



**WHEATLEY HOUSING GROUP LIMITED
BOARD MEETING**

**Wednesday 30 August 2023 at 10.30am
Wheatley House, 25 Cochrane Street, Glasgow**

AGENDA

1. Apologies for absence
2. Declarations of interest
3. a) Minutes of meeting held on 22 June 2023 and matters arising
b) Action list
4. a) Group CEO update
b) Committee Chair updates

Main Business

5. Renewing our strategy to 2026
6. Repairs update
7. Homelessness Policy 2021-26 – progress update
8. Annual Assurance Statement
9. a) 2022/23 Financial Statements
b) Annual Internal Audit Report and opinion 22/23
10. [redacted]
11. Quarterly Performance

Other business

12. Governance update
13. Finance report
14. [redacted]
15. Contract Award – Servitor Job Management System
16. AOCB

Report

To: Wheatley Housing Group Board

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

Approved by: Steven Henderson, Group Chief Executive

Subject: Renewing our strategy to 2026

Date of Meeting: 30 August 2023

1. Purpose

- 1.1 To seek approval for a renewed version of our Group strategy “*Your Home, Your Community, Your Future*” through to 2026 which:
- builds on our achievements and progress since 2021;
 - reflects the significant change in our external operating environment;
 - reflects the feedback from the partner Board strategy workshops and this Board’s strategy residential on areas of the strategy which should be updated; and
 - incorporates previously agreed changes to Group level targets as part of the 2023/24 Group Delivery Plan.

2. Authorising and strategic context

- 2.1 Under the Group Standing Orders the approval of and any amendments to the Group 5-year strategy is reserved to this Board. The original version of the strategy was approved by the Board in October 2020 in advance of coming into effect in April 2021.
- 2.2 Our strategic context has changed significantly since the strategy was first agreed and subsequently implemented in 2021. By way of context, it was 21st March 2022, nearly one full year into our 5-year strategy, before all pandemic-related legal restrictions ended.

3. Background

- 3.1 Our strategy approach is one of refresh and renew, where we alternate annually between more small-scale refreshes and, where the strategic context necessitates it, a more substantial renewal.
- 3.2 In June 2021 the Board agreed a refreshed Group Performance Management Framework alongside a clear methodology for how we would measure our progress in delivering the outcomes of our strategy.

- 3.3 This approach identified a range of strategic commitments and performance measures for each of our strategic outcomes, the delivery of which would constitute achieving the strategic outcome. It was recognised that the commitments and measures would evolve throughout the life of our strategy as we refreshed and renewed it.

4. Discussion

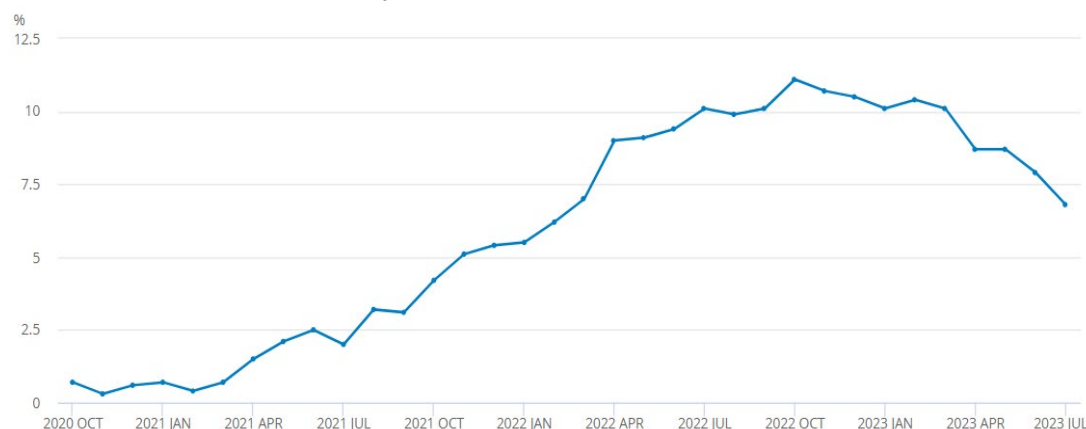
Our achievements to date

- 4.1 We have made strong progress in the delivery of our strategy, with a significant number of the strategic commitments agreed in June 2021 either already delivered or in progress. The strategic commitments we agreed in 2021 are set out in Appendix 1, with those already delivered, almost half at this halfway stage of our strategy, highlighted in green.
- 4.2 The commitments range in scale, with a number of them significant in scale and impact, including:
- The **creation of a single vehicle for Glasgow**, Wheatley Homes Glasgow, securing the legacy of GHA and creating a new vision for housing Glasgow;
 - **Redefined our approach to engagement**, with a wider and more diverse level of engagement than ever before and over 1500 Customer Voices;
 - A **fully reshaped corporate estate** to deliver Centres of Excellence fit for our operating model, business efficiencies and a reduced carbon footprint;
 - Implemented our strategic housing policy, with **over 5000 homeless households** so far provided with a warm, safe and secure home;
 - The completion and full implementation of a strategic governance review, including creating **Wheatley Homes East** and Wheatley Developments Scotland joining the RSL borrower group to **create significant efficiencies**;
 - **Hundreds of jobs secured** in Dumfries and Galloway through the repairs and NETs services being brought in-house;
 - Our **first-ever Group sustainability strategy** was agreed and an expert Pathway to Net Zero Group was established to advise us and foster innovation;
 - **Completed a 5-year review** of CBG alongside Glasgow City Council; and
 - **Introduced a new staff operating model**, with refreshed terms and conditions and a new Leadership development programme to support
- 4.3 We are also well advanced with a number of commitments which will ultimately be transformational for our organisation and in our communities, in particular the new cloud telephony platform, the regeneration of Lochside and Wyndford and how we leverage our data to drive service improvement and efficiency. These are highlighted in light green in Appendix 1.

A much-changed economic operating environment

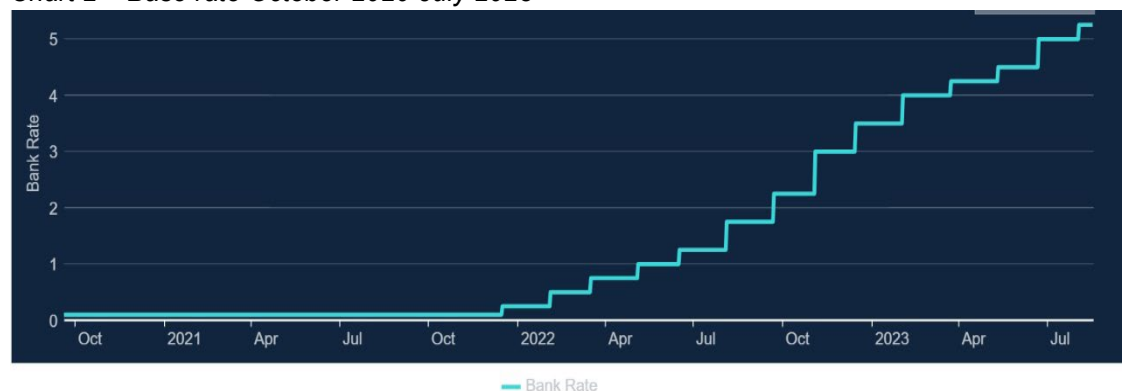
- 4.4 The external operating context has changed significantly since we agreed the strategy. In particular, the economic context has become extremely challenging for us, our customers and the sector more widely.
- 4.5 When we agreed our strategy in October 2020, Consumer Price Inflation (“CPI”) was at **0.7%**, well within the long-term 2% target set by the Bank of England and below our own long-term business planning assumptions. From September 2021 CPI increased sharply to a high of 11.1% and has persisted at a high level throughout 2022 and the first half of this year.

Chart 1 – CPI October 2020-July 2023



- 4.6 The sharp increase in inflation was driven by a number of factors, including supply chain challenges upon exiting the pandemic, the war in Ukraine and its impact on energy prices and global supply chains, and the cost of food. The pace of increase in inflation led to a cost of living crisis as household incomes did not rise at the same rate as inflation.
- 4.7 The impact of the cost of living crisis has been particularly acute for our communities, which have been disproportionately impacted by the increased cost of heating their homes and higher food prices. Whilst inflation is beginning to fall it is only expected to fall to 5% by the end of 2023 and not reach the Bank of England target of 2% until 2025.
- 4.8 In response to inflation levels the Bank of England has increased interest rates as a tool to reduce the rate of inflation, raising interest rates 14 times; from 0.1% when we launched our strategy to the current level of 5.25%. Further increases are expected with some forecasts predicting a peak at 6.00%.

Chart 2 – Base rate October 2020-July 2023



- 4.9 Inflation most notably on raw materials, energy, fuel, insurance premiums, as well as increased borrowing costs and supply chain challenges have adversely impacted the costs to deliver our services.

- 4.10 In September 2022, the impact of the economic climate and cost of living crisis also led to the Scottish Government announcing emergency legislation in the form of the Cost of Living (Tenant Protection) (Scotland) Act 2022. This introduced, for the first time, measures limiting rent levels which initially saw rent increases capped for all tenures. While restrictions for social rent increases were removed in March 2023, these remain for other tenures. This active involvement for the first time by Scottish Government in rent controls creates a significant level of uncertainty for us and our business planning assumptions.
- 4.11 The significant changes in the economic environment impacts a number of areas of our strategy and our plans between now and 2026. This includes keeping the right balance between rent increases, the delivery of repairs, maintenance and capital investment in existing homes and our continued focus on delivering value for money within our operating model.

Key feedback themes from Partner Board workshops

- 4.12 A key feature of how we renew and refresh our strategy is that it is informed by feedback from our partner Boards. Our partner Boards have held strategy workshops and approved their updated strategies. As part of this, a number of themes emerged that our partner Boards considered should be reflected in our Group strategy.
- 4.13 The consistent themes of feedback from Boards were as follows:
- Customer communication should be more explicitly identified as an important element of achieving exceptional customer experience;
 - Neighbourhoods should be a bigger feature within our strategy, with a focus on developing a structured and integrated approach to neighbourhood assessment which includes asset appraisal as one aspect.
 - Our focus on using customer insight, including real-time feedback, should be more prominent in the strategy;
 - The repairs section should more explicitly identify what we know are customer priorities, which we have established through a wide range of customer feedback; and
 - Our digital aspirations should be more focussed on digital enablement with a focus on making digital an attractive customer choice.
- 4.14 For the Wheatley Care Board, the key area of change was to recognise in their own and our Group strategy what we agreed as part of the strategic care review. The other main area was that their future focus is now on the expansion of our Livingwell Model and that this replaced its initial plans to achieve a similar outcome via the replication of the 415 Hub and Cluster model.
- 4.15 [redacted]
- 4.16 The Wheatley Solutions strategy reflected, as would be expected as the Group corporate services provider, the priorities across the Group and additionally its expanded role in Equality, Diversity and Inclusion and sustainability. A strong theme however was that our digital focus must be on digital enablement and viewed through the lens of how it improves services.

A renewed strategy to 2026

- 4.17 Taking into account our delivery to date, the significant change in our economic landscape and the partner Board feedback we have updated our Group strategy, with the renewed version attached at Appendix 2. A tracked change version is also available on request. A summary of the key changes to each chapter, including the chapter-specific drivers for change, is set out below:

Delivering exceptional customer experience

- 4.18 A number of the key principles within the chapter remain valid, in particular prioritising services that mean the most to customers, reviewing and improving services with customers and the enhanced use of digital to engage with customers.
- 4.19 A key change in our operating model since 2021 was the creation of the Customer First Centre (“CFC”). The CFC was created to provide exceptional customer experience through quickly and efficiently dealing with customer enquiries at the first time of asking, having specialists on hand where needed and freeing up Housing Officers to spend more time in communities dealing with more complex and neighbourhood issues. This change in our operating model and its focus on delivering exceptional customer experience are now reflected in the strategy.
- 4.20 To reflect the significance of the CFC in delivering exceptional service a new KPI for customer satisfaction with the CFC, 90% by 2026, is also proposed for inclusion in our strategy.
- 4.21 The chapter includes a significantly expanded section emphasising the importance of customer communication and the importance of ensuring this is aligned with our communication through digital platforms. It also identified our overall focus is ensuring that our customers will be able to access the information and services they need, whenever and however they need them. This is particularly significant under our operating model where our CFC, not frontline teams, is the main point of contact for most customer enquiries and we need customers to be clear on this.
- 4.22 The chapter also now sets out in more detail how we will use a wide range of customer insight alongside our digital services and real-time feedback mechanisms to identify and quickly resolve any issues as well as improve services based on customer priorities.
- 4.23 The strategy initially envisaged You Choose challenges as the main mechanism to engage all our customers in determining how we prioritise expenditure. The success to date of our engagement framework combined with the significantly enhanced focus on customer insight are such that we now have stronger mechanisms to understand customer priorities. The focus on using more nuanced customer insight rather than You Choose challenges has now been reflected in the strategy.
- 4.24 The repairs element of the chapter has been updated to reflect both what has already been delivered, such as completing the City Building 5-year review, and bringing the Wheatley Homes South service in-house.
- 4.25 Our repairs context has changed significantly over the life of the strategy, with the demand for the service having increased post-pandemic as we cleared the

backlog. Repairs demand has however persisted at a much higher level than pre-pandemic, a picture that is replicated across the wider sector.

- 4.26 We know from our customer insight that repairs remain a key driver of overall customer satisfaction. The repairs section has been strengthened to explicitly reference the customer priorities we will be focusing on through the strategy. It also recognises that given the importance of repairs, our performance framework and level of customer engagement in this area needs to expand. With demand being higher the significance of the customer experience from our repairs service for our overall customer satisfaction is further heightened.
- 4.27 [redacted]
- 4.28 Overall this chapter now reflects the changes in our operating model, the change of focus for Lowther Homes and our enhanced focus on customer insight driving decision making. It is proposed the commitments shaded in blue in Appendix 2 are no longer appropriate for our strategy and are removed as contributors to meeting our strategic outcomes in this chapter. Those remaining in amber are either underway or planned for delivery between now and 2026. The same approach is used for the remaining chapters.
- 4.29 The key updates to the strategic themes and results are as follows:
- [redacted]
 - The repairs 'Rate it' score and satisfaction with a new home measures changed to a target of 90% satisfaction rather than improving a baseline;
 - Complaints handling measure amended to a target of an average of 5 days rather than improving a baseline satisfaction level; and
 - Additional measure for CFC customer satisfaction with a target of 90%

Making the most of our Homes & Assets

- 4.30 As part of our annual review of our business plan, five-year investment plan and five-year development programme we have already rebaselined our investment and new build targets which are now reflected in our strategy.
- 4.31 Our operating context for this chapter has changed significantly, in particular in relation to the policy and legislative context for building new homes. Our new homes will require to have heating systems with no direct emissions from April 2024. From January 2025 all new build homes will have to meet a new Scottish version of the Passivhaus standard. As the Board has discussed this has a number of implications for our programme, including costs, maintenance and grant levels required.
- 4.32 The Board, as well as partner Boards, have also identified the changing landscape in terms of Passivhaus and zero emission heating systems need to be considered within the context of the change it means for our customers. In particular, the feedback emphasised that we need to ensure tenants understand and can use the new, more complex heating and ventilation systems.
- 4.33 A potential consequence of these systems not being understood and complex to operate is also an area we have increased the focus on in this chapter – damp and mould. Damp and mould is now recognised as a public health issue for all customers and as such we have added a section to this chapter affirming it is a priority for us within the investment in our existing homes.

- 4.34 Within existing homes, as previously set out in the previous chapter update, demand for our repairs service has persisted post-pandemic. Taking this account the measure in relation to the ratio of planned to reactive repairs is no longer as relevant as it was set within the context of an expectation repairs demand would reduce once the pandemic backlog was cleared. Our focus is now on continuing to improve the service within the context of this increased demand. On that basis, the specific measure of a 60:40 ratio of planned to reactive repairs spending has been removed.
- 4.35 We now have a Board approved sustainability strategy and the sustainability section has been significantly renewed to reflect this and the key outcomes the Board agreed it should focus on achieving.
- 4.36 The Building Community Voice, Engagement and Resilience section has been streamlined to reflect the current economic climate. It reflects a stronger focus on engaging existing community partners and leveraging community benefits, with less focus on creating new programmes, such as entrepreneurship and business start-up support, particularly given the economic context.
- 4.37 Overall this chapter now reflects the significant changes in the policy and legislative context for building new homes and investing in existing homes. It also reflects the strong progress we have made in relation to sustainability, particularly the agreement of a Group sustainability strategy. It is also proposed that in addition to the proposed changes to the commitments that are no longer appropriate, we add additional commitments to develop a strategy for our future role in the provision of district heating systems and undertake a Passivhaus new build pilot research project.
- 4.38 The key updates to the strategic themes and results are as follows:
- New build target revised to 4000 homes
 - investment in existing homes increased to £390m
 - investment in new build of £740m; and
 - Remove the 60:40 planned to reactive repairs spending measure

Changing Lives and Communities

- 4.39 The cost of living crisis has created further challenges for our customers and communities and this is now reflected in this chapter. Many of the elements remain relevant, such as our commitment to homelessness, supporting tenants and communities into jobs and training, leveraging community benefits and fire safety.
- 4.40 A further key contextual change for this chapter is that we have concluded a strategic review of our care activities. As part of this, we agreed our future care focus would be on growing the provision of LivingWell services, exiting certain services, particularly in areas where we have little or no housing and focus on our core areas of specialist support funded through personalised and homeless services. It was also agreed we should have less focus on diversifying and creating new revenue streams and this has also now been reflected in the strategy. The implementation of the strategic care review has also now been added as strategic commitment.

- 4.41 Reflecting the feedback from partner Boards that neighbourhoods are a priority, the neighbourhoods section of this chapter has now been significantly expanded. Whilst this section has been expanded in particular this is within the context of neighbourhoods being an area that all elements of the strategy contribute to. Strategic commitments have been added in relation to the creation of a new integrated approach to neighbourhoods alongside a review of our NETS operating model which aligns with considering all elements of the neighbourhood.
- 4.42 Our strategy initially envisaged us having a delivery role, through the purchase and ownership of network infrastructure, in relation to digital connectivity, particularly in relation to Multi Storey Flats (“MSFs”). Our focus has however pivoted to partnership working with private sector infrastructure providers to allow our tenants to access low-cost, high-speed broadband and supporting network deployment across our estate including MSFs. This includes the granting of wayleaves to allow network infrastructure to be put in place.
- 4.43 An example of this is our recently agreed recent partnership with Giggle Broadband in Glasgow, where we support network deployment and in return our customers will receive access to quicker and cheaper than market-price broadband, it is delivered at a pace that would not happen otherwise and we secure a contribution to the Wheatley Foundation. We anticipate achieving at least 50% coverage of our properties in Glasgow under this and similar types of partnerships, such as City Fibre.
- 4.44 We are however continuing to explore how we can play a direct role in supporting digital inclusion across the full Group through repurposing our devices to make them available to customers.
- 4.45 The key updates to the strategic themes and results are as follows:
- Remove the target to reduce the cost of running a home by 10% (as previously agreed)
 - Homelessness to focus on achieving housing 10,000 households rather than agreed contributions with each Local Authority

Developing our shared capability

- 4.46 We have already delivered the key elements of this chapter, with our new operating model and agile working approach in place as well as how we evolve our approach to staff and leadership development to reflect this. We have further expanded the strategy to also now recognise that how we engage and communicate with staff also needs to evolve to reflect our operating model.
- 4.47 Since agreeing our strategy the Board has clearly identified that Equality, Diversity and Inclusion is a key priority and this is now explicitly referenced in the strategy, as well as within the Wheatley Solutions strategy.
- 4.48 The digital focus within this chapter has been updated to be more focused on enablement and choice than creating new, digitally exclusive approaches.
- 4.49 As with the previous chapter, we have reduced the level of activities we envisaged undertaking ourselves on the basis that we will focus more on aligning with existing partner activities. For example, supporting the Glasgow Times community champions awards rather than creating our own version of Community Achievement Awards.

- 4.50 It is proposed that we update the Community Academy section to reflect both our Community Hub approach and the appetite we have seen from tenants to engage with us digitally. This will see our focus primarily be on our Community Academy being delivered digitally. This was supported by partner Boards.
- 4.51 A continued focus, one which was strongly endorsed by partner Boards, is our focus on growing our own whilst targeting new opportunities to young people, particularly within our own communities. We have reflected this in the strategy setting out a clear focus on how we develop our staff, create clear pathways and facilitate people managers having conversations with staff in a structured way which supports their development and realising their potential.
- 4.52 The key updates to the strategic themes and results are as follows:
- Remove the measure of customers self-reporting positive distance travelled

Enabling our ambitions

- 4.53 The operating context within which we let homes, set rent increases and manage arrears has changed significantly since the strategy was agreed. The cost of living crisis, sustained increased demand for repairs and high levels of inflation have impacted our financial operating context. Based on this the Board has already agreed changes to the KPIs in relation to rent increases, arrears and days to let and these will now be reflected in the strategy.
- 4.54 The raising funds element now explicitly recognises that in order to retrofit and deliver enhanced energy efficiency standards in our existing homes additional grant funding will be required as costs of retrofit should not be passed on in the form of higher rents.
- 4.55 Our digital aspirations within this chapter were focused on being a digital leader and set within the context of having been prior to the creation of the Customer First Centre. Elements of content remained highly relevant in terms of enhancing our digital services, engaging customers to ensure what we provide is relevant and ensuring that we become a more digitally mature organisation. The focus has however also been updated to digital enablement and digital service improvement rather than innovation or being digitally led.
- 4.56 Our influencing locally and nationally has progressed significantly since the strategy was agreed. We have now concluded strategic agreements with Glasgow City Council and Dumfries and Galloway Council and are part of the City of Edinburgh Council's Affordable Housing Partnership. We have also now reflected this strengthening of the relationships in the strategy.
- 4.57 The key updates to the strategic themes and results are as follows:
- Remove the specificity on what future rent increase will be whilst maintaining a focus on affordability;
 - Revising the arrears and days to let targets to reflect the changes agreed as part of the 2023/24 Group Delivery Plan targets; and
 - [redacted]

5. Customer Engagement

- 5.1 A key driver of a number of changes in our strategy is the wide range of customer engagement and insight we have gathered over the last year. We have expanded a number of areas of our strategy, such as repairs, customer communication and neighbourhoods to reflect what our customers have told us are priorities.
- 5.2 We have also added new measures, such as additional customer satisfaction targets for the Customer First Centre, 'Rate it' and Lowther Homes which, alongside the range of targets the strategy already contained, affirms satisfaction is a key priority within our strategy.

6. Environmental and sustainability implications

- 6.1 The environmental and sustainability landscape has changed significantly since we agreed our strategy. This section of the strategy has been updated to reflect these changes alongside the progress we have already made and intend to make between now and 2026

7. Digital transformation alignment

- 7.1 A key change in our strategy is to focus on digital as an enabler for service improvements, gathering customer insight, making services easy to access and as a sufficiently attractive channel of choice for our customers. Our digital programme for the current year is already aligned with this.

8. Financial and value for money implications

- 8.1 There are no direct financial implications associated with the report, which is consistent with and within the context of the financial envelope of our agreed business plan.

9. Legal, regulatory and charitable implications

- 9.1 There are no legal, regulatory or charitable implications associated with this report.

10. Risk Appetite and assessment

- 10.1 We have no single risk appetite in relation to strategy. Our risk appetite statements reflect each individual element of our strategy.

11. Equalities implications

- 11.1 Our strategy has been updated to reflect our focus on Equality, Diversity and Inclusion. A key element of this is that we now, as a matter of course, undertake Equality Impact Assessments as required as we implement our strategy. This supports us in implementing our strategy in a fair and equitable way.

12. Key issues and conclusions

- 12.1 Since we agreed our strategy in October 2020 our financial operating environment has changed significantly. High levels of inflation and interest rate increases have presented significant challenges for our organisation, our customers, our communities and our supply chain.
- 12.2 The legislative and policy context has also changed significantly, in particular in relation to net zero, heating systems and new build properties. Additionally, we have, for the first time, seen rent control legislation introduced.
- 12.3 Within this context we have still delivered on a number of key elements in our strategy, with the creation of Wheatley Homes Glasgow and Wheatley Homes East, a transformed engagement approach with more customers engaged than ever before, led the way nationally with over 5,000 homes for homeless households and our first ever sustainability strategy.
- 12.4 Our renewed strategy is more streamlined and strongly focused on what we know are our customers' priorities. It is also based on input from our partner Boards across the Group.

13. Recommendations

- 13.1 The Board is asked to provide feedback on and approve the renewed Group strategy to 2026.

LIST OF APPENDICES:

Appendix 1 – Strategic commitments update

Appendix 2 – Renewed Group strategy [redacted] available here [Our strategy | Wheatley Group \(wheatley-group.com\)](#)

Appendix 3 - 5 year strategic commitments			
Strategic Theme	Strategic Outcome	Strategic Commitment	Strategic Result
Delivering Exceptional Customer Experience	Progressing from Excellent to Outstanding	Implement new engagement framework	* Overall customer satisfaction is above 90% * Over 90% of Wheatley Care customers are satisfied with the overall service * RSL tenant satisfaction with value for money is increased to 85% * Satisfaction with complaints handling is increased by 10% * Overall satisfaction among households with children is improved to 90% * Satisfaction with the process of getting my new home is improved by 10%
		Develop a Wheatley Whole Family approach	
		Review Group approach to rent and income management	
		Review Group performance and benchmarking approach to define outstanding	
		Simplify our rent structures for new buold homes	
		AI/Data Analytics/Customer Insight informed decision making	
	Enabling customers to lead	Carry out a review of common housing registers and choice based letting systems currently used within the Group	* 90% of customers feel they can participate in the landlord's decision making * 95% of customers who are actively engaged in shaping services feel they participate in decision making
		Transform our rent payment methods	
		Introduce new cloud based telephony system	
		Develop new RSL online services model	
		Extend Outcome Star to Housing & W360	
		Virtual Patches for Livingwell and Asylum Seekers	
		Review options to integrate MyHousing and other online customer services (eg MySavings)	
		Improve reporting on homelessness and allocations to provide strong data analytics about customers' preferences	
		25% of all tenant facing expenditure will be controlled by tenants	
		Forge strong partnerships with Universities re mentoring for customers	
		Develop Talent Mining approach to employability	
		Enable customers to choose how and when repairs and investment work is undertaken	
	Developing a Customer Led Repairs Service	Enable customers to let out a spare room	* Implement a “rate it” score from the book it, track it, rate it repairs approach and aim to improve performance by 10%
		Refine Repairs Delivery Model	
		Review Online Repairs Service	
		Digital Repairs Service enhancements introduced	
	Differentiating Lowther from its competitors	Digital consultation to allow customers to co-create priorities for planned repairs	* Net promoter score for Lowther is increased to 60
		Develop Net Promoter Score methodology for Lowther Homes	
		Lowther is a paperless business	
		Develop Lowther Local Portal	
		Commercial growth exploration, including Landlord portfolio management product	
		Review and refine owners internal repairs service	
Making the most of our Homes & Assets	Increasing the supply of new homes	Housing options - MMR for homeless households	* Develop 5,500 new homes across all tenures * Invest £500m of new public and private finance in new build housing * Achieve 95% customer satisfaction with their new build home * Invest £360 million in improving, modernising and maintaining homes
		Explore the potential advantages of rebranding with geographical based names	
		Wheatley 24 – Customer Voices: enhanced customer choice (DC West Craigs)	
		Wheatley 24 – Customer Voices: enhanced customer choice (GHA Carnwadric)	
		Identify potential DGHP new build opportunities via stock viability appraisal	
	Investing in existing homes & environments	Develop and agree joint plans for DGHP Transformational Regeneration Area (Lochside)	* Achieve a 60:40 ratio of planned to reactive repairs spending * Reduce the volume of emergency repairs by 10%
		Online/Digital Services - online planning tool, live property dashboards	
		Review of our corporate estate	
		Technology & Analytics - sensor tech and remote fault diagnosis	
		Virtual picture of communities developed	
		Expand our RSBi factory capability	
		Create a single vehicle for Glasgow	
		Wyndford Regeneration	
	Setting the benchmark for sustainability and reducing carbon footprint	High-Rise Living Framework Year 2	* Reduce the output of CO2 emissions from our homes by at least 4000 tonnes per year * Reduce our corporate carbon footprint to carbon neutral by 2026
		Wheatley Green Investment Plan	
		Implement roll out of pilots of new storage heater options	
		Develop a strategy setting our our role in the provision of district heating systems	
		Develop a new build pilot and evaluation approach based on the Passivhaus standard	
	Building community voice, engagement & resilience	Scope requirements for EESSH2	* Maintain existing tenant satisfaction with the quality of their home at over 90%
		Community led development approach introduced	
		Wheatley Trusted Builder Mark' introduced for new homes	
		New Community Entrepreneurship and Resilience programme	
		Create a Wheatley Place measure	
		Data analytics informs community investment decisions	

		Review and refine Wheatley Community Benefit Model	
Changing Lives & Communities	Overarching Vision	Implement the Strategic Homelessness Policy	* Housing 10,000 homeless people or households over 5 years
	Shaping Care services for the future	Diversify and develop new revenue streams not dependent on commissioning	* 90% of Care services are graded 5 or above
		Pioneer new approaches in Care to help people stay at home	
		Review approach to services being tailored to support strengthened communities and reduce social isolation	
		Introduce new care design and technology	
		Increase level of active citizens via our community engagement approach	
		Blended model of Care for 20% of outreach customers	
		Develop a Care Centre of Innovation and Excellence	
		Bespoke volunteering programme	
		Fully implement the strategic care review recommendations	
	Developing peaceful & connected neighbourhoods	Wheatley Community Connection Plan - develop approach to affordable broadband	
		Develop new, integrated approach to neighbourhoods	
		Digital Neighbourhoods	* Over 70% of our customers live in neighbourhoods categorised as peaceful
		Develop Groupwide ASB Prevention & Mitigation framework	* Achieve 85% satisfaction with Wheatley Environmental Services
		Review Group Fire Prevention & Mitigation Framework including digital solutions	* Reduce the number of accidental dwelling fires by 10%
		Review and refine the operating model for NETs	* 100% of applicable properties have a fire risk assessment
	Supporting economic resilience in our communities	Introduce in house NETs service to DGHP	
		Develop approach to reshaping services to provide additional support to those at risk of unemployment	
		Develop and implement a sustainable approach to food security	* 60% of tenants with online accounts are using the My Savings rewards gateway
			* 250 customers have been supported to attend higher education and university through Wheatley bursaries
Developing our Shared Capability	We Think - creating our Thinking Yes Together culture		* 4,000 jobs, training and apprenticeship opportunities delivered
		Extend Wheatley Works & training programmes post pandemic	* 10,000 vulnerable children benefit from targeted Foundation programmes
	We Create - driving innovation	Review and refresh staff development programme to reflect new operating model	
		Develop new leadership development programme	* Over 90% of staff say they feel appreciated for the work they do
		Create a Community Academy	* Over 80% of customers self-report positive distance travelled towards self-reliance
		Develop strategic partnerships with academic institutions	
		Introduce Wheatley Scholarships	* 250 young people are provided with structured opportunities to build their skills within the business
	We Work - strengthening the skills & agility of our staff	Introduce Community Achievement Awards	* 50 graduates are provided with opportunities to work and gain experience in our sectors
		Review Group approach to external accreditation and recognition	
		Establish trusted Wheatley Associates	* Staff absence maintained at 5% for Care and 3% for all other parts of the business
		Scope career marketplace platform	* Staff turnover remains at less than 7%
		Work with schools and colleges to foster talent and source pipeline	* Our workforce's demographic makeup more closely resembles that of the communities in which we operate
Enabling our Ambitions	Raising the funding to support our ambitions / maintaining a strong credit rating and managing financial risks	Further enhance our approach to Equality, Diversity and Inclusion	* 40% of promoted posts are filled with internal candidates
		Design team related recognition	
		Strategic governance review	
		Raise additional funding - £15m for Lowther Homes	* Limit RSL rent increases to 2.9% throughout the life of the strategy
		Restructure funding syndicate	* Reduce gross rent arrears to 4% from 2023
	Evolving digital platforms to support our activities	Review of staff Terms & Conditions	* 100% of Care services at break-even after management fee
		Maintain a strong investment credit rating of A+ stable	* Average days to let a home by RSLs maintained at less than 14 days
		Care to remain <5% of Group turnover	* Maintain a strong investment grade rating of A+ stable
		Data management and analytics - single source of info for core front line and support services	
	Influencing locally & nationally to benefit our communities	Review approach to contract and vendor management	* £15 million generated in Gift Aid to Wheatley Foundation and re-invested in communities
		Establish digital maturity approach and assessments	
		DGHP digital technical integration	* Achieve management costs per unit that remain in the lowest quartile among an independently selected UK and international benchmarking group
		Adopt an international dimension to benchmarking	
		Showcase our role-model approaches	* Over 50% of customers actively using their online account to make transactions with us
		Media training incorporated into Leadership Development programme	* 100% of Lowther rental customers have an online account
			* Achieve targets across the 7 domains of our digital maturity assessment
		Map and maintain strategic profiles	

Report

To: Wheatley Housing Group Board

By: Frank McCafferty, Group Director of Repairs and Assets

Approved by: Steven Henderson, Group Chief Executive

Subject: Repairs update

Date of Meeting: 30 August 2023

1. Purpose

- 1.1 To provide the Board with an update on:
- progress with repairs service enhancements
 - ongoing customer engagement to inform future service enhancements
 - the key service-related findings from the recent review of City Building (Glasgow) carried out jointly with Glasgow City Council
 - the revised repairs budget forecast for 2023/24
- 1.2 Approval is also sought for an updated Group Repairs and Maintenance Policy Framework.

2. Authorising and strategic context

- 2.1 Under its Terms of Reference the Board is responsible for the oversight and scrutiny of service delivery and monitoring of performance. Repairs are a key driver for our overall tenant satisfaction and a key priority for our tenants.

3. Background

- 3.1 As part of our Group policy refresh programme the Group Repairs Policy Framework is programmed for review in 2023. This refresh has taken account of feedback from some RSL Boards that the current policy framework could be more user-friendly for customers and the proposed document reflects these comments.
- 3.2 The report also provides an update on the progress being made to continually improve the repairs services across the Group, against the backdrop of recent analysis by the benchmarking organisation, Housemark, across the UK social housing sector which indicates that *“Generally, repairs volumes have increased in recent months – often accompanied by a drop in the proportion of jobs completed within agreed timescales”*.
- 3.3 The analysis also shows average repairs satisfaction of 77.4% for the first quarter for comparator landlords across the UK.

4. Discussion

Service enhancements

4.1 Tenant feedback in all areas of the Group has consistently indicated that communication and improving the management of complex repair works (reducing the number of visits to complete a repair) are key priorities and impact tenant satisfaction with the service. Our response to this focused on three areas:

- introducing a new digital communication tool, “Book It, Track It, Rate It” to improve communication;
- better monitoring of customer experience, to identify areas for improvement;
- and the role of our MyRepairs team to help monitor and manage more complex repairs, to improve first time fix and give the customer a dedicated contact team for information on their repair

Customer communication and satisfaction

4.2 We have now introduced “Book It, Track It, Rate It” to all appointed repairs across Wheatley Homes Glasgow, Loretto Housing and Wheatley Homes East, with its introduction in Wheatley Homes South anticipated in early September 2023. The feedback to date on the ‘Track It’ functionality has been extremely positive, with customers indicating that the text message reminders and updates are a positive improvement in communication.

4.3 The ‘Rate it’ element seeks customer feedback on a scale of 1-5 and includes the option for customers to receive a call back. This element went live on 30th May in Wheatley Homes Glasgow and Loretto Housing; for June we received over c3,600 customer ratings with an average score of 4.5/5, the equivalent of 90% satisfaction. The response rate has been encouraging at this early stage and has risen from 17.6% in June to 19.6% in July.

4.4 Book It, Track It, Rate It went live in Wheatley Homes East on 1st June and we have received 427 feedback responses with an average score of 4.4/5, the equivalent of 84% satisfaction. The response rate over this period has been more modest than for Wheatley Homes Glasgow and Loretto so far at 14.9%.

4.5 While at an early stage, this represents strong satisfaction levels since the introduction of Book It, Track It, Rate It. We are now considering how we can promote this with customers to drive up the response rate to provide us with a wider sample size.

4.6 As we embedded in Book It, Track It, Rate It, we have continued in parallel to undertake call backs on a random sample of completed repairs via our MyRepairs team through April to July.

- For the West we completed 919 surveys over this period and achieved an average satisfaction level of 93%;
- For the East we completed 237 surveys over this period and achieved an average satisfaction level of 93%; and
- For the South we completed 159 surveys over this period and achieved an average satisfaction level of 93%

- 4.7 Customer feedback on completed repairs tends to be higher than general customer satisfaction on repairs, as the latter includes customers waiting for repairs to be completed. However, the results so far from our Book It, Track It, Rate It model are encouraging.
- 4.8 Our Annual Return on the Charter repairs satisfaction levels remain high at 88.76% average across the Group for the rolling 12-month period, from 5328 responses.

Service Improvement Activities

- 4.9 An area of customer feedback we continue to focus on is the insight from repairs-related complaints. Whilst the number of complaints relating to repairs represents a very small proportion relative to the number of repairs carried out, at 1.5% for the period April-July 2023, they still represent 50% of our complaints overall for the year to date.
- 4.10 Our analysis of repairs complaints has identified areas where we could refine our processes to improve customer communication and prevent complaints from arising or escalating in the future. Our Repairs teams are increasingly using data and reporting functions from our repairs systems to identify repairs that require proactive communication with tenants, for example where there may be a delay due to materials needing to be ordered or no access was reported by the trades operative.
- 4.11 Ease of reporting repairs and completion within agreed timescales are key drivers of satisfaction. Our Customer First Centre continues to make reporting repairs on the phone straightforward for tenants and the work referred to above focuses on, amongst other things, improving our completion timescales, which are better than they were at the 2022/23 year end.
- 4.12 City Building deliver our repairs service in the West and their role is central to improving tenant satisfaction. Measures we are undertaking with City Building include:
- closer monitoring of operative productivity, reducing overtime and using the wider City Building resource pool (including through City Building Contracts), thereby reducing reliance on sub-contractors – where tenant feedback indicates consistency in service standards can be more variable
 - delivering Customer Service Excellence training to tradespersons to reinforce the “Thinking Yes Together” culture and to build on their skills and experience to deliver excellent customer service every day in their role.
- 4.13 In Wheatley Homes South we have recently increased and reorganised the trades resource so that void work can now be carried out in-house thereby gaining greater control over the delivery of this workstream and help improve efficiency and reduce costs.
- 4.14 Wheatley Homes East is continuing with the preparation work needed in advance of bringing in a new job management system (Servitor) by the end of the financial year. As well as improving the management and delivery of the repairs service this brings the East onto the same platform as the other parts of Group which will assist performance reporting.

