and WFL2

4.9 The appended treasury pack sets out the covenants for WFL1 and WFL2 to 31 March 2023. These will be submitted to the respective lenders in line with our loan agreements.

4.10 WFL1 and WFL2 remain covenant compliant.

vi. Update on [redacted] amendment requests

4.11 We have commenced negotiations with our WFL1 lenders to [redacted] create increased capacity for capital improvements for the delivery of energy efficiency works. We are also taking the opportunity to simplify the definition of Permitted Disposals in our loan documentation to enable a streamlined process for disposals made during everyday business. [redacted]

4.12 [redacted]

4.13 [redacted]

4.14 We have requested that WFL1 lenders provide credit approval for our loan amendments during the summer, with an anticipated legal completion date of end of September 2023.

5. Customer Engagement

5.1 There has been no customer engagement on the matters in this report.

6. Environmental and sustainability implications

6.1 We have now completed our first year with Sustainable Linked Loans as part of our funding mix [redacted]. We have drawn and repaid funds on our Barclays facility. We will be reporting on our sustainability KPIs at alongside our audited returns in the summer, and provided these have been met, will receive back up to 0.05% on the drawn funds.

6.2 Failure to meet any of the Sustainability KPIs will not be an Event of Default and, in the unlikely outcome that we cannot meet our obligations, we will forego the loan margin benefit (i.e. it is an opportunity cost).

7. Digital transformation alignment

7.1 No direct impact on the digital transformation programme.

8. Financial and value for money implications

8.1 The financial and value for money implications are set out in the the appendix to this report.

9. Legal, regulatory and charitable implications

9.1 Pinsent Masons are advising the Group on the proposed covenant amendments and the related Security Release work.

10. Risk Appetite and assessment

10.1 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”.

10.2 Our current liquidity risk is low [redacted]

11. Equalities implications

11.1 The inclusion of the Sustainability KPIs directly incentivises us to deliver our ambitions on provision of housing to homeless households as well as to provide higher and further educational bursaries to customers, both of which seek to address inequalities across our communities.

12. Key issues and conclusions

12.1 We have now drawn a total of £15m from our RCFs and have £270.3m of available working capital facilities as at the date of this report.

12.2 We are covenant compliant across the WFL1 and WFL2 facilities.

12.3 Negotiations with all WFL1 lenders are continuing on the proposed amendment [redacted], change to the definition of disposals and the release of the security from [redacted] lenders.

13. Recommendations

13.1 The Board is requested to:

1) Note the liquidity position and covenant compliance as at 31 March 2023; and
2) Note the progress on covenant and loan amendment discussions.

LIST OF APPENDICES:
Appendix 1: [redacted]

Wheatley Group

Report

To:	**Wheatley Housing Group Board**
By:	**Laura Pluck, Group Director of Communities**
Approved by:	**Steven Henderson, Group Chief Executive**
Subject:	**Contract Award – Contact Centre as a Service**
Date of Meeting:	**26 April 2023**

1. Purpose

1.1 To seek approval for the award of the contract for the provision of Contact Centre as a Service ("CCaaS") contract to Vodafone Limited ("Vodafone") for a contracted period of three years + two years (the option to extend for up to 2 additional years) to a total value of £3,665,820.

2. Authorising and strategic context

2.1 Under the Scheme of Financial Delegation, set out in the Group Standing Orders, approval of revenue contracts over £1m is reserved to the Group Board.

2.2 The value of this contract over the proposed 5-year period, including optional extension of 2 years, is £3,665,820. The delivery of the platform and associated services aligns with Group's the digital transformation ambitions.

3. Background

3.1 The Customer First Centre is a key element of our operating model where we focus on providing a quick, easy to use method for our customers to contact us and get issues resolved quickly. Having a reliable, robust telephony platform is essential to the delivery of a consistent, quality customer experience. Its functionality is also a key component in how we manage service delivery, such as performance monitoring and resource scheduling.

3.2 The existing CISCO telephony platform supports our contact centre services and wider switchboard services. As of September 2023, the core functionality of the platform across Workforce Management, used to schedule our staffing resources across the CFC and Quality Management, used to record Customer calls for audit and review and coaching purposes will reach 'end of life', with core call handling services reaching end of life by August 2024.