Customer engagement and insight

- 4.15 We recently refreshed our Group Scrutiny Panel; members of the Panel had the opportunity to undertake a thematic review and selected repairs as the subject. Panel members involved in the review ('the thematic group') met on 26 July to discuss which aspect of repairs it wished to consider and the approach to the review. The thematic group agreed on communications as the focus. Over the coming months, the thematic group will scrutinise the end-to-end customer repairs journey, from the initial report through to completion.
- 4.16 As part of this the thematic group visited the Customer First Centre on 15 August and had the opportunity to meet with call handlers and managers and be kept up to date with improvements we are making. Following completion of this field work, the Panel will then meet to agree a final report and make recommendations for how we can continue to improve the service. The recommendations and our response, which will be co-created with the thematic group will thereafter be brought back to the Board.

Demand and budget position

- 4.17 Levels of customer demand for repairs remain high; a pattern that is being experienced by most social landlords in the UK as confirmed by the recent Housemark benchmarking analysis. Over 2022/23 reactive repair job numbers were 28% higher than the comparative pre-pandemic period in 2019/20. The most recent figures from the first quarter of the 2023/24 financial year show that demand levels continue to grow compared to the first quarter of 2022/23 and a number of one-off items that were assumed to be connected to the Covid-related backlog have become more persistent in nature. This has resulted in overall group repairs spend £1.9m higher than budget for the period to 30 June 2023.
- 4.18 Analysis of repairs data over recent years, taking account of the Covid period, shows a growth in the proportion of larger, more complex and replacement/renewal works. Some of the latter category could be better dealt with as part of our capital programme or through repair rather than complete replacement. This is having an effect on both our financial position, and the average timescales to complete non-emergency repairs, which remains over our 7-day target at 8.41 days.
- 4.19 We have instituted a range of measures, including revised training for staff and splitting of the previous "repair/renewal" ordering codes to make clearer where full component replacement of doors, bathrooms, full replastering, etc should be undertaken and where these works should form part of a managed capital investment programme project. A forecast of the full year financial out-turn has recently been completed which includes an additional £7.8m provision for higher repairs costs.
- 4.20 We have deferred some items in our capital programme to accommodate the extra repairs costs, as well as utilising forecast underspends in other budget lines to allow this additional spend to be contained within the overall 2023/24 budgetary context. These include:
-

	£m
Additional unbudgeted income for WH Glasgow Adaptations funding	1.5
Deferral of upgrades to district heating systems (minibems)	2.0
Deferral of windows programme (group-wide)	0.6
Improved letting performance (RSLs and Lowther)	0.7
Funding of W360 costs by Wheatley Foundation	2.5
Employee and running cost reductions	0.5
Financial mitigations - total	7.8

- 4.21 Efficiencies in City Building also influence our financial position, as we receive a share of its surplus. Measures to improve operative utilisation and productivity, reduce fleet numbers (e.g. through sharing of vans) and reducing subcontractors have all been put in place.
- 4.22 On the basis that the repairs baseline has now been reset driven by higher demand and inflation. The pressure placed on the business plan as a result of these factors in addition to higher interest rates formed part of our discussions at the recent Board residential and as agreed we will revert with a package of measures to reprofile our capital investment programme and service model to manage our financial position through the next three years. This will be brought to the Board meeting in conjunction with discussion on 2024/25 rent setting.

Repairs and Maintenance Framework

- 4.23 Our Repairs and Maintenance Policy Framework is programmed to be reviewed in 2023. It was last agreed in November 2021.
- 4.24 The feedback from Boards on the current version of the Policy Framework was that it is long and complex and that a customer-facing version of the individual policies was necessary which should focus on the customer's rights and responsibilities and our legal requirements. This has been reflected in the review of the Framework, which has also been updated to reflect our currently agreed timescales. Non-core areas such as our plans to develop the service in future and our internal service improvement and performance monitoring processes have been removed. An updated copy of the Framework which largely replicates the current customer-facing version of the policy documents with consequential updates, is attached at Appendix 1.

City Building - joint working group with Glasgow City Council

- 4.25 We are in the final stages of the joint review of City Building (Glasgow) LLP with Glasgow City Council ("GCC"). The review contained five key workstreams: Strategic Agreement and Work programme; Procurement; Legal and Governance; Finance; and People, HR and Engagement.

- 4.26 The recommendations arising from the review have been agreed and timelines are currently being finalised in partnership with GCC. These have been categorised into priority, strategic and operational recommendations.

Work on implementation of the priority and strategic recommendations is progressing and these include:

- [redacted]

- 4.27 The remaining recommendations which make up the majority relate to process improvements, and these are also being progressed. The delivery of the recommendations will be monitored jointly by our own and GCC's internal audit teams. A number of the priority and strategic recommendations are due to be progressed and completed by December 2023.
- 4.28 The recommendation for the establishment of a CBG audit subcommittee was discussed by our Group Audit Committee and after considering the terms of reference is recommended for approval by this Board. Bi-annual meetings are proposed, with the first meeting expected to take place in November.
- 4.29 The key focus from a service perspective is how City Building ensures that it has a longer-term workforce plan to reflect the needs of our customers has a strong focus on productivity and efficiency, and how it leverages technology to support both service and business improvement as we transition to green technologies and increasingly focus on energy efficiency.

Damp and Mould

- 4.30 We have a clearly defined policy position in relation to damp and mould. This which includes attending all report of damp and mould within 48 hours and completing repairs which do not require structural fixes such as roofs and complex ventilation systems within 15 working days.
- 4.31 We have recently undertaken a detailed review of the processes and procedures that we have in place as we prepare for the winter where instances of damp and mould are more prevalent. Following this review we will:
- further strengthen compliance and assurance checks on case records with City Building;
 - streamline and simplify our diagnostic process;
 - continue to reinforce staff communication in relation to the significance of damp and mould; and
 - initiate system changes to make it easier for tradespersons to report damp and mould when on an unrelated job.
- 4.32 Other activity underway as part of our winter-ready preparations include:
- identifying where we have had recurring cases and proactively engaging with the customers in these households;
 - additional resources identified to meet potential increase in demand during the winter period; and
 - access for our staff and where appropriate customers to additional independent advice, building surveying expertise and air quality monitoring sensors

4.33 As part of our void standard all properties are also checked for damp and mould prior to letting and are not made available for let until damp or mould is fully treated. The compliance and assurance team will also be undertaking spot checks in future to ensure that we are fully complying with our void standard. The focus will be on the types of properties which our data indicated are more likely to be susceptible to damp and mould.

4.34 A breakdown of the current cases is set out in our normal performance reporting under a separate agenda item.

5. Customer Engagement

5.1 We carried out focus groups with customers to understand what kind of communication they would like to see from us in terms of repairs. Their feedback helped to shape the development of the Book It; Track It; Rate It app.

5.2 Following the roll out of this app to customers we have been able to develop our customer insight through direct feedback from customers in rating their experience.

6. Environmental and sustainability implications

6.1 There are no environmental or sustainability implications associated with this report. A consideration for our repairs service more widely is how our staff are upskilled and reskilled to reflect the demands of the service. This will be a particular focus as zero-carbon heating systems become more prevalent across our stock.

7. Digital transformation alignment

7.1 Repairs are a key element of our digital transformation programme, ranging from Book It, Track It, Rate It, to our online services and the wider platforms we use to manage and deliver the service.

7.2 Our digital transformation programme is fully aligned and prioritised towards supporting the evolution and improvement of our repairs service.

8. Financial and value for money implications

8.1 The repairs improvement plan includes action to increase the efficiency of the repairs service which in turn will increase value for money across the delivery of repairs to customers.

8.2 The additional £7.8m provision for repairs included the 2023/24 forecast financial out-turn makes provision for the higher level of demand we are now experiencing. This can be contained within the context of the overall Group 2023/24 budget following the implementation of a number of mitigating measures including the deferral of core investment projects.

9. Legal, regulatory and charitable implications

9.1 There are no direct legal, regulatory or charitable implications.

10. Risk Appetite and assessment

- 10.1 Our agreed risk appetite in investing in existing homes and environments is cautious. Ongoing financial strength is crucial to enable us to continue to improve, modernise and maintain our homes. We will revise our well-established investment processes to include more focus on what creates most value for our customers. Value for money will still be the key factor in our decision making, but wider benefits, such as reducing levels of emergency and reactive repairs and customer satisfaction, will also be considered.

11. Equalities implications

- 11.1 Equality impact assessments will be undertaken on repairs-related policies and service approach as required.

12. Key issues and conclusions

- 12.1 The repairs service is a key priority for our customers and a key driver of satisfaction.
- 12.2 We will continue to focus on continually evolving and improving our repairs service, taking into account customer feedback, insight and direct engagement with our Group Scrutiny Panel.
- 12.2 The demand for repairs, consistent with the wider sector across the UK, remains higher post pandemic.

13. Recommendations

- 13.1 The Board is asked to:
- 1) note the content of this report; and
 - 2) approve the updated Repairs and Maintenance Framework attached as Appendix 1
 - 3) approve the establishment of a CBG audit sub-committee

LIST OF APPENDICES:

Appendix 1 – Updated Repairs and Maintenance Framework [redacted.
Available here: [Group Repairs Policy Framework \(wheatley-group.com\)](https://www.wheatley-group.com/group-repairs-policy-framework)]

Report

To: Wheatley Group Board

By: Hazel Young, Group Director of Housing & Property Management

Approved by: Steven Henderson, Group Chief Executive

Subject: Homelessness Policy 2021-26 – progress update

Date of Meeting: 30 August 2023

1. Purpose

- 1.1 This report provides an update on the progress of our Group Homelessness Policy and highlights our contribution to the recent Scottish Government strategy – *Reducing the Use of Temporary Accommodation*.

2. Authorising and strategic context

- 2.1 Under the Group Standing Orders, the Group Board is responsible for agreeing matters of strategic significance. Our approach to homelessness, and the contribution we will make in terms of social housing provision, are strategic decisions.
- 2.2 Subsidiary Boards are responsible for operational delivery and the specific targets for their own services in relation to homelessness.

3. Background

- 3.1 More than 35,000 homeless applications were received across Scotland in 2021-22. Around half of these households have a support need and many are families. Figures for the first half of 22-23 showed a 6% rise in applications compared to the same period in 2021-22. As a result of the numbers, many households spend considerable time in temporary accommodation often with more than one move.
- 3.2 Almost 14,500 households were in temporary accommodation in September 2022 across Scotland, with most being single person or single parent households. Over 9,000 children were in temporary accommodation at that date. The increasing pressures on homelessness due in part to the global pandemic, the cost of living crisis and the war in Ukraine make it highly likely that the 2022-2023 homelessness statistics, when published, will show more households in temporary accommodation than in 2021-2022.

- 3.3 The Scottish Housing Regulator's thematic review on homelessness services in Scotland in February 2023 warned of an emerging risk of systemic failure in homelessness services in some areas. SOLACE Scotland has recently highlighted the unsustainable pressure on local authority housing in their report *Housing in Scotland: Current Context and Preparing for the Future*.
- 3.4 The Scottish Government has a long-term strategy for tackling homelessness – *Ending Homelessness Together*. Our Group Homelessness Policy, approved by the Group Board in December 2020, aligns with these national objectives.
- 3.5 As a result of the increasing pressures on homelessness and the record numbers of households in temporary accommodation, the Scottish Government published a further strategy on 19 July 2023 specifically on reducing the use of temporary accommodation. The need to reduce both the numbers of households in temporary accommodation and the length of time households spend in temporary accommodation is recognised. They have identified a series of actions to ensure sufficient high-quality affordable homes in the areas where they are needed, and to provide targeted support for the local authorities facing greatest pressure.
- 3.6 The Scottish Government has particular concerns over the continued use of unsuitable accommodation in the areas with the greatest temporary accommodation pressures and recognises the detrimental effect this has on the health and wellbeing of homeless households, as do the local authorities operating in these areas. The City of Edinburgh local authority area has the highest number of reported breaches in the six months between April and September 2022. Glasgow, West Lothian, East Lothian and Fife also had large numbers of breaches. In June this year, Glasgow City Council announced that they would stop using one of the City Centre hotels as emergency accommodation. They plan to use this as a template to repeat the process with the other hotels which they use.
- 3.7 Supporting the alleviation of homelessness is a key strategic objective for us and we provide a significant contribution to this national challenge. Our Group Homelessness Policy already reflects most of the actions identified in the Scottish Government's *Reducing the Use of Temporary Accommodation* strategy, and an update on our progress in relation to these is provided below. The announcement of £60m for a national acquisitions plan as part of the Affordable Housing Supply Programme is a new aspect and our response to this is also discussed below.

4. Discussion

Acquisitions

- 4.1 The Scottish Government has committed to investing at least £60 million from the Affordable Housing Supply Programme in 2023-2024 to support a national acquisition plan. The intention of this is to enable local authorities and registered social landlords to rapidly acquire properties of the right types and in the right places for use as high-quality, affordable, permanent homes. These properties may be purchased from private owners, builders and landlords. Where landlords are choosing to leave the private rented sector with a tenant in situ, the plan can accommodate the purchase of these properties, where this meets a clear strategic purpose and where the tenant is at risk of homelessness. The Scottish Government and local authorities are working on further guidance as to how this will work in practice.

4.2 We have had early conversations with our local authority partners as to their intentions regarding the national acquisition plan. Glasgow City Council has indicated that they will support an acquisition plan and will fund the cost of acquisition plus 50% of any works required to bring up to a lettable standard. They have also indicated that they would prefer to us acquire family homes i.e. 3-bedroom or larger properties as that will align most directly with their greatest pressure of families unsuitably housed in temporary accommodation. A number of other Council areas, including Dumfries & Galloway, West Dunbartonshire and Midlothian have indicated they would be willing to work with us to consider some options. Other local authorities have advised they have already committed their funds in support of their new build programmes.

4.3 The Wheatley Homes Glasgow Board previously agreed that they would seek to acquire up to 100 properties in this financial year. We are currently progressing the acquisition of:

- three 3-bedroom properties;
- two 2-bedroom properties;
- a 6-bedroom property in the Pollok area which was previously a care home; and
- a property in Penilee which Glasgow City Council has taken through the Compulsory Purchase Order process due to its condition.

We are also exploring the potential acquisition of a further ten 3-bedroom properties with Glasgow City Council and the property owners.

Housing supply

4.4 Whilst the ringfencing of £60m from the Affordable Housing Supply Programme for acquisitions is welcomed as a short-term measure to increase the social housing stock, increasing the overall housing supply is an essential long-term objective to address issues of homelessness and other pressures on the housing market. The Scottish Government has reiterated its commitment to deliver 110,000 affordable homes by 2032, of which at least 70% will be available for social rent and 10% will be in remote, rural and island communities. Our contribution to this objective is set out in our 2021-26 strategy *Your Home, Your Community, Your Future* where we commit to deliver 4,000 new homes by 2026. To date we are on track to meet this commitment with 1000 delivered by the end of last financial year.

Stock management

4.5 The Scottish Government's *Reducing the Use of Temporary Accommodation* strategy covers a number of areas where they consider how improved stock management by local authorities and registered social landlords, supported by the Government, could maximise the contribution of existing affordable homes to increase housing options for homeless households. These approaches include large scale flipping of tenancies, effective void management and greater allocations of social homes to homeless households, as well as homelessness prevention activity. We are already a very strong contributor and sector leader across all of those aspects, as set out in the Group Homelessness Policy.

- 4.6 **Flipping of tenancies** – this refers to the opportunity to convert or ‘flip’ temporary accommodation to a permanent home to reduce transitions for homeless households where the property is of the right size and in the right location. We had already identified this opportunity within our Homelessness Policy, setting a target of 500 across the Group by 2026. We are on track to deliver this with 275 delivered by the end of June 2023. Wheatley Homes Glasgow has delivered the majority of those totalling 232 permanent homes.
- 4.7 **Void management** – effective void management has always been a priority for us and our performance on void turnaround is considerably better than the Scottish average. To date this year, across the Group we are achieving 14.63 days to relet a property compared to an average of 56 days for members of the Scottish Housing Network in the 2022/23 ARC return. The Government has accepted the argument, made by ourselves and other housing providers, that delays in the reconnection or resetting of energy meters in void properties are negatively impacting on housing availability for occupation and contributing to the backlog in temporary accommodation. They have committed to bringing utility companies round the table to identify ways to improve this situation and we will continue to stay close to these discussions.
- 4.8 **Allocations** - the Scottish Government wants to see a greater share of allocations of social rented homes to homeless households in order to reduce the pressure on temporary accommodation. We have always been a sector leader in terms of both the number and percentage of properties which we make available to homeless households. Our Group Homelessness Policy commits to delivering 10,000 homes for homeless households by 2026 and we are on track to meet this with 5,410 delivered across the Group by the end of June 2023, slightly ahead of expectation at this point in the strategy.
- 4.9 We engage with all our main local authority partners to ascertain their expectations of us in terms of the proportion of our properties which we let to homeless households. Glasgow City Council made a formal approach to us and all other RSLs in Glasgow requesting that in 2023/24 we let at least 60% of our lets for homeless households. We responded positively to this request (as we had done in response to a similar request in the previous year) and as at the end of June we have let 64% of our homes in Wheatley Homes Glasgow to homeless households. We are not aware if other RSLs in Glasgow have followed our example in this, however, we do know that in previous years overall contribution has been lower than this. For example, in 2021/22 the overall figure for RSL lets to homeless households in Glasgow is 42% - this includes our figures so the combined average for other Glasgow RSLs will be lower than this.
- 4.10 In Edinburgh, another area with high levels of pressure in relation to homelessness, the local authority has asked us and other RSLs to commit to 50% of our lets for homeless households. This is monitored through the Common Housing Register, EdIndex. Wheatley Homes East is currently exceeding this at 58%, and the other larger RSLs in Edinburgh perform in a similar fashion at 50% or higher. In Dumfries & Galloway, the pressures are lower and Wheatley Homes South is currently providing 40% of its lets to homeless households.

- 4.11 In addition, during 2022 we undertook a comprehensive review of our allocations through our Group Housing information, advice and letting policy in conjunction with our customers. This included a review of the process we were piloting in Glasgow to help match homeless households to available homes. The feedback we received from customers and other stakeholders was very positive about the helpfulness of this approach and we have now continued this as a permanent part of our policy across the Group. Due to the success, Glasgow City Council have been working with other landlords across the City to adopt the same approach.

Prevention of homelessness

- 4.12 Clearly preventing households from becoming homeless and therefore coming into temporary accommodation in the first place is equally as important as moving people from temporary to settled accommodation. Our Group Homelessness Policy has a strong commitment to tenancy sustainment and homelessness prevention. We have already achieved significant progress in this including a redesigned homelessness response to help end the repeat cycle of ASB, evictions and repeat homelessness. This involves early review of cases by our teams to help ensure appropriate support and discussions at tenancy start. It is supported by our commitment to peaceful communities and employment and training opportunities for customers who have been affected by homelessness, as well as our wider approach to improving tenancy sustainment rates. Across Group, we have improved our tenancy sustainment rate from 89.03% last year to 89.73% this year to date, with both Wheatley Homes East and Loretto performing at over 90%. This improvement has been achieved while accommodating increasing numbers of homeless households.
- 4.13 Our prevention and solutions approach to anti-social behaviour demonstrates how using the skills of all of our teams helps to provide a successful outcome for some of our most vulnerable customers. The approach is led by our Community Improvement Partnership and ensures that we take time to assess the root cause of issues as well as dealing with the immediate problems. This includes early intervention in cases identified from our new review approach. This approach helps us to identify customers who may need additional support in place to try to prevent a repeat cycle of homelessness.
- 4.14 Our award-winning Revive project was launched in 2021 and helps to support women fleeing violence. This project helps women to find accommodation and support in a different local authority area, where they choose this option. The project includes access to funding, furniture and wraparound support to help ensure the move is as easy as possible. This project won the “Excellence in Housing Innovation” category at last year’s Chartered Institute of Housing Awards.
- 4.15 Advising customers on their housing options is an important part of the work our staff do to help people make the best decisions for themselves in relation to their accommodation choices. Our housing allocations system MyHousing has also been developed to help customers who are able to self-serve in this respect, including detailed information about available properties, local amenities, budgeting and benefits. Work to expand MyHousing to all our Lowther properties will be complete by Autumn.

- 4.16 This will help to ensure that customers applying for social rented homes can also see availability of other tenures where that might be suitable for them (particularly those who have no priority under our policy). It also provides an accessible route to ensure that those looking for private or mid market rent can see everything that is available.
- 4.17 There are a number of other aspects of work underway. The review of our furnished lets service will ensure that it provides best value for money while meeting customer needs. Across the Group, we have a range of nomination and lease agreements with local authorities. During this year these agreements will be reviewed and updated to ensure they provide the best arrangements for the customer, the Group and our partners.

5. Customer Engagement

- 5.1 The main element of engagement in 2022-23 was around the allocations process, one of the key changes was to consult on a potential change to match homeless customers to properties. This approach had been piloted during the Covid pandemic. We consulted specifically with customers who had been homeless to understand their views. 86% of those customers agreed the matching process was helpful in supporting them to find a home. This approach has now been fully implemented as part of the new policy which was formally launched in March 2023.
- 5.2 We explored the allocations customer journey during 2022 using an external company and external staff. This evaluated both the general needs customer journey and the homeless customer journey and further demonstrated that the matching process was working. The next stage will be to undertake further mapping with customers.
- 5.3 The Group Scrutiny Panel received a “spotlight” session on allocations at their meeting in August 2023. This included a presentation from the Homelessness and Letting Lead taking the Panel through the legal requirements of the process, giving the Panel the opportunity to feedback on our priorities and performance.
- 5.4 Finally, MyVoice for allocations is due to go live at the end of this month. This will provide real-time feedback from customers as they move through the allocations process – applying for and getting their new home.

6. Environmental and sustainability implications

- 6.1 There are no direct environmental and sustainability implications from this update.

7. Digital transformation alignment

- 7.1 Our Group allocations service MyHousing is our only fully digital customer service, and the roll-out of this to Wheatley Homes South in April 2023 has enabled our newest partner in Group to take advantage of the benefits of this platform for their customers.

8. Financial and value for money implications

- 8.1 We have identified £6million in the development budget which will be used to support our acquisition plans and any necessary investment works.

9. Legal, regulatory and charitable implications

- 9.1 Registered Social Landlords have a legal duty to assist local authorities in their homelessness duties. We are also required to report on a range of related indicators in the Annual Return on the Charter.

10. Risk Appetite and assessment

- 10.1 The Group risk appetite for service improvement is “open”. This means we are prepared to take the risk of adopting the approach that is most likely to result in successful delivery of our service objectives.

11. Equalities implications

- 11.1 An Equalities Impact Assessment has been carried out for the Homelessness Policy. This assessment reviewed the impact of actions against the protected characteristics identified in equalities legislation. It showed that the Policy will have a positive or neutral impact on all characteristics. The Assessment is currently being updated in preparation for the next review of the policy.

12. Key issues and conclusions

- 12.1 The Scottish Government has recently published a new strategy *Reducing the Use of Temporary Accommodation* which includes a range of approaches to reduce the number of homeless households in temporary accommodation and also the length of time households spend in temporary accommodation.
- 12.2 We are a strong contributor to the national objective of alleviating homelessness, and most of the approaches outlined in this strategy also feature within our Group Homelessness Policy. We are on track to deliver the 10,000 homes for homeless households which is a key commitment in the Group 2021-26 strategy *Your Home, Your Community, Your Future*.
- 12.3 As part of their new strategy, the Government has announced a ringfenced fund within the Affordable Housing Supply Programme of £60million for market acquisitions by local authorities and RSLs for social housing. We have been carrying out early engagement with local authorities to understand how we can access this funding to deliver more social rented homes in our areas.

13. Recommendations

- 13.1 The Board is asked to provide feedback on and otherwise note this report.

Report

To: Wheatley Housing Group Board

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

Approved by: Steven Henderson, Group Chief Executive

Subject: Annual Assurance Statement

Date of Meeting: 30 August 2023

1. Purpose

- 1.1 This report seeks approval of our Annual Assurance Statement (“AAS”) confirming compliance with the Scottish Housing Regulator’s (“SHR’s”) Regulatory Framework (“the Framework”).

2. Authorising and strategic context

- 2.1 Under the Group Standing Orders the Group Board is responsible for approval of our AAS for submission to the SHR. This is in line with the SHR’s requirement that the AAS is reviewed and approved by the Board and submitted by the end of October each year.

3. Background

- 3.1 The requirement to submit an AAS was introduced by the SHR in 2019. The AAS is a way for us to assure ourselves, tenants, those who are homeless/threatened with homelessness, other service users and the SHR that we comply with our regulatory obligations.
- 3.2 If we identify any areas of material non-compliance, then the AAS allows us to disclose any areas where we need to improve and set out how we will do so. We have never had any instances of material non-compliance in any previous submissions.
- 3.3 The SHR considers our AAS as part of its annual risk assessment and then uses this to help inform how it will engage with us throughout the year. This is then included within the SHR’s engagement plan for us. For group structures such as ours, the SHR requires one AAS covering all RSLs.
- 3.4 The Board previously agreed that our annual self-assessment should be subject to some form of independent scrutiny. It was agreed that this should be undertaken by a combination of our Internal Audit team and no more than triennially by an appropriate external expert. The purpose of this is to provide the Board with an additional layer of assurance that our evidence base to support our assessment of compliance is robust.

4. Discussion

Statement requirements

- 4.1 The SHR requires our AAS to be short and succinct, either confirming compliance or otherwise. Areas for improvement should be recorded in the AAS, but only where these are of such materiality and significance that we are unable to say confidently whether we were complying with a particular requirement.
- 4.2 In 2021 and 2022 the SHR asked us to provide assurance that we had appropriate plans to implement an effective approach to the collection of equalities information and that we had started to consider how we can adopt a human rights approach to our work. In this year's AAS we are being asked to provide this assurance again.
- 4.3 In addition to assurance about equalities and human rights, this year we are also being asked to provide a clear statement on our compliance with relevant obligations in relation to tenant and resident safety. This includes:
- Gas safety
 - Electrical safety
 - Water safety
 - Fire safety
 - Asbestos
 - Damp and mould
 - Lift safety
- 4.4 We have taken account of updates to the SHR's guidance in the preparation of our ASS and used the toolkit developed by the Scottish Federation of Housing Associations ("SFHA") in undertaking our self assessment and preparing our AAS.

Self Assessment and independent review

- 4.5 We completed our self-assessment of compliance against the Regulatory Standards ("the Standards") and the requirements set out in the Framework. As part of this we identify all sources of assurance relative to each requirement and catalogue these in a detailed evidence file.
- 4.6 In assessing materiality, we have based this on the SHR's Statutory Guidance which states we should consider whether the issue could:
- seriously affect the interests and safety of tenants, people who are homeless or other service users;
 - threaten the stability, efficient running or viability of service delivery arrangements;
 - bring the landlord into disrepute, or raise public or stakeholder concern about your organisation or the social housing sector; and
 - in the case of RSLs, put at risk the good governance and financial health of the organisation.

- 4.7 This year we commissioned Campbell Tickell to independently review our self-assessment and evidence. Campbell Tickell has now completed its review and confirmed our assessment that we are materially compliant with the regulatory standards. Campbell Tickell highlighted two, non-material, areas for us to consider. The first was that our Annual Report to Tenants should provide more specificity on how and when we will address areas for improvement. This will be factored into this year's annual report to tenants.
- 4.8 The second relates to the Wheatley Homes Glasgow Rules. Although we do not have any employees on any of our Boards, one interpretation of the Wheatley Homes Glasgow Rules could allow for the possibility of more than one employee on the Board and could allow these employees to be counted as part of a quorum.
- 4.9 This is a theoretical rather than real risk given that all appointments are subject to approval by the Group Remuneration, Appointments, Appraisal and Governance Committee. We will however make the appropriate amendment at the next opportunity.
- 4.10 A copy of the self-assessment and details of the evidence supporting the assessment is attached at Appendix 1, with further detail on the outcome of the self assessment and the proposed statement set out below. A more detailed update on the areas we are required to make specific reference to in our AAS are set out below:

Equalities and Human Rights

- 4.11 As with previous years, the Board has received a number of updates on our approach to equality and human rights during the course of the year. In addition, Wheatley Solutions has responsibility for overseeing our Group approach and received updates on progress against our approved Action Plan at each Board meeting. We balance the requirement to obtain equalities data from our customers with the requirement to limit the data held on individuals and to ensure this is proportionate and necessary. Accordingly, we carried out an anonymous survey last year and collected equalities data from over 10,000 customers. We also request equalities data from those applying on the MyHousing system and analyse this quarterly.
- 4.12 Our customer equalities survey will be carried out every 3 years and is next due in 2025. Importantly, we have undertaken to review this against the Scottish census results once these are published. In the meantime, we are using the customer data to help inform our decision-making, such as in relation to the Equalities Impact Assessments we carry out on policies and service changes.
- 4.13 As detailed by the Scottish Human Rights Commission, a human rights-based approach is about empowering our tenants and service users to know and claim their rights and increasing the ability and accountability of individuals and institutions who are responsible for respecting, protecting and fulfilling rights. This means giving people greater opportunities to participate in shaping decisions that impact their human rights, such as their right to family life. Adopting a human rights-based approach to our work means that we ensure both standards and principles of human rights are integrated into our policymaking as well as day-to-day operations.

Tenant and resident safety

- 4.14 We have a robust process in place with teams dedicated to building compliance, supported by a Health and Safety Team which provides support and guidance when required. We include a compliance report to the Group and each RSL Board on an annual basis and provide comprehensive health and safety reports bi-annually. We also recently reviewed our Fire Prevention and Mitigation Framework, routinely report on fire safety to our Boards and our Group Audit committee reviews fire safety bi-annually.
- 4.15 In the intervening period, any other matters arising either as a consequence of our work or wider public/customer interest are raised separately to the Board. During the year, for example, following tragic events in Rochdale a detailed report providing assurance about our approach to responding to damp and mould was provided to the Board. We also subsequently further strengthened our policy and processes in relation to damp, mould and condensation and introduced new reporting measures on reports of damp and mould.
- 4.16 Our approach to delivering building compliance activities is consistently delivered across our Group subsidiaries and is embedded within our Group Repairs and Maintenance Policy Framework.
- 4.17 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 in the West and within our assets teams across the East and South. These Home Safety Teams consist of leads across, gas, electrical, water management, multi-storey flat (MSF) works and lift safety specific to each geographic area's requirements. 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.
- 4.18 Our compliance processes and delivery programmes are subject to internal review through our audit and Assurance Team as well as external scrutiny. For example, through CORGI for Gas, NEIC for Electrical safety, and our lifts are subject to external safety inspections through our insurers.

Social Housing Charter

- 4.19 The Charter, distinct from the Framework, contains a total of 16 outcomes and standards that social landlords should aim to achieve. As two of the standards only apply to Local Authorities, 14 apply to us. The Statutory Guidance in relation to the AAS requires us to also include a statement of compliance with the Charter. A copy of the outcomes is attached at Appendix 2.
- 4.20 The SHR sets a wide range of specific performance measures RSLs must collect as part of compliance with the standards in the charter. The measures form what we report to the SHR each year as part of the Annual Return on the Charter.

- 4.21 The Charter measures are augmented by the SHR prescribing a wide range of specific questions that RSLs must ask as part of their tenant satisfaction surveys relating to the Charter standards. It is not a requirement to conduct this survey annually therefore our approach for this year does not impact our compliance.
- 4.22 We have in place a very robust approach to assurance and evidence of how we are performing relative to the charter through our core performance reporting framework. One issue that was identified in previous years and has been Wheatley Homes South's Scottish Housing Quality Standard ("SHQS") and Energy Efficiency Standard for Social Housing ("ESSH") compliance levels.
- 4.23 As explained in last year's AAS report, Wheatley Homes South's SHQS compliance has improved significantly. The compliance rate has now been improved further to 99.6% (including exemptions and abeyances) and there are only four properties that now fail the standard. We are continuing to identify opportunities to address this and will ensure they are picked up in future investment programmes; any abeyances due to non-access will be prioritised in future programmes where applicable.
- 4.24 The requirement to evidence renewal of EICRs changed from a 10 year to 5 year lifecycle last year. Reasonable efforts including making at least two appointments have been made to complete this work for all customers. Where, despite these efforts, access was not achieved the properties are reported as in abeyance in our Annual Return on the Charter. In relation to the AAS, the SHR has advised that given the importance of tenant and resident safety, if all due EICRs have not been carried out at the point of submitting the AAS then this should be identified in the AAS, including timeframe for completing all due EICRs. We have included a note to confirm that approximately 0.14% of properties are recorded as not having an up to date EICR. In all cases, reasonable attempts to obtain access have been unsuccessful and enforcement action is being pursued so that all properties have a valid EICR by the end of the reporting year (31 March).

All relevant legislative duties

- 4.25 This requirement of the AAS is, by its nature, very wide-ranging. Our approach to compliance in this area is a combination of the legal framework for our activities and our internal policies, which give substance to the respective laws and regulations. Policies are reviewed by our specialist teams and, where appropriate, by external advisors.
- 4.26 In order to monitor compliance, we operate a 3 Lines of Defence Model that provides assurance to senior management and Board members about the operation of internal controls in place to confirm we are meeting our legal obligations.
- 4.27 Beyond our core 3 Lines of Defence Model, we are subject to external scrutiny for example through the annual external audit process in specific areas of legislation and spot inspections, such as HMRC. We have not had any instances where a judgement has gone against the Group that we are materially not meeting legislative duties.

2023 Assurance Statement

- 4.30 Based on the above, the Board is asked to approve the following statement which will be signed by the Chair:

Wheatley Housing Group Annual Assurance Statement 2023

As the parent in a Group structure, the Board confirms that we have appropriate assurance that all Registered Social Landlords (“RSL”) which are part of Wheatley Housing Group Limited (being Wheatley Housing Group, Wheatley Homes Glasgow, Wheatley Homes East, Wheatley Homes South and Loretto Housing Association) materially comply with:

- all relevant regulatory requirements set out in Chapter 3 of the Regulatory Framework;
- all relevant standards and outcomes in the Scottish Social Housing Charter;
- all relevant statutory and legal requirements; and
- Regulatory Standards of Governance and Financial Management

We have gained this assurance following a review and assessment of the evidence provided at our Board meeting on 30 August 2023 and from our ongoing oversight and scrutiny of the Group’s affairs throughout the year 2022/23.

The Board has overseen the assurance exercise that supports this Statement and is satisfied that it is comprehensive in its scope to include each of the group members. The Boards of each of the subsidiaries are involved in the Group assurance exercise in so far as it relates to their RSL and have also, through their representation on the parent Board, contributed to the Group assurance review.

The Group Board confirms that we have made strong progress in relation to the collection of equalities information and human rights, as required by the Regulatory Framework. We are assured we have established appropriate systems for the collection of equalities data. We are assured that we have begun using this data to help us take account of equality and human rights issues in our decision, policy-making and day-to-day service delivery.

The Group Board also confirms compliance in relation to our tenant and safety obligations. In particular, we have gained the necessary evidence-based assurance of our compliance in respect of duties relating to gas, electrical, fire, water and lift safety and obligations relating to asbestos, and damp and mould.

We recognise that we are required to notify the Scottish Housing Regulator of any changes in our compliance during the course of the year and are assured that we have effective arrangements in place to enable us to do so.

The requirement to carry out Electrical Installation Condition Reports has changed from 10 to 5 years. Approximately 0.14% of properties are recorded as not having an up to date EICR. In all cases reasonable attempts to obtain access have been unsuccessful and enforcement action is being pursued to ensure that all properties have a valid EICR.

5. Customer engagement

- 5.1 Customer engagement forms a significant part of our strategy. The AAS will be communicated to customers as part of the annual report to tenants.

6. Environmental and sustainability implications

- 6.1 There are no specific implications arising from this report.

7. Digital transformation alignment

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

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

- 9.1 The report independently confirms that we have strong governance arrangements and provides evidence to support our compliance with the SHR regulatory framework.
- 9.2 Our AAS has been independently reviewed by an external advisor and is supported by detailed evidence of our compliance.

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”. 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.

11. Equalities implications

- 11.1 The self-assessment process for the ASS confirms that we are making strong progress in relation to the collection of equalities information and human rights.

12. Key issues and conclusions

- 12.1 Following the self-assessment process and external review by Campbell Tickell, we have confirmed there are no areas of material non-compliance. This reflects our strong ongoing focus on strong governance and compliance.

13. Recommendations

- 13.1 The Board is asked to approve the 2023 Annual Assurance Statement for submission to the Scottish Housing Regulator.

List of Appendices

Appendix 1 – Assurance self-assessment

Appendix 2 - Social Housing Charter outcomes [redacted. Available here: [Scottish Social Housing Charter November 2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/scottish-social-housing-charter-2022/pages/2022-11-01-social-housing-charter-outcomes-2022-23.aspx)]

Requirements for RSLs	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
Assurance & Notification			
Prepare an Annual Assurance Statement in accordance with our published guidance, submit it to us between April and the end of October each year, and make it available to tenants and other service users.	Our annual statement takes into account the SHR's Regulatory Framework and associated guidance in relation to the preparation of Annual Assurance Statements. Details are both are clearly set out for the Board in the report seeking approval.	Our existing Assurance statement is published and available to all tenants and other service users via our own and the SHR's website: https://www.wheatley-group.com/about-wheatley/governance/assurance-statement We also use the SFHA self-assurance toolkit. <u>The full self-assessment is published as part of our Board report publication scheme</u>	Compliant
Notify SHR during the year of any material changes to the assurance in its Assurance Statement.	There were no material changes to the previous statement during the year. There are processes in place for ongoing regulatory requirements such as notifiable events; our 5 year financial projections are included in Board agenda planning; and we begin the annual assurance statement process in April each year. If any material changes were identified during the year we would take the necessary steps including notification. Our annual assurance statement is published on our websites.	Not applicable	Not applicable
Have assurance and evidence that it is meeting all of its legal obligations associated with housing and homelessness services, equality and human rights, and tenant and resident safety.	<p>In practical terms, the Group operates a 3 Lines of Defence model that provides assurance to senior management and Board members about the operation of internal controls in place to confirm the Group is meeting legal obligations in these areas. This includes an internal audit function that delivers risk-based audits that test operation of Line 1 and Line 2 controls in specific areas. In areas where there is defined legislation, we have Group-wide policies that codify how we will meet our legislative requirements. Policies are reviewed by our business leads and, where appropriate, by external advisors. We have a policy review cycle to ensure these are regularly reviewed. The Group employs experienced staff to effect the policies, including legal, health and safety, technical and housing. The legal implications section in all Board reports ensures any obligations are identified. We also report Health and Safety compliance and performance regularly through our performance updates.</p> <p>Our Equality, Diversity, Inclusion (EDI) and Human Rights policy and our Group Equality Impact Assessment (EIA) template help us to ensure that we meet our legal obligations in this area, as does a mandatory training module for all staff and an EDI Awareness course which was externally verified by an EDI expert. In recognition of the importance of this area, Wheatley Solutions has responsibility for monitoring our activity in this area and receives quarterly Board updates. In addition, a number of our staff (over 250) have undertaken Business in the Community Inclusion Champion or Inclusive Leadership training, to further strengthen EDI knowledge to support staff in their roles.</p> <p>Our Health and Safety policy was reviewed and approved in Jan 23 and helps set out how we will meet all applicable legislation. This is signed by our CEO and complemented by compliance health and safety training which staff are required to undertake.</p> <p>Resident safety is at the forefront of our activities and we report on compliance matters annually to each Board (last update: April 2023). This includes reporting on matters affecting resident safety such as gas servicing, electrical inspection, water testing and TMVs. It has also been updated to include mould and damp. Our approach to delivering compliance activities across the Group is embedded in our Group Repairs and Maintenance Policy Framework, and we have dedicated Home Safety delivery teams within City Building in the West 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.</p> <p>Gas Safety: we operate an annual (10 month) cycle. Currently our rolling annual programme is ongoing. Our Homes Safety Bundle 1 is targeted at gas properties and includes annual gas servicing; temperature checks at water outlets; TMV servicing/installs; test/servicing of smoke/heat/carbon monoxide detectors; complete all certification. We can currently report 100% compliance in respect of gas safety checks of our 46791 properties.</p> <p>Electrical safety: EICRs are required at a maximum 5-year cycle and we have a rolling annual programme of work in place for this. At year-end we reported 99.82% compliance with only 116 properties of our 63957 with an EICR out with 5 years. Our current figure (10/7/23) for RSLs is 95 properties outstanding (2- Loretto, 76 – WHG, 3 WHS and 16 WHE) Our Mechanical and Electrical Work Servicing package is subject to asset requirements. Our Home Safety Bundle 2 is for all properties and includes Installation of Smoke + Heat detectors (re-life programme); EICR inspections.</p> <p>Water safety: This is managed through a year-round rolling programme and temperature checks included in our Home Safety Bundle 1. For 22/23 we reported 100% completion for all relevant properties tasks. At year-end, 4,312 inspections had been completed giving us a completion rate of 96.59% with outstanding visits requiring access into non-communal areas for low-risk inspections. Ongoing joint working between our asset, frontline teams and maintenance delivery teams ensured these addresses were reprioritised during April – May 2023. This was a small number in low-risk areas; our best practice approach means in July 2023 we are currently sitting at 99.01% for WHS; 99.93% for WHG and 100% for Loretto (which is no access to 2 properties in WHS, both residential and very low risk and 1 property in WHG - we are working to gain access to all of these).</p> <p>Asbestos: A programme of Asbestos Management Surveys is undertaken in our relevant premises e.g. Workplaces. In our domestic properties we undertake a minimum 5% representative sample of Asbestos Management Surveys in Common Areas only. Where the sample is consistent in its findings, the information is replicated against all similar archetypes where we can be confident in the location of Asbestos Containing Materials. Where there is any uncertainty over the presence of Asbestos Containing Materials in any of our domestic properties, there is a default position of sampling prior to any works commencing that ensures no accidental release of asbestos material.</p> <p>Fire Safety: Our Fire Prevention and Mitigation Framework 2021-2026 is reviewed annually to ensure continued legal compliance; the Board receives an annual update on this and our Fire Safety performance (cApril 2023). This included details of our person-centred risk assessments and fire safety inspections, as well as details of how we compare with best practice.</p> <p>Damp and Mould : We have strengthened our dampness and mould approach which is now included in our repairs Board reporting and within our performance data updates. A detailed policy and procedure was approved in Dec 2021 and updated in March 2023. Improvements made include offering to visit a home within 48 hours of a report; significant issues being treated as an emergency and visited within 3 hours; complete repairs target within 15 working days; additional specialist resources; more training for staff.</p> <p>Lift safety: We have a six monthly Lift Insurance Inspections cycle and monthly Proactive Lift Maintenance checks – these are ongoing programmes. At year end we had completed 100% of inspections.</p>	<p>Group policies and associated documents</p> <ul style="list-style-type: none">- Group repairs and maintenance framework (under review)- Group Board approved Health and Safety Policy detailing legal requirements updated Jan 23- Group Policy Framework on Advice and Letting- Group Fire Mitigation Framework reviewed and updated April 2023- Group Anti Social Behaviour Framework (reviewed in 2021)- Group Homelessness Policy (Reviewed in December 2020)- Group Equality, Diversity and Human Rights Policy-Group Dampness and Mould policy and procedure (reviewed 2023)-Tenancy agreements-Group Housing Advice, Information and Letting policy- Group Health and Safety Management Arrangements: Asbestos, CDM, Electrical Safety, Fire Safety, Gas Safety and Legionella <p>Board reporting</p> <ul style="list-style-type: none">-Legal requirements section of Board reports-Group Health and Safety policy Board report updated Jan 23, followed by update reports- Board and Group Audit Committee update reports on Fire Safety- Risk appetite and analysis sections in Board reports- Strategic risk registers-Equality Implications sections in Board reports (and full EIA carried out if deemed required)-Board updates on compliance activity in performance reports inc. fire and gas safety and dampness and mould and Board Building compliance report (Apr 23)- Annual Home Safe building compliance report to Boards-Wheatley Solutions reports (and RSL Board updates) and appendices on EDI <p>Independent assurance</p> <ul style="list-style-type: none">- Internal Audit activity <p>External assurance</p> <ul style="list-style-type: none">- engagement of independent experts on EDI-Corgi - Gas Safety, Select - Electrical Safety-close partnership and sector forums with Scottish Fire and Rescue to ensure we follow best practice in terms of Fire Safety.	Compliant
Notify SHR of any tenant and resident safety matters which have been reported to, or are being investigated by the Health and Safety Executive, or reports from regulatory or statutory authorities, or insurance providers, relating to safety concerns.	These circumstances have not arisen in year. Serious matters e.g. those involving HSE are escalated to Group Director level for consideration. As a landlord of systemic importance, Wheatley meets regularly with SHR. That forum is also used to highlight any particular issues and how to address same. Compliance relating to tenant safety is reported to our Boards e.g. through performance reports or annual compliance reports such as for Fire Safety	Not applicable	Not applicable
Make its Engagement Plan easily available and accessible to its tenants and service users, including online.	Link to Scottish Housing Regulator Engagement Plans are available on each RSL website.	The plan can be accessed via individual RSL websites in the 'about us' and 'get involved' sections.	Compliant

Register all requirements for providing data to us with the Information Commissioner's Office as a purpose for which they are acquiring data under the Data Protection Act 2018.	Privacy Impact Statements confirm the purposes for which we hold and use data, including for regulatory requirements. All RSLs are registered with ICO.	ICO registration is verifiable via its website.	Compliant
Scottish Social Housing Charter Performance			
Submit an Annual Return on the Charter to us each year in accordance with our published guidance.	The Annual Return requires to be submitted via the SHR Portal. The ARC return is included in our Board agenda planning so as to be considered by Boards in line with the timescale for return to the SHR. The ARC return is reviewed and agreed by relevant Boards and reviewed internally against the SHR technical guidance. Our Group Scrutiny Panel also received ARC performance to scrutinise. The Governance team can check the 'returns' section of the SHR landlord portal to confirm the return was received within timescales. This has been submitted to the SHR within the timescales of end of May 2023.	The SHR Portal documents receipt of our ARC return and the SHR also publishes our Charter return on their website.	Compliant
Involve tenants, and where relevant other service users, in the preparation and scrutiny of performance information. It must: - 'agree its approach with tenants - 'ensure that it is effective and meaningful – that the chosen approach gives tenants a real and demonstrable say in the assessment of performance - 'publicise the approach to tenants - 'ensure that it can be verified and be able to show that the agreed approach to involving tenants has happened - 'involve other service users in an appropriate way, having asked and had regard to their needs and wishes.	<p>At the most senior level, we have tenants on our Boards.A Stronger Voices customer engagement team was introduced in 2021/22 which is supporting the delivery of the engagement framework. To date over 2,000 of our customers have signed up as Customer Voices to be involved in engagement activity – well in excess of our target of 1500. We also collect equalities data to help ensure representative, diverse engagement.</p> <p>Customers can be involved in engagement in a variety of ways across the business. Our Scrutiny Panel approach has been enhanced and expanded to over 30 customers. In addition to reviewing performance members of the panel will be involved in thematic reviews on particular topics. The panel chose their performance priorities to scrutinise and are supported by TPAS, to help enable them to exercise their scrutiny role effectively. Engagement and scrutiny sessions are held across our RSLs on a variety of topics throughout the year. Activities are also held in local neighbourhoods including walkabouts, action days and other events.</p> <p>We held engagement sessions with customers which were recorded and shared with Boards to ensure they heard from customers about our priorities. Our pre-formal rent consultation involved over 2600 customers in focus groups and survey responses. Extensive customer engagement also informed the review of our allocations policy during 2022/23</p> <p>In addition, we have a range of methods to gather feedback from customers on their priorities including through local scrutiny meetings, surveys, face-to-face interviews, digital and text. The results of this are shared with our Boards where appropriate to inform our decision-making. In total, over 1200 engagement events were held during 2022/23. The 'get involved' section of our websites details how tenants can be involved in assessing our performance.</p> <p>Our customer engagement framework will be reviewed during 2023/24 and the customer engagement process for this is already being developed</p>	<p>Governance Framework</p> <ul style="list-style-type: none">- RSL constitutions reserving Board places to tenant members- Tenant Group Scrutiny Panel Terms of Reference and code of conduct updated May 23 <p>Board/Committee/Forum discussions and reporting</p> <ul style="list-style-type: none">- Group Scrutiny Panel meeting agendas- Scrutiny sessions slides- Wheatley Homes Glasgow tenant board member pathway programme- Customer Insight report (Nov 22)- Customer Videos (WHS, WHE, Loretto strategy workshops) <p>Other</p> <ul style="list-style-type: none">- RSL websites publicly set out the annual report to tenants- Stronger Voices, Stronger Communities - Group Engagement Framework	Compliant
Report its performance in achieving or progressing towards the Charter outcomes and standards to its tenants and other service users (no later than October each year). It must agree the format of performance reporting with tenants, ensuring that it is accessible for tenants and other service users, with plain and jargon-free language.	We publish an annual report to tenants, the format of which has been agreed by Boards and the Group Scrutiny Panel. Last year's report was issued in line with the SHR Regulatory Framework and this year's report in development, this will include input from the Group Scrutiny Panel and will be received by Boards ahead of publishing as per SHR timescales .	Prior year published Annual Report to Tenants in October 2022.	Compliant
When reporting its performance to tenants and other service users it must: - provide them with an assessment of performance in delivering each of the Charter outcomes and standards which are relevant to the landlord - include relevant comparisons – these should include comparisons with previous years, with other landlords and with national performance - set out how and when the landlord intends to address areas for improvement - give tenants and other service users a way to feed back their views on the style and form of the reporting.	Included in the last Annual Report to Tenants and will be incorporated again in this year's, due by the end of October. The relevant comparisons will be dependent on the availability of ARC performance data for the sector. We consult our tenant scrutiny panel on the format of the report.	Prior year published Annual Report to Tenants in October 2022.	Compliant
Make the SHR report on performance easily available to its tenants, including online.	This is published and is easily accessible via our website. Our tenant scrutiny panel are consulted on the format of the report annually.	Performance published on RSL websites (Home/About us/How we do business/Performance)	Compliant
Whistleblowing			
Have effective arrangements and a policy for whistleblowing by staff and governing body/elected members which it makes easily available and which it promotes.	We have a Group Whistleblowing policy in place. The policy is easily available to all staff on our intranet. The review of the policy is reserved to the Group Audit Committee. In addition, we have a short policy video with our Head of Assurance to help communicate the policy to staff in an accessible way, ensuring they understand what the policy requires of them in their role. This video was promoted through our staff intranet, WE Connect and manager Team Talks. It is held on our learning platform, MyAcademy for staff to access	<p>Governance Framework</p> <p>Group Whistleblowing Policy</p> <p>Committee reporting</p> <p>Audit Committee report and minute of discussion and approval of whistleblowing policy</p>	Compliant
Tenants and service users redress			
Make information on reporting significant performance failures, including our leaflet, available to its tenants.	<p>We have a link to the significant performance failure SHR leaflet available on all RSL websites (contact us/complaints and compliments)</p> <p>In April 2021, we updated our complaints handling procedure based on new guidance from the SPSO. We subsequently did a full review of our complaints policy which was approved in 2022. This is available publicly on our websites.</p> <p>The SHR leaflet also available in our hub offices as part of the core leaflet suite</p>	<p>RSL Websites (Contact us/complaints and compliments)</p> <p>Complaints handling policy and procedure on websites (publication scheme)</p> <p>RSL Social Media (Contact us)</p> <p>RSL Complaints Leaflets (make reference to significant performance failures)</p> <p>SHR Leaflets available in local offices</p>	Compliant
Provide tenants and other service users with the information they need to exercise their right to complain and seek redress, and respond to tenants within the timescales outlined in its service standards, in accordance with guidance from the Scottish Public Services Ombudsman (SPSO).	<p>The Group Complaints Policy is based on and complies with SPSO guidance. All Boards are made aware that SPSO guidance applies to the complaints handling.</p> <p>Our complaints procedure is set out on RSL websites, our complaints leaflet is available in local housing offices as part of the suite of core leaflets. Our Boards receive compliant reports including performance data and insight to help monitor in terms of our process and service delivery.</p>	<p>Group Complaints Policy Board report and record of Board approval</p> <p>Complaints update</p> <p>Complaints Charter data</p> <p>Complaints Leaflets</p> <p>RSL Websites (Contact us/complaints and compliments)</p>	Compliant

Ensure it has effective arrangements to learn from complaints and from other tenant and service user feedback, in accordance with SPSO guidance.	<p>Our complaints policy builds in requirement to review and Boards are routinely updated on this. Boards received bi-annual updates on complaints and what lessons we are learning from them. This performance data and analysis is also published on the website.</p> <p>There is a lessons learned field within ASTRA which should be completed to record lessons learned for every complaint received. New complaints reports will capture lessons learned and allow for further analysis of lessons learned including the information recorded by staff within ASTRA.</p> <p>We have enhanced our approach in this area by establishing a new Business Improvement Team and implementing a complaints improvement plan. We have increased awareness of the importance of complaints for example through enhanced training (sessions for all CFC advisors including 6 days of training in May 2023). and improving the quality of our responses; this is also a focus of the improvement plan. Our Tenant Scrutiny Panel also receives complaints data and insight, and are able to provide feedback on our performance in this area.</p>	<p>Policy</p> <ul style="list-style-type: none">- Group Complaints policy <p>Reporting and monitoring</p> <ul style="list-style-type: none">- Board reports on complaints <p>Public reporting</p> <ul style="list-style-type: none">- Complaints data published on RSL Websites - link on performance page to published board reports containing performance information <p>Other</p> <ul style="list-style-type: none">- ASTRA	Compliant
Equality and Human Rights			
Have assurance and evidence that it considers equality and human rights issues properly when making all of its decisions, in the design and review of internal and external policies, and in its day-to-day service delivery.	<p>The SHR has worked with representative bodies, the Equalities and Human Rights Commission (EHRC) and Scottish Human Rights Commission (SHRC) to develop a 'guidance framework' for the collection of equality data; this was subsequently updated and re-released in April 22 and June 22 following additional comment from the EHRC and Information Commissioner. When the original guidance was published we integrated this with the existing plans already reflected from an Internal Audit advisory review, carried out in 2021. The Group Board was updated in December 2021 and at their workshop in March 2022.</p> <p>To strengthen our approach and the implementation of our Equality, Diversity and Human Rights policy we engaged with external expertise via IoD Scotland , launched an ongoing a communication campaign to raise staff awareness and highly publicised staff training. Our EDI awareness e-learning module is compulsory for staff and included in inductions and we launched an EDI learning suite on MyAcademy which also includes LGBT+ Awareness and Unconscious Bias training for staff as well as useful resources i.e. podcasts. We also have relaunched Hate Crime training available. From January 2022, we set up a staff EDI working group to implement initiatives including the collection of equality data, for staff and job applicants. We expanded our external networks including membership to the employer's network for equality and inclusion (enei) and Business in the Community (bitc). We developed an internal action plan which was externally reviewed by an inclusion advisor at Bitc March 2022. The People Services Team progressed with a number of EDI initiatives including an external review of all HR policies to ensure these are inclusive in language and content, a review of our recruitment approach including adverts and an enei TIDE self-assessment for which we achieved Bronze level award. We launched a new EDI brand for the Group, Different Together, which includes a Community of Excellence (staff group and 6 equality networks, sponsored by senior exec), a resource hub for staff, and training.</p> <p>This all helps ensure staff have a consideration of equalities and human rights within their role. We continue to raise awareness of EDI to our staff through our internal comms and 'Different Together' brand i.e. awareness days, an EDI calendar based on our own staff and customer data, staff blogs. We also have an equalities section on our Group website which gives detail of our commitment to EDI, accessibility (i.e. written information and telephone), hate crime and harassment and equalities monitoring. (Home>About Wheatley>Governance>Equality and Diversity)</p> <p>We implemented a comprehensive, robust Group-wide approach towards Equality Impact Assessments to ensure we thoroughly consider the impact of our decisions, policies and service on the protected characteristic groups and remain compliant with equalities legislation. This was externally verified and our Group Policy framework now indicates which policies require an EIA. There is also EIA online training for staff and EIA template and guidance is available on our staff intranet. Equalities implications is a section in all our Board reports - here it must be clear if an EIA has been required and carried out. We held an EIA masterclass for key leads on 19 July 2023, facilitated by BITC.</p> <p>Equalities is an area our Boards have indicated a desire for increased visibility and we plan to include this as a topic for Board CPD. We collect equality information from Board members to inform our recruitment and succession planning. Age, ethnicity and disability diversity markers, along with skills, experience and gender, inform our future Group Board succession planning analysis, as well socio-economic diversity based on National Statistics Socio-economic Classification criteria. Other progressions in this area include:</p> <ul style="list-style-type: none">-A programme of EDI Champion training and Inclusive Leadership training has taken place for those in the CoE, the people services team and all managers/leaders, delivered by BITC. This has seen over 250 staff receiving the in-person training to equip them with the knowledge to better consider EDI within their role-Continue to raise awareness of celebration days and events to increase staff knowledge of EDI consideration to inform interactions with customers and colleagues e.g. Neurodiversity for People Managers training delivered by Lexxic- Neurodiversity Celebration Week, Trans and LGBT+ allyship webinars delivered by Pride Outside and the Equality network-Solutions Board approved EDI Action Plan in November 2022 and monitor progress quarterly-developed an EDI Statement of Commitment, approved by our Wheatley Solutions Board and signed off by our CEO and Group Chair- published on all our websites to signal how we are committed to achieving EDI for our customers-Partnered with Diversity Scotland to further strengthen our EDI training for staff	<p>Policy</p> <ul style="list-style-type: none">- Group Equality, Diversity and Human Rights policy (reviewed September 2022)-Group EDI Action Plan (One Group, Many Voices) - approved November 2022-ASB Framework-Provision for policies in alternative formats and languages <p>Reporting and monitoring</p> <ul style="list-style-type: none">- Board reports include an equality implications section- Externally verified EIA template and guidance - reviewed March 2023 to include use of our own data- Group Board workshop March 2022- Group Solutions update August 2022- Group Board update September 2022- Wheatley Solutions quarterly updates <p>Websites</p> <ul style="list-style-type: none">- Equality and diversity section on Group website (Home>About Wheatley>Governance>Equality and Diversity) - reviewed March 2023- internal staff awareness raising via intranet and training-statement of commitment <p>-Other</p> <ul style="list-style-type: none">- development of Different Together equality collection form and guidance- BITC inclusion champion and inclusive leadership training-Lexxic neurodiversity training and Pride Outside LGBT+ Allyship in June 2023-Translation and interpretation services through the Big Word	Compliant
To comply with these duties, landlords must collect data relating to each of the protected characteristics for their existing tenants, new tenants, people on waiting lists, governing body members and staff. Local authorities must also collect data on protected characteristics for people who apply to them as homeless. Landlords who provide Gypsy/Traveller sites must collect data on protected characteristics for these service users.	<p>Results of our customer equality data collection exercise completed with over 10,000 responses. The approach to this was developed with customers, taking into account good practice, regulatory requirements and GDPR. In collecting this data:</p> <ul style="list-style-type: none">-results of this were reported to our Boards in Nov 22- Staff diversity survey saw over 60% of staff responding; results presented to Executive Team and Wheatley Solutions Board in Feb 23 (mapped against customer data)-PowerBI now built for customer data, available for leads to access when required e.g. for use in EIAs-Equality data collection underway as part of Customer Voice re-registration - seeking customer priorities for engagement, ensuring diversity within our engagement as well as access to specific groups who we may want to engage with if we suspect a service change/policy to have a particular impact on them. This data, once built into a PoweBI for analysis, will be used for Stronger Voices and Housing Leads to inform their engagement plans. As well as identify groups who may be facing barriers to our engagement to put plans in place. - quarterly analysis of customer engagement equality data now in place-PowerBI now built for MyHousing data - Quartey analysis of this now in place with allocations team and development team. Reported to Wheatley Solutions Board May 2023-Expansion of Foundation data complete to mirror categories of customer data exercise to aid analysis of employability programmes, again analyse any gaps and address accordingly. Quarterly analysis of this now in place in line with recruitment data analysis-data to be used in Equality Impact Assessments as required <p>All Board reports have an equalities implications section.</p>	<p>Policy</p> <ul style="list-style-type: none">- Group Equality, Diversity and Human Rights policy (review 2022) <p>Reporting and monitoring</p> <ul style="list-style-type: none">- Group Board Governance update December 2021- Group Board workshop March 2022- Group Solutions update August 2022- Group Board update September 2022-Subsidiary updates November 2022 and EDI data presentations (deleted due to retention schedule) <p>Websites</p> <ul style="list-style-type: none">- Equality and diversity section on Group website (Home>About Wheatley>Governance>Equality and Diversity)- internal staff awareness raising via intranet and training <p>-Other</p> <ul style="list-style-type: none">- development of Different Together equality collection form and guidance-expansion of data collection and PowerBI analysis for customer engagement equality data, as well as MyHousing and Wheatley Foundation-collection of data through JobTrain for job applicants	Compliant
Requirements for RSLs Only			

Each RSL Must:			
Comply with the Standards of Governance and Financial Management and associated statutory guidance.	See commentary and evidence provided for each of the seven standards of governance and financial management. We are satisfied we have assessed compliance with these effectively		Compliant
Comply with, and submit information to us in accordance with, our guidance on: - notifiable events - group structures - consulting tenants where tenant consent is required - financial viability of RSLs: information requirements - determination of accounting requirements - preparation of financial statements.	See commentary and evidence provided for each of the seven standards of governance and financial management.	Landlord Portal Notifiable event register Board reports Group Standing Orders and Scheme of Delegation Rules/Articles Intra group agreements Annual accounts and auditor's report Risk register Financial projections and budget Recruitment and succession planning procedure Code of conduct Policies e.g. gifts, payments and benefits. Whistleblowing	Compliant
Keep up to date organisational details in the Register of Social Landlords, by maintaining the information provided through the Landlord Portal.	Organisational details up-to-date and regularly maintained via the SHR Landlord Portal All updates are monitored by Group Company Secretary and control checks are in place, specifically the portal is reviewed and updated monthly and after every Board cycle. This includes checking the organisational details and governing body member details are accurate for example, following retirement/appointment of Board members.	Landlord Portal SHR Website	Compliant
Make publicly available, including online, up to date details of: - who is on its governing body - the date when they first became a member/office holder - how to become a member of the RSL and of the governing body, and - minutes of governing body meetings.	About us section of RSL websites includes information about who is on the governing body and the date they first became an office holder. The 'getting involved' section of each RSL website sets out how to become a member of the RSL or a governing body member (where applicable) as does our RSLs constitutions which are available on websites. Where applicable, membership policies are also published on relevant website. Details of our governing body members are published online, including when elected. Information on our websites is easily accessible and up to date. We have a clear recruitment and succession planning process, introduced as a procedure following suggestion from Campbell Tickell from the 2021 strategic governance review. Minutes of Board meetings published following approval by Board and redaction in line with Freedom of Information requirements.	RSL websites - 'about us' and 'get involved' sections. Published membership policy (where applicable) via website, and membership details available in Rules/Articles published on websites Published minutes via website	Compliant

Regulatory Standards of Governance and Financial Management	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
Standard 1 The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.			
1.1 The governing body sets the RSL's strategic direction. It agrees and oversees the organisation's business plan to achieve its purpose and intended outcomes for its tenants and other service users.	<p>The Group Standing Orders formally define the roles of each Board in this regard, with the approval of the strategy (strategic direction) and business plan reserved to each individual Board for approval (but subject also to agreement of the Group Board). The Group Standing Orders were subsequently reviewed during 2022 and specific Terms of Reference approved by each RSL Board introduced.</p> <p>The business plan is always considered within the context of outcomes it contributes to achieving for tenants and its implementation is overseen by the Board as part of the regular financial reporting item.</p> <p>Our Boards have an annual strategy workshop to review their 5 year strategy and direction to ensure this remains relevant or is refreshed as necessary. These took place in March for Wheatley Homes Glasgow and May this year for our other RSLs. We have regular customer insight reporting to Board and collecting customer views to use this, along with other customer data, to inform the strategy workshops. To inform strategic planning and decision making, our Boards have and make effective use of robust, up to date information about the impact of the current economic, political, policy and operating environments on our tenants and other service users and on our organisation.</p>	Governance Framework <ul style="list-style-type: none">- Group Standing Orders (reviewed 2022)- Terms of Reference- Board strategy workshop materials- Board reports on strategy development process and associated minutes- Board reports on business plan and associated minuted confirming Board approval (Feb 23)- Risk registers and workshops- Customer Insight reporting- Customer priorities videos	Compliant
1.2 The RSL's governance policies and arrangements set out the respective roles, responsibilities and accountabilities of governing body members and senior officers, and the governing body exercises overall responsibility and control of the strategic leadership of the RSL.	<p>The Group Standing Orders detail the respective roles and responsibilities of the Group and subsidiary Boards as well as detailing the Scheme of Financial Delegation and delegations to Group CEO. The newly approved Terms of Reference for each subsidiary Board set out the roles and responsibilities of each Board.</p> <p>Board member roles and responsibilities are also set out in the Standing Orders. We have a Code of Conduct that is issued to all Board members and sets out their responsibilities and required conduct. We also have a staff Code of Conduct. Board appraisals are held with the Chair each year in line with our Board effectiveness and appraisal policy,</p>	Governance Framework <ul style="list-style-type: none">- Group Standing Orders- Terms of Reference- Codes of Conduct- Board appraisals	Compliant
1.3 The governing body ensures the RSL complies with its constitution and its legal obligations. Its constitution adheres to these Standards and the constitutional requirements set out below.	<p>The RSLs are appropriately constituted and the Group Standing Orders set out effective decision making processes, as well as delegated authority.</p> <p>Board minutes and reports will provide details of how we ensure constitutional compliance and legal where applicable.</p>	Governance Framework <ul style="list-style-type: none">- Individual entity constitutions- Group Standing Orders-Board report template External validation <ul style="list-style-type: none">- External legal advisors engaged as required on material constitutional changes	Compliant
1.4 All governing body members accept collective responsibility for their decisions.	<p>This is enshrined in the Code of Conduct as a requirement. No governing body members have breached the code of conduct in this regard, as such no action has been taken.</p>	<p>No issues raised or identified during the year of a Board member not accepting collective responsibility</p> <p>-Board appraisal forms and interviews - issue not raised</p> <p>-Signed Codes of Conduct</p>	Compliant
1.5 All governing body members and senior officers understand their respective roles, and working relationships are constructive, professional and effective.	<p>The respective roles are set out in the Group Standing Orders which sets out roles clearly and is explicit about the distinction between the role of management and the role of the Board.</p> <p>A comprehensive induction programme is in place, with a discussion about the role of the Board and Management. This area is also explored and tested as part of the annual appraisal process. In addition, we have introduced a Group Board effectiveness and appraisal policy and Group recruitment and succession planning policy.</p> <p>We have CPD programme and training for our Board members as well as a Leadership development programme for senior staff. For example, institute of Directors (IoD) training was extended out to Directors in organisation as well as Board members and we will extend further IoD CPD sessions to staff also</p>	Governance Framework <ul style="list-style-type: none">- Recruitment and Selection Process and Induction Programme- Group recruitment and succession planning policy- Group Board effectiveness and appraisal policy- Group Standing Orders- Board CPD programme External Validation <ul style="list-style-type: none">-Campbell Tickell interviews with Board members as part of previous governance review Training <ul style="list-style-type: none">- CPD training including IoD - open to senior staff and Boards	Compliant
1.6 Each governing body member always acts in the best interests of the RSL and its tenants and service users, and does not place any personal or other interest ahead of their primary duty to the RSL.	<p>The Standing Orders set out clearly the relationship between the parent Board and subsidiaries and the division of responsibilities.</p> <p>All Board Members are required to sign the Code of Conduct and complete a Governing Body Member Declaration of Interests form which covers this and the organisation maintains a register of interests, which is annually reviewed. There is a standing Board meeting agenda item regarding declaration of interests and we have introduced a Group conflicts on interests policy . Board appraisal has a specific question regarding decision making being in the best interests and no issues have been identified regarding independence of decision making.</p> <p>Our register of interests is annually reviewed to ensure up-to-date</p>	<p>Governance Framework</p> <p>Board Code of Conduct</p> <p>Group Standing Orders</p> <p>Arrangements in place in respect of conflicts and declarations of interest - standard Board agenda item and Register of Interests form</p> <p>Group conflicts of interest policy</p> <p>Other</p> <p>Annual Board appraisal - no issues raised by any Chair or Board member</p>	Compliant
1.7 The RSL maintains its independence by conducting its affairs without control, undue reference to or influence by any other body (unless it is constituted as the subsidiary of another body).	<p>The Group Standing Orders set out clearly the relationship between the parent Board and subsidiaries and the division of responsibilities. The composition of the Board is such that no other body exercises undue control or influence over the group and this is formally documented in Intra Group Agreements</p> <p>The requirement to act in the best interests of the group is reflected in the Group Code of Conduct. All Board Members complete a Governing Body Member Declaration which covers this and the organisation maintains a register of interests. Our CPD programme for Board members takes consideration of this. The Institute of Directors has delivered Role Of the Non-Executive training which covered managing interests e.g. in wearing different 'hats' as a Board member. Interests are declared at the start of meetings and managed via our policy</p>	Governance Framework <ul style="list-style-type: none">Group Code of ConductRegister of Interests formGroup Standing OrdersArrangements in place in respect of conflicts and declarations of interestGroup conflicts of interest policyIntra Group AgreementBoard annual appraisal process Other <ul style="list-style-type: none">Role of the Director training by Institute of Directors	Compliant

Standard 2 The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities. Guidance			
2.1 The RSL gives tenants, service users and other stakeholders information that meets their needs about the RSL, its services, its performance and its future plans.	<p>Each RSL within the group has a website which includes a 'Freedom to Information' section and a Publication Scheme. This explains clearly and comprehensively what information is available (with links) and how to obtain information which is not published, including fees applicable.</p> <p>We communicate through a range of methods and provide information via a combination of:</p> <ul style="list-style-type: none">- Websites (which are accessible and include an accessibility section)- annual report to tenants (published on our websites)- news section on websites- social media posts- consultations <p>We ask tenants as part of our Tenant Satisfaction Survey what tenants think about being kept informed. We also carried out a communication data exercise in 2022 and sought communication preferences as part of this (phone, email, text) to ensure we communicate accordingly. We offer alternative methods (e.g. large print, braille, translation/interpretation) when required and have adopted a 'leaving nobody behind' approach in terms of digital comms. Our Group Engagement Framework is due for review this year, which will include an Equality Impact Assessment.</p>	<p>Policy Engagement Framework</p> <p>Publications Subsidiary and group websites (including accessibility section https://www.wheatley-group.com/home/accessibility) Information on performance, future plans e.g. investment and satisfaction results published on websites Annual Report to Tenants social media posts Board reports</p>	Compliant
2.2 The governing body recognises it is accountable to its tenants, and has a wider public accountability to the taxpayer as a recipient of public funds, and actively manages its accountabilities.	<p>Our induction programme emphasises the Group's governing bodies' accountability to tenants and service users (i.e. regarding the role of the Board).</p> <p>Each RSL subsidiary publishes an Annual Report to Tenants, setting out how it has performed. Our Group Scrutiny Panel scrutinise our performance throughout the year, with a Panel statement being included in the Annual Report.</p> <p>Quarterly complaint performance is published on our websites and Boards receive Complaint updates and insights - these reports are also published.</p> <p>Our Publication Scheme ensures that we provide a significant amount of information, supporting accountability.</p>	<p>Governance Framework Annual Report to Tenants Wheatley Group Annual Report and Financial Statements Subsidiary and group websites (investor relations section of website gives information on use of funds, including public funds) Group Code of Conduct Group Engagement Framework</p>	Compliant
2.3 The governing body is open and transparent about what it does, publishes information about its activities and, wherever possible, agrees to requests for information about the work of the governing body and the RSL.	<p>We are committed to being transparent and open about the way we work, the services we provide and the decisions we make. One of the ways we do this is through our publications scheme under The Freedom of Information (Scotland) Act 2002. We have a published Guide to Information that reflects the Model publication scheme published by the Scottish Information Commissioner. We are also bound by the Environmental Information (Scotland) Regulations 2004 which gives the public the right to access environmental information we hold.</p> <p>Our websites also provide information on our governing body members, including when elected. We publish Board reports and minutes on our websites also.</p>	<p>EVIDENCE: Provided via a combination of:</p> <ul style="list-style-type: none">- Website- Annual Report to Tenants- Publishing Board reports and minutes-Publication schemes	Compliant
2.4 The RSL seeks out the needs, priorities, views and aspirations of tenants, service users and stakeholders. The governing body takes account of this information in its strategies, plans and decisions.	<p>We have a commitment to further embedding the voice of our customers in our decision-making. This also follows a recommendation from Campbell Tickell as part of the most recent strategic governance review to take consideration the opportunity to deepen tenant insight for example by using data and interaction with group such as our Scrutiny Panel. The implementation of our Engagement Framework, Stronger Voices Stronger Communities, contains a commitment that customer engagement would be sought as part of key policy and service changes.</p> <p>Stronger Voices, Stronger Communities incorporates a variety of ways customers are engaged across the group to shape what the group does. We do this via a combination of the following and use both in-person and digital methods (e.g.. surveys, focus groups):</p> <ul style="list-style-type: none">- Stronger Voices team i.e. gathering intelligence and priorities through Walkabouts- governance structures- Customer Voices focus groups being involved in co-creating/reviewing policies or our approaches e.g. to equality data collection- Tenant Scrutiny Panel (recently expanded)- locality planning- use of complaints- annual satisfaction surveys- consultations e.g. rent- tenant members on Boards representing service user views-RTOs <p>Continued enhancement of customer engagement approach including re-registration of Customer Voices to seek their particular priorities. We also seek performance priorities through customer scrutiny sessions. In addition, we held customer priorities sessions in April and May 2023, facilitated by TPAS, to inform Board strategy workshops - these sessions were filmed and played for Boards. At the highest decision-making level, we have launched tenant board member pathway programmes to further enhance the tenant voice at Board level. Tenant board members bring customer insight to strategic decision-making. All Board reports contain a customer engagement section. The Boards will also receive a bi-annual update on how we used the full range of our planned engagement activity and customer insight to inform priorities.</p> <p>Our Group Equality, Diversity and Human Rights policy also demonstrates how tenant needs will inform our plans and decisions. For example, we developed our approach to customer equality data collection and use this data to tailor our service design and delivery to the needs of our customers e.g. through Equality Impact Assessments. We are currently planning our Tenant Satisfaction Survey to be carried out this year in line with requirements of the Scottish Social Housing Charter.</p>	<p>External validation</p> <ul style="list-style-type: none">- Meetings between senior management and stakeholders- Direct Board engagement with key stakeholders e.g. Housing Minister- BMG independently facilitated rent-setting workshops for 2022/23 rent setting process <p>Decision making</p> <ul style="list-style-type: none">- Annual Board strategy workshop briefing packs detailing background information- Board composition includes tenants - builds in feedback at decision making point- Customer Voices involved in development and review of policies/strategies- Board report on rent setting - documents extensive consultation feedback <p>Board reporting and monitoring</p> <ul style="list-style-type: none">- ongoing Board reports on key areas of tenant feedback, including complaints- customer engagement section included in Board reports-Bi-annual customer insight reports-Bi-annual engagement update <p>Engagement Framework</p> <ul style="list-style-type: none">- Locality engagement plans, including the range of engagement and feedback events facilitated during the process <p>Other</p> <ul style="list-style-type: none">-customer priority sessions and videos to inform strategy workshops	Compliant
2.5 The RSL is open, co-operative, and engages effectively with all its regulators and funders, notifying them of anything that may affect its ability to fulfil its obligations. It informs the Scottish Housing Regulator about any significant events such as a major issue, event or change as set out and required in notifiable events guidance.	<p>We have high engagement and as such meet the SHR on a regular basis as well as having an ongoing line of communication. Regular meetings held with Funders. We notify SHR of 'Notifiable Events' in accordance with the requirements of SHR Notifiable Events guidance.</p> <p>Notifiable events are highlighted through a review of the SHR notifiable events guidance. For example, this was reviewed prior to consulting customers on the disposal of multi-storey rooftop space for telecommunications leases. The Governance and Executives teams understand the notifiable events requirements and discuss the group's approach openly with the SHR.</p> <p>Our financial reporting contains covenant compliance. All Board reports have a legal/regulatory implications section also. Our agenda planning takes consideration of this to ensure approvals are received in line with statutory requirements e.g. to submit 5-year financial projections to SHR.</p> <p>We also maintain disposals and acquisition registers which we receive notification from the property legal team either through direct email to the Governance team or to our Board and Committees mailbox, which is checked regularly. For additional assurance, we receive a monthly round-up of disposals and acquisitions from the property legal team to check against our own records. It is the responsibility of the Governance team to action and notify of any relevant disposals or acquisitions and we do this monthly. We also keep a register of notifiable events. Additionally, in 2022 we introduced a Group Disposal and Acquisition Policy and RSL versions of this (reviewed and updated in June 2023); this included introducing an annual update to Boards on disposals and acquisitions which Boards received in May 2023.</p>	<p>Evidence SHR Quarterly Meeting agendas Funder meeting agendas Group Engagement Plan - published by WHG and SHR Internal notifiable events register and disposal and acquisitions register Disposal and acquisition update to Boards</p>	Compliant