3.3 End of life refers to the time at which a vendor no longer wishes to support the product on offer as it has no long-term future. Where there is no support for a product there is limited route to fix any problems arising or a longer-term plan to evolve or improve the platform or product.

3.4 This poses a significant risk for us in respect of:

- Continuity in running a functioning contact centre,
- Wider switchboard services (for example at Care, DigiTech and concierge facilities),
- Significantly reduced support for break-fix scenarios (e.g., outages and service failures); and,
- Changes to the platform to support business improvements or extending the service through additional users will no longer be available.

3.5 As part of preparing for the end of life of the CISCO platform, we have over the last year considered three main options as follows:

- Do nothing and continue with the existing platform,
- Interim replacement of the Workforce Management and quality management elements of existing platform; and,
- A replacement platform - reflecting our 'cloud first' approach to technology i.e. a move to cloud telephony platforms.

3.6 Our aim is to agree an approach which will remove the end-of-life technology risks, improve staff access to this critical technology service, directly enhance our customer experience, and enable us to realise our digital ambitions.

3.7 Given the end-of-life status occurring in September 2023 and August 2024 we have concluded that retaining and upgrading the current system in the medium to longer term is not a viable option. Ultimately the retention of any of the current platform beyond August 2024 will increase technology risks across uptime/outages, functionality available, licensing and operating model changes, and security.

4. Discussion

4.1 The proposed new platform is a cloud-based Contact Centre as a Solution (CCaaS) platform. Our proposals have drawn from Gartner (a global technological research and consulting firm) research into call centre strategy and high-level market analysis, through analyst reports and papers. This insight was supplemented through one-to-one discussion with senior Gartner analysts on vendor specific approach to project delivery, phasing, milestones and challenges.

4.2 This research outlined high levels of contact centre migration from on-premises solutions to cloud hosted CCaaS. This approach aligns well with our cloud-first and SAAS approach to new applications and services and brings additional benefit through the ability to offer multichannel experience through a single platform.

4.3 In addition to this it was noted that call centre market is rapidly changing – there are limited on-premises call centre solutions now available, and strategically, a decision to target CCaaS approach for the replacement platform aligns with the CFC working model of multi-channel, voice and digital.

4.4 On premise offerings were discounted through market vendor reviews via Gartner and through direct discussion with Cisco, 8x8, RingCentral and Content Guru.

Testing the Market

4.5 A range of potential suppliers was derived from Gartner analysis (Platform Magic Quadrant analysis) and through early discussion with PING (Cisco reseller).

4.6 Gartner provided CCaaS and call centre voice platform market analysis, including Cisco Flex platform. PING provided additional early cost options appraisal for Cisco Flex and wider Cisco modules. Cisco were discounted early on through cost and functionality reviews and PING feedback.

4.7 Vendors were then approached directly for follow on product demonstrations, core product functionality and discussion on draft costs, reseller delivery and project outcomes. An initial shortlist was then finalised, with 8x8 and Content Guru progressing to a detailed product demo and delivery approach and framework discussion.

Preferred provider and due diligence

4.8 The Vodafone/Storm Content Guru proposition addresses several current limitations and challenges. It is a market-leading cloud-based solution which is the largest in Europe. It is the only cloud-based contact centre supporting 999 services which it does for four UK Police Forces, including Police Scotland, and five of the six electrical distribution network operators in the UK.

4.9 Reference site visits have taken place in February and March 2023 with existing clients of Storm Content Guru, Sheffield City Council and Police Scotland respectively. No concerns were highlighted at either reference site visit. A key theme to draw assurance from is that the Storm Content Guru team stayed engaged with the implementation programme across both purchasers.

4.10 There has been extensive engagement with Vodafone / Content Guru in the form of requirements gathering workshops and demonstrations. The entire project will be implemented within 18 months with phase 2 for additional improvements and increased functionality planned for 2024 – 2026.

4.11 The initial project will focus on stabilising existing services of call handling, workforce management and quality management, with benefits mainly focusing on business resilience. Phase 2 will among others deliver the opportunity to drive forward with the longer-term vision for the CFC to deliver seamless multi-channel experience, self-service through automated interactive voice recording (IVR) and deliver sector leading services to our customers.

4.12 The anticipated value of the Cloud Telephony and voice carrier contract over the 5-year period is £3,655,820 and includes a [redacted] uplift in year 2 and [redacted] uplift in subsequent in line with our business forecasting.