Standard 3 The RSL manages its resources to ensure its financial well-being while maintaining rents at a level that tenants can afford to pay.			
3.1 The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and control costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times.	<p>The Standing Orders set out clear financial delegations and there is an appropriate Treasury Management Policy in place. The Treasury Management policy was reviewed and refined this year and financial information is regularly reported to the Board including compliance with golden rules and covenants.</p> <p>In addition to this we regularly report to Boards and have an extensive discussion each year on financial projections and treasury management, including liquidity. Our financial planning and budget setting take account of current economic and political context, which we then monitor. Developing our annual rent setting consultation, Boards consider rigorous affordability analysis, value for money, tenant consultation and comparison. Tenants views are then sought in regards financial impact of differing rent options on service delivery and investment. This feedback was considered by Boards when making decision.</p> <p>Our annual reports explain how rents were spent. The reports are developed following external audit - the audit committee oversees the audit plan.</p> <p>We also have a suite of policies to mitigate against the misuse of our finances including our Group Whistleblowing policy, Group Fraud, Corruption and Bribery Policy and Group AntiMoney Laundering and Counter Terrorism Financing policy. To further aid communication of Group Assurance policies, launched policy videos to alert staff of the key information the need to know and follow.</p>	<p>External validation</p> <ul style="list-style-type: none">- Review by Rathbones of core business planning assumptions- Group Treasury Management Policy (reviewed 2022) was reviewed by our external treasury advisors- External audit process <p>Governance and Policy Framework</p> <ul style="list-style-type: none">- Treasury Management Policy- Group Whistleblowing Policy (reviewed 2022)- Fraud, Corruption and Bribery Policy (reviewed 2022)- Group AntiMoney Laundering and Counter Terrorism Financing policy- Group Standing Orders including financial delegations (reviewed 2022)-Group Assurance policy videos launched to all staff during 2023 <p>Ongoing reporting</p> <ul style="list-style-type: none">- Quarterly treasury report to Group Board on funding requirements and liquidity- Covenant compliance- Internal Audit core programme of auditing key financial controls- Finance reports to Boards	Compliant
3.2 The governing body fully understands the implications of the treasury management strategy it adopts, ensures this is in the best interests of the RSL and that it understands the associated risks.	<p>There is a suitable treasury management policy in place, which was reviewed by the Group Board during the last year.</p> <p>The Board skills matrix is takes into account the need for membership to include Non-Executives with relevant skills and experience in this area.</p> <p>Boards routinely seek sufficient external independent guidance to ensure its decisions are in our best interest, with significant input from external legal advisors.</p>	<p>Board membership</p> <ul style="list-style-type: none">-The Board succession planning specifically seeks to ensure we have individuals with skills and experience in this area- Board skills matrices <p>Policy Framework</p> <ul style="list-style-type: none">- Treasury Management Policy- Quarterly treasury update to Wheatley Group Board <p>External validation</p> <ul style="list-style-type: none">- Extensive external legal advice on any major funding transactions, specifically in relation to the risks	Compliant
3.3 The RSL has a robust business planning and control framework and effective systems to monitor and accurately report delivery of its plans. Risks to the delivery of financial plans are identified and managed effectively. The RSL considers sufficiently the financial implications of risks to the delivery of plans.	<p>Business planning process takes into account a wide range of variables, which are reflected in Board reports e.g. sensitivity testing, assumptions. These are reviewed and tested and Board receive Business plans in February each year. This approach reflects a Campbell Tickell recommendation from our 2021 strategic governance review to <i>Maintain confidence that stress-testing and scenario-testing sufficiently test the implications of difficulties arising in subsidiaries.</i></p> <p>Financial performance is reported to Board as a standing item detailing performance relative to business plans and budgets. Reports to the Board on financial projections are part of the business planning process set out comprehensive and clearly explained information including appropriate context, detailed financial projections and details of projected compliance with golden rules and covenants.</p> <p>Minutes demonstrate a good level of Board engagement with financial projection reporting. Regular reporting to Board provides clear information about financial performance across the group including all subsidiaries as well as performance against covenants and golden rules.</p> <p>In regards to performance, KPIs and targets are reviewed annually by Boards within the Delivery Plan update - Boards receive quarterly performance updates.</p>	<p>Board reporting and monitoring</p> <ul style="list-style-type: none">- Annual stress testing of business plan as part of Board approval process-Annual Budget report- Pandemic and wider economic impact scenario testing on financial projections- Risk register considered by the Group Audit Committee at every meeting and by each Board periodically - Risk workshops held with Boards in May/June 23, risk approach reviewed and updated- Board reports regarding Financial Performance- Treasury management reports-Performance reports-Board reports re budget proposals and financial assumptions - Feb 23	Compliant
3.4 The governing body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases.	<p>Our assumptions are validated externally where appropriate and always subject to sensitivity analysis. As part of agreeing our financial projections each year the rent increase is subject to specific separate report which takes into account affordability for tenants.</p> <p>We had our most extensive customer engagement to inform rent increase approach for 23/24 which saw more customers than ever involved in providing feedback on proposals and their priorities for investment/services. Detailed analysis on affordability in light of cost of living crisis was reported to Boards, as well as comparison within the sector. This was our highest return for our rent consultation with full analysis of results and feedback reported to Boards to inform decision on increase.</p> <p>Our five-year financial projections are considered by Boards and submitted to the SHR in accordance with statutory requirements.</p>	<p>Board reporting and monitoring</p> <ul style="list-style-type: none">- Board reports regarding Financial Performance and Financial Projections- Report to Group Board on treasury update and policy- Financial performance report to Group Board and Subsidiary Board meeting- Minutes of Group and Subsidiary Board meetings-Tenant rent setting consultation approach and results for 2023	Compliant
3.5 The RSL monitors, reports on and complies with any covenants it has agreed with funders. The governing body assesses the risks of these not being complied with and takes appropriate action to mitigate and manage them.	<p>We have an on-going process and report compliance as part of finance report to Group Board in addition to projected compliance being a consideration when assessing and agreeing our financial projections. We can confirm we are compliant with our covenants.</p>	<p>Board reporting and monitoring</p> <ul style="list-style-type: none">- Financial performance and treasury reports to Group Board- Report to Boards on financial projections	Compliant
3.6 The governing body ensures that employee salaries, benefits and its pension offerings are at a level that is sufficient to ensure the appropriate quality of staff to run the organisation successfully, but which is affordable and not more than is necessary for this purpose.	<p>All staff gradings are subject to an internal assessment using defined criteria by Employee Relations. We also engage with our Trade Unions as part of our annual pay uplift and benefit package review.</p> <p>The pension arrangements are routinely reviewed by the Board/RAAG and this included changes for auto-enrolment to not offer SPF to all incoming employees. This was on the basis that it was not necessary to attract employees. Our Group Pension Strategy was last reviewed and approved by the Group Board in December 2021.</p> <p>Overall staffing costs and their impact are considered as part of the financial projections.</p>	<p>Governance Framework</p> <ul style="list-style-type: none">- Group Standing Orders <p>Board reporting and monitoring</p> <ul style="list-style-type: none">- Confidential minute of RAAG report to Board on Chief Executive's remuneration- Financial projections- Dual pension arrangements in place for Wheatley Homes Glasgow- Group Pension Strategy-employee terms and conditions	Compliant
3.7 The governing body ensures the RSL provides accurate and timely statutory and regulatory financial returns to the Scottish Housing Regulator. The governing body assures itself that it has evidence the data is accurate before signing it off.	<p>All returns are submitted to the SHR. Where appropriate, we schedule our Board meetings around key Regulatory returns for sign off ahead of submission deadline, for example 5YFP, loan portfolio and ARC are included on the agendas for all RSL Board meetings in May. Governing Body requires formal Board reports to be provided with clear recommendations about sign-off.</p> <p>The Governance team check the SHR portal to ensure returns have been made within timescales. Return of regulatory returns within timescales is included in Business Excellence Frameworks (BEF) between Wheatley Solutions and RSLs.</p>	<p>Board reporting and monitoring</p> <ul style="list-style-type: none">- Board papers and agendas- Solutions Business Excellence Frameworks	Compliant

Standard 4 The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.			
4.1 The governing body ensures it receives good quality information and advice from staff and, where necessary, expert independent advisers, that is timely and appropriate to its strategic role and decisions. The governing body is able to evidence any of its decisions.	<p>Board reports are structured in a Board approved standard format with specific headings to ensure appropriate information is contained in key areas such as recommendations, finance, risk and legal/regulatory. In 2021, Campbell Tickell carried out a strategic governance review - this included the recommendation '<i>Efforts should be made to ensure Board and committee papers are concise, with executive summaries incorporated into the template and recommendations moved up-front in reporting</i></p> <p>We partially accepted this recommendation and carried out a full review of the board template, including content and structure, in early 2022 and a new template is now in use. Board feedback on reports is received during meetings as well as part of the annual Board appraisal. This helps ensure our reports give members the information they need in a format easy to use, with a manageable volume of information, issued a week before meetings to give sufficient time to consider issues effectively.</p> <p>We also accepted the suggestion from Campbell Tickell for subsidiary Board members to provide feedback from the Group Board on any material, relevant (non-sensitive) issues.</p> <p>Agenda planning takes consideration to allow sufficient time for matters. External advice is received and reported to Boards when required. Our minutes are clear and complimented by our reports - these are available under our publication schemes.</p>	<p>Board reporting and monitoring</p> <p>- Board reporting template</p> <p>- Board meeting papers</p> <p>- Board and Committee minutes</p> <p>Governance Framework</p> <p>- Group Standing Orders and Scheme of Delegation</p> <p>External Assurance</p> <p>- Campbell Tickell review of governance arrangements, including the quality of Board papers.</p>	Compliant
4.2 The governing body challenges and holds the senior officer to account for their performance in achieving the RSL's purpose and objectives.	<p>This is primarily discharged via Board meetings in which our Boards and senior staff have a professional relationship. Boards regularly review RSL performance through quarterly updates; we annually review our performance management framework including targets and annually review our strategy through Board workshops. This helps ensure our performance links to our objectives and strategy and measures remain relevant.</p> <p>Senior officer appraisal is responsibility of our RAAG committee.</p>	<p>Board reporting and monitoring</p> <p>- Board Reports and associated minutes</p>	Compliant
4.3 The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigation, internal control and audit.	<p>We have a clearly defined risk management framework. This is reviewed on an ongoing basis. Risk analysis is a specific element of all Board papers and therefore embedded in our decision making at Board level. Board also hold an annual risk workshop with informs risk registers, which Boards oversee. Boards also receive IA updates, of which programme progress is also reported to our Group Audit Committee.</p> <p>During the 2021 strategic governance review, Campbell Tickell recommended that <i>we introduce a single risk appetite for the group, with tolerances within which the subsidiaries are required to operate</i>. We partially accepted this as we have different risk appetite levels which reflect the different maturity levels and types of activity across the Group. All risk statements were subsequently reviewed and the underlying requirement for the Group Board to have control over risk oversight is met by all risk appetite statements and any changes requiring Group Board approval.</p> <p>Where there is a particular risk there is an enhanced level of Board reporting on specific risks as has been in place e.g. through Cyber Security updates and Dampness and mould reporting. As per Campbell Tickell suggestion, our strategic risk registers are ranked in order and frequency of reporting on risk to subsidiary Boards was increased to quarterly</p>	<p>Group policies</p> <p>- Risk management policy</p> <p>-Business continuity policy</p> <p>Governance framework</p> <p>- Group Standing Orders (including Board and committee Terms of Reference) and Audit Committee Terms of Reference - Reviewed 2022 as part of Strategic Governance review</p> <p>Board reporting and monitoring</p> <p>- Reports to Group Audit Committee and all RSL Boards inc. IA programme and assurance updates</p> <p>- Minutes relative to the above</p> <p>-Risk registers</p>	Compliant
4.4 Where the RSL is the parent within a group structure it fulfils its responsibilities as required in our group structures guidance to: (a) control the activities of, and manage risks arising from, its subsidiaries; (b) ensure appropriate use of funds within the group; (c) manage and mitigate risk to the core business; and (d) uphold strong standards of governance and protect the reputation of the group for investment and other purposes.	<p>The role and controls of the Parent are codified in all subsidiary constitutions, along with the roles and responsibilities set out in Intra Group agreements and the Group Standing Orders. Examples of this include Parent approval rights over areas such as Board appointments, constitutional changes, policy and funding.</p> <p>In addition to this, our standard reporting arrangements are such that the Group Board always receives Group-wide performance information as well as details of any material issues at individual subsidiary level. We have effective management in place to identify and manage potential conflicts of interests.</p> <p>Following recommendation by Campbell Tickell following our recent strategic governance review, we updated our Group Standing Orders to further codify the scrutiny role of the Group Board and define routes and parameters for escalation. This also involved introducing terms of reference for each Board to ensure roles and responsibilities, including relative to the Group Board, are well defined and understood. For example, sustainability and equality, diversity and inclusion are now areas included in the Wheatley Solutions ToR. As an addition, it is formally documented through the Group Standing Orders that subsidairy Chairs feedback any material issues to the Group Board during Board discussions.</p>	<p>Governance Framework</p> <p>- Constitutions</p> <p>- Group Standing Orders</p> <p>- Intra Group Agreement</p> <p>-Code of conduct</p> <p>Board reporting and monitoring</p> <p>- Board packs</p>	Compliant
4.5 The RSL has an internal audit function. The governing body ensures the effective oversight of the internal audit programme by an audit committee or otherwise. It has arrangements in place to monitor and review the quality and effectiveness of internal audit activity, to ensure that it meets its assurance needs in relation to regulatory requirements and the Standards of Governance and Financial Management. Where the RSL does not have an audit committee, it has alternative arrangements in place to ensure that the functions normally provided by a committee are discharged.	<p>We have a clearly established Group Audit Committee with a remit including oversight of internal audit, including audit programme which is reviewed regularly to reflect current and anticipated priorities</p> <p>The IA team is required to have an External Quality Assessment at least every 5 years to give the AC assurance on the quality and effectiveness of the Internal Audit function. (Last completed in Nov 2022)</p>	<p>Governance framework</p> <p>- Audit Committee Terms of Reference (reviewed 2022)</p> <p>Board reporting and monitoring</p> <p>- Assurance Update Board Reports</p> <p>- Group Audit Committee reports</p> <p>External</p> <p>- IA EQA</p>	Compliant
4.6 The governing body has formal and transparent arrangements for maintaining an appropriate relationship with the RSL's external auditor and its internal auditor.	<p>This is clearly defined via the Group Standing Orders, mainly within the purview of the Group Audit Committee. These also include Terms of Reference for the Audit Committee, which were reviewed in 2022. The Committee completed a self-assessment of performance this year, which included consideration of how relationship with External Audit and Internal Audit is maintained.</p>	<p>Governance framework</p> <p>- Audit Committee Terms of Reference (updated 2022)</p>	Compliant
Standard 5 The RSL conducts its affairs with honesty and integrity. Guidance			
5.1 The RSL conducts its affairs with honesty and integrity and, through the actions of the governing body and staff, upholds the good reputation of the RSL and the sector.	<p>We have an agreed set of Group values, promoted via our website. These values are embedded into the culture of our organisation and demonstrated by senior leaders and our Boards. We are a living wage, disability confident, mindful employer charter and investors in people - platinum employer. We have enei (employers network for equality and diversity) Bronze level TIDE accretion and are members of Business in the Community. We promote this culture through our Different Together brand. The Wheatley Group Code of Conduct sets out expectations.</p> <p>Staff are also bound by the Code of Conduct and HR Policies. We have a Whistleblowing Policy, an anti-fraud, corruption and Bribery Policy, an Anti-money Laundering policy, and Payments Benefits Gifts and Hospitality Policy. The Code of Conduct has been strengthened for the Group Board via stronger provisions for dealing with any suspected breaches, with the power now in place to enforce vacation of office.</p>	<p>Governance framework</p> <p>- Group Standing Orders</p> <p>- Group Code of Conduct (governing body and staff) and Group Values</p> <p>- Whistleblowing policy</p> <p>- Anti-fraud, corruption and Bribery Policy,</p> <p>-Anti-money Laundering policy.</p> <p>-policy communication supported by videos for staff</p> <p>- Gifts and hospitality register</p>	Compliant

5.2 The RSL upholds and promotes the standards of behaviour and conduct it expects of governing body members and staff through an appropriate code of conduct. It manages governing body members' performance, ensures compliance and has a robust system to deal with any breach of the code.	We operate a Group Code of Conduct which all members are required to sign up to; this is consistent with regulatory requirements and sector good practice. It includes arrangements to deal with any breach of the code. An annual appraisal system is in place to manage governing body performance. Similar arrangements are in place for staff via HR policies and the Staff code of conduct.	Governance framework <ul style="list-style-type: none">- Group Code of Conduct and Conflicts Policy - including process for dealing with breaches- Governing Body Board effectiveness and Appraisal Policy (reviewed 2022) and process¹- HR policies and staff code of conduct available on We Connect.	Compliant
5.3 The RSL pays due regard to the need to eliminate discrimination, advance equality and human rights, and foster good relations across the range of protected characteristics in all areas of its work, including its governance arrangements.	<p>Our leaders empower all employees to live the Wheatley Group values; Trust, Community, Excellence and Ambition. The values are integrated into the MyAppraisal appraisal process. Our EDI and Human Rights policy outlines how we pays due regard to the need to eliminate discrimination, advance equality and human rights, and foster good relations across the range of protected characteristics in all areas of its work. We updated our policy in 2022, detailing how we will use equality data to inform decision-making as per the SHR requirement and taking account of SFHA good practice advice.</p> <p>This is also embedded in our HR policies and in our governance arrangements through Equality Impact Assessments and including an equalities section in all Board reports to ensure equality implications are considered. We also ensure our staff are trained with EDI e-learning and Hate Crime training so staff are educated on the protected characteristics. EDI training is included in staff induction. in addition, we have staff and group governing body members' Codes of Conduct which our staff and Board members must abide by.</p> <p>We have continued to further strengthen this standard by introducing quarterly updates on EDI for the Wheatley Solutions Board, which includes monitoring progress with our EDI Action plan and how we are using the equalities data collected to inform our service design and delivery. We have introduced quarterly monitoring and analysis of our equality data for; MyHousing (Allocations); Customer Voice (engagement); Wheatley Works (employability) and JobTrain (applicants). We also collect Board member equality data to inform succession plans. This data collection complies with GDPR. We continue to promote and raise the profile of our Different Together approach through our staff CoE and networks, sponsored by our Executives. We have further enhanced our EDI training with in-person sessions for staff and through leadership development.</p> <p>We have effective arrangements in place to make reasonable adjustments (including a resonate adjustment passport for staff), consider accessibility (i.e. alternative formats of materials available as required) as well as practical arrangements i.e. for translation/interpretation through the BigWord.</p>	Group policies and associated documents <ul style="list-style-type: none">- Wheatley Group Values- HR policies including Dignity at Work and Employee Code of Conduct- Group Governing Body Member Code of Conduct and Conflicts Policy (policy reviewed 2022)- Group Equality, Diversity and Human Rights policy (reviewed 2022)- Equality Impact Assessments including template, guidance and training - externally validated. Equalities implications in all Board reports.- Equality, Diversity and Inclusion awareness training mandatory for all staff and included in induction - externally validated- Hate Crime training for staff-Resemble adjustments carried out-Group EDI Action Plan (approved Nov 22)-Wheatley Solutions Board updates - including data gathering-Different Together CoE and networking groups-Working group of Stronger Voices CoE focussed on equalities-enhanced in person training facilitated by BITC- Inclusion Champions and Inclusive Leaders-ongoing partnership with Diversity Scotland to further enhance training and induction	Compliant
5.4 Governing body members and staff declare and manage openly and appropriately any conflicts of interest and ensure they do not benefit improperly from their position.	We operate a register of interests (ROI) and declarations of interest is a standing item on Board meeting agendas. Our Group policies on Gifts, Hospitality, payments and benefits have been refreshed during early 2022. This includes guidelines staff must follow to declare an interest i.e. completing a declaration of interest form for inclusion in our staff register of interest. A new policy on Non-Executive Director Conflicts of Interest has also now been introduced. Our policies reflect regulatory and constitutional requirements. We annually review our ROI to ensure up-to-date and accurate. Any actions regarding conflicts or potential conflicts which are declared are recorded in minutes. We publish Board member interests online. We also have procurement information publicly available online to help support compliance in regards to interests.	Group policies and associated documents <ul style="list-style-type: none">- Group Code of Conduct- Group Conflicts of Interest Policy- Register of Interests form and Group register of interests/related parties (annually reviewed)- Staff Register of Interests and form (reviewed and updated in October 2022)- Group policy on gifts, hospitality, payments and benefits (updated 2022)- Non - Executive Director Conflicts of Interest Policy (introduced 2022) Board reporting and monitoring <ul style="list-style-type: none">- Minutes of Board meetings- Example of standing item on Board meeting agendas- Interests published on Board member website page and on AdminControl, our online Board portal	Compliant
5.5 The governing body is responsible for the management, support, remuneration and appraisal of the RSL's senior officer and obtains independent, professional advice on matters where it would be inappropriate for the senior officer to provide advice.	<p>Group CEO appraisal is undertaken by Group Chair and remuneration levels are set by the Board based on previous SHR Recommended practice such as relevant benchmarking and metrics such as pay per home. Our RAAG committee considers this for recommendation to our Group Board.</p> <p>The Board accesses independent professional advice and holds discussions without the Group Chief Executive where appropriate. There is an effective process in place for annual appraisal</p>	Group governance framework <ul style="list-style-type: none">- Group Standing Orders Board reporting <ul style="list-style-type: none">- Reports to RAAG Committee and Group Board on Group CEO terms and conditions.-RAAG minutes Feb 2023	Compliant
5.6 There are clear procedures for employees and governing body members to raise concerns or whistle blow if they believe there has been fraud, corruption or other wrongdoing within the RSL.	We have specific Whistleblowing and Fraud, Bribery and Corruption and Anti-money laundering Policies in place, approved by the Group Audit Committee. These were reviewed in 2022 and set out to prevent and detect attempted wrongdoing. We regularly review these policies to ensure up-to-date and consistent with regulatory and good practice advice. We recently launched policy videos for these policies are part of their communication to staff - these are available on our intranet and online. In relation to Whistleblowing, this policy outlines the support and independent advice available. Any instances reported follow policy procedure including reporting to Board/committee.	Group policies <ul style="list-style-type: none">- Group Whistleblowing policy- Group Fraud, Corruption and Bribery policy- Group Anti money laundering and counter terrorism financing policy- Internal audit reports to Group Audit Committee	Compliant
5.7 Severance payments are only made in accordance with a clear policy which is approved by the governing body, is consistently applied and in accordance with contractual obligations. Such payments are monitored by the governing body to ensure the payment represents value for money. Alternatives to severance must be considered including redeployment.	Our existing approach to ER/VR consists of two elements: our individual policies on Early Retirement and Redundancy and the affordability criteria we apply agreeing any form of what may be classified as a 'severance payment. Any instances of severance are reported to RAAG committee.	Group policies and associated documents <ul style="list-style-type: none">- Policies on redeployment, redundancy and early retirement linked to redundancy (WH Glasgow, Loretto, and WH East)-Terms and conditions of employment- Legal Advice regarding severance	Compliant
5.8 Where a severance payment is accompanied by a settlement agreement this must not be used to limit public accountability or whistleblowing. RSLs must take professional legal advice before entering into a settlement agreement.	We engage external legal advice in relation to any settlement agreements and we seek legal advice in every instance.	Legal Advice regarding severance	Compliant
Standard 6 The governing body and senior officers have the skills and knowledge they need to be effective.		Guidance	
6.1 The RSL has a formal, rigorous and transparent process for the election, appointment and recruitment of governing body members. The RSL formally and actively plans to ensure orderly succession to governing body places to maintain an appropriate and effective composition of governing body members and to ensure sustainability of the governing body.	<p>We undertake review of our succession plans to ensure we maintain an appropriate and effective composition. We have an Appraisal and Board effectiveness policy and Board recruitment succession planning procedure (reviewed and introduced in 2022). The Board undertake an annual appraisal process, as considered and agreed by RAAG. We carry out a skills self-assessment and mapping exercise against agreed skills matrices with our Boards. We also collect equalities data from our Board members. This all informs our 3-year succession plans which we review annually.</p> <p>Recruitment vacancies are always advertised and subject to:</p> <ul style="list-style-type: none">- the process set out in constitutions- recruitment policy- RAAG committee agreement	Group governance framework <ul style="list-style-type: none">- Group Standing Orders- Group Board effectiveness and appraisal policy- Group Board recruitment and succession planning procedure- Sub Board skills matrices and succession plans	Compliant

6.2 The governing body annually assesses the skills, knowledge, diversity and objectivity it needs to provide capable leadership, control and constructive challenge to achieve the RSL's purpose, deliver good tenant outcomes, and manage its affairs. It assesses what is contributed by continuing governing body members, and what gaps there are that need to be filled.	Annual appraisal is in place and the policy includes skills self assessment together with a 1-2-1 review with Chair to evaluate performance/contribution. Each Board has an agreed skills matrix to ensure the Board has a range and skills, knowledge and experience to fulfil responsibilities effectively. This appraisal process is considered annually and agreed by our RAAG committee. The outcomes of our appraisal process are then reported in Board reports, e.g. August 2022. The Group has an appropriate Succession Planning Procedure in place, with Boards receiving 3-year succession plans annually. We collect diversity data from Board members which informs succession planning also.	Group governance framework <ul style="list-style-type: none">- Constitutions- Group Standing Orders- Group Board recruitment and succession planning procedure Board reporting and monitoring <ul style="list-style-type: none">- Board appraisal process and report to Group Board;- RSL Board Succession Plans- Board induction process- Subsidiary Board reports on appraisal and succession	Compliant
6.3 The RSL ensures that all governing body members are subject to annual performance reviews to assess their contribution and effectiveness. The governing body takes account of these annual performance reviews and its skills needs in its succession planning and learning and development plans. The governing body ensures that any non-executive member seeking re-election after nine years' continuous service can demonstrate their continued effectiveness.	An annual appraisal process is in place and the policy includes self-assessment together with a 1-2-1 review with the Chair to evaluate performance. Appraisal process considers the compositions and capabilities of Boards, as well as informing CPD plans to support Board members to develop/enhance skills. Boards also annually consider 3-year succession plans, which are developed to ensure regulatory/constitutional requirements are met.	Group governance framework <ul style="list-style-type: none">- Constitutions- Group Standing Orders- Group Board recruitment and succession planning procedure- Board induction process- Board CPD Programme Board reporting and monitoring <ul style="list-style-type: none">- Board appraisal report to Group Board;- 3-year Succession Plans including specific agreement to extend beyond 9 years and assessment of continued effectiveness to support this	Compliant
6.4 The RSL encourages as diverse a membership as is compatible with its constitution and actively engages its membership in the process for filling vacancies on the governing body.	Our approach, as documented in our membership policies and constitutions, was reviewed last year and agreed by all relevant Boards taking into account this Regulatory Standard. Our membership policies are reviewed regularly to ensure up-to-date and consistent with constitutions.	Group policies <ul style="list-style-type: none">- Membership Policies (published online) Group governance framework <ul style="list-style-type: none">- Constitutions Board reporting <ul style="list-style-type: none">- reports to individual Boards regarding membership changes and assessing compliance with this standard as part of the changes agreed	Compliant
6.5 The RSL ensures all new governing body members receive an effective induction programme to enable them to fully understand and exercise their governance responsibilities. Existing governing body members are given ongoing support and training to gain, or refresh, skills and expertise and sustain their continued effectiveness.	We have a structured approach to board induction and CPD. In addition to this, we take into account the operating context, with tailored CPD being delivered. We use a hybrid approach of both online and in-person CPD and will use this going forward. Our annual Board appraisal process, in which we consider the balance of skills and experience on our Boards, also takes CPD requirements into account	Induction and training <ul style="list-style-type: none">- Induction process- CPD programme- Institute of Directors (IoD) induction programme session on the Role of a Non-Exec Director -annual appraisal process and Board reports	Compliant
6.6 If the governing body decides to pay any of its non-executive members then it has a policy framework to demonstrate clearly how paying its members will enhance decision-making, strengthen accountability and ownership of decisions, improve overall the quality of good governance and financial management and deliver value for money.	The Group Governing Body Remuneration Policy sets out the Group's approach to remuneration - which is to remunerate non-executive positions in order to attract and retain those with the right talents, skills and experience. The remuneration is based on a number of principles, which are set out in the Policy. Currently, it is only our Group Board, Group Committees, Wheatley Developments and The Wheatley Foundation Chair roles that are remunerated - remuneration is considered by RAAG for recommendation to Group Board.	Group policy framework <ul style="list-style-type: none">- Governing Body Remuneration Policy Board reporting and monitoring <ul style="list-style-type: none">- Board reports e.g. February 2022, September 2022	Compliant
6.7 The governing body is satisfied that the senior officer has the necessary skills and knowledge to do his/her job. The governing body sets the senior officer's objectives, oversees performance, ensures annual performance appraisal, and requires continuous professional development.	<p>This is overseen via the Group Chair, who undertakes an annual appraisal of the Group Chief Executive and provides feedback to the Group RAAG Committee and Group Board.</p> <p>We recently went through a process for appointing new CEO. This was undertaken in early 2022, with the appointment from September 2022. External recruitment advisors, the Group Chair, and Chair of Audit Committee were all involved to ensure the successful candidate had the correct skills and experience. Our RAAG committee also considers remuneration in accordance with our policy.</p>	Board reporting and monitoring <ul style="list-style-type: none">- Confidential minutes of RAAG report to Group Board.	Compliant
Standard 7 The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.			
Guidance			
7.1 The governing body discusses and scrutinises any proposal for organisational change and ensures that the proposal will benefit current and future tenants.	The West Lothian Housing Partnership (WLHP) transfer to Wheatley Homes East (WHE, previously called Dunedin Canmore) commenced early 2022 - this was reviewed by the WLHP, WHE and Group Boards taking into account the implications for tenants. Cube also transferred to WH Glasgow and Loretto in May/June 2021 with the Cube, WH Glasgow and Loretto Boards taking all the necessary steps for transfer including reviewing the proposals and outcome of customer consultation to ensure they were satisfied with the benefits to customers. Engagement on the re-branding of WH Glasgow following the Cube transfer took place in autumn 2021; again the Board carefully scrutinised plans before approving the change. Name changes for DC to WHE and DGHP to WHS took a similar approach. In considering the proposals for these projects, Boards were clear about objectives and implications for tenants, as well as consultation requirements with tenants. The SHR was notified in accordance with regulatory requirements.	Board reporting and monitoring <ul style="list-style-type: none">- Board reports- Board minutes	Compliant
7.2 The RSL ensures that its governance structures are as simple as possible, clear and allow it to meet the Standards of Governance & Financial Management, Constitutional Requirements, and Group Structures guidance.	<p>We operate a relatively flat and simple corporate structure. Our 2021 Strategic Governance Review with advice from Campbell Tickell, supports recent decision to rationalise the Group by dispersing activities of Cube and ultimately winding one entity up. We then undertook further consolidation of the Group structure and the transfer of West Lothian Housing Partnership to Wheatley Homes East is now complete. Recent consolidation outwith our RSLs will also lead to the winding-up of Novantie Limited, YourPlace Property Management Limited and Wheatley Enterprises Limited.</p> <p>All proposed organisational changes were considered by Boards to ensure these continue to deliver effective governance, whilst demonstrating quantifiable benefits for tenants and stakeholders. This is also in the context of retaining different geographies with distinct local characteristics hence why we consider locally-based governance and local tenant voices on Boards, important.</p> <p>Intra-group agreements are in place between the parent and each subsidiary.</p>	Group governance framework <ul style="list-style-type: none">- Group Standing Orders- Intra-Group Agreements External validation <ul style="list-style-type: none">- Campbell Tickell Governance review Board reporting and monitoring <ul style="list-style-type: none">- Board packs	Compliant
7.3 The RSL ensures adequate consultation with, and support from, key stakeholders including tenants, members, funders (who may need to give specific approval) and local authorities as well as other regulators.	The WH Glasgow name change project also involved consultation with customers in autumn 2021 and Stakeholder engagement for the WLHP transfer commenced in March 2022, including engagement with the regulator. Subsequent name change projects also included stakeholder and regulator engagement. Board reports for these projects identified a schedule of key milestones including stakeholder engagement; Boards oversaw the delivery and achievement of these exercises, including securing necessary approvals e.g. from funders, through tenant ballot.	Board reporting and monitoring <ul style="list-style-type: none">- Board reports-Tenant consultation records-Approvals e.g. funders, OSCR, FCA, SHR Other <ul style="list-style-type: none">- Exchanges with Local Authorities and customers	Compliant
7.4 The governing body is satisfied that the new (or changed) organisation will be financially viable, efficient and will provide good outcomes for tenants.	This was assessed fully by the respective Boards in relation to the previous Cube Housing transfer and before progressing with the WLHP transfer i.e. in developing proposals which customers were consulted and balloted on. In considering proposals our Boards have regard to financial implications, benefit to customers, efficiencies, and laws and regulation.	Board reporting and monitoring <ul style="list-style-type: none">- Board reports - including financial implications, benefits to tenants, independent advice and feedback from consultation to develop proposals for consideration- Board minutes	Compliant

7.5 The RSL establishes robust monitoring systems to ensure that delivery of the objective of the change and of commitments made to tenants are achieved (for example in relation to service standards, operating costs and investment levels).	We have clear monitoring arrangements in place for ensuring commitments to tenants are monitored and delivered. These will also be reported to the relevant Boards on an ongoing basis.	Board reporting including updates post-transfers, annual rent setting where there has been a rent promise made as part of partnership proposal	Compliant
7.6 Charitable RSLs seek consent/ notify OSCR of changes to their constitution and other changes as appropriate.	OSCR approval sought in respect of WLHP transfer and WH Glasgow name change, also for DC and DGHP name change to Wheatley Homes East and Wheatley Homes South respectively. OSCR notified of Cube transfer and WLHP transfer within timescales i.e. within 3 months. Boards assured that consents are obtained within timescales as set out in Board reports.	Formal notification documents to OSCR including applications and consent	Compliant
7.7 The governing body ensures that disposals, acquisitions and investments fit with the RSL's objectives and business plan, and that its strategy is sustainable. It considers these taking account of appropriate professional advice and a consideration of value for money - whether as part of a broader strategy or on a case-by-case basis.	The Terms of Reference for each Board set out that each Board is responsible for its own organisation's disposals/acquisitions and for setting the parameters of any delegation of same. We have a group-wide acquisitions and disposals framework which was agreed and adopted by each entity. The subsidiary-specific policies put in place contain template forms to be completed for each disposal/acquisition and require business leads and key stakeholder departments (including finance and the asset teams) to be involved in the decision-making. We have introduced annual reports on disposals/acquisitions for each Board.	Board reporting and monitoring - Sub Board report - Group Standing Orders	Compliant
7.8 The RSL complies with regulatory guidance on tenant consultation, ballots and authorisation.	The three recent instances of re-structure within the Group have demonstrated consultation with tenants, ensuring that relevant Boards have considered and approved proposals and have been assured that all regulatory requirements were followed - in 2022, this included the WLHP consultation and ballot to join Wheatley Homes East (then called Dunedin Canmore).	Board reports and associated tenant consultation/ballot documentation e.g. East of Scotland partnership Notifiable events register SHR approvals	Compliant
7.9 The RSL notifies the Regulator of disposals in accordance with regulatory guidance.	We have a clear, robust internal process in place for ensuring that all disposals are notified to the SHR. All staff who are potentially involved in disposals are clear on where this triggers a notification requirement. The Property Legal team notifies the Governance team of any disposals. The Governance team maintains a disposal register and notifies the SHR of any notifiable disposals on a monthly basis using the SHR portal. The Governance team reconciles its records against the Property Legal team records on a monthly basis to ensure all disposals are captured. An updated disposals policy was approved and rolled out during 2022; this was subsequently reviewed in June 2023.	SHR Portal holds records of all notifiable disposals. Disposals register Annual update to Board (May 23) Disposals and acquisition policy Notifiable events register	Compliant
7.10 The RSL only agrees to fixed or floating charges where the assets are used to support core activities. This should exclude providing security in relation to staff pensions.	<p>The Group funding structure is split between 'RSL' and 'Others.' Wheatley Funding No. 1 Limited (WFL1) was formed as a special purpose vehicle to facilitate funding the Group RSLs from bond issuance and bank lenders. WFL1 borrows funds from the bond issuer and banks and on-lends them to the RSLs within the Group in accordance with the criteria set out in the Intercompany Loan Agreements. The Bond is secured against Group Properties. These Charged Properties are named in the Bond Trust Deed and there are requirements to notify the Trustee if the Group wants to add, substitute, release or dispose of a property charged against the Bond loan value. A Secured stock spreadsheet is maintained by the Treasury Team.</p> <p>Annual Valuations on the Group Assets are undertaken by JLL including separate valuations for each funder against assets. In addition, Prudential Securities provides its own report on funding against the Group Assets which Treasury reconcile quarterly against their own records.</p>	Corporate records - Financial records of RSLs and WFL1 - Security spreadsheet -Regulatory and financial implications section in Board report templates -Board reports e.g. business plan, funding updates	Compliant