4.13 The preferred procurement approach for these services is to use a compliant procurement framework already in place by a suitable third party. This allows us to benefit from advantageous pricing from the economies of scale and the robust terms and conditions suitable for the public sector.

4.14 Following rigorous market engagement it was determined that the Direct Award route to Vodafone via the Crown Commercial Services - Network Services 2 Framework Agreement, Lot 13: Contact Centre Services was a compliant procurement approach. Vodafone are an appointed supplier on this Framework.

4.15 Vodafone is a market leader in global telecommunications providers with working knowledge of our needs and who can provide confidence in a system that will be delivered from an existing supplier, and who is fully accredited for this service.

4.16 The Group's 2021 – 2026 strategy *Your Home, Your Community, Your Future* has outlined digitalisation transformation ambitions. End of life for our current platform, coupled with the opportunity to modernise a fundamental platform to be truly omnichannel will enable us to better support and evolve our CFC operating model established in December 2021.

Mobilisation

4.17 Following contract sign-off, Quarter 1 and Quarter 2 of this year have been identified as key implementation and mobilisation periods. The full implementation of the system will occur over a 12–18-month timeframe commencing in May 2023 (subject to Group Board Approval). Table 1 outlines the Board milestones and indicative timescales to be achieved during years 1 & 2.

Table 1

30/4/23	31/5/23	31/7/23	31/12/23	31/3/24
Group Board approval of proceeding to contract award	Vendor Contract Award	Full project delivery plan developed and commenced	Phase 1 launch	Phase 2 launch

4.18 The Wheatley Solutions Board will be given quarterly updates on progress with implementation and the plans for the quarter ahead.

5. Customer Engagement

5.1 A core part of the new operating model hinges upon the customer CFC being the key voice / digital platform for customers. In 2021 all RSL customers were consulted on this model. Over 5,000 responses to this consultation were receiving with responses varying from 80%-90% endorsement for this approach.

5.2 With this robust customer mandate in place, we must ensure that the CFC utilises a platform which is able to meet the needs of our customers and allows for choice in channels.

5.3 Piloting of MyVoice during January-February 2023 has shown the value placed on the CFC by customers. Close to 1,400 customers have been invited to participate in this engagement with real time feedback via MyVoice becoming embedded in daily business practices.

6. Environmental and sustainability implications

6.1 As part of the procurement process, we will require any vendor to provide assurance that the energy source for cloud-based data centres originates from renewable sources. ESG statements should be in line with our Sustainability Strategy.

6.2 The gold standard is currently being set by Microsoft which aims to be carbon negative by 2030. Azure, as part of Microsoft has been 100% carbon neutral since 2012. Vodafone report that their purpose is to connect for a better future by enabling inclusive and sustainable digital societies.

6.3 Vodafone are committed to sustainability in all their activities. This year they achieved a target to purchase 100% renewable electricity in Europe from July 2021. Vodafone is committed to fully abate for its own operations by 2030, and for our full carbon footprint by 2040. Their 2030 carbon reduction targets have been approved by the Science Based Targets initiative as in line with reductions required to keep warming to 1.5°C, the most ambitious goal of the Paris Agreement. They will also halve carbon emissions from Scope 3 sources, including joint ventures (such as their partnership with Storm / Content Guru), all supply chain purchases, the use of products it has sold and business travel.

6.4 By 2040, Vodafone will have fully abated Scope 3 emissions completely - bringing forward by ten years Vodafone's original 2050 ambition to reach net zero across our full carbon footprint. In 2019, Vodafone signed up to the Race to Zero campaign through the Business Ambition for 1.5C

6.5 Despite ever-growing use of data and expansion of Vodafone networks, this year, their total Scope 1 and 2 GHG emissions decreased by 23% to 1.09 million tonnes of CO_2e, due to their ongoing focus on energy efficiency and an increase in the proportion of renewable electricity purchased.

6.6 Vodafone are committed to continually improving the energy efficiency of their base station sites and in their technology centres, which together account for 96% of our total global energy consumption. During FY21, Vodafone invested £57 million of capital expenditure in energy efficiency and on-site renewable projects across our business, which has led to annual energy savings of 135 GWh.

6.7 Vodafone has signed a corporate solar power purchase agreement (PPA) in the UK. The deal gives Vodafone access to clean, high quality and affordable renewable electricity in the UK for the next ten years, offering price certainty and improved energy security. In Europe, 100% of the grid electricity they use is matched with renewable energy certificates. Combined with agreements already in place, this new solar PPA means around 44% of their annual energy requirement in the UK will come from UK-based renewable power sources by 2025.

7. Digital transformation alignment

7.1 Our Group Strategy sets a clear direction and is underpinned by digital transformation. Implementation of a sophisticated multi-channel contact centre platform is a pivotal component in helping us to deliver on our digital ambitions and our commitment to our 3 channels of customer engagement – digital, voice and face-face.

8. Financial and value for money implications

8.1 The project represents an investment in a new voice platform which is central to our CFC and business operating model.

- Capital investment for Vodafone project costs and hardware is: [redacted].
- Revenue cost for the 5-year term is [redacted] this is split as:
  - Calls – [redacted]
  - Licence – [redacted]

A business case was reviewed and agreed to the Executive Team as part of the milestone for the project caried over from 22/23.

8.2 Pre-contract market engagement aligned to Group's cloud first approach and the CFC model for multichannel engagement were all key considerations in determining that the Storm solution met our requirements and justified our decision to directly award this contract.

8.3 Additionally contracting through Vodafone brings unique benefits through the provision of multichannel licencing, hardware device supply and national voice network service provision through the same provider.

8.4 Crown Commercial Services – Network Services 2 Framework Agreement (RM3808) was chosen as it is the only known public sector framework available that includes call centres as part of the scope. This allows us to benefit from advantageous pricing from the economies of scale and the robust terms and conditions suitable for the public sector and simplifies vendor engagement through a compliant direct award process.

8.5 Benchmarking the labour rates offered by Vodafone in their proposal against the suggested rates Gartner had anticipated for an CCaaS implementation are favourable. For example, the Vodafone Project Manager hourly rate is £[redacted] per hour against a rate of £[redacted] per hour, Gartner suggests is the going market rate.

9. Legal, regulatory and charitable implications

9.1 Crown Commercial Services procurement of this framework (Lot 13 – Contact Centre Services) was subject to a full OJEU process. The risk of a procurement challenge is considered low and contract award will follow immediately after approval for commencement.

9.2 Equifax finance reports has been conducted for both Vodafone and Content Guru detailing a financial stability rating of B+ for both and with comments that "all contracts can be considered". This meets the Group's minimum requirements in respect of financial standing and Vodafone appears to be of sufficient financial stability to undertake contract to a value of £3,665,820.

9.3 We will work closely with the Information Governance and IT teams to ensure data security compliance and integration is complete prior to launch. A Vendor Security Assessment and Data Processing Impact Assessment are already in progress.

10. Risk Appetite and assessment

10.1 Our risk appetite in respect of Legal and Regulatory compliance is averse, i.e., avoidance of risk and uncertainty is a key organisational objective.

10.2 The award of this contract is fully compliant with all relevant procurement legislation and presents no increased risk to the Group.

10.3 A project governance structure has been developed to provide oversight of the project, ensuring milestones are effectively planned and delivered on through coordination by the operational team and oversight at an executive level. This will include full User Acceptance Testing and proceed/pause decisions being overseen by the Executive Lead - the Group Director of Communities. The project oversight is outlined below:

- Project Team Meeting – weekly as a minimum
- Executive Lead update - weekly
- Project Board Meeting – 4 weekly
- Executive Team Update – 4 weekly as a minimum
- Wheatley Solutions Board Update – at each Board

11. Equalities implications

11.1 There are no equalities implications for this report. An overarching EIA will be completed in relation to the project implementation. Overall, the proposal has the potential to make services more accessible with improved waiting time and omni channel capabilities offering more choice to customers.

12. Key issues and conclusions

12.1 The current CISCO voice telephony platform is reaching end of life. In order to provide a robust and future proofed platform for voice and multi-channel contact for customers we have sought vendors who can meet our digital ambitions. This would involve moving to a cloud-based contact centre platform. Following active market engagement, three vendors were shortlisted to provide product demonstrations. A preferred solution has been identified via Storm/Content Guru to be contracted and delivered by Vodafone.

13. Recommendations

13.1 The Board is requested to approve the award of a contract for the Cloud Telephony Services for a contract period of up to five years to the value of £3,665,820.

LIST OF APPENICES:
None.