Appendix 1.3			
The constitution of the RSL must comply with all legislative requirements under the 2010 Act (which are not replicated here) and the following regulatory requirements:	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
	All RSL rules take into account the SFHA Charitable Model Rules, subject to us ensuring that the reflect our own needs. All constitutions are subject to a) review by individual Boards b) review by our external legal advisors, and c) agreement by members.		Compliant
1. It sets out clearly the RSL’s purpose, objects and powers.	WH Glasgow: section 2 of Rules- Objects and purpose; 45-47 Powers Loretto: section 2 of Rules- Objects and purpose; 45-47 Powers WHE: section 2 of Rules- Objects and purpose; 45-47 Powers WHS- section 5 of Articles - Objects and purpose; 6 - Powers; 45-46	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of material constitutional changes.	Compliant
2. The RSL is able to fulfil its obligations in terms of its legal status and (if relevant) its obligations as a registered charity. These obligations and how they will be met are set out in the constitution.	Obligations and how these will be met are set out in Rules/Articles	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of material constitutional changes.	Compliant
3. There is a system for keeping accounts and ensuring an independent audit by an appropriately qualified person. There is a proper procedure for appointing an auditor. The governing body should take whatever measures are necessary to ensure the continuing independence of the auditor including periodic review of the need for audit rotation. The RSL must send a copy of its accounts and the auditor’s report to us within six months of the end of the period to which they relate.	WHG - sections 69-74 of Rules Loretto - sections 69-74 of Rules WHE - sections 69-74 of Rules WHS - section 62 of Articles The Group has established financial procedures for preparing the annual accounts. These are kept and prepared within the requirements of our RSLs Rules/Articles. The appointment of auditor is considered annually as part of the AGM. The appointment of the external auditor is also approved by Group Audit Committee who also reviews their performance as part of their annual self-assessment. Audited accounts and auditor's report are presented to the Board for approval in August Board meetings. Accounts presented to members at AGM and audit elected for the following financial year. All annual returns regarding annual accounts are made within required timescales each year including to SHR, OSCR and FCA or Companies House (as appropriate).	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of material constitutional changes.	Compliant
4. It is clear what investments and borrowing the governing body can authorise.	WH Glasgow: section 18, 80 of Rules Loretto: section 18, 80 of Rules WHE: section 18, 80 of Rules WHS- section 7, 47 of Articles	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant
5. There is a procedure for dealing with disputes on matters contained within the constitution.	WH Glasgow: section 82 of Rules Loretto: section 82 of Rules WHE: section 82 of Rules WHS- section 68 of Articles	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant
6. It is clear how changes can be made to the constitution.	WH Glasgow: section 88 of Rules Loretto: section 88 of Rules WHE: section 88 of Rules WHS- sections 72-75 of Articles	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes. For example, our legal advisors were engaged during the name change process for WH Glasgow which involved holding an SGM on the 29 June 2022 to pass the resolutions for the name change and also to update the RSLs rules. The name change was registered with the FCA on 20 July and rule change on 17 August - all other necessary notifications including to the SHR have been/will be made within required timelines. - Evidence in folder. We have engaged legal advice for upcoming name changes for Dunedin Canmore and DGHP. This includes an Article change for DGHP. This has been approved by the Boards with a SGM being held on 22 September for Duendin Canmore and 21 September for DGHP.	Compliant
7. It is clear how the RSL can be closed down.	WH Glasgow: section 86 of Rules Loretto: section 86 of Rules WHE: section 86 of Rules WHS- section 70 of Articles	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant
8. The RSL can demonstrate its governance and financial arrangements are such as to allow the Regulator to regulate effectively, and exercise our full regulatory powers.	Demonstrated through our RSL Rules/Articles, Group Standing Orders and governance policies, RSL Board Terms of Reference, Board meetings and accompanying reports and ongoing regulatory engagement with SHR as required.	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant

In relation to an RSL within a group structure:			
9. Each organisation within the group must have a distinct legal identity and separate constitution. The constitutional and financial relationships between all organisations in the group (registered or non-registered) must be documented formally and in terms that are transparent and understandable.	All RSLs have their own legal identity and Articles and Rules. Defined Group Structure and organisations enter into an Intra-Group Agreement with the Parent, which defines the relationship.	All RSL Rules/Articles of Association Model Intra Group Agreement	Compliant
10. If any of the organisations within the group are charities, the RSL's role and relationships with other group members are consistent with charity law.	As set out in RSL Rules/Articles of Association - WHG, Loretto, WHE and WHS are charities.	All RSL Rules/Articles of Association	Compliant
11. The constitutions of group members must enable the parent to exercise control and to take corrective action where required.	Articles/Rules set out powers of Parent and where Parent approval is required	All RSL Rules/Articles of Association	Compliant
12. There are procedures in place designed to avoid conflicts of interest, particularly where members of the subsidiary's governing body are also members of the parent's governing body.	Register of of interests reviewed and updated annually, declarations of interest as standing agenda item and newly reviewed Conflicts of Interest policy. Also detailed in Rules/Articles in terms of Board membership.	All RSL Rules/Articles of Association Group Conflicts of Interest policy	Compliant
13. Where it is constituted as a subsidiary of another body, the RSL's constitution permits control by the parent but with sufficient independence to carry out its business, within limits set by the parent.	As per constitutions	All RSL Rules/Articles of Association	Compliant
With regard to the governing body of the RSL and the members of the governing body:			
14. Recruitment to the governing body is open and transparent. It is clear who is eligible to become a member of the governing body and how to become a member of the governing body whether by election, nomination, selection, etc and how membership is ended. There is a procedure for removing members from the governing body.	WH Glasgow: section 39-44 of Rules Loretto: section 39-44 of Rules WHE: section 39-44 of Rules WHS- section 38-45, 49 of Articles	All RSL Rules/Articles of Association	Compliant
15. There is a procedure by which members stand down from the governing body to allow for a turnover in membership. Governing body members are appointed for specific terms subject to re-election or re-appointment.	Board members are appointed for 3-year fixed terms before re-appointment required. Board members cannot serve beyond 9 consecutive years (unless extended and approved by Parent) - specific terms of this are set out in relevant constitutions	All RSL Rules/Articles of Association	Compliant
16. The membership of the governing body must be no fewer than seven and not normally exceed 15 members, including co-opted members. Names of the governing body members must be accessible to the public.	Composition of Board- WH Glasgow: section 37 of Rules Loretto: section 37 of Rules WHE: section 37 of Rules WHS- section 37 of Articles All Board members available on websites	All RSL Rules/Articles of Association	Compliant
17. The powers and responsibilities of the governing body are clearly set out.	As per constitutions	All RSL Rules/Articles of Association	Compliant
18. The roles, powers and responsibilities of governing body office bearers are set out. And any delegation to committees or staff are clearly set out in standing orders and delegated authorities.	As per constitutions and Group Standing Orders WH Glasgow: section 59 of Rules Loretto: section 59 of Rules WHE: section 59 of Rules WHS- section 60 of Articles	All RSL Rules/Articles of Association	Compliant
19. There are provisions for the RSL to remove a governing body member who does not sign up to the code of conduct and to take action against or remove a governing body member in breach of the code.	WH Glasgow: section 37.5, 37.10, 44.5 of Rules Loretto: section 37.5, 37.10, 44.5 of Rules WHE: section 37.5, 37.10, 44.5 of Rules WHS- section 14 and 44 of Articles	All RSL Rules/Articles of Association	Compliant
20. Where the constitution allows executive staff on to the governing body, they must be excluded from holding office, and cannot form a quorum or a majority. Executive members of the governing body should not receive any additional payment for their governing body role over and above what they are entitled to under their contract of employment.	As per constitutions. <i>When WH -Glasgow's constitution is next reviewed, this section will be updated as per Campbell Tickell recommendation.</i>	All RSL Rules/Articles of Association	Compliant
21. It is clear what types of meetings can and should be held and their purpose. There are clear procedures to call all meetings, and it is clear what the quorum of meetings should be, how resolutions will be passed, and decisions recorded, and how many meetings should take place each year, subject to a minimum of six governing body meetings a year.	As per constitutions - procedure for Board meetings, annual general meetings and special general meetings (or extraordinary general meetings for WHS) including calling notices	All RSL Rules/Articles of Association	Compliant
22. The governing body cannot act for longer than two months if its membership falls below seven. If at the end of that period it has not found new members then the only power it will have is to act to bring the governing body members up to seven.	WH Glasgow: section 49 of Rules Loretto: section 49 of Rules WHE: section 49 of Rules WHS- section 53(9)	All RSL Rules/Articles of Association	Compliant
23. There is a clear process to identify and address any conflicts of interest on the governing body.	As per constitutions, Group conflicts of interest policy and standing item on agenda	All RSL Rules/Articles of Association Group Conflicts of Interest policy	Compliant
24. The Chairperson's role is set out formally; the Chairperson is responsible for the leadership of the governing body and ensuring its effectiveness in all aspects of its role. There is a clear process to select the Chairperson, who cannot be an executive member, and must not hold office continuously for more than five years.	WHG - sections 59.6 - 59.14. of Rules Loretto - section 59.6 - 59.12 of Rules WHE: section 59.5-59.11 of Rules WHS- section 60.2-60.9 of Articles	All RSL Rules/Articles of Association	Compliant
25. If the RSL pays any of its non-executive governing body members then it must ensure that: a) the governing body takes account of independent guidance in setting payment amounts and can demonstrate value for money; b) the payments are linked to specified duties and there is a clear process for assessing performance in carrying out these duties; c) details of governing body payments are published in the RSL's annual accounts; and d) where an RSL has subsidiaries it must ensure any payments and benefits to subsidiary governing body members are included in the policy. Charitable RSLs must comply with the Charities and Trustee Investment (Scotland) Act 2005 and any associated guidance from the charity regulator when considering payments or benefits to charity trustees.	As per constitutions - no Board member is paid in capacity of sitting on RSL Board. In particular, for WHG - Rules 38.1 and 38.1 refer to payment. Payments can only be made under a Board approved policy. Rules do not prevent payment. For Loretto/WHE - Rules 38.1 and 38.3 apply. Payments restricted by Charities and Trustee Investment (Scotland) Act 2005 and as set out in the Board's policy. For WHS - Articles do not prevent payment. Article 52(1) provides for the Board periodically reviewing its policy on payment; payments can only be made under that policy.	All RSL Rules/Articles of Association	Compliant
26. The role and status of co-opted is set out. Co-opted do not form part of any quorum required for meetings of the governing body and may not vote on matters directly affecting the constitution and membership of the organisation or the election or appointment of its office bearers.	WH Glasgow: section 42 of Rules Loretto: section 42 of Rules WHE: section 42 of Rules WHS- section 43 of Articles	All RSL Rules/Articles of Association	Compliant

With regard to the general membership of the RSL:			
27. It is clear who is eligible to become a member of the RSL and who cannot, and it is clear how to become a member and how membership is ended. Names of the members must be accessible to any other member or anyone with an interest in the RSL's funds.	This is detailed through a combination of constitutions and membership policies. Policies are available on the website - Loreto Membership policy updated and approved March 2023; WHE updated and approved May 2023.	All RSL Rules/Articles of Association - Membership policies	Compliant
28. Membership of the RSL should reflect the purpose and objects of the RSL.	Members of WH Glasgow and WHG are the Board, so by definition reflect the purpose and objects as they set them Other RSLs have membership policies that set out the membership. Membership is primarily open to tenants, Board members and the Parent . Our Board members undertake an annual skills self-assessment against agreed skills matrices to confirm members have the right skills / experience to successfully oversee the delivery of the RSL purpose and objects. The skills mapping is used to identify any gaps which inform our succession planning and CPD planning.	All RSL Rules/Articles of Association - Membership policies - Skills self-assessment and skills matrix	Compliant
29. There is a clear procedure, including the quorum and voting procedure, for the membership of the RSL to meet and it is clear what business the membership can discuss and what decisions it can make, subject to a minimum of one annual meeting.	Clearly detailed within each constitution	All RSL Rules/Articles of Association	Compliant

Report

To: Wheatley Housing Group Board

By: Pauline Turnock, Group Director of Finance

Approved by: Steven Henderson, Group Chief Executive

Subject: 2022/23 Group Statutory accounts

Date of Meeting: 30 August 2023

1. Purpose

- 1.1 This report seeks the Board's approval for the 2022/23 Wheatley Housing Group financial statements.

2. Authorising and strategic context

- 2.1 Under the Group Standing Orders, the Group Board must approve the financial statements for the year to 31 March 2023. The Group and all subsidiary accounts and related reports from the external auditors were considered at the Group Audit Committee meeting on 18 August 2023. The Committee approved the Group financial statements for presentation to the Group Board.
- 2.2 This report also includes a reconciliation of the final out-turn to period 12 management accounts which were presented to the Board in April.

3. Background

- 3.1 The preparation of annual audited accounts is a statutory requirement. This is the first year of a new appointment for KPMG.
- 3.2 The results of City Building (Glasgow) LLP ("CBG") are included in the Group consolidated financial statements and show a distribution in full of the operating surplus between the members. The 2022/23 CBG financial statements are still subject to final audit. Once completed, the CBG 2022/23 accounts will be presented to this Board for Member approval. CBG does not form a material part of the Group's operations.

4. Discussion

Summary of results

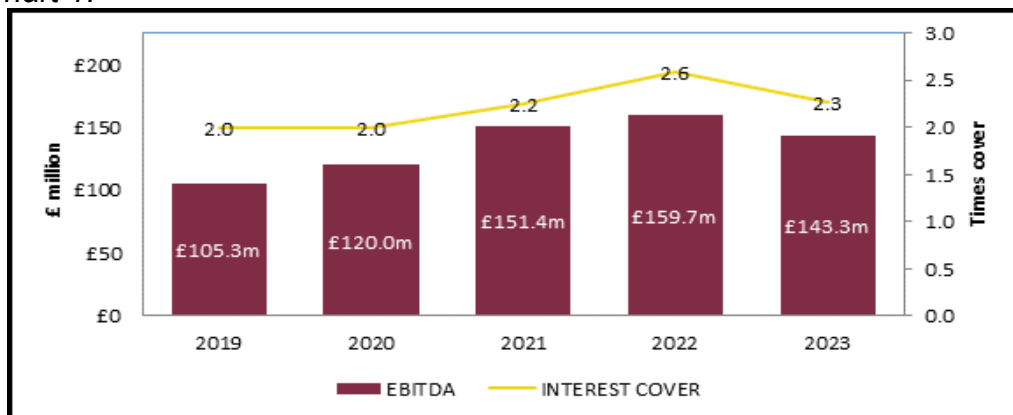
- 4.1 The headline results for the year are:

Income & Expenditure:

- Total Comprehensive Income (including pension scheme and property revaluations) was £4.4m

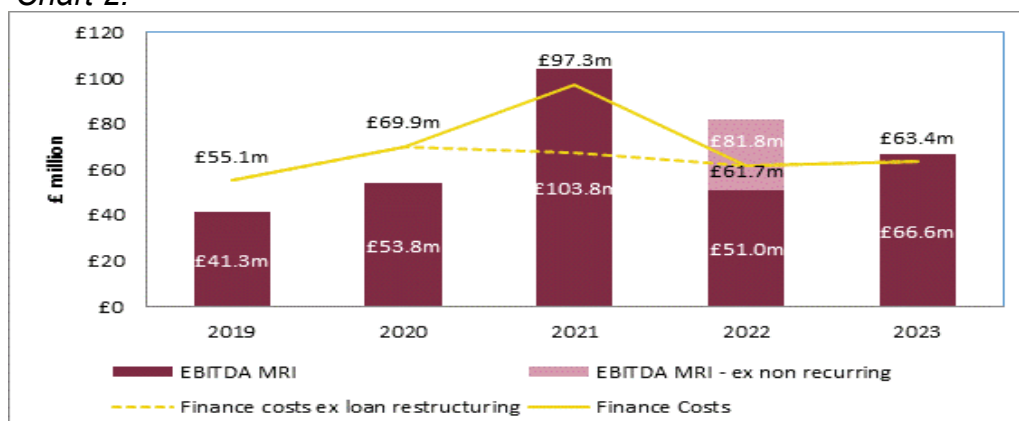
- Operating surplus of £79.3m has been generated which includes grant income on new build completions of £54.8m, a non-cash accounting loss of £9.2m on investment property revaluations and a non-cash accounting gain on business combination of £0.5m following the transfer of 16 properties and other assets and liabilities from Strathclyde (Camphill) Housing Society Limited to Wheatley Homes Glasgow.
- Adjusting to remove FRS 102 adjustments for new build grant, pensions and investment property valuations shows underlying Earnings before Interest, Taxation, Depreciation and Amortisation (“EBITDA”) of £143.3m; down from £159.7m in 2021/22. EBITDA is a measure of underlying surplus generated from our core operating activities. It excludes accounting adjustments such as depreciation, asset revaluations and non-cash pension adjustments. The EBITDA measure is used in our loan covenants. The reduction in EBITDA is linked to the one-off £12.9m litigation receipt in the previous year and higher repairs costs. Excluding the period of disruption in 2020/21 and 2021/22 created by the pandemic the longer-term trend is favourable.
- EBITDA of £143.3m continues to provide a comfortable level of interest cover being 2.3 times interest costs as shown in Chart 1.

Chart 1:



- Chart 2 shows EBITDA after deducting all fixed asset capital investment spend in existing social housing or EBITDA MRI of £66.6m. When compared to interest costs (excluding fair value accounting adjustments) of £63.4m, EBITDA MRI is £3.2m higher. This shows that funds generated through core operations are sufficient to keep properties in good condition, meet financing costs and delivers our strategic objective of borrowing only to fund new build housing.

Chart 2:



Statement of Financial Position:

- Net assets of £1,237.5m, which includes the valuation movement £42.8m when compared to book cost on social housing properties;
- Net pension asset decreased to £2.5m from a net pension asset of £58.2m, a movement of £55.7m following the actuarial valuation as at 31 March 2023. In line with accounting rules, the pension asset reported is aligned to the extent to which any benefit would be available to the employer in the form of reduced future contributions.
- Capital investment in new build completions totalled £98.0m;
- Gearing remained prudent at 53% increasing since last year due to the size of the capital investment programme and gross debt per unit was £23,909 (2022: £23,439); both remaining low compared to other comparably sized UK housing groups.

Cash flow:

- Net cash flow from operations was £145.0m;
- Grant income received was £56.4m, of which £55.5m related to our new build programme;
- £76.7m was invested to improve our existing housing properties and £95.5 in building new homes;
- Significant committed bank funding lines remain in place, with £270.3m available to be drawn as required (2022: £285.7m) and net cash balances of £39.7m (2022: £62.2m)

4.2 Items of note in the 2022/23 results are discussed further in this section and include:

- Social housing property valuations
- Defined Benefit Pension Scheme update

4.3 **Social housing property valuations** – The 2022/23 financial statements report social housing properties on the Statement of Financial Position of £2,599.9m with an unrealised non-cash deficit in the valuation of social housing properties for the year of £42.8m shown on the Statement of Comprehensive Income. A comprehensive stock validation survey was completed by JLL in 2022/23. JLL completed physical inspections across over 8,500 homes, validating the useful economic life of key components. The key component costs used in the business planning processes were also validated. As a result, JLL have 98% confidence in the data held in our asset management systems on the maintenance and repairs programme, the useful economic life of component parts and associated financial provision in the business plan to support the delivery of the required maintenance and investment in these assets over the 30 year term.

4.4 **Defined Benefit Pension Schemes** – The group has defined benefit (“DB”) pension arrangements with Strathclyde Pension Fund (“SPF”) and the SHAPs DB scheme (which is closed to future accrual).

4.5 The financial statements have been updated to reflect the results of the actuarial valuation at 31 March 2023 and show a DB pension asset of £2.5m compared to a DB pension asset of £58.2m reported in the prior year. In completing the annual valuation, a discount rate assumption of 4.75% at 31 March 2023 has been used linked to the gilt yield compared to a discount rate of 2.7% at 31 March 2022.

- 4.6 Accounting rules provide that a pension asset can be recognised on the Statement of Financial Position to the extent that is recoverable by the employer for example in the form of reduced future contributions. The movement in the discount rate from 2.7% to 4.75% has narrowed the gap between the present value of future employer contributions compared to the present value of future service cost, and in turn, reduces the pension asset recognised.
- 4.7 The pension valuation movements are non-cash accounting adjustments and are updated each year based on assumptions used by the scheme actuaries for future discount rates, inflation estimates and life expectancy. The next triennial valuation is due on 31 March 2023 with the results expected to be available in the summer of 2024.
- 4.8 The last triennial valuation of the SHAPs DB scheme for funding purposes was carried out as at 30 September 2021, with the results finalised in October 2022. This valuation revealed a deficit of £27m a reduction from a deficit of £121m in 2018. It had previously been agreed to extend the period over which additional contributions were paid under the Recovery Plan by 12 months to September 2022 to ensure any remaining deficit was addressed. Thereafter the Trustees have agreed that no further contributions are due. The funding position of the scheme will be reviewed at the next formal valuation as at 30 September 2024.
- 4.9 The TPT Benefits Review is ongoing, with legal opinion being sought on whether pre-2003 benefits should have continued to receive pension increases in line with RPI inflation, rather than being switched to CPI inflation from 2011 onwards. The choice of inflation measure can have an impact on members' benefits because RPI is generally expected to be higher than CPI. Guidance from the Court, and therefore whether any increases to members benefits will be needed, is not expected before late 2024. We continue to engage with our actuarial advisors to keep up to date on developments. Implications on the funding of the schemes is not yet clear but will be considered by the actuary once guidance is provided by the Court.
- 4.10 The adjustments made between the period 12 management accounts and the final audited accounts are summarised below:

	Income & Expenditure £m	Net Assets £m
P12 Management Accounts	22.1	1,255.2
Revaluation of investment properties	(9.2)	(9.2)
Revaluation of housing properties	42.8	42.8
Revaluation of office properties	(3.9)	(3.9)
Pension Adjustments	(58.6)	(58.6)
Depreciation Adjustment	7.3	7.3
Fair value of Scottish Government Loan	0.8	0.8
Gain on business combination and disposal of assets	0.7	0.7
Other capitalisation adjustments	1.8	1.8
Interest receivable and payable rate adjustments	0.6	0.6
Group Statutory Accounts	4.4	1,237.5

- 4.11 The statutory results are updated annually for the outcome of the housing stock valuation by JLL and the inclusion of the updated defined benefit pension scheme actuarial valuations for SHAPS as well as the Strathclyde Pension Fund. In addition, as part of our year-end work depreciation charges were updated and calculated at individual component level, leading to a decrease in the depreciation reported across the Group of £7.3m. Other adjustments are for timing and cut-off after the preparation of the management accounts; such as a review of accruals made following the receipt of the invoices post-year end and a review of expenditure to ensure capitalisation is in line with the Group policy. Post year-end adjustments were made to interest receivable and payable to recognise interest receivable within Wheatley Funding No1 Limited and to adjust the loan interest payable of THFC loan funding within Wheatley Homes East.
- 4.12 YourPlace Property Management Limited, its parent entity Wheatley Enterprises Limited and Novantie Limited are non-trading and have no transactions during the year. Given the dormant/non-transacting nature of these subsidiaries during the year, financial statements have not been presented to the Committee. Delegated authority is sought for the Group Director of Finance to finalise financial statements for both companies and present these as required for approval to the respective Boards. It is expected that both subsidiaries will be dissolved via the voluntary strike-off procedure during the coming year.

Audit summary

- 4.13 KPMG have completed their work and provided an unqualified audit opinion. Audit adjustments as highlighted in the Audit Highlights Memorandum were identified during the course of KPMG's audit work. All of these adjustments have been updated in the financial statements and all accounting policies remain unchanged.
- 4.14 The Group statutory accounts include provision for auditors to be re-appointed at the forthcoming Annual General Meeting.
- 4.15 As a standard part of their audit process, and in line with previous years, KPMG require the Group Chair to sign a "letter of representation" on behalf of the Group Board which confirms certain matters in terms of disclosure and record-keeping. As in previous years, a letter from the Chief Executive has been provided to provide comfort that the officers have complied with the matters stated in this letter. Both these documents are provided along with this paper (Appendix 2 and 3 respectively).
- 4.16 The Board are asked to confirm in the letter of representation that the financial statements are prepared on a going concern basis as in prior years. The assessment that the Group continues in business is based on the preparation and approval of the 30-year business plan which includes cashflow forecasts, the certainty of revenue streams from rental income in the RSLs and the assessment of the availability of funding provided to the Group by lenders.

5. Customer Engagement

- 5.1 There are no direct customer engagement implications arising from this report.

6. Environmental and sustainability implications

- 6.1 Included at Appendix 4 is the Group Report on the Environmental, Social and Governance (“ESG”) metrics we consider vital for the long-term operational, financial and strategic performance of Wheatley Group. Our investors and lenders increasingly request disclosures on green, social and governance matters and the alignment of these with our strategic goals. The 2022/23 ESG report is our fifth annual edition and largely follows the Sustainability Reporting Standard for Social Housing which covers over 40 specific areas of importance to the sector including rent affordability, fire safety and the target of net zero carbon emissions.
- 6.2 We have completed our first year of our Sustainability Linked Loans (SLLs) with the Syndicate and Barclays at 31 March 2023. We successfully delivered on the three KPIs (all new build properties met the minimum EPC Band B requirement, we made more than 50% of our new lets to people experiencing homelessness and the Foundation issued more than 50 educational bursaries to our customers during the year).
- 6.3 The financial statements reference the Group’s ESG Report and will contain a link to the ESG report which will be published at the same time. There is a statutory requirement to include a Streamlined Energy and Carbon Report showing the energy consumption and emissions of the Group’s corporate activities which is also set out in the financial statements and shows good progress towards our target to net zero carbon emissions from our corporate activities by 2026.

8. Digital transformation alignment

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

9. Financial and value for money implications

- 9.1 Financial and value for money implications are covered throughout this report.

10. Legal, regulatory and charitable implications

- 10.1 The Board is asked to approve the 2022/23 Group financial statements. Each Board within the Group will be required by their constitution or under section 485 of the Companies Act, to appoint an auditor for each financial year. Under the Intra-Group Agreement with Wheatley Housing Group the subsidiaries are required to use the Group Auditors subject to the Group confirming KPMG’s reappointment at its Annual General Meeting.
- 10.2 Following approval and signing of the financial statements they require to be submitted to Companies House and the annual return made to the Scottish Housing Regulator for the parent company.

11. Risk Appetite and assessment

- 11.1 Our agreed Group risk appetite in relation to compliance with laws, regulations and compliance is “averse”, meaning that the avoidance of risk and uncertainty is a key organisational objective.

12. Equalities implications

12.1 There are no equalities implications arising from this report.

13. Key issues and conclusions

13.1 The results show that financial performance continues in line with our business plan. 2022/23 saw us navigate a volatile economic climate and inflationary levels which have not been seen in the UK for 40 years. Despite these external economic factors the Group produce a strong and resilient financial performance whilst continuing to deliver all of the services that are so important to our customers.

13.2 EBITDA MRI covered interest costs this year our projections show that generating sufficient earnings after capital investment to cover interest costs is a sustainable position.

13.3 As reported to the Group Board meeting in April, all financial covenants have been met. The final interest cover calculations for the year ended 31 March 2023 are set out in the table below. The covenant figures provided with P12 management accounts were provided as draft and have improved following a review of the allocation of capital investment spend between housing stock and other fixed assets where works that meet the criteria for environmental improvements or district heating are reported.

Interest cover > Target	Target	P12 Mgt Accs	Actual	Covenant Met
WFL1	100%	112%	119%	Yes
Lowther	150%	216%	221%	Yes

14. Recommendations

14.1 The Board is asked to:

- 1) Approve the 2022/23 Group financial statements;
- 2) Confirm the preparation of the financial statements using the going concern basis;
- 3) Approve the Letter of Representation to KPMG and note the related letter of representation from the Group CEO to Group Chair;
- 4) Approve the appointment of KPMG LLP as auditors for the 2023/24 financial year at the Annual General Meeting;
- 5) Note the 2022/23 Group Report on Environmental, Social and Governance.

LIST OF APPENDICES:

Appendix 1: Wheatley Housing Group Financial Statements 2022/23 [redacted].

Available here [Annual reports | Wheatley Group \(wheatley-group.com\)](#)]

Appendix 2: Letter of representation to KPMG [redacted]

Appendix 3: Letter of representation from management [redacted]

Appendix 4: Wheatley Group ESG Report 2022/23 [redacted]. Available here [Environmental, social and governance statement | Wheatley Group \(wheatley-group.com\)](#)]

Internal Audit Annual Report and Opinion 2022/23

1. Introduction

The purpose of this report is to provide our view on the adequacy and effectiveness of the Wheatley Group's ("the Group") system of governance, risk management and internal control, as assessed through delivery of our rolling Internal Audit Plan during 2022/23.

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

Our detailed findings from specific reviews have been reported to Management during the year, with a summary of these findings reported to the Committee at each of its 2022/23 meetings. Summary findings have also been reported to Subsidiary Boards and the Group Board where appropriate.

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

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

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

Group Assurance Mission Statement

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

2. Annual Internal Audit Opinion

Scope

In line with the International Standards for the Professional Practice of Internal Auditing (“the Standards”), Internal Audit provides the Group Board, Audit Committee and Subsidiary Boards with an Annual Internal Audit Opinion, as a result of the work completed during 2022/23.

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

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

- the results of all Internal Audit work undertaken (including any upheld instances of fraud or whistleblowing) during the year ended 31 March 2023;
- in accordance with the Wheatley Group City Building Glasgow Assurance approach, we have placed reliance on the internal audit work done by the Glasgow City Council’s Chief Internal Auditor in relation to City Building Glasgow;
- the effects of any material changes in the Group’s objectives, activities or regulatory environment; and
- whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the Group’s Internal Audit needs.

Basis of Opinion

Sufficient work has been undertaken to enable us to provide an opinion on the adequacy and effectiveness of the internal control environment in operation during 2022/23. In giving this opinion, it should be noted that assurance can never be absolute.

During the delivery of our Internal Audit plan, we identified no critical weaknesses in the governance, risk management, or internal control arrangements which would put the achievement of Group objectives at risk *except for weaknesses in City Building Glasgow processes and controls in relation to governance and compliance matters. The CBG Partnership Oversight Board has been established by the Wheatley Group and Glasgow City Council Chief Executives to review these areas.* As reported to the Group Audit Committee.

Internal Audit Opinion 2022/23

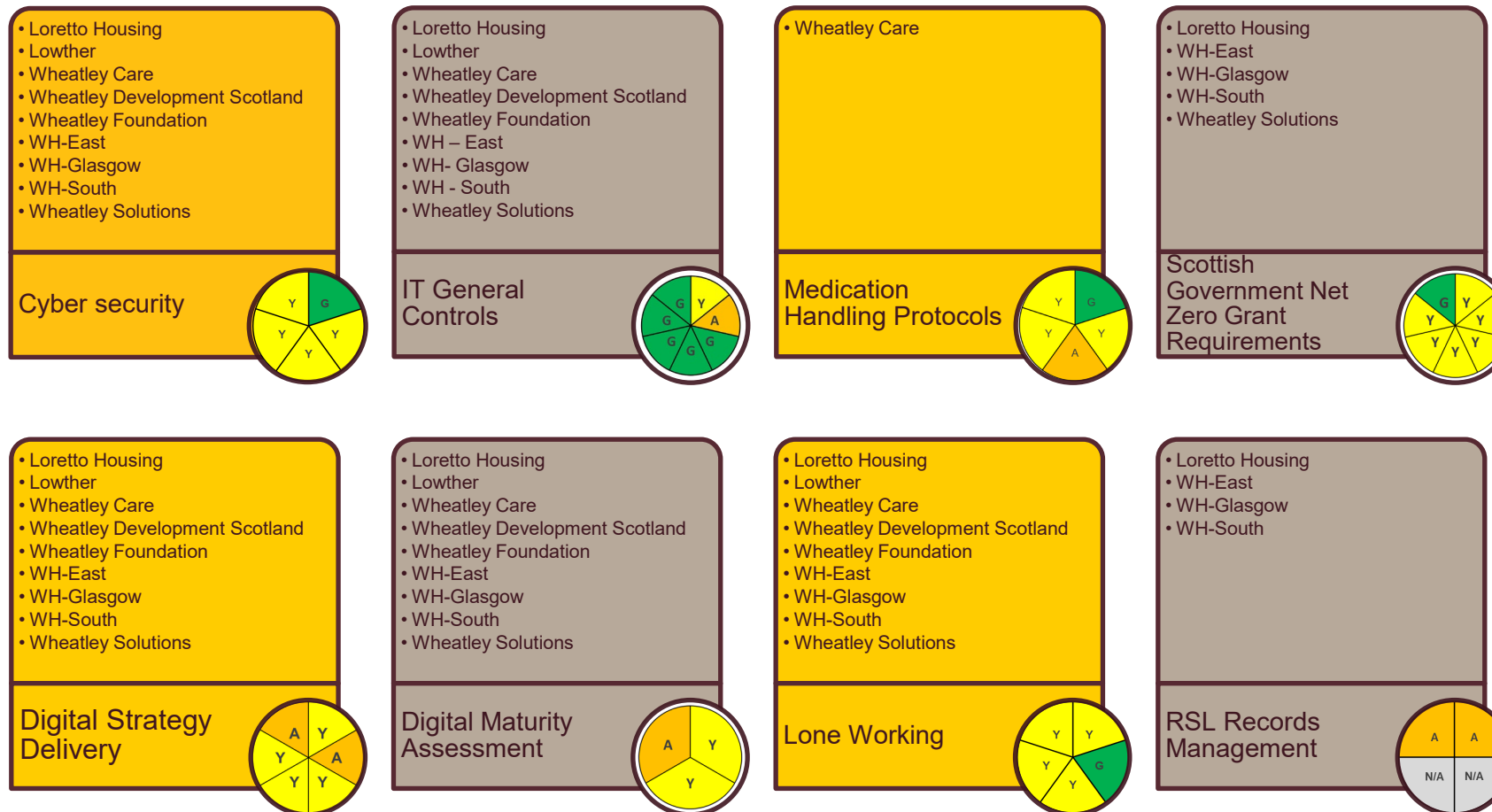
*Based on our Group-wide work undertaken in 2022/23 a **substantial level of assurance*** can be given that there is a sound system of internal control, designed to support achievement of relevant organisational objectives, except for weaknesses in City Building Glasgow processes and controls in relation to governance and compliance matters. The CBG Partnership Oversight Board has been established by the Wheatley Group and Glasgow City Council Chief Executives to review these areas.*

Management has agreed to the improvements to the Group wide control environment arising from our annual work and the progress of implementing these additional controls will be reported to the Group Audit Committee.

* See Appendix 2 for definition of levels of assurance.

3. Summary of Work Performed

This section summarises the results of Internal Audit advisory reviews completed during 2022/23. Each of these reviews included an assessment of the extent to which the control objectives set out in the Terms of Reference were achieved*, as reflected in the charts below.



3. Summary of Work Performed

The Internal Audit team has completed the following advisory and consultancy reviews, which did not include an assessment of the achievement of control objectives, due to the nature of the work performed.

<ul style="list-style-type: none"> • Loretto Housing • Lowther • Wheatley Foundation • WH-East • WH-Glasgow • WH-South • Wheatley Solutions
Cost of Living-wraparound services

<ul style="list-style-type: none"> • Loretto Housing • Lowther • Wheatley Care • Wheatley Development Scotland • Wheatley Foundation • WH-East • WH-Glasgow • WH-South • Wheatley Solutions
SHR Assurance Statement

<ul style="list-style-type: none"> • Lowther
Lowther Follow Up

<ul style="list-style-type: none"> • Loretto Housing • Lowther • WH-East • WH-Glasgow • WH-South • Wheatley Solutions
Repairs Follow Up

<ul style="list-style-type: none"> • Loretto Housing • Lowther • WH-East • WH-Glasgow • WH-South • Wheatley Solutions
Damp and Mould

In addition, the Internal Audit team has developed and embedded routine data analytics in the following areas.

Payroll

Payroll exception reporting

• Loretto Housing	Lowther	Wheatley Care
• Wheatley Development Scotland	Wheatley Foundation	WH-East
• WH-Glasgow	Wheatley Solutions	WH - South

Accounts Payable

Review of purchase card and faster payment transactions

• Loretto Housing	Lowther	Wheatley Care
• Wheatley Development Scotland	Wheatley Foundation	WH-East
• WH-Glasgow	Wheatley Solutions	WH - South

“Line 2” support

Development of reporting to support local management assurance checks

• SSSC Registration checks:	Wheatley Care	
• Here for You Fund checks:	Wheatley Foundation	Wheatley Solutions

Summaries of the findings of all reviews conducted during 2022/23 have previously been reported to the Group Audit Committee and to Subsidiary Boards.

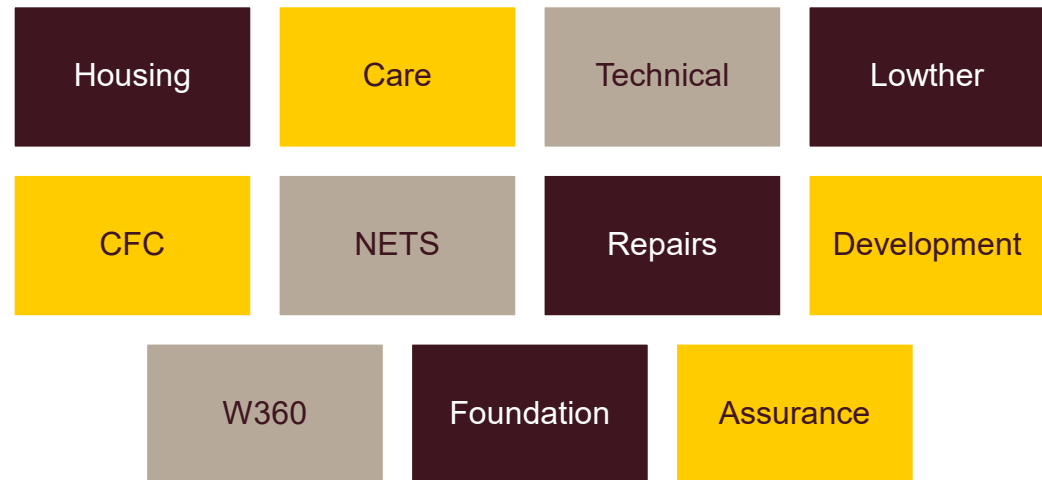
3. Summary of Work Performed

The Internal Audit team has facilitated an exercise to map legislative compliance requirements in different business areas across the Group throughout 2022/23. Within each business area, the team has worked with management to identify legislative requirements and any detective controls in place that would confirm compliance with those requirements.

The Internal Audit team has used a "show me" approach to confirm control descriptions, for example completing one walkthrough / viewing one instance of a report to confirm understanding of control. This work did not assess i) whether the control is adequately designed to mitigate the identified risk or ii) operating effectively. The purpose of this mapping is to help management determine where additional detective controls may be needed, or reflect on the purpose and value of control activity across lower risk areas. The output of each exercise is a "map", as shown below.

	Controls in place to detect a compliance breach	Controls to detect a compliance breach are planned but not yet operating	No controls in place to detect a compliance breach
High consequence from compliance failure	Maintain controls	Consider prioritising implementation of controls	Consider whether additional controls are required
Medium consequence from compliance failure	Maintain controls	Rollout controls as planned	Consider whether additional controls are required
Low consequence from compliance failure	Consider whether controls are required	Consider whether planned controls are required	Consider whether current position is acceptable

The business areas mapped during 2022/23 are:



Work will continue during 2023/24 to map remaining business areas.

3. Follow Up of Management Actions

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

The information below is a summary of all actions followed up during the course of 2022/23.

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

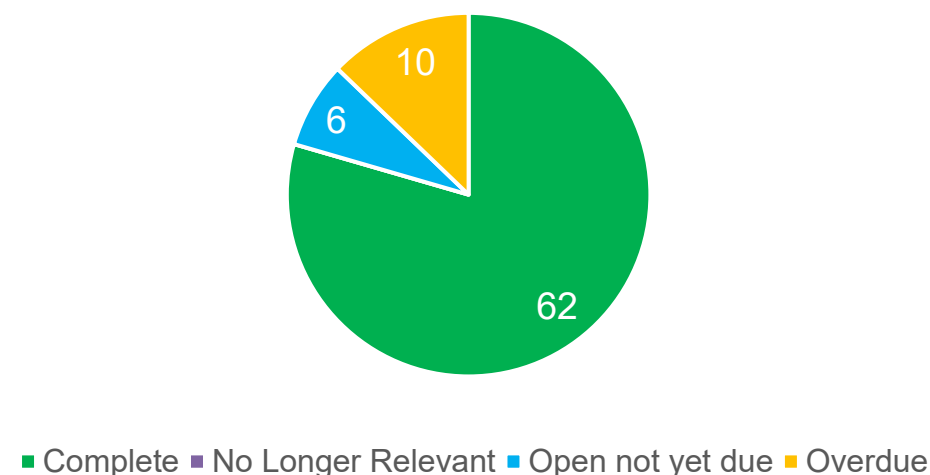
- a) The action has been completed during 2022/23;
- b) The action is no longer relevant or has been superseded;
- c) The action is not yet due for completion; or
- d) The action is overdue for completion.

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

Status	Actions
Actions brought forward from 1 April 2022	17
New actions agreed during 2022/23	61
Total Actions followed up during 2022/23	78

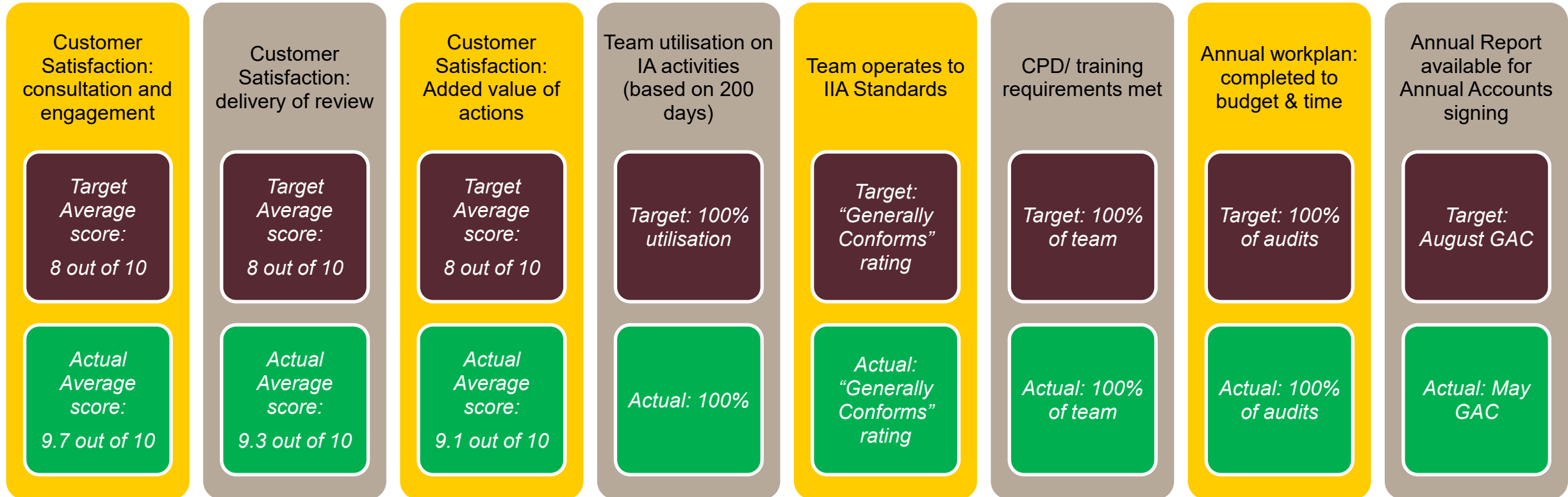
The chart below summarises our assessment of the status of the 78 actions followed up during 2022/23.

Status of Actions at 31 March 2023

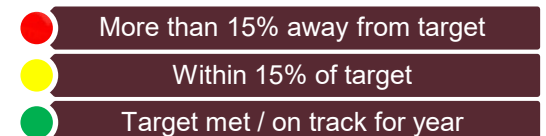


4. Internal Audit Team Performance 2022/23

The Internal Audit team's performance against its agreed KPIs for 2022/23 is set out below:



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



4. Internal Audit Team Performance 2022/23

The customer satisfaction measures are based on feedback forms completed by auditees following each review. Positive comments received from our customers included the following:

“I have always found the audit team to be very proactive in advising of the scope and timing of any reviews and also on any follow up actions.”

“Communication with the team is always great and they are always happy to receive feedback.”

“The team are fantastic, approachable and always more than willing to dedicate time to supporting improvement.”

“Engagement with internal audit is always positive and comes from the starting point of business improvement and which as an approach should always lead to improvements in efficiency and/or effectiveness.”

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

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

- “There have been occasions when further explanation has been required for team to fully understand the service area, however they are always keen to take on board feedback and upskill where required.”

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

- “Sometimes recommendations can be made that don't fully consider the operational impact, ownership and accountability of all parties involved.”
- “Actions are focused on the solutions being resourced by the RSLs when we don't have any admin staff anymore and our operating model has changed.”

5. IA Compliance with Standards

Internal Audit compliance with professional standards

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

Internal Audit independence

Each member of the Internal Audit team is required to confirm their independence annually. The Independence Statements were last collected in September 2022 and the exercise will be repeated in September 2023.

Conflicts of Interest

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

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

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

6. IA Quality Assurance and Improvement Programme

As part of the IA Team's Quality Assurance and Improvement Programme, we completed our internal quality assurance during 2022/23, comprising:

Ongoing monitoring

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

Annual CPE Completion

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

Annual self-assessment

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

Annual Self-Assessment

The Internal Audit team updated the quality assessment template produced by the Chartered Institute of Internal Auditors (CIIA) in September 2022, in advance of an External Quality Assessment. The internal self-assessment rated performance as:

Generally Conforms

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

The results of the External Quality Assessment are set out on the next slide.

6. IA Quality Assurance and Improvement Programme

External Quality Assessment (EQA)

As required by the Group's Internal Audit Charter, the Internal Audit team was subject to an External Quality Assessment during 2022/23. The Group Audit Committee oversaw the appointment of the external assessor, who conducted an independent validation of the team's self-assessment and interviewed a number of the team's stakeholders.

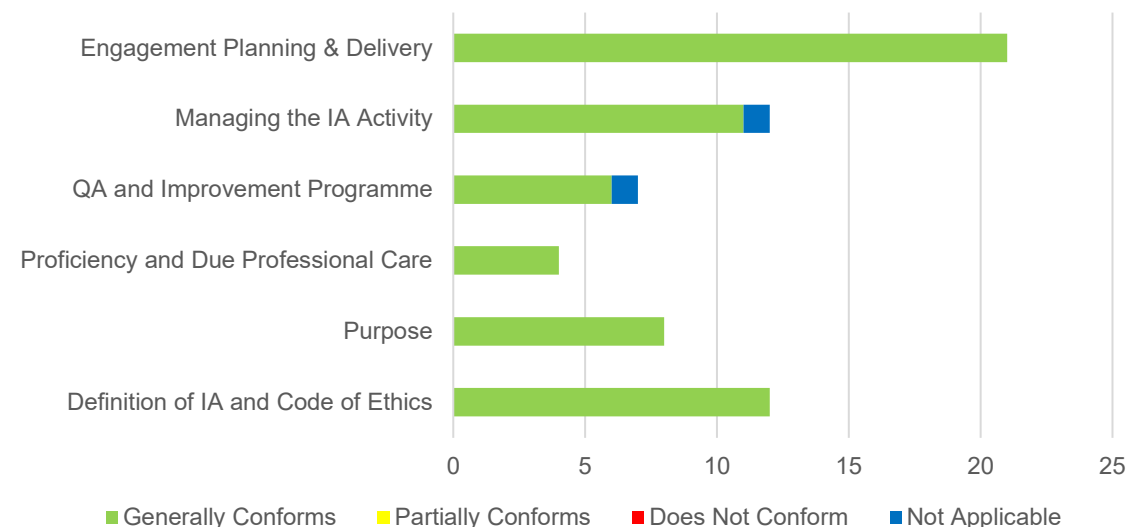
The overall conclusion was:

GENERALLY CONFORMS	THE WHEATLEY HOUSING GROUP INTERNAL AUDIT FUNCTION GENERALLY CONFORMS WITH THE INTERNATIONAL PROFESSIONAL PRACTICES FRAMEWORK
--------------------	---

This is the highest level of conformance with the Standards, reported by the assessor as being “**an excellent result**”.

In total, the assessment reviewed the team's performance against the 64 fundamental principles that make up the Standards.

Summary of IA Conformance



The two areas marked as not applicable relate to: i) disclosure of non-conformance, which has not occurred and ii) arrangements where an external service provides the internal audit function.

The report contained no formal recommendations for improvement but did set out four areas for future consideration to further enhance the function. Actions to address these areas have been reported to the Group Audit Committee, which will monitor their completion.

Appendix 1: Limitations and responsibilities

Limitations Inherent to the Internal Auditor's Work

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

Opinion

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

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

Internal Control

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

Responsibilities of Management and Internal Audit

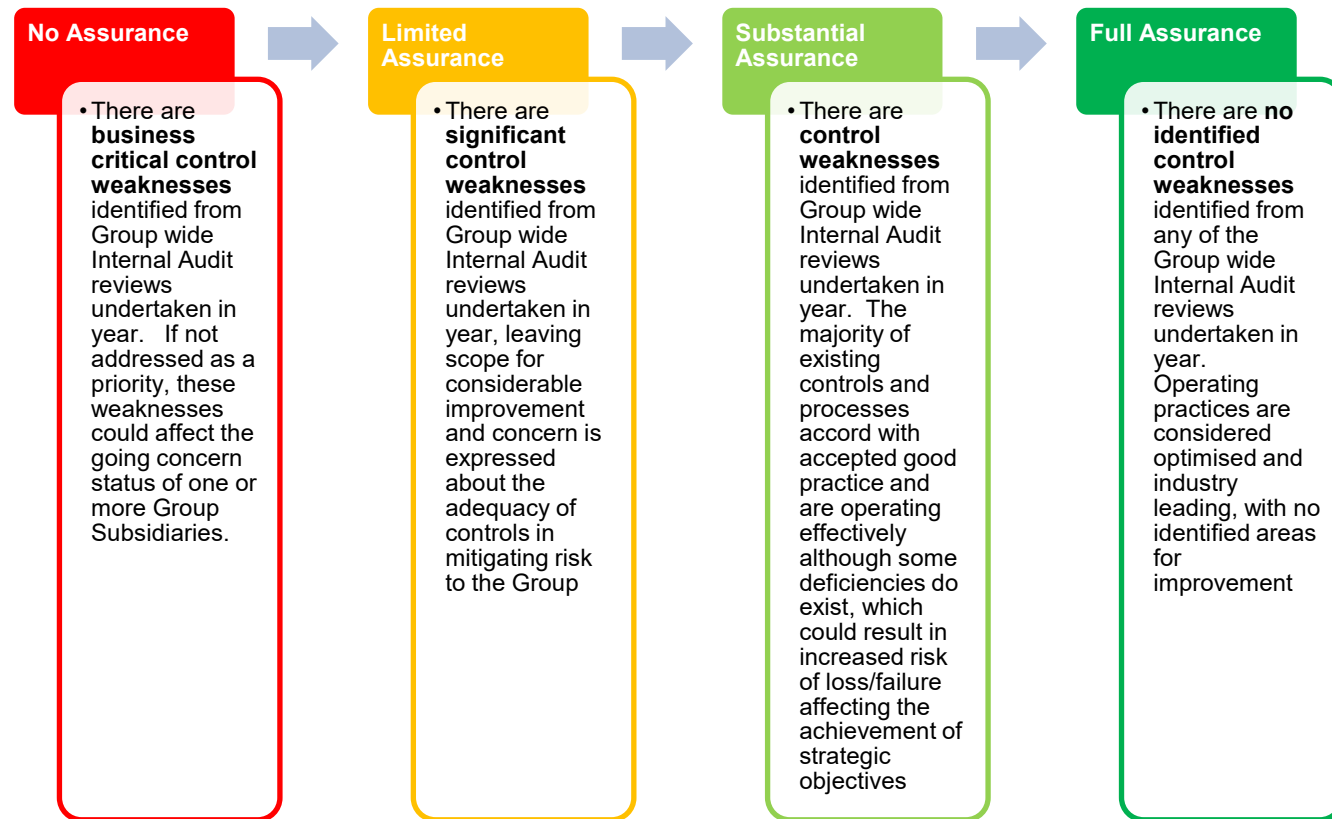
It is Management's responsibility to develop and maintain sound systems of risk management, internal control and governance to ensure the prevention and detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for Management's responsibilities for the design and operation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

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

Appendix 2: Assurance Opinion definitions

Annual Assurance Opinion Definitions

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



Control Objective Classification

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



Report

To: Wheatley Housing Group Board

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

Approved by: Steven Henderson, Group Chief Executive

Subject: Performance Report

Date of Meeting: 30 August 2023

1. Purpose

- 1.1 This report presents an update on performance delivery against targets and strategic projects for 2023/24 as of the end of quarter one.

2. Authorising and strategic context

- 2.1 The Board agreed an updated programme of strategic projects and performance measures and targets for 2023/24 at its meeting in April 2023. Under the Group Standing Orders the Board also has an ongoing role monitoring the performance of subsidiaries across the Group against the agreed measures. It is also responsible for overseeing the delivery of Board level strategic projects.

3. Background

- 3.1 This report outlines our performance against targets and strategic projects for 2023/24. Unless specified otherwise, results for all measures are based on year-to-date figures.
- 3.2 This includes progress with those measures that will be reportable to the Scottish Housing Regulator as part of the Annual Return on the Charter 2023/24. Complaints performance, including Charter and the Scottish Public Sector Ombudsman (SPSO), will, as previously agreed, be reported bi-annually (at Q2 and Q4).
- 3.3 This report also now includes the new Customer First Centre ("CFC") measure based on customer satisfaction with calls, the CFC Customer Satisfaction ("CSAT") score. As with Book It, Track It, Rate It, it asks customers to score the CFC on a 1-5 scale immediately after their contact.

4. Discussion



Delivering Exceptional Customer Experience

Customer First Centre

- 4.1 The CFC is now firmly established as a core part of our operating model and has recorded a strong baseline for customer satisfaction through the newly introduced CSAT score. Year-to-date results for 2023/24 as at the end of Quarter 1 are presented in Table 1.

Table 1

Measure	2023/24		
	Value	Target	Status
Group - CSAT score (customer satisfaction)	4.3	4.5	
Group - % calls answered <30 seconds (Grade of Service)	67.50%	Contextual	
Group - Average waiting time (seconds)	64.91	Contextual	
Group - Call abandonment rate	5.87%	5%	
Group - % first contact resolution at CFC (Customer Service Advisors)	85.79%	90%	
Group – Percentage of CFC customer interactions that are passed to Housing and Lowther staff for resolution	7.07%	<10%	

- 4.2 We now offer customers calling the CFC, with the exception of repairs calls, the opportunity to provide feedback on their interaction. We must hold a mobile number or email address to issue the survey, with customer satisfaction scored out of 5. Our overall CFC CSAT score is 4.3 at the end of quarter 1 providing a strong baseline. The CFC has a framework for analysing feedback and implementing initiatives to address any areas that may require improvement, informing progress towards the CSAT target of 4.5/5.
- 4.3 Feedback during Quarter 1 has identified three key areas of improvement, with actions now underway to support future CSAT scores:
- knowledge of Customer Service Advisors - consolidation training for new employees is underway on Lowther processes.
 - collaboration with other CFC colleagues - CFC staff are jointly reviewing calls to identify opportunities for 'warm' handovers.
 - Lowther Owners demand peaks during common repair billing periods - the Commercial Specialist Team and Lowther staff are working together to make improvements to specific billing templates, giving clearer information to customers regarding the nature of the bill and cost.
- 4.4 At the end of the first quarter the CFC has answered 189,469 calls with 67.50% of these answered within 30 seconds and the average wait time 64.9 seconds. Calls abandoned were above target at 5.87% but well below industry benchmark of c9%.

- 4.5 While we do not have a set target for 'Grade of Service' we aim to answer 80% of all calls in 30 seconds. There are 3 factors that have impacted the 'Grade of Service' in the first quarter; increase in call demand against forecast at certain periods, an increase in the 'Average Handle Time' for calls and a reduced number of 'call handling' hours available.
- 4.6 CFC performance is monitored and reviewed daily by the resource planning and operations leads, creating relevant action plans reflective of performance with a current focus on (1) reducing Average Handle Times by 60 seconds through increased knowledge and skills development and (2) increasing the amount of 'call handling' hours available. There are several factors that impact the call handling hours available including, but not limited to, time spent on learning and development, team meetings, group-wide collaboration sessions and assistance time required by call handlers either during or after calls to conclude service queries.
- 4.7 CFC Customer Service Advisors ("CSAs") resolved 85.79% of calls handled at first contact. The My Repairs Team continues to be a valuable asset for the CFC in dealing with more complex repairs calls. While this means CSAs do not resolve these at first contact, the aim is to ensure customers experience an improved end-to-end service. In addition, the CFC continue to support Housing and Lowther staff to ensure efficient resolution, passing only approx. one case per Housing Officer each week.
- 4.8 Following the discussion at the Board's strategy sessions across the Group, we have introduced a Digital Team in the CFC to increase our capacity to handle digital interactions and keep customers in digital channels. The purpose of the dedicated team is to improve customer experience across digital channels and determine whether more efficient and effective use of digital channels reduces telephony demand.
- 4.9 The role of the test team is to offer and promote webchat services, triage and manage inbound emails and online messages redirecting appropriately where first contact resolution is not possible and encourage customers with Web Self Service (WSS) to make more use of these services. The impact of this team is being monitored and will be formally reviewed at the end of the test period in late October.

Tenancy Sustainment

- 4.10 Group RSL tenancy sustainment revised (that is excluding deaths and transferring within the Group) and Charter have improved from year-end with revised at 91.42% against the 91% target and Charter at 89.73% against the 90% target.
- 4.11 The positive upward trend for both sustainment indicators is charted below, with individual RSL results further tabled. As well as customers benefiting from remaining in their tenancy for longer, improvement in this measure reduces lost rent and resources required for re-letting.
- 4.12 All our RSLs are on target for the revised measure. Those RSLs below their target are so by minimal numbers. WHG was only 3 lets short of their 90% ARC target and WHS only 10 lets short of their 88% target.

Chart 1

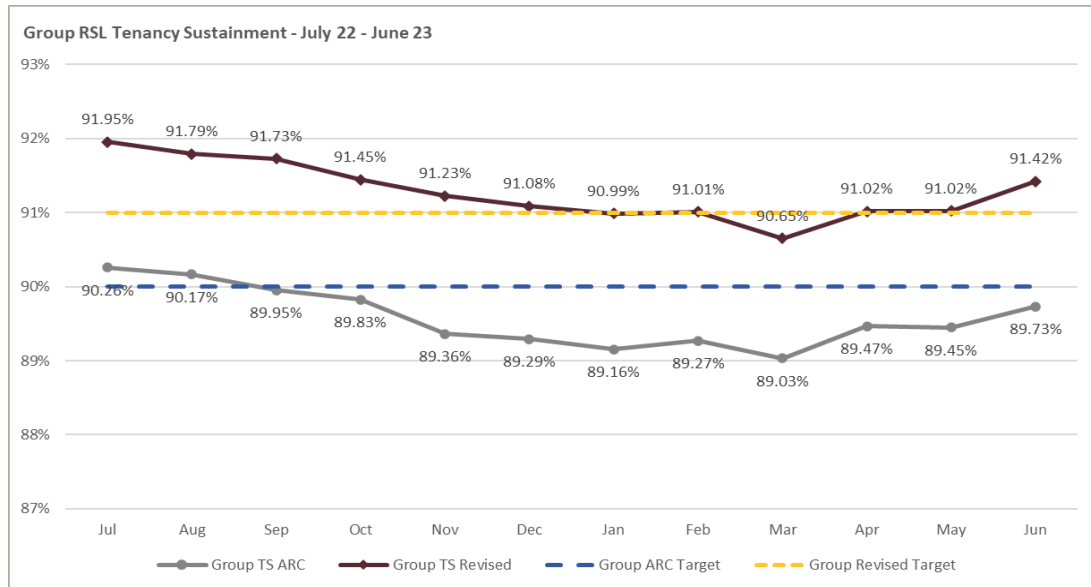


Table 2

Tenancy Sustainment	Charter	2023/24 Target		Revised	2023/24 Target	
WHE	92.78%	90%	Green	94.31%	91%	Green
WHS	86.82%	88%	Yellow	89.20%	89%	Green
WHG	89.90%	90%	Yellow	91.40%	91%	Green
Loretto	91.78%	90%	Green	93.49%	91%	Green
Group	89.73%	90%	Yellow	91.42%	91%	Green



Making the Most of Our Homes and Assets

New Build Programme

- 4.13 Our revised aim is to deliver 4,000 new homes over the course of the five-year strategy. Our revised target in 2023/24 is to deliver a total of 338 new homes. Of these new homes, 211 are social rent and 127 Mid Market Rent ("MMR").
- 4.14 The table below shows the completions and targets to the end of quarter 1 where 98 homes have been handed over against a YTD target of 106. The following table shows the variance overall, and by tenure and subsidiary.

Table 3

All New Builds		Social					MMR			
		All	WHG	LH	WHE	WHS	All	WHG	WHE	Lowther
Target	106	82	0	0	82	0	24	9	15	0
Actual	98	66	0	13	53	0	32	9	23	0
Variance	-8	-16	0	13	-29	0	8	0	8	0

- 4.15 Handovers in the quarter comprise a mixture of social units for Loretto (13) and WHE (53), and of MMR units for WHE (23) and WHG (9). Handovers and delays to the end of quarter 1 are shown in the below table. The table details only those sites with completions due in 2023/24.

Table 4

Sites	Handovers (YTD)	Target (YTD)	Difference and handovers to 30 June
WHG	9	9	0
Sighthill (MMR)	9	9	0
Loretto Housing	13	0	13
Main Street, Maddiston	13	0	13
WHE	76	97	-21
The Wisp Phase 3C (Social)	12	35	-23
Roslin Ph1 (Social)	0	12	-12
Roslin Ph 2 (Social)	6	0	6
Roslin PH2 (MMR)	14	0	14
Penicuik (Social)	21	35	-14
Wallyford Area 7	9	15	-6
Raw Holdings	14	0	14
Totals	98	106	-8

Wheatley Homes Glasgow

- 4.16 There were 9 handovers during quarter one at Sighthill, bringing the number of completions to 59 for the first phase. Over the course of this year, 36 units are expected to complete at Sighthill which will see the completion of phase 1.
- 4.17 The resolution of quality issues previously experienced at Sighthill required intensive management oversight, a change of Clerk of Works from an external team to an internal team, and the assistance of City Building to undertake the remedial works.

Wheatley Homes East

- 4.18 The acceleration of some handovers anticipated in 2023/24 to the end of 2022/23 has impacted on the WHE YTD variance. Nonetheless, the new build target for 2023/24 is still expected to be met through potential for additional handovers to come forward at Roslin Phase 2.
- 4.19 76 units have been completed year to date to the end of quarter 1 at Penicuik, Raw Holdings, Roslin Phase 2, Wisp 3C and Wallyford 7. Both Roslin Phase 2 and the Wisp 3C are now fully complete.

Loretto Housing

- 4.20 13 units have been handed over at Main Street, Maddiston, ahead of schedule. The remaining 11 units on this site are expected to handover in Q3.

Wheatley Homes South

- 4.21 Work at Curries Yard, which the Board visited in April, is progressing well with the first handovers expected later in 2023.






Lowther

- 4.22 [redacted]

Planned to Reactive Spend

- 4.23 We set a strategic result to achieve a ratio of 60% planned to 40% reactive spend on maintaining our properties over the life of our strategy. The business plan assumes 53% for planned spend in 2023/24 in recognition that higher repairs demand is impacting the ratio. Spend figures are subject to investment programme profiling throughout the year. Planned spend includes core capital programmes, cyclical maintenance, and compliance.
- 4.24 As shown in Table 6, our planned spend ratio is now 35.6% to the end of quarter 1. This has reduced from the position to the end of the previous year (47.2%). The increase in variance for planned spend compared to full year 2022/23 is the result of prioritisation of reactive repairs and the ongoing high repairs demand and means that we are unlikely to achieve 60% target or 53% forecast by year end.






Table 5

Percentage Spend 2023/24		Planned 2022/23	Planned 2023/24 (Jun '23)	Variance (22/23 to Jun '23)	Reactive 2023/24 (Jun '23)
West	WHG	48.4%	37.9% 	-10.9	62.1%
	Loretto	55.9%	31.0% 	-24.9	69.0%
East	WHE	50.1%	44.9% 	-6.8	55.1%
South	WHS	41.3%	23.2% 	-18.1	76.8%
Group total		47.2%	35.6% 	-11.6	64.4%
			£11,801,562		£21,336,851

Volume of Emergency Repairs

- 4.25 The table below shows our position against the strategic result to reduce the volume of emergency repairs by 10% by 2026 compared to the updated baseline year of 2022/23. The target for 2023/24 is a reduction of 3.34%.
- 4.26 Emergency repair numbers are 840 less than the same point in 2022/23, a variance of -3.31%. This is just below target and an improvement on +3.1% in 2022/23 as measured against the previous 2021/22 baseline year. While customer demand continues to have an impact on this measure, work is continuing with CFC to ensure emergency repairs are diagnosed appropriately.

Table 6











Area	Completed Emergency Repairs		
	YTD Jun 2022/23	YTD Jun 2023/24	Variance
WHG	18,714	18,215	-2.67% 
Loretto	904	887	-1.88% 
WHE	2,032	1,895	-6.74% 
WHS	3,757	3,570	-4.98% 
Total	25,407	24,567	-3.31% 

Repairs Timescales and Right First Time

- 4.27 Our average time taken for emergency repairs is 2.48 hours at the end of Q1, well within the 3-hour target. This compares favourably to an average of 3.26 hours in 2022/23.

- 4.28 The table below also shows the average time taken for non-emergency repairs at 8.41 days. This is an improvement on the 2022/23 average of 8.47 days. A separate repairs paper sets out in more detail the key drivers for the average timescale. In summary this relates to a growth in the proportion of larger, more complex and replacement/ renewal works.




Table 7

Repair completion timescale (Charter)		Emergency (hours)		Non-emergency (days)	
		Target	Q1 YTD Value	Target	Q1 YTD Value
West	WHG	3.00	2.39 	7	8.40 
	Loretto	3.00	2.51 	7	10.79 
East	WHE	3.00	3.20 	7	8.84 
South	WHS	3.00	2.55 	7	7.01 
Group		3.00	2.48 	7	8.41 

Right First Time

- 4.29 Right first time performance to the end of quarter 1 is at 91.64%. This remains an area of focus and we are seeing strong performance, with work underway to drive further improvement in Loretto.






Table 8

Percentage of repairs right first time (Charter)		2022/23	2023/24 Q1 YTD	Target	
West	WHG	91.47%	91.70%	90%	
	Loretto	92.58%	87.51%	93%	
East	WHE	94.59%	90.73%	90%	
South	WHS	91.09%	93.76%	90%	
Group		91.86%	91.64%		

Repairs Satisfaction

- 4.30 The target for repairs satisfaction has increased to 90% in 2023/24 from 89% last year. To the end of June, Group-wide performance is just below target at 88.65% and this is shown in the table below.
- 4.31 This measure covers a rolling twelve-month period. As at the end of June we have received 4,668 completed surveys in the last 12 months. This is an increase compared to 3,879 at end of 2022/23.

Table 9

RSL		2023/24 Target	Current Value
West	WHG	90%	89.03% 
	Loretto	90%	90.15% 
East	WHE	90%	91.38% 
South	WHS	90%	87.04% 
Group		90%	88.65% 

- 4.32 As previously reported a range of service improvement activities are underway which will in turn lead to improved communication with customers and improvements in service performance and, longer term, satisfaction levels with the service. This is also covered in a separate agenda item.

Rate It

- 4.33 Our 'Book It, Track It, Rate It' app was launched in the West on the 1 June and East on the 7 June, aiming to improve visibility and communication during the repair journey. The Rate It aspect provides an opportunity for customer feedback on repair appointments. In the first month following launch, the Rate It score for the West was 4.5/5, and for the East was 4.4/5. This provides us with a very strong baseline level of satisfaction.

Responsive repairs: Damp and mould

- 4.34 We continue to strengthen and improve our approach to mould related requests from customers. For every case of mould reported an inspector will categorise it in line with our policy. Across our Group RSLs and Lowther letting we currently have 163 live cases for mould and 78 live damp and rot repairs.
- 4.35 A breakdown of the current status is as follows:

Table 10

RSL	Total Live Mould cases	Category 3	Category 2	Category 1	Scheduled for inspection, no access or pending re-appointment
WHG	88	36	6	1	45
Loretto	5	0	0	0	5
WHE	42	40	2	0	0
WHS	23	20	3	0	0
Lowther Letting	5	4	0	0	1
Group	163	100	11	1	51

RSL	Total Live Damp and Rot repairs
WHG	55
Loretto	0
WHE	9
WHS	12
Lowther Letting	2
Group	78






- 4.36 In terms of the cases scheduled for inspection these include instances where the tenant has requested a specific date out with the 48 hour period.

Medical Adaptations

- 4.37 Between April and June, we have completed 735 adaptations in total, an increase from 621 in the same quarter 2022/23. There are now 127 households waiting (less than at the same point last year when there were 159 waiting).
- 4.38 Time to complete adaptations has further improved, with the average days to complete year to date at 19.7 days and within target. This compares to 24.9 days reported year end 2022/23 and 27.2 days in quarter 1 2022/23.

- 4.39 The table below shows the number of households waiting, completions and the average time to complete adaptations by RSL. All RSLs are within the target of 25 days.

Table 11

Medical Adaptations	Households Waiting 2022/23	Current Households Waiting	Number Completed YTD	Average Days to Complete	Target
WHG	81	78	457	18.71	25 
Loretto	13	10	35	20.51	25 
WHE	9	11	56	11.58	25 
WHS	32	28	187	24.38	25 
Group	135	127	735	19.70	25 

Gas Safety

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

Table 12

RSL	2022/23	YTD 2023/24
WHE	0	0 
WHS	0	0 
WHG	0	0 
Loretto	0	0 
Total	0	0 

Health and Safety

- 4.41 There were no accidental workplace fires in quarter 1. Other health and safety measures are summarised in the below table.

Table 13

Measure	22/23	23/24	Notes
Number of new employee liability claims received	5	1	One new claim in 2023/24 for W360
Number of open employee liability claims	13	15	Includes one previous claim that has been re-opened from 2021
Number of days lost due to work-related accidents	464	90.5	31 days in 2023/24 attributed to RIDDOR incidents
Number of RIDDOR incidents reported	15	4	May - W360 - lifting/handling May – Care - slip/trip/fall June – WHS – 1 lifting/handling and 1 puncture injury
Number of HSE or local authority environmental team interventions	2	0	

Compliance Programme

- 4.42 Performance against our compliance programme delivery is shown in Appendix 2, with RSLs making good progress in the first quarter of the year. Percentages shown for legionella for WHG and Loretto show good progress year to date against totals for the year, at 30.87% and 39.22% respectively.

- 4.43 There has also been improvement in the percentage of properties with EICRs less than 5 years old, with numbers of properties to be certified reducing to 89 (0.14% of total stock) at the end of quarter 1 from 111 at end of last year and 724 at the end of quarter 3 2022/23. All RSLs have high levels of compliance on this measure at the end of quarter one: WHG 99.82%, Loretto 99.93%, WHE 99.85% and WHS 99.97%.
- 4.44 We are doing everything practical through intensive management to obtain access to the outstanding properties and to complete any required works, including multiple visits, forced access and court order. To date (23 August 2023), the numbers of properties to be certified has reduced further to 86.
- 4.45 All RSLs are fully compliant (100%) with safety inspections of domestic and passenger lifts.



Changing Lives and Communities

Care Service Quality

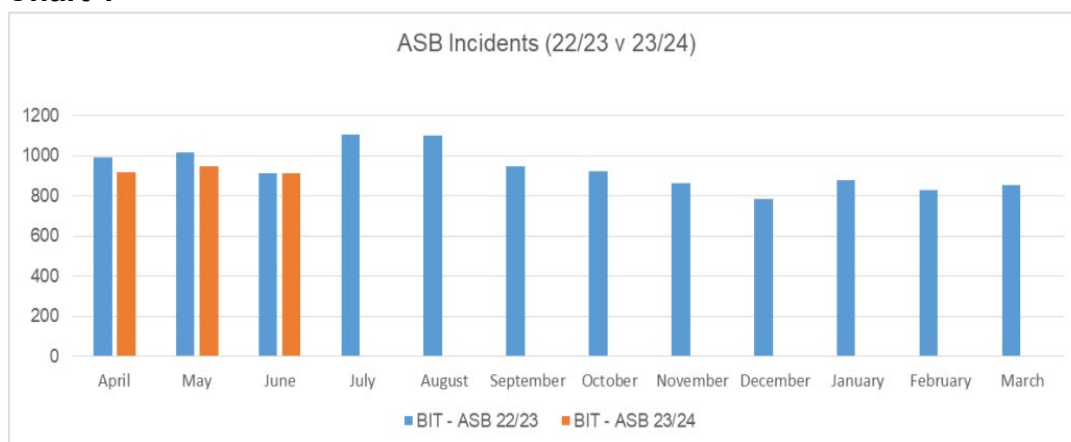
- 4.46 At the end of Q1, Wheatley Care have 20 services with inspection reports. 13 of these have active inspection reports with grades of 5 or above, equating to 65%. This is a decrease from 70% at the end of 22/23
- 4.47 In Q1 there were five inspections undertaken at Wheatley Care services. The following services received grades of 5-Very Good for 'How well do we support people's wellbeing' and 'How good is your leadership':
- Personalised and Self Directed Support Service (Falkirk and Grangemouth);
 - Falkirk and Grangemouth Flexible Housing Support Service (Kingseat and Seaforth);
 - Edinburgh East Support Service; and
 - Falkirk and Grangemouth Flexible Housing Support Service (TSS).
- 4.48 Fife Supported Living and Outreach Support Service received grades of 4-Good for 'How well do we support people's wellbeing' and 'How good is your staff team' and grades of 3-Adequate for 'How good is your Leadership' and 'How well is our care and support planned'. A formal report on our response to this assessment was considered by the Care Board in August.
- 4.49 A comprehensive action plan has been created to deliver and monitor the improvements identified through the recent inspections. The Wheatley Care senior leadership team are also in the process of conducting audits and are engaging managers within this process to assess their level of competency whilst coaching and mentoring these individuals to develop audit skills.

Peaceful Neighbourhoods

- 4.50 Our Group strategic measure is for over 70% of our customers to live in neighbourhoods categorised as peaceful. Peaceful communities are defined as communities where customer reported incidents of antisocial behaviour to Police Scotland are reducing and social deprivation indicators in the associated data zone are improving.

- 4.51 Our evidence demonstrates the most effective way to achieve this target is by reducing the incidence of customer reported antisocial behaviour to Police Scotland. Information from the Business Intelligence Tool (“BIT”) from Police Scotland shows that in June there were 911 antisocial incidents reported to Police Scotland at or within 25m of a Group property. This is a decrease of 3.9% of cases from the previous month when there were 948 cases recorded.

Chart 1



- 4.52 As at the end of December 2022, 70.0% of our communities are categorised as ‘Peaceful’ meeting the target for 2023/24.

Accidental Dwelling Fires

- 4.53 We have a Strategic Result to reduce RSL accidental dwelling fires by 10% over five years against the baseline of a total of 215 fires in 2020/21. Lowther and Wheatley Care are not included in the Strategic Result but will be referenced for information if any fires are recorded.
- 4.54 As shown in the below table, as of the end of quarter 1, 37 fires have been recorded year to date against the upper limit for 2023/24 of 200.

Table 14

Number of recorded accidental dwelling fires	2023/24
	Q1
WHE	2
WHG	33
Loretto	1
WHS	1
Total for Group	37
Upper limit this year to achieve strategic result	200

- 4.55 Our additional strategy measure aims to ensure 100% of applicable properties have a current fire risk assessment in place. This continues to be achieved.

Table 15

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

- 4.56 Our programme for non-relevant properties, LivingWell and high-rise domestic premises continues to be 100% compliant.

Reducing Homelessness

- 4.57 During the first quarter of 2023/24, Group RSLs have made 748 lets to homeless applicants, significantly outperforming the first quarter target of 500. The breakdown by RSL is tabled below.





RSL	2023/24 Number of lets to homeless applicants (ARC) - YTD	2023/24 Target YTD	2022/23 Number of lets to homeless applicants (ARC) – full year
WHE	85	N/A	314
WHS	101	N/A	409
WHG	534	N/A	1,318
Loretto	28	N/A	166
Total	748	500	2,207

- 4.58 The percentage of relevant lets made to homeless applicants this year (no longer a specific target) is also high with the Group at 58.8%, Loretto at 76%, WHG at 63.9%, WHE at 58.3% and WHS at 40.2%. We continue to be a key contributor in providing homes to homeless applicants nationally with our strategic objective to provide an estimated 10,000 homes over the 5 years. Since 2021/22, we have provided 5,410 homes for applicants assessed as statutorily homeless and are ahead of the 4,500-target set for this point of the strategy.

Jobs and Opportunities

- 4.59 Over 560 children have now been supported through Foundation programmes so far, this financial year. This includes young people attending Youth Access sessions delivered through the John Wheatley Learning Network - sessions are delivered by local organisations across Wheatley communities including Oasis in Wallacewell and FARE in Easterhouse. Young people take place in activities and learning including music and website creation, gaming and cyber safety.
- 4.60 The Wheatley Works team has supported 182 jobs, training and apprenticeship opportunities across the Group. This has included 11 new Environmental apprentices and 26 Changing Lives trainees. The team have secured 10 training opportunities, in partnership with Community Help and Advice Initiative (CHAI), to support Wheatley Care customers access Vocational Training in Welfare Rights and Skills for Banking. Recruitment is also underway to support customers participate in a Construction Academy training programme in July.

Table 16

Indicator	Target (Annual)	Current Performance YTD	2022/23
Number of vulnerable children benefiting from targeted Foundation programmes (Group)	1,200	564 	5,255 
Total number of jobs, training places or apprenticeships created by Wheatley Group including Wheatley Pledge	800	182 	802 



Developing our Shared Capability

Sickness Absence

- 4.61 At the end of quarter 1, Group sickness levels are 4.32% which is slightly higher than the figure for year-end 22/23 (4.28%). The top two reasons for absence across the Group in June were Stress/Anxiety (34%) and Minor Illness (22%). Of those reporting stress/ anxiety, 31% was due to Anxiety (Non-work related), 31% was due to Stress (Non-work related) and 22% was due to Stress (Work related).
- 4.62 Group-wide, the in-month pattern for the quarter showed a decrease in sickness rates between April and May (4.48% to 4.2%) with a small increase between May and June (4.2% to 4.3%). Housemark reported a similar trend for their members over quarter one.
- 4.63 Support for staff experiencing Stress/Anxiety is available via a number of Academy e-learning modules (Resilience, Mental Health) and face-to-face seminars (Vicarious trauma, Suicide Prevention) with Mindfulness, Mind Matter and “Using CBT for Stress Management” workshops available via the Employee Wellbeing team.
- 4.64 The Employee Relations team has also continued with delivery of “HR Essentials” workshop for new, existing, and newly promoted managers. these courses are designed to support managers dealing with matters such as attendance, sickness management, investigations, grievance and disciplinary processes.



Enabling our Ambitions

Gross Rent Arrears

- 4.65 Group RSL gross rent arrears (“GRA”) ended 2022/23 at 5.44%, well within the 5.67% target set. A new stretch target of 5.25% has been introduced for this year, to be achieved by March 2024.
- 4.66 At the end of quarter one this year, Group RSLs are at 5.86%. We are slightly above where we had anticipated at the end of the first quarter and arrears management remains a priority. However, we continue to outperform available benchmarks with Scottish Housing Network publishing a member interim ARC 2022/23 average of 7.29%. Full ARC results will be published by the Scottish Housing Regulator on 31 August 2023.
- 4.67 The following chart shows our Group RSL GRA levels this year followed by a table providing figures for each RSL. Lowther arrears are also included in the table and are discussed in the next section.
- 4.68 Our customers are facing increasing challenges with the cost of living crisis and our teams are targeting the Here for You fund to support those customers needing it the most. Each RSL has implemented action plans with focus on early intervention and escalation, utilising support services as required.

- 4.69 This includes WHG developing a new rent performance framework that will help Housing Officers and Locality Directors focus on tackling direct debit rejections, managed migration of Universal Credit customers and progression of court cases. Peer reviews and checkpoints have been put in place as part of the escalation process. WHE have held a joint workshop with colleagues from the UC Team and West Lothian Council's Anti-Poverty team to promote local initiatives and referral pathways to help tackle housing debt, and WHS are working closely with the joint prevention working group with DGC Homeless and Welfare Benefit Team.

Chart 2

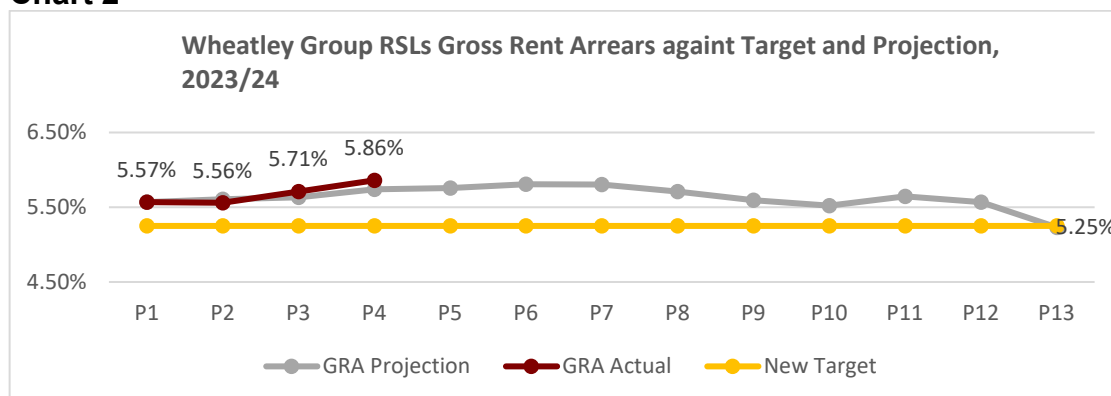


Table 17

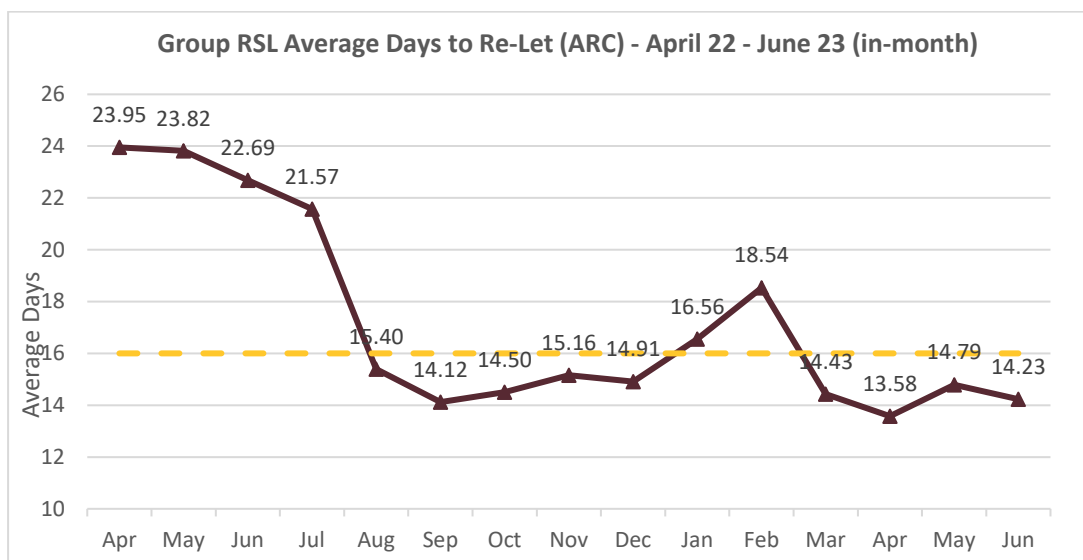
Gross Rent Arrears	Jun/P4		2023/24 target	2022/23 Result
WHE Comb	5.03%		4.52%	4.63%
WHS	5.15%		4.42%	4.62%
WHG Comb	6.27%		5.63%	5.84%
Loretto Comb	4.27%		4.18%	4.28%
Group RSLs	5.86%		5.25%	5.44%
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Lowther

- 4.70 [redacted – paragraphs 4.70-4.80]

RSL Average Days to Re-Let

- 4.80 Group RSL average days to re-let for 2022/23 was 18.63 days. This has significantly improved to 14.63 days and is now within the 16-day target.
- 4.81 Group in-month results since April 2022 are shown in the following chart, providing clear indication of performance improvement compared to the first quarter last year.



- 4.83 Our RSLs' performance is tabled below, with improvement for all RSLs since year end 2022/23. All except WHE are currently meeting target. WHE is being impacted by Wheatley Care lets awaiting support packages. Nonetheless, performance for all Group RSLs continues to exceed the SHN member average for 2022/23 of 56.41 days and the Housemark top quartile of c30 days.

Table 18

Average days to re-let (Charter)	2023/24 YTD	2023/24 Target	2022/23 Results
WHE	17.65	16	18.00
WHS	11.67	16	12.31
WHG	15.26	16	20.61
Loretto	10.85	16	15.98
Group RSLs	14.63	16	18.63

Care Services Breaking Even

[redacted – paragraphs 4.84-4.85]

Summary of Strategic Project Delivery

- 4.86 A full update on progress with strategic projects is attached at Appendix 3. The following table summarises the current status of projects.

Complete	On track	Slippage	Overdue
0	6	4	0

- 4.87 No projects completed during quarter 1. The following projects are currently slipping:
- **Group wide implementation of Roll out Book it, Track it, Rate it** - Full implementation in the West and WHE pilot has commenced, however, the WHS pilot is delayed due to Civica network change blockage. Progress was made during July and launch of the pilot is anticipated by the end of this month.

- **My Voice – real time customer feedback reporting** – While the CFC pilot for My Voice has been concluded, work continues on finalising the operational framework. The team are currently working on structuring the reporting approach, identifying the key audiences, and defining the appropriate sharing frequency. We do not foresee any issues meeting commitments to on-board key service pillars by November.

- [redacted]
- [redacted]

5. Customer Engagement

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

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

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

10. Risk Appetite and assessment

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

11. Equalities implications

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

12. Key issues and conclusions

- 12.1 The measures, targets and projects included in this report were agreed as part of the PMF and Delivery Plan for 2023/24. They focus on the most strategically important areas, making sure that financial and other resources are aligned with these priorities. They can be summarised under three broad areas:

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

The CFC continue to focus on improvements to resource planning, helping to ensure call handlers are available during peak periods of demand. Actions such as this will support progress towards the CSAT target of 4.5/5.

- 12.2 While we still compare favourably to available benchmarks, our GRA levels are at 5.86%. RSL and local action plans are in place to focus on early intervention and escalation, utilising support services to assist, offering advice and practical help for our tenants where possible.
- 12.3 We continue to have strong performance in several key areas; days to let, lets to homeless, tenancy sustainment, new build handovers, emergency repairs and adaptation completion timescales. Non-emergency repairs timescales and sickness absence are in focus.

13. Recommendations

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





List of Appendices

Appendix 1 – Board Strategic Measures Dashboard 2023/24

Appendix 2 – Board Other KPIs Dashboard 2023/24

Appendix 3 – Board Strategic Projects Dashboard 2023/24

✓ Delivering Exceptional Customer Experience

Measure	2022/23 Value	2023/24 Value	2023/24 Target	Status
CSAT Score (customer satisfaction)	New	4.3	4.5	
Customer first centre grade of service – percentage of calls answered within 30 seconds	76.79%	67.5%	Contextual	N/A
Percentage of calls to the CFC resolved at first contact	88.99%	85.79%	90%	
Call abandonment rate	4.72%	5.87%	5%	
Average waiting time (seconds)	57.64	64.91	Contextual	N/A
Percentage of CFC customer interactions that are passed to Housing and Lowther staff for resolution	6.15%	7.07%	<10%	



Making the Most of Our Homes and Assets

Measure	2022/23 Value	Value	YTD 2023/24 Target	Status
New build completions (total for Group)	644	98	106	
WHG - Social Housing	26	0	0	
WHG - Mid-market	93	9	9	
Loretto - Social Housing	205	13	0	
WHE - Social Housing	251	53	82	
WHE - Mid-market	32	23	15	
WHS - Social Housing	37	0	0	
Lowther - MMR	[redacted]	[redacted]	[redacted]	[redacted]
Achieve 60:40 ratio of planned to reactive repairs spending	2022/23 47.2%: 52.8% (£60.1m: £67.3m)	35.6%: 64.4% (£11.8m: £21.3m)	60%:40%	
Reduce the volume of emergency repairs by 10% by 2025/26 (Group average)	Apr to Jun 22/23 – 25,407	24,567	-3.31%	
WHG	Apr to Jun 22/23 – 18,714	18,215	-2.67%	
Loretto	Apr to Jun 22/23 – 904	887	-1.88%	
WHE	Apr to Jun 22/23 – 2,032	1,895	-6.74%	
WHS	Apr to Jun 22/23 – 3,757	3,570	-4.98%	
Percentage of customers who have had repairs or maintenance carried out in last 12 months satisfied with the repairs and maintenance service (ARC)	88.76%	88.65%	90%	



Changing Lives and Communities











Measure	2022/23		YTD 2023/24	
	Value	Value	Target	Status
Percentage of Care services graded very good (5) or better by the Care Inspectorate	70%	65%	90%	
Over 70% of customers live in neighbourhoods categorised as peaceful by 2025/26 (Group average)	69.4%	70%	70%	
Number of accidental dwelling fires recorded by Scottish Fire and Rescue (Group RSLs)	148	37	200 (Annual upper limit)	
WHG	113	33	N/A	N/A
Loretto	6	1	N/A	N/A
WHE (including WLHP)	9	2	N/A	N/A
WHS	13	1	N/A	N/A
100% of relevant properties have a current fire risk assessment in place (Group)	100%	100%	100%	
The percentage of non-relevant properties with current fire risk assessment in place (Group)	100%	100%	100%	
Percentage of relevant lets to homeless applicants	53.40%	58.77%	N/A	N/A
WHG	51.88%	63.9%	N/A	N/A
Loretto	45.85%	76%	N/A	N/A
WHE	58.62%	58.27%	N/A	N/A
WHS	58.14%	40.16%	N/A	N/A
Percentage of lets to homeless applicants (Charter)	50.30%	57.27%	N/A	N/A
WHG	50.19%	62.75%	N/A	N/A
Loretto	43.36%	70%	N/A	N/A
WHE	47.79%	52.15%	N/A	N/A

Measure	2022/23		YTD 2023/24	
	Value	Value	Target	Status
WHS	57.44%	40.08%	N/A	N/A
Number of lets to homeless applicants (10,000 for Group by 2025/26)	2,207	748	500	✓
WHG	1,318	534	N/A	N/A
Loretto	166	28	N/A	N/A
WHE	314	85	N/A	N/A
WHS	409	101	N/A	N/A
4,000 jobs, training places or apprenticeships opportunities delivered	802	182	130	✓
WHG	298	77	65	✓
Loretto	1	0	0	✓
WHS	128	19	15	✓
Lowther	[redacted]	[redacted]	[redacted]	[redacted]
WHE	131	34	6	✓
Care	[redacted]	[redacted]	[redacted]	[redacted]
Other	[redacted]	[redacted]	[redacted]	[redacted]
10,000 vulnerable children benefit from targeted Foundation programmes (Group total)	5,255	564	480	✓
60% of tenants with online accounts are using the My Savings rewards gateway	13.29%	13.27%	13%	✓



Developing our Shared Capability

Measure	2021/22 Value	Value	YTD 2021/22 Target	Status
Staff absence is maintained at 5% for Care services and 3% for all other parts of the business	4.28%	4.32%	3%	
WHG	2.74%	3.16%	3%	
Loretto	5.65%	0.33%	3%	
Wheatley Homes East	3.53%	4.26%	3%	
WHS	2.16%	2.79%	3%	
Lowther	[redacted]	[redacted]	[redacted]	[redacted]
Care	[redacted]	[redacted]	[redacted]	[redacted]
Solutions	[redacted]	[redacted]	[redacted]	[redacted]
Wheatley 360	[redacted]	[redacted]	[redacted]	[redacted]

Measure	2021/22		YTD 2022/23	
	Value	Value	Target	Status
Reduce gross rent arrears down to 4.5% by 2026 (Group RSL average)	5.44%	5.86%	5.25%	
WHG A	5.87%	6.34%	N/A	N/A
WHG B	5.47%	5.16%	N/A	N/A
WHG Combined	5.84%	6.27%	5.63%	
Loretto A	4.58%	4.61%	N/A	N/A
Loretto B	3.92%	3.84%	N/A	N/A
Loretto Combined	4.28%	4.27%	4.18%	
WHE A	4.64%	4.94%	N/A	N/A
WHE B	4.59%	5.65%	N/A	N/A
WHE Combined	4.63%	5.03%	4.52%	
WHS	4.62%	5.15%	4.42%	
Lowther Letting	[redacted]	[redacted]	[redacted]	[redacted]
Average time to re-let properties (Group RSL average)	18.63	14.63	16	
WHG	20.61	15.26	16	
Loretto	15.98	10.85	16	
WHE	18.00	17.65	16	
WHS	12.31	11.67	16	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Measure	2021/22 Value	Value	YTD 2022/23 Target	Status
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]














Appendix 2

Group Board Other KPIs Q1 (2023/24) (includes Compliance)



Measure	2022/23 Value	Value	2023/24 Target	Status
Percentage of new tenancies sustained for more than a year – overall (Group RSL Charter average)	89.03%	89.73%	90%	
WHG	89.13%	89.90%	90%	
Loretto	92.23%	91.78%	90%	
WHE	91.23%	92.78%	90%	
WHS	86.83%	86.82%	88%	
Average time taken to complete emergency repairs (hours) – make safe (Group RSL average)	3.26	2.48	3	
WHG	3.36	2.39	3	
Loretto	3.16	2.51	3	
WHE	3.13	3.20	3	
WHS	2.91	2.55	3	
Average time taken to complete non-emergency repairs (working days) (Group RSL average)	8.47	8.41	7	
WHG	8.88	8.40	7	
Loretto	9.13	10.79	7	
WHE	6.93	8.84	7	
WHS	7.02	7.01	7	

Measure	2022/23 Value	Value	2023/24 Target	Status
Average time to complete approved applications for medical adaptations (calendar days) (Group RSL average)	24.88	19.70	25	✓
WHG	23.06	18.71	25	✓
Loretto	21.49	20.51	25	✓
WHE	14.31	11.58	25	✓
WHS	32.87	24.38	25	✓
Percentage of reactive repairs completed right first time	91.86%	91.64%	N/A	
WHG	91.47%	91.70%	90%	✓
Loretto	92.58%	87.51%	93%	⚠
WHE	94.59%	90.73%	90%	✓
WHS	91.09%	93.76%	90%	✓
Number of times in the reporting year the RSL did not meet the statutory obligation to complete a gas safety check within 12 months of a gas appliance being fitted or its last check (Group RSL total)	0	0	0	✓
WHG	0	0	0	✓
Loretto	0	0	0	✓
WHE	0	0	0	✓
WHS	0	0	0	✓
Percentage of ASB incidents resolved (Group RSL average)	100%	84.84%	98%	✗


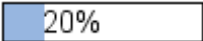

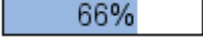
Measure		2022/23		2023/24	Status
		Value	Value	Target	
	WHG	100%	81.12%	98%	
	Loretto	100%	100%	98%	
	WHE	100%	80.69%	98%	
	WHS	100%	100%	98%	
Percentage of court actions initiated which resulted in eviction		25.56%	45.00%	Contextual	
	WHG	27.84%	33.33%	Contextual	
	Loretto	18.75%	50.00%	Contextual	
	WHE	26.32%	250.00%	Contextual	
	WHS	17.07%	80.00%	Contextual	
Percentage of lettable homes that became vacant (Group RSL average)		7.10%	7.40%	8%	
	WHG	6.92%	7.26%	8%	
	Loretto	6.17%	5.44%	8%	
	WHE	7.37%	7.22%	7.3%	
	WHS	7.91%	8.61%	8%	
Number of accidental fires in workplace		2	0	0	
Number of RIDDOR incidents reported		15	4	20	
Number of Health and Safety Executive or local authority environmental team interventions		2	0	0	
Number of new employee liability claims received		5	1	0	
Number of open employee liability claims		13	15	N/A	N/A



Measure	2022/23		2023/24	
	Value	Value	Target	Status
Number of days lost due to work related accidents	464	90.5	N/A	N/A



Compliance Programme Delivery


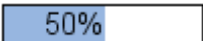
2023/24 Quarter 1	WHG	Loretto	WHE	WHS
Legionella - percentage of applicable properties with a valid risk assessment in place	30.87%	39.22%	100%	99.01%
Number of domestic stair and through floor lifts with a completed annual inspection and test against the number due to be completed	100%	100%	100%	100%
Number of passenger lifts with a completed six-month inspection and test against the number due to be completed	100%	100%	100%	100%
Percentage of electrical installation inspections completed toward annual programme	48.1%	44.0%	44.41%	99.97%
Percentage of properties with an EICR certificate up to 5 years old	99.82%	99.93%	99.85%	99.97%

Appendix 3 - Wheatley Group Board - Delivery Plan 23/24 - Strategic Projects

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Repairs technical enhancement programme	31-Mar-2024			01. Programme of research and engagement with customers on online repairs service to further refine functionality and usability	30-Sep-2023	No	Milestone 1 is being reviewed and programme delivery drafted.
				02. CBG IT integration – Boxi reporting system implementation	31-Oct-2023	No	Milestone 2 is being progressed through CBG/Civica workplan; dates for delivery have been requested.
				03. WHS DRS upgrade	31-Oct-2023	Yes	Milestone 3 is now complete.
				04. CBG DRS upgrade	31-Oct-2023	No	
				05. Servitor and DRS fully implemented in WHE	31-Mar-2024	No	
Group wide implementation of Roll out Book it, Track it, Rate it	31-Aug-2023			01. Pilot commencement in Wheatley Homes East	30-Apr-2023	Yes	Full implementation in the West and WHE pilot commenced, however, WHS pilot delayed due to Civica network change blockage. Progress has been made and launch of the WHS pilot is anticipated by the end of August.
				02. Pilot finalised in with City Building delivered repairs	31-May-2023	Yes	
				03. Pilot commencement in Wheatley Homes South	31-May-2023	No	
				04. Pilot evaluation, including customer feedback, and agreement to go live - City Building	30-Jun-2023	Yes	
				05. Pilot evaluation, including customer feedback, and agreement to go live - Wheatley Homes East	31-Jul-2023	Yes	
				06. Pilot evaluation, including customer feedback, and agreement to go live -	31-Aug-2023	No	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				Wheatley Homes South			
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
				[redacted]	[redacted]	[redacted]	
				[redacted]	[redacted]	[redacted]	
				[redacted]	[redacted]	[redacted]	
				[redacted]	[redacted]	[redacted]	
My Voice – real time customer feedback reporting	31-Mar-2024		<div><div>40%</div></div>	01. MY Voice CFC pilot concluded	30-Apr-2023	Yes	The CFC workflow for MyVoice is now fully operational, with the build continuing for the remaining priority pillars. Although there has been some slippage in the project we do not foresee any issues meeting our commitments to on-board these key service pillars by November. To finalise the operational framework, the team are currently working on structuring the reporting approach, identifying the key audiences, and defining the appropriate sharing frequency.
				02. CFC customer insight operational framework implemented	31-May-2023	No	
				03. Implementation plan for key service pillars developed and approved by ET	31-May-2023	Yes	
				04. On-board key service pillars to MY Voice customer insight platform	30-Nov-2023	No	
				05. Implement operational frameworks	31-Mar-2024	No	
Migration to new cloud telephony platform	31-Mar-2024		<div><div>40%</div></div>	01. Group Board approval of contract award	30-Apr-2023	Yes	Contract award approved by Group Board on 26 April 2023 and contact award signed on 14 June 2023.
				02. Vendor Contract Award	31-May-2023	Yes	
				03. Full project delivery plan developed and commenced	31-Jul-2023	No	
				04. Phase 1 launch	31-Dec-2023	No	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				05. Phase 2 launch	31-Mar-2024	No	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
				[redacted]	[redacted]	[redacted]	
				[redacted]	[redacted]	[redacted]	
				[redacted]	[redacted]	[redacted]	
Lochside regeneration	31-Mar-2024		<div><div></div></div> 0%	01. Community engagement on Masterplan	31-Oct-2023	No	Community engagement has commenced with multiple opportunities for people who live in the community to have their voices and ideas heard, as well as being kept up to date with progress. This includes a community day in July, regular focus groups and newsletters delivered by the joint working group. Milestones are on track.
				02. Draft Masterplan revised following community engagement	28-Feb-2024	No	
				03. Masterplan update to WHS and WDSL Board	31-Mar-2024	No	
Implement Group sustainability framework	31-Dec-2023		<div><div>80%</div></div>	01. Sustainability delivery workshop with nominated group leads	30-Apr-2023	Yes	Delivery Plan developed and quarterly sustainability update provided to ET.
				02. Refine sustainability performance monitoring framework	31-May-2023	Yes	
				03. Develop sustainability delivery plan	30-Jun-2023	Yes	
				04. Quarterly sustainability updates to ET	30-Jun-2023	Yes	
				05. Annual sustainability	31-Dec-2023	No	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				progress report via PNAG to Group Board			
Develop a new, integrated Neighbourhood Planning Approach	28-Feb-2024			01. Deliver workshop with key people involved in Neighbourhood tools and scoring mechanisms to map out roles and remit	31-May-2023	Yes	First 3 project milestones completed within timescale.
				02. Develop a technical guidance document around application of tools and the scoring mechanisms within the neighbourhood assessment	30-Jun-2023	Yes	
				03. Trial and test the neighbourhood assessment, including customer engagement, in one neighbourhood within WHG	31-Jul-2023	Yes	
				04. Based on the neighbourhood assessment, propose an example neighbourhood plan	30-Sep-2023	No	
				05. Provide worked example to WHG Board to review and agree as a model going forward	30-Sep-2023	No	
				06. Draft Neighbourhood approach for wider group to RSL Boards	28-Feb-2024	No	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
				[redacted]	[redacted]	[redacted]	
				[redacted]	[redacted]	[redacted]	
				[redacted]	[redacted]	[redacted]	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				[redacted]	[redacted]	[redacted]	
				[redacted]	[redacted]	[redacted]	

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: 30 August 2023

1. Purpose

- 1.1 To update the Board, seeking approval where appropriate, on the following governance related matters:
- Annual General Meeting arrangements;
 - Re-designation of Board members;
 - Group and CBG Modern Slavery Statement

2. Authorising and strategic context

- 2.1 Under the Articles of Association, the company is required to hold an Annual General Meeting (“AGM”). The process for calling General Meetings and the business they must consider are set out in the Articles of Association.
- 2.2 As a member of City Building (Glasgow) LLP approval is required by the Board for matters reserved to the members under the LLP Agreement save where expressly delegated to a Committee and/or senior staff member.

3. Background

- 3.1 A number of the governance-related matters included in this report require periodic Board review and approval.

4. Discussion

2023 Annual General Meeting and remaining meeting schedule

- 4.1 It is proposed that we formally call our AGM for 27th September 2023 at 10am, followed by a Board meeting immediately thereafter. The meeting and business thereof will be called in line with the requirements of our Articles.
- 4.2 Our AGM is the date when appointments/retirement of Board members takes effect. A summary of the changes from the end of our AGM is set out below. These have been agreed by our Remuneration Appointments Appraisals and Governance Committee.

Board appointments

- 4.3 With effect from its AGM, Bernadette Hewitt will retire from the Wheatley Homes Glasgow Board. Bernadette will take on a new role on the Board of Lowther Homes and from 30 August, Bernadette will become the Chair of City Building (Glasgow) as part of the annual rotation of the chair back to us. Bernadette's retirement as Wheatley Homes Glasgow Chair means that she will no longer be designated as a Subsidiary Chair member of the Board.
- 4.4 However, as previously agreed, in recognition of the importance of having tenant voices on our Board, Bernadette will be appointed as a co-opted Board member. This appointment will last for one year and it is proposed that Bernadette continues to be remunerated at the rate she currently receives.
- 4.5 In addition to Bernadette, John McCraw will also join our Board as a co-optee. John is a tenant member of the WH South Board and will provide good insight and experience based on his knowledge of the Dumfries and Galloway area, and his knowledge of our wider work having served as a Non-Executive Director of the Wheatley Foundation for nearly three years.
- 4.6 Since the retirement of Paddy Gray, we have not had a direct Board connection with the Wheatley Foundation Board. John's experience to date and ongoing connection with the Wheatley Foundation, particularly at a time when supporting tenants and communities during a cost of living is a key strategic issue for us, will therefore enhance the overall Board skills and experience. Additionally, his perspective as a tenant in a rural area will also add to the overall knowledge and experience of the Board. It is proposed that John will be remunerated at the standard rate for non-executives.
- 4.7 Upon Bernadette's retirement from Wheatley Homes Glasgow Maureen Dowden will take on her role as Chair. Maureen will also become an ex-officio member of the Group Remuneration, Appointments, Appraisal and Governance Committee upon her appointment in line with its Terms of Reference. It is proposed that Maureen will be remunerated at the existing level for the role of Wheatley Homes Glasgow Chair.
- 4.8 Maureen's retirement from the Board of Wheatley Homes South creates a Chair vacancy which we have agreed Jo Boaden will fill. Jo will therefore be redesignated as a Subsidiary Chair member of our Board from her current role as an independent. Jo will continue to be remunerated at her existing rate which also reflects her role as Chair of Wheatley Solutions.
- 4.9 The above changes are consistent with the Board's recent review of its composition and will mean that we have successfully moved to a core Board composition of 10, comprising five Independent members and five Subsidiary Chairs, and up to two co-optees. The two co-opted places are being used to ensure we continue to embed the voice of our tenants within the Board alongside wider skills and experience and knowledge of our communities that our co-optees will bring.

Partner General Meetings

- 4.10 Each of our RSL partners will also hold their AGMs in September. Under their constitutions, all appointments and re-appointments at the AGMs require formal approval from the Parent. The Group RAAG Committee, under its Terms of Reference, is responsible for approving Subsidiary Board appointments and will therefore be asked to provide this approval on behalf of the Parent.
- 4.11 All partner General Meetings also require the Parent member to be in attendance to take place. It is proposed that any of the lead Executives, the Group Company Secretary or Director of Governance be authorised to act as the Parent Appointees:
- Steven Henderson – Wheatley Homes Glasgow;
 - Hazel Young- Wheatley Homes East;
 - Pauline Turnock – Wheatley Homes South;
 - Laura Pluck – Loretto Housing;
 - Anthony Allison – (All) Group Company Secretary; and
 - Stephen Wright – (All) Director of Governance
- 4.12 The appointees shall act on the basis that they are instructed to, and only authorised to, vote in favour of the resolutions. In accordance with partner constitutions, formal notice confirming which person is being appointed will be given prior to the relevant meetings.

Modern Slavery statement

- 4.13 The Modern Slavery Act 2015 was developed by the UK Government to help combat a growing concern about poor ethical practices. The Act requires all organisations with a turnover in excess of £36m to prepare and publish a statement setting out the steps taken during the financial year to ensure that slavery and human trafficking are not taking place in any part of their supply chains or business.
- 4.14 We have assessed the risk of slavery and human trafficking in the Group following a review of our business activities as well as the data published by the International Labour Organisation. Based on this we have focused our review on construction as well as cleaning and security services.
- 4.15 Following our modern slavery review we have assessed our supply chain as low for the following reasons:
- We do not operate a large global supply chain;
 - We pay the minimum wage and Wheatley Homes Glasgow, the Group's largest employer, is an accredited Glasgow Living Wage employer;
 - We have a specialist procurement team which aims to drive up standards within our suppliers through Wheatley pledge and community benefits clauses;
 - We have introduced a requirement into our contracts that obliges suppliers to confirm their adherence to the Act;
 - We enjoy a high public profile and are aware of the need to ensure that we engage suppliers that demonstrate a commitment to the highest ethical standards';

4.16 In relation to the areas perceived as being at greater risk:

- Our new build construction framework contractors are covered by the Modern Slavery Act and require to comply with this, as well as publish a statement. We sought confirmation of this as part of the recent new build framework procurement and have carried out a review of the modern slavery statements provided by each. We work closely with contractors during our new build development activity and remain vigilant when on site. We have strong working relationships with site staff and have not identified any suspicious activity on sites (such as lack of appropriate attire) or in relation to low tender pricing that raises suspicions about rates of pay.
- In relation to Facilities Management, our 2 main contractors – ISS for cleaning, and Allander for security – have both provided their Modern Slavery statements and approach. Similar to the above, we have not identified any suspicious activity that raises concerns about modern slavery. Allander Security has been recently re-procured and has provided a declaration statement around child labour and human trafficking.

4.17 A proposed statement for this year is attached at Appendix 1. This has not materially changed from the statement agreed last year. The statement is mandatory for the Group, Wheatley Homes Glasgow, Wheatley Homes East and Wheatley Homes South; however, the confirmation provided by the statement is valid for all subsidiaries so we propose to make it on a voluntary basis for Loretto Housing, Lowther Homes, Wheatley Foundation and Wheatley Care.

4.18 City Building currently has a Modern Slavery Statement, which requires to be approved by the Members. A copy of their proposed statement is attached at Appendix 2.

5. Customer Engagement

5.1 As governance-related matters, the content of the report is reserved to the Board and is of an internal focus. As such no customer engagement has been appropriate.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

7.1 There are no links to the digital transformation programme.

8. Financial and value for money implications

8.1 There are no financial or value for money implications.

9. Legal, regulatory and charitable implications

9.1 The proposals are set out in compliance with our constitution. We are legally required to publish a Modern Slavery Statement, which is now required to be published within 6 months of the end of the financial year.

10. Risk appetite and assessment

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

11. Equalities implications

- 10.1 Our annual review of our Modern Slavery Statement is in line with our equalities and human rights approach.

12. Key issues and conclusions

- 12.1 The report covers routine governance matters which require to be considered on an annual basis or which are subject to Board approval.

12. Recommendations

- 12.1 The Board is asked to:
 - 1) Agree to call our Annual General Meeting for Wednesday 27th September at 10am;
 - 2) Note a Board meeting will be held following the Annual General Meeting;
 - 3) Approve the Parent Appointees for the subsidiary General Meetings as set out in the report and instruct them to vote in favour of all resolutions;
 - 4) Approve the re-designations of Board members and the associated remuneration levels
 - 5) Approve the Modern Slavery Statement on behalf of the Group; and
 - 6) Approve the CBG LLP Modern Slavery Statement;

LIST OF APPENDICES:

Appendix 1 – Modern Slavery Statement [redacted] available [here](#)

Appendix 2 – CBG Modern Slavery Statement [redacted] available [here](#)

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: 30 August 2023

1. Purpose

1.1 The purpose of this paper is to:

- provide the financial results for the period to 30 June 2023;
- seek approval for submission of the RSL Borrower Groups management accounts to 30 June 2023 to our bank lenders as part of our usual quarterly covenant returns;
- seek approval of the forecast full-year out-turn following the completion of the first quarter.

2. Authorising and strategic context

- 2.1 Under the Terms of Reference, the Group Board is responsible for the on-going monitoring of performance against agreed targets. This includes the on-going performance of its finances.
- 2.2 The external environment continues to be very challenging with increasing bank interest rates and high inflation, impacting on material supplies for both repairs and construction costs and on fuel and utilities. 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.

3. Background - Financial performance to 30 June 2023

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

	Year to Date (Period 3)		
£m	Actual	Budget	Variance
Turnover	100.7	100.1	0.6
Operating expenditure	(84.9)	(84.1)	(0.8)
Operating surplus	15.8	16.0	(0.2)
<i>Operating margin</i>	<i>15.7%</i>	<i>16.0%</i>	
Net interest payable	(16.7)	(16.7)	-
Deficit	(0.9)	(0.7)	(0.2)
Net Capital Expenditure	33.9	32.6	(1.3)

4. Discussion

4.1 The Group is reporting a statutory deficit of £0.9m, £0.2m unfavourable to budget. The lower grant income on new build completions and higher repairs costs is offset by savings across running costs, bad debts, voids rent losses and additional adaptation grant income.

4.2 Key variances against budget include:

- Within turnover, grant income which mainly comprises of grant recognised on new build completions is £0.9m unfavourable to budget due to early recognition of grant for units completed in Q4 2022/23 for WH East at Wisp 3C and Raw Holdings. It includes grant for the completion of 98 units (66 social rent and 32 MMR). Other income is favourable to budget mainly arising from unbudgeted grant income of £1.1m, £0.3m for WH South and £0.8m for WH Glasgow.
- Net rental income is £0.2m favourable to budget with a stronger performance in void rent loss levels driving the variance.
- In operating expenditure, total costs are £0.8m unfavourable to budget, as a result of lower expenditure than budgeted across staff costs, running costs and bad debts partially offsetting the higher spend on revenue repairs and maintenance.
 - Revenue repairs and maintenance spend is £1.9m unfavourable to budget. The variance relates to a higher than budgeted spend across repairs which is £2.6m higher than budget. There is a higher demand for repairs with increasing number of new jobs coming through the Customer First Centre with 12.6% increase compared to 2022/23 P3. Higher repairs volumes experienced in the first quarter of 2022/23 which were expected to be one off in nature linked to a covid backlog have proved to be persistent in nature. There is also inflationary pressures on the cost of materials in the in-house services in the South and East. An improvement plan has been put in place to monitor the drivers of repairs costs, improve efficiency and keep repairs spend within the forecast spend. Further details are included in the repairs update presented at this meeting.
 - Staff costs are £0.2m lower than budget due to £0.1m favourable variance for employee care contract costs in Wheatley care. This relates to a number of services operating with staff vacancies against budget. A further £0.1m favourable variance arose due to staff vacancies in other subsidiaries.
 - Running costs are £0.2m lower, linked to group recharges where a number of departments are currently reporting lower costs across Wheatley Solutions.
 - Bad debt costs are £0.8m lower than budget. As in previous years, our approach has been to include a prudent level of provision for costs.

4.3 Net capital expenditure is £1.3m higher than budget. Within this, new build spend is £13.7m lower which links through to new build grant income claimed which is £16.0m lower than budget for the period.

- 4.4 Reduced spend on new build was noted at Lowther due to delays at Ashgill Road, WH Glasgow for Kelvin Wynd due to a delayed start, at Loretto for East Lane and Dargavel Ph3, at Curries Yard and Springholm for WH South and at WH East for Blindwells, Sibbalds Brae, Wallyford 5/AB & Ph2 and Westcraigs Ph3. For WH East, the underspend was partially offset by additional spend at Westcraigs Ph1 and Ph2, Winchburgh, Raw Holdings and Deans South.
- 4.5 Net investment in our existing homes of £16.7m was £0.7m higher than budget. Higher spend to budget of £1.8m is noted from increased void improvements and capitalised repairs in the RSLs. The increased level of adaptations work of £0.8m were fully funded by an additional unbudgeted grant for WH South and WH Glasgow.
- 4.6 The interest cover covenant at 30 June 2023 of 138% is reported for the RSL Borrower Group. This meets our golden rules and the RSL Borrower Group management accounts will be provided to bank lenders as part of our usual quarterly return.

Q1 Forecast

£m	Q1 Forecast		
	Budget	Forecast	Variance
Turnover	412.8	411.8	(1.0)
Operating expenditure	(339.0)	(345.0)	(5.9)
Operating surplus	73.8	66.8	(6.9)
<i>Operating margin</i>	<i>17.9%</i>	<i>15.7%</i>	
Net interest payable	(71.5)	(72.5)	(1.0)
Statutory surplus	2.3	(5.6)	(7.9)
Net Capital Expenditure	183.1	163.4	19.7

- 4.7 The full year forecast out-turn for the Group shows a statutory deficit of £5.6m, £7.9m lower than budget.
- 4.8 The key drivers for the variance to budget are:
- additional net rental income to account for the reprofiled new build completions and reduced rent loss on voids.
 - Within other grant income:
 - the delivery of the Scottish Government Net Zero Heat projects has been reprofiled into early 2024/25 due to the scheduling of enabling work by Scottish Power. As a result the grant funding recognised for connected response projects has reduced by £3.8m with an equivalent amount shown as reduced expenditure within core investment spend.
 - additional adaptation grant awards to WH Glasgow for £1.5m and £0.5m for WH South.
 - In other income, additional external funding of £0.5m for Employability and Tackling Poverty & Social Inclusion Foundation projects (which have compensating increased running costs)
 -

- an additional £7.8m for reactive repairs has been included based on the increased customer demand and material costs noted within Q1 actual results. The forecast has been set to ensure there is a sufficient provision for the full financial year for spend on repairs and maintenance
- lower bad debt expenditure forecasting savings of £1.5m against budget. This forecast still retains a prudent level of provision for bad debts of £4.0m which compares to actual costs in 2022/23 of £3.0m.
- net interest costs are forecast to be £1.0m higher for the full year, with actual floating rates being higher than assumed in the budget due to increases in the actual and forecast base rate this financial year.

4.9 Net capital investment is expected to be £19.7m lower than budget.

- The new build programme has been reprofiled to take into account the delayed development spend across the RSL's and Lowther with reduced spend of £34.3m. This reduction in spend has resulted in a reduction in the new build grants of £17.4m.
- Core investment programme is expected to be £8.2m lower than budget, including the recognition of a reduction of £3.8m of spend funded by Scottish Government Net Zero Heat Fund projects within WH South and WH East in line with the reprofiled delivery. The forecast incorporates a reprofiled investment programme to provide financial capacity for additional repairs costs this year. Deferred projects have been reprofiled to 2024/25 across the RSLs and a revised 5 year plan will be prepared and presented with the 2024/25 financial projections in due course.

4.10 The forecast variations to budget on individual lines continue to be managed within the parameters of the overall budget for 2023/24. Earnings before taking account of interest and depreciation but after deducting investment in existing homes (EBITDA MRI) of £73.2m is forecast which is £1.3m higher than budget and provides sufficient earning to meet interest costs of £72.5m. In the RSL Borrower Group interest cover covenant is forecast to be 136% which meets our golden rule of 25% above the covenant target of 110%.

5. Customer Engagement

5.1 There has been no customer engagement in the preparation of this report.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8. Financial and value for money implications

8.1 As noted above.

9. Legal, regulatory and charitable implications

9.1 As noted above.

10. Risk Appetite and assessment

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

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

11. Equalities implications

11.1 There are no equalities implications arising from this report.

12. Key issues and conclusions

12.1 This paper presents the financial performance position for the period to 30 June 2023.

13. Recommendations

13.1 The Board is requested to:

- 1) note the Group management accounts for the period ended 30 June 2023 at Appendix 1, and
- 2) approve the RSL Borrower Group accounts at Appendix 2 for submission to the Group's lenders.

Appendices:

1: Wheatley Group Financial Report to 30 June 2023

2: RSL Borrower Group Financial Report to 30 June 2023

Appendix 1: Wheatley Group Financial Report To 30 June 2023 (Period 3)

1. Income & Expenditure	
a) Year-to-Date Executive Summary	2
2. RSL Borrower Group	3
a-g) Year-to-Date results	4-12
3. Summary of RSL operating costs and margin v budget	13
4. Commercial Businesses	14
a-b) Year-to-Date results	15-16
6. Wheatley Solutions	17
7. Wheatley Foundation	18
8. City Building Joint Venture	19
9. Wheatley Group consolidated Balance Sheet	20
10. Wheatley Group Q1 Forecast 2023/24	21

1a) Wheatley Group – Period to 30 June 2023

	Period to 30 June 2023			Full Year Budget £'000
	Actual £'000	Budget £'000	Variance £'000	
INCOME				
Net Rental Income	81,293	81,101	192	326,867
Grant income New Build	6,420	7,294	(874)	29,005
Grant income Other	3,436	2,227	1,209	18,244
Other Income	9,532	9,458	74	38,710
Total Income	100,681	100,080	601	412,826
EXPENDITURE				
Employee Costs	23,671	23,857	186	95,341
ER/VR	142	142	-	5,910
Running Costs	11,600	11,850	250	44,920
Repairs & Maintenance	20,663	18,719	(1,944)	73,751
Bad debts	647	1,402	755	5,612
Depreciation	27,972	27,972	-	112,408
Demolition Programme	219	124	(95)	1,105
Total Expenditure	84,914	84,066	(848)	339,047
NET OPERATING SURPLUS	15,767	16,014	(247)	73,779
	15.7%	16.0%		17.9%
Net interest payable	(16,658)	(16,691)	33	(71,472)
STATUTORY SURPLUS/(DEFICIT)	(891)	(677)	(214)	2,307

Key highlights:

The operating surplus to 30 June is £15,767k, £247k unfavourable to budget. At the statutory surplus level, a deficit of £891k is reported showing an unfavourable variance of £214k compared to the budget. The variance to budget reflects lower void rent losses, additional grant income for adaptation works and favourable variances across a number of other expenditure lines offset by lower grant income recognised on new build completions and the costs of delivering the increasing demand for repairs and maintenance.

Total income of £100,681k is £601k favourable to budget:

- Net rental income is £192k favourable to budget across the RSLs. Rent loss on voids at 1.11% is lower than the overall 1.4% budget driving the favourable variance.
- New build grant income recognised to date relates to 98 units completed (66 SR and 32 MMR). The unfavourable variance to budget is primarily due to the early recognition of grant for units completed early in WH East for at Wisp 3C and Raw Holdings in 2022/23.
- Other grant income is £1,209k favourable to budget mainly arising from unbudgeted adaptation grant for WH Glasgow and WH South.
- Other income is £74k favourable to budget attributable from the continuation of a favourable variance due to additional furnished lets income in WH Glasgow (which is offset by the recognition of additional costs) and the receipt of L&A Damages in relation to Sighthill.

Total expenditure of £84,914k is £848k unfavourable to budget:

- Employee costs (direct and group services) are £186k favourable to budget with staff vacancies in Care, the RSLs and Wheatley Solutions compared to the budgeted structure contributing to the variance.
- Running costs are £250k favourable to budget with the main driver being lower than budgeted group recharges with a number of departments are reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance spend is £1,944k 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. Completed responsive repair jobs YTD 12.8% higher than the same period last year, reflecting a continued increase in customer demand. An improvement plan has been put in place to monitor the drivers of repairs costs, improve efficiency and keep repairs spend within the forecast spend.
- Bad debts are £755k favourable to with a prudent provision set aside for increases in arrears.

Net Interest payable is £30k favourable to budget mainly relating to unbudgeted interest receivable in Wheatley Foundation.

1a) Wheatley Group – Period to 30 June 2023

Capital Investment	Period to 30 June 2023			Full Year Budget £'000
	Actual £'000	Budget £'000	Variance £'000	
CORE PROGRAMME				
SHNZ / EV	1,600	1,600	-	15,732
Adaptations	1,398	185	1,213	785
Grant Income	2,998	1,785	1,213	16,395
Core Investment Programme - grant funded	1,600	1,600	0	15,542
Adaptations - grant funded	1,398	565	(833)	853
Total grant Funded Core Investment	2,998	2,165	(833)	16,395
Core Investment Programme	9,270	9,913	643	46,106
Adaptations	-	16	16	2,773
Voids	5,213	4,170	(1,043)	14,737
Capitalised Repairs	2,241	1,528	(713)	5,223
Total Core Investment	16,724	15,627	(1,097)	68,839
NET CORE INVESTMENT SPEND	16,724	16,007	(717)	68,839
NEW BUILD				
New Build Grant Income Received	12,307	28,338	(16,031)	104,387
New Build investment	27,964	41,685	13,721	205,454
NET NEW BUILD INVESTMENT SPEND	15,657	13,347	(2,310)	101,067
OTHER FIXED ASSET INVESTMENT SPEND	1,577	3,287	1,710	13,198
TOTAL NET CAPITAL INVESTMENT SPEND	33,958	32,641	(1,317)	183,104

Key highlights:

Net capital expenditure of £33,958k is £1,317k unfavourable to budget.

- Within core investment, net spend is £717k higher than budget. It includes fully funded investment works of £2,998k in relation to SHNZ and decarbonisation energy efficiency projects (£1,600k) in addition to an additional £833k of adaptations work which has been fully funded. The main driver for the increased spend in the core programme categories is due to capitalised voids and capitalised repairs. As with Repairs, an improvement plan has been put in place to monitor the drivers of capitalised void and repairs costs to keep spend within the forecast spend.
- Net New build spend is £2,310k higher than budget. This is due to the timing of receipt of grant at Calton Village Phase B for WH Glasgow and early claiming of grant for Shawbridge St. Reduced spend was noted at WH Glasgow for Kelvin Wynd due to a delayed demolition start, at Loretto for East Lane and Dargavel Ph3, at Curries Yard and Springholm for WH South, at WH East for Blindwells, Sibbalds Brae, Wallyford 5/AB & Ph2 and Westcraigs Ph3 and at Lowther due to a delayed start to Ashgill. For WH East, the underspend was partially offset by additional spend at Westcraigs Ph1&Ph2, Winchburgh, Raw Holdings and Deans South.
- Other fixed assets investment includes spend on corporate estate and IT capital projects.

Wheatley Group Financial Report To 30 June 2023 (Period 3)

RSL Borrower Group

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

	RSL Borrower Group			
	Period to 30 June 2023			Full Year Budget £'000
	Actual £'000	Budget £'000	Variance £'000	
INCOME				
Net Rental Income	76,731	76,547	184	308,107
Grant income New Build	6,420	7,294	(874)	27,156
Grant income Other	3,436	2,227	1,209	18,244
Other Income	3,320	3,274	46	20,536
Total Income	89,907	89,342	565	374,043
EXPENDITURE				
Employee Costs	17,727	17,822	95	70,887
ER/VR	142	142	-	5,910
Running Costs	8,441	8,596	155	32,725
Repairs & Maintenance	19,199	17,301	(1,898)	68,015
Bad debts	559	1,308	749	5,235
Depreciation	27,972	27,972	-	112,408
Demolition Programme	219	124	(95)	1,105
Total Expenditure	74,260	73,265	(995)	296,285
NET OPERATING SURPLUS	15,647	16,077	(430)	77,758
	17.4%	18.0%		20.8%
Net interest payable	(15,957)	(15,962)	5	(68,570)
STATUTORY SURPLUS/(DEFICIT)	(310)	115	(425)	9,188

Key highlights:

The operating surplus to 30 June is £15,647k, £430k unfavourable to budget. At the statutory surplus level, a deficit of £310k is reported showing an unfavourable variance of £425k compared to the budget. The variance to budget reflects lower void rent losses, higher grant income received for adaptation works and favourable variances across a number of other expenditure lines offset by lower grant income recognised on new build completions and the costs of delivering the increasing demand for repairs and maintenance.

Total income of £89,907k is £565k favourable to budget:

- Net rental income is £184k favourable to budget across the RSLs. Rent loss on voids at 1.12% is lower than the overall 1.34% budget driving the favourable variance.
- New build grant income recognised to date relates to 98 units completed (66 SR and 32 MMR). The unfavourable variance to budget is primarily due to the early recognition of grant for units completed early in WH East for at Wisp 3C and Raw Holdings in 2022/23.
- Other grant income is £1,209k favourable to budget mainly arising from unbudgeted adaptation grant for WH Glasgow and WH South.
- Other income is £46k favourable to budget arising from the continuation of a favourable variance due to additional furnished lets income in WH Glasgow (which is offset by the recognition of additional costs), receipt of L & A Damages in relation to Sighthill, offset by a reduction in leased rents for MMR units due to delays in completion at Almondale, Wallyford 7 and Roslin.

Total expenditure of £74,260 is £995k unfavourable to budget:

- Employee costs (direct and group services) are £95k favourable to budget with staff vacancies in both the RSLs and Wheatley Solutions compared to the budgeted structure contributing to the variance.
- Running costs are £155k favourable to budget with the main driver being group recharges lower than budget with a number of departments are reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance spend is £1,898k 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. Completed responsive repair jobs YTD 12.8% higher than the same period last year, reflecting a continued increase in customer demand. An improvement plan has been put in place to monitor the drivers of repairs costs, improve efficiency and keep repairs spend within the forecast spend.
- Bad debts are £749k favourable to budget across the Borrower Group with a prudent provision set aside for increases in arrears.
- Revenue demolition costs includes final tenants' compensation costs relating to the Wyndford clearance at Kelvin Wynd.

Net Interest payable is £8k favourable to budget relating to unbudgeted interest receivable.

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

Capital Investment	Period to 30 June 2023			Full Year Budget £'000
	Actual £'000	Budget £'000	Variance £'000	
CORE PROGRAMME				
SHNZ / EV	1,600	1,600	0	15,732
Adaptations	1,398	185	1,213	785
Grant Income	2,998	1,785	1,213	16,395
Core Investment Programme - grant funded	1,600	1,600	-	15,542
Adaptations - grant funded	1,398	565	(833)	853
Total grant Funded Core Investment	2,998	2,165	(833)	16,395
Core Investment Programme	9,195	9,798	603	45,280
Adaptations	-	16	16	2,773
Voids	5,213	4,170	(1,043)	14,737
Capitalised Repairs	2,241	1,528	(713)	5,223
Total Core Investment	16,649	15,512	(1,137)	68,013
NET CORE INVESTMENT SPEND	16,649	15,892	(757)	68,013
NEW BUILD				
New Build Grant Income Received	12,307	26,388	(14,081)	98,500
New Build investment	27,068	38,557	11,489	194,113
NET NEW BUILD INVESTMENT SPEND	14,761	12,169	(2,592)	95,613
OTHER FIXED ASSET INVESTMENT SPEND	1,542	3,245	1,703	13,027
TOTAL NET CAPITAL INVESTMENT SPEND	32,952	31,306	(1,646)	176,653

Key highlights:

Net capital expenditure of £32,952k is £1,646k higher than budget.

- Within core investment, the overall position is additional spend of £757k for the period with increased void and capitalised repairs partially offset by underspend in the core investment programme. In WH South the void team has now been brought in-house which will help reduce costs going forward. Additional adaptation grants totalling £1,213k are recognised for both WH Glasgow and WH South. As a result of the increased grant funding, additional spend of £833k was noted within adaptation works.
- New build spend is an additional £2,592k to budget. This is due to the timing of receipt of grant at Calton Village Phase B for WH Glasgow and early claiming of grant for Shawbridge St. Reduced spend was noted at WH Glasgow for the Wyndford demolition at Kelvin Wynd due to a delayed start, at Loretto for East Lane and Dargavel Ph3, at Curries Yard and Springholm for WH South and at WH east for Blindwells, Sibbalds Brae, Wallyford 5/AB & Ph2 and Westcraigs Ph3. For WH East, the underspend was partially offset by additional spend at Westcraigs Ph1 & Ph2, Winchburgh, Raw Holdings and Deans South.
- Other fixed assets investment includes spend on corporate estate and IT capital projects.

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

The Wheatley Group and RSL Borrower Group operating Statement (Income and Expenditure Account) on pages 2 and 5 are prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2014).

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

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

In the period to 30 June 2023, an underlying surplus of £1,595k has been generated which is £1,531k unfavourable to budget. The variance is mainly driven by higher repairs and maintenance costs and investment spend on capitalised voids and repairs.

Borrower Group Underlying Surplus - June 2023				
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks	FY Budget £ks
Net Operating Surplus	15,647	16,077	(430)	70,313
add back:				
Depreciation	27,972	27,972	0	112,408
less:				
Grant Income	(6,420)	(7,294)	874	(27,156)
Net interest payable	(15,957)	(15,962)	(5)	(68,570)
Total expenditure on Core programme	(19,647)	(17,677)	(1,970)	(84,408)
Underlying surplus	1,595	3,116	(1,531)	2,587

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

	Period to 30 June 2023			Full Year
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks	
INCOME				
Rental Income	£52,303	£52,298	£5	£210,343
Void Losses	(£617)	(£663)	£46	(£2,666)
Net Rental Income	£51,686	£51,635	£51	£207,677
Grant Income New Build	£446	£448	(£2)	£4,109
Grant Income Other	£1,984	£1,148	£836	£5,044
Other Income	£2,693	£2,601	£92	£11,504
Total Income	£56,809	£55,832	£977	£228,334
EXPENDITURE				
Employee Costs - Direct	£8,923	£8,936	£13	£35,362
Employee Costs - Group Services	£4,312	£4,309	(£3)	£17,237
ER / VR	£23	£23	£0	£4,820
Direct Running Costs	£3,346	£3,321	(£25)	£11,687
Running Costs - Group Services	£2,145	£2,224	£79	£8,895
Revenue Repairs and Maintenance	£13,539	£11,746	(£1,793)	£45,386
Bad debts	£458	£944	£486	£3,774
Depreciation	£19,142	£19,142	£0	£76,569
Demolition and Tenants Compensation	£95	£0	(£95)	£0
TOTAL EXPENDITURE	£51,983	£50,645	(£1,338)	£203,730
NET OPERATING SURPLUS / (DEFICIT)	£4,826	£5,187	(£361)	£24,604
Net operating margin	8.5%	9.3%	-0.8%	10.8%
Net Interest payable & similar charges	(£11,450)	(£11,450)	£0	(£50,084)
STATUTORY SURPLUS / (DEFICIT)	(£6,624)	(£6,263)	(£361)	(£25,480)
INVESTMENT				
	Period to 30 June 2023			Full Year
	Actual	Budget	Variance	Budget
Total Capital Investment Income	£1,888	£2,746	(£858)	£15,557
Total Expenditure on Core Programme	£13,572	£12,273	(£1,299)	£55,281
New Build & other investment expenditure	£7,274	£8,817	£1,543	£46,447
Other Capital Expenditure	£1,107	£2,364	£1,257	£9,506
TOTAL CAPITAL EXPENDITURE	£21,953	£23,454	£1,501	£111,234
NET CAPITAL EXPENDITURE	£20,065	£20,708	£643	£95,677

Key highlights:

Net operating surplus of £4,826k is £361k unfavourable to budget. Statutory deficit for the period to 30 June is £6,624k, which is £361k unfavourable to budget. The key driver of the variance is higher than budgeted repairs spend linked to a higher demand and higher average cost, partially offset by additional other grant income.

- Gross rental income is £5k favourable to budget and net rental income is £51k favourable to budget. Void losses are £46k lower than budget and represent a 1.18% void loss rate compared to the budgeted rate of 1.27%.
- New Build grant income is in line with budget, with 9 MMR units completing at Sighthill in June.
- Other grant income is £836k higher than budget, following recognition of the grant award for 2023/24 medical adaptations.
- Other income is £92k favourable to budget linked to additional furnished lets income (offset by additional costs) and receipt of L&A damages in relation to the Sighthill new build partially offset by a reduction in MMR income due to the Sighthill delay.
- Total employee costs (direct and group services) are £10k favourable to budget. The group services recharge is £3k favourable to budget and reflects WH-Glasgow's share of changes across several departments in Wheatley Solutions from the budgeted structure.
- Total running costs (direct and group services) are £54k favourable to budget. The higher spend in direct running costs is linked to greater uptake of furnished lets packages. Group recharges are £79k favourable to budget due to several departments reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance spend is £1,793k unfavourable to budget. The spend on responsive repairs is linked to higher demand for repairs (12.6% ytd increase in job numbers vs ytd 2022/23). Additional provision for repairs costs has been made in the Q1 full year forecast out-turn. An improvement plan has been put in place to monitor the drivers of repairs costs, improve efficiency and keep repairs spend within the forecast spend.
- Revenue demolition costs includes final tenants' compensation costs relating to the Wyndford clearance.

Gross interest payable of £11,450k represents interest due on the loans due to Wheatley Funding No.1 Ltd.

Net capital expenditure of £20,065k is £643k lower than budget.

- Capital investment income (grants) is £858k lower than budget linked to the delays at Calton Village Phase B and timing of Shawbridge St grant claims (the full grant award was claimed in 2022/23), partially offset by unbudgeted medical adaptations grant of £847k.
- Investment programme spend is £1,299k unfavourable to budget with higher spend in funded adaptations and capitalised voids and repairs.
- New build spend is £1,543k lower than budget following delays on Calton Village Phase B and Wyndford.
- Other capital expenditure of £1,107k is £1,257k lower than budget and includes IT capital and refurbishment of Nets depots and concierge stations.

2d) Loretto Housing – Year to 31 March 2023

	Period To 30 June 2023			Full Year
	Actual £k	Budget £k	Variance £k	Budget £k
INCOME				
Rental Income	3,948	3,962	(14)	15,859
Void Losses	(46)	(114)	68	(456)
Net Rental Income	3,902	3,848	54	15,403
Grant Income	1,204	0	1,204	2,223
Other Grant Income	86	17	69	116
Other Income	19	26	(7)	876
Total Income	5,211	3,891	1,320	18,618
EXPENDITURE				
Employee Costs - Direct	345	345	0	1,382
Employee Costs - Group Services	214	220	6	881
ER / VR	27	27	0	210
Direct Running Costs	422	470	48	1,813
Running Costs - Group Services	113	117	3	469
Revenue Repairs and Maintenance	883	749	(134)	3,198
Bad debts	47	101	54	407
Depreciation	1,883	1,883	0	7,627
TOTAL EXPENDITURE	3,934	3,912	(22)	15,987
OPERATING SURPLUS / (DEFICIT)	1,277	(21)	1,298	2,631
Interest Payable	(897)	(897)	0	(3,779)
STATUTORY SURPLUS / (DEFICIT)	380	(918)	1,298	(1,148)

	Period To 30 June 2023			Full Year
	Actual £k	Budget £k	Variance £k	Budget £k
INVESTMENT				
Total Capital Investment Income	460	3,948	(3,488)	11,196
Investment Programme	363	335	(28)	2,514
New Build Programme	1,311	4,401	3,090	22,048
Other Capital Expenditure	51	106	55	422
TOTAL CAPITAL EXPENDITURE	1,725	4,842	3,117	24,984
NET CAPITAL EXPENDITURE	1,265	894	(371)	13,788

Key highlights:

Net operating surplus of £1,277k is £1,298k favourable to budget. Statutory surplus for the year is £380k, £1,298k favourable to budget. The main driver of the favourable variance is the recognition of new build grant income on completions earlier than budgeted.

- Gross rental income of £3,948k is £14k unfavourable to budget due to changes in the service charges applied to a small number of rent accounts. Void losses in the year to date are 1.17% against a budget of 2.88%.
- Grant income relates to 13 units at Maddiston, which completed ahead of the budgeted date of March 2024.
- Other grant income relates to medical adaptations.
- Other income is £7k unfavourable to budget following a revision of the Dargavel L&D damages claim, which resulted in a reduction for the damages received.
- Direct employee costs are in line with budget. Employees recharged from Group Services are for Loretto's share of Wheatley Solutions staff are currently £6k favourable.
- Total running costs are £51k favourable to budget. Direct running costs are £48k favourable to budget with most budget categories showing underspends, partly linked to the timing of spend.
- Revenue repairs and maintenance is £134k unfavourable to budget with responsive repairs spend £170k higher than budget, partially offset by cyclical and compliance spend £36k lower than budget. Completed responsive repair jobs YTD 12.8% higher than the same period last year, reflecting a continued increase in customer demand. An improvement plan has been put in place to monitor the drivers of repairs costs, improve efficiency and keep repairs spend within the forecast spend.
- Bad debts are £54k favourable to budget. A prudent approach was taken when setting the budget.
- Gross interest payable represents interest due on the loans due to Wheatley Funding No.1 Ltd.

Net capital expenditure of £1,265k is £371k unfavourable to budget.

- Capital investment income (grant) is £3,488k lower than budget mainly due to East Lane and Dargavel Ph 3 site starts being delayed, in addition to the full grant for Main St Maddiston being claimed in 2022/23.
- New build spend is £3,090k lower than budget resulting from the delays and phasing of project spend. East Lane (budget £2,412k) only recently started on site and Dargavel Ph 3 (budget £1,401k) has not yet started.
- Investment programme expenditure of £363k relates to core programme works, capitalised repairs and voids. The variance to budget is mainly due to additional funded adaptations.
- Other capital expenditure of £51k relates to the Loretto contribution to Wheatley Group IT costs.

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

	Period to 30 June 2023			Full Year
	Actual £k	Budget £k	Variance £k	Budget £k
INCOME				
Rental Income	9,494	9,483	11	38,215
Void Losses	(143)	(118)	(25)	(475)
Net Rental Income	9,351	9,365	(14)	37,740
Grant Income Recognised in the Year	4,770	6,846	(2,076)	15,847
Other Grant Income	169	166	3	1,348
Other Income	801	828	(27)	7,194
TOTAL INCOME	15,091	17,205	(2,114)	62,129
EXPENDITURE				
Employee Costs - Direct	1,139	1,131	(8)	4,491
Employee Costs - Group Services	723	744	21	2,978
ER/VR	0	0	0	540
Direct Running Costs	1,069	1,085	16	4,221
Running Costs - Group Services	383	396	13	1,585
Revenue Repairs and Maintenance	1,596	1,773	177	7,164
Bad Debts	30	100	70	403
Depreciation	3,302	3,302	0	13,631
TOTAL EXPENDITURE	8,242	8,531	289	35,014
NET OPERATING SURPLUS / (DEFICIT)	6,849	8,674	(1,825)	27,115
Net Operating Margin	45%	50%	-5%	44%
Interest receivable	8	3	5	13
Interest payable	(2,058)	(2,058)	0	(8,696)
STATUTORY SURPLUS / (DEFICIT)	4,799	6,619	(1,820)	18,432

	Period to 30 June 2023			Full Year
	Actual £k	Budget £k	Variance £k	Budget £k
INVESTMENT				
Total Capital Investment Income	9,914	13,858	(3,944)	53,717
Total Expenditure on Core Programme	2,164	2,093	(71)	7,079
New Build & Other Investment	15,433	18,763	3,330	94,278
Other Capital Expenditure	161	261	100	1,043
TOTAL CAPITAL EXPENDITURE	17,758	21,117	3,359	102,400
NET CAPITAL EXPENDITURE	7,844	7,259	(585)	48,683

Key highlights:

Net operating surplus of £6,849k is £1,825k unfavourable to budget. Statutory surplus for the period to 30 June is £4,799k, £1,820k unfavourable to budget. The main driver of the variance is lower than budgeted grant income recognised on new build completions offset by lower levels of spend across expenditure.

Total income of £15,091k is £2,114k unfavourable to budget:

- Gross rent is £11k favourable to budget due to early completions at Wisp 3C and Raw holdings in 22/23, partially offset by delayed handovers at Penicuik and Roslin, as well as higher than budgeted service charge income. Void losses are £25k unfavourable to budget, representing 1.51% vs a budget of 1.25%. This is mainly due voids at sheltered sites and voids at the Harbour relating to fire safety works.
- Grant income recognised is £2,076k unfavourable to budget due to early handovers in 22/23 at the Wisp 3C & Raw Holdings and delayed handovers YTD at Penicuik, Roslin Ph1 & Wallyford. This is partially offset by delayed handovers from 22/23 at Roslin Ph2 completing in May and also accelerated completions at Raw Holdings.
- Other grant income of £169k consists of grants recognised for medical adaptations, Scottish Housing Net Zero (SHNZ) and for the Harbour.
- Other income of £801k is £27k unfavourable to budget with the main variance attributable to delayed tenancies at Almondvale, Wallyford 7 and Roslin MMR units. WHEPS is reporting in line with budget

Total expenditure is £289k favourable to budget:

- Total employee costs are £13k favourable to budget. Direct employee costs are £8k unfavourable to budget due to overtime at the Harbour to cover for staff vacancies, illness and holiday cover.
- Total running costs are £29k favourable to budget. A number of departments are currently reporting lower costs across Wheatley Solutions contributing to the underspend against budget.
- Revenue repairs and maintenance spend is £177k favourable to budget with responsive repairs £21k adverse and cyclical maintenance £198k favourable due to the timing of works.

Interest payable of £2,058k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders.

Net capital expenditure of £7,844k is £585k higher than budget.

- Capital investment income relates to the cash receipt of new build grants, SHNZ funding and medical adaptation grants and is £3,944k lower than budget due to delayed new build spend resulting in slower than anticipated claims on new build sites, including Westcraigs13, Wallyford 5/AB, Rowanbank, Blindwells and Sibbalds Brae.
- Core Programme spend is currently £71k adverse to budget, due to overspend on capitalised repairs and voids. This is currently under review with plans being put in place to bring spend in line with budget by year end.
- New build spend of £15,433k is £3,330k lower than budget due to reduced spend at Blindwells, Sibbalds Brae, Wallyford 5/AB & Ph2 and Westcraigs Ph3. This is partially offset by accelerated spend at Westcraigs Ph1 & Ph2, Winchburgh BB, Raw Holdings and Deans South.
- Other Capital Expenditure includes IT, furniture & office costs and is currently £100k lower than budget due to the timing of IT projects resulting in lower recharge costs.

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

	Period to 30 June 2023		
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s
INCOME			
Rental Income	£11,858	£11,841	£17
Void Losses	(£66)	(£142)	£76
Net Rental Income	£11,792	£11,699	£93
Grant Income New Build	£0	£0	£0
Grant Income Other	£1,197	£896	£301
Other Income	£306	£326	(£20)
Total Income	£13,295	£12,921	£374
EXPENDITURE			
Employee Costs - Direct	£1,388	£1,426	£38
Employee Costs - Group Services	£980	£1,010	£30
ER / VR	£92	£92	£0
Direct Running Costs	£594	£601	£7
Running Costs - Group Services	£519	£538	£19
Revenue Repairs and Maintenance	£3,233	£3,085	(£148)
Bad debts	£24	£163	£139
Depreciation	£3,645	£3,645	£0
Demolition and Tenants Compensation	£124	£124	£0
TOTAL EXPENDITURE	£10,600	£10,684	£84
NET OPERATING SURPLUS / (DEFICIT)	£2,695	£2,237	£458
<i>Net operating margin</i>	<i>20.3%</i>	<i>17.3%</i>	<i>3.0%</i>
Net Interest payable & similar charges	(£1,560)	(£1,563)	£3
STATUTORY SURPLUS / (DEFICIT)	£1,135	£674	£461

	Period to 30 June 2023		
	Actual	Budget	Variance
INVESTMENT			
Total Capital Investment Income	£3,043	£7,621	(£4,578)
Total Expenditure on Core Programme	£3,548	£2,976	(£572)
New Build & other investment expenditure	£3,763	£7,958	£4,195
Other Capital Expenditure	£223	£514	£291
TOTAL CAPITAL EXPENDITURE	£7,534	£11,448	£3,914
NET CAPITAL EXPENDITURE	£4,491	£3,827	(£664)

Full Year
Budget
£47,855
(£568)
£47,287
£4,977
£11,736
£2,876
£66,876
£5,715
£4,038
£340
£2,529
£2,150
£12,360
£651
£14,581
£1,105
£43,469
£23,407
35.0%
(£6,024)
£17,383

Key highlights :

Net operating surplus of £2,695k is £458k favourable to budget. Statutory surplus to 30 June is £1,135k, which is £461k favourable to budget. The key driver of the variance is higher than budgeted adaptation grant income.

- Net Rental income is £93k higher than budget driven by lower than budgeted voids, with a void loss rate of 0.6% vs 1.2% in budget. Rental income is £17k favourable due to the timing of properties cleared for demolition.
- Other Grant income is £301k favourable than budget due to additional adaptation grant claimed (with higher corresponding spend in investment).
- Total employee costs (direct and group services) are £68k lower than budget. The savings include vacant positions in the budgeted structure and lower than budgeted overtime.
- ER/VR costs are in line with budget, with two ER/VR leavers in Q1. This cost will yield future revenue savings.
- Total running costs (direct and group services) are £26k favourable to budget. Group recharges are £19k favourable to budget due to several departments currently reporting lower costs across Wheatley Solutions.
- Repair costs are £148k unfavourable to budget. Reactive repairs are £149k unfavourable to budget due to higher cost per job driven by increased material costs. Lower spend was noted in both cyclical and compliance. A repairs improvement plan which includes a number of mitigating actions has been put in place to manage repairs spend within the forecast spend.
- Demolition costs are in line with budget, spend in the month relates to home loss and disturbance costs prior to demolition.

Gross interest payable of £1,567k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders.

Net capital expenditure of £4,491k is £664k higher than budget.

- Core investment spend is £572k higher than budget due to higher spend on voids. Spend includes £952k of funded adaptations and funded energy efficiency works as part of the Social Housing Net Zero project.
- New Build expenditure is £4,195k under budget driven by timing of spend at Curries Yard and Springholm. The investment team still expect to meet full year budget by end of the year. The new build grant income is for Curries Yard and Springholm.
- Other capital expenditure of £223k is £291k lower than budget. Other capital spend includes work on local touchdown hubs and IT costs.

2g) Wheatley Developments Scotland – Period to 30 June 2023

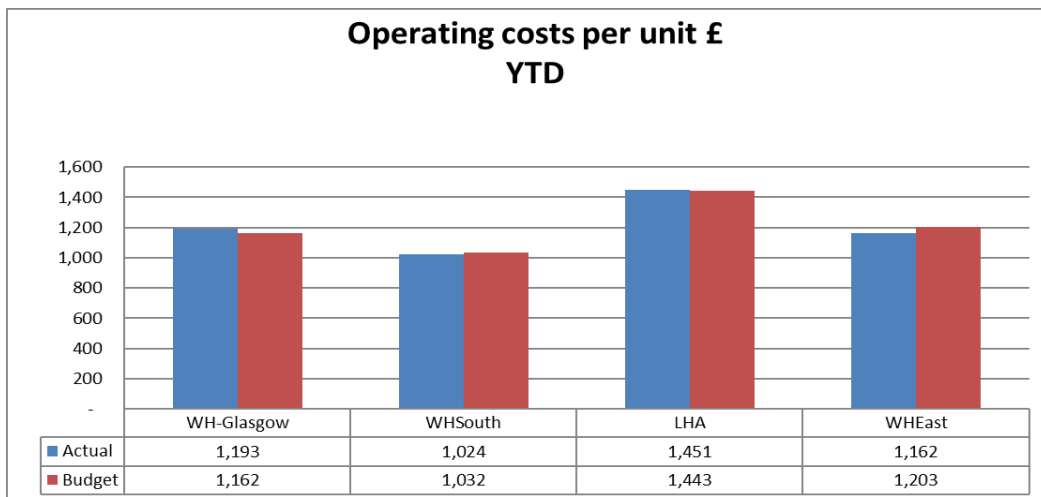
	Period to 30 June 2023			FY Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
INCOME				
Staff recharges	328	206	122	824
Design and Build recharges	14,918	29,026	(14,108)	156,351
Total Income	15,246	29,232	(13,986)	157,175
EXPENDITURE				
Staff Costs	328	206	(122)	824
Project costs	14,208	27,644	13,436	148,906
Total Expenditure	14,536	27,850	13,314	149,730
Net Operating Surplus	710	1,382	(672)	7,445
Interest receivable & similar income	3	-	3	-
Gift aid	-	-	-	-
STATUTORY SURPLUS	713	1,382	(669)	7,445

Key highlights:

This table presents the financial performance of Wheatley Developments Scotland Ltd (WDS) for the period to June 2023.

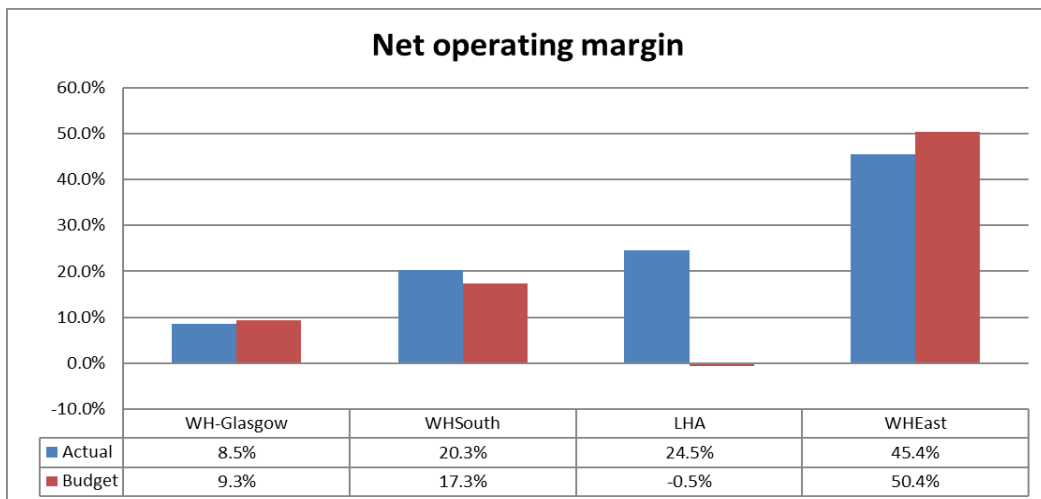
- Statutory surplus of £713k is £669k unfavourable to budget. The main drivers of this unfavourable variance relates to the timing of developments which impacts both income recharges and project costs including contractor and professional fees expenditure.
- Contractor expenditure and new build professional fees are fully recharged to the applicable RSL at a mark up of 5%.
- Overall WDS income of £15,246k is £13,986k lower than budget. This variance principally relates to the Design and Build recharges, due to projects which have been delayed versus the budget.
- This is offset by staff recharges which are £122k ahead of budget at the end of June. Staff costs and therefore staff recharges reflect the share of the development team working on WDS projects. Prudent assumptions were used in the budget for the proportion of the development team delivering WDS projects with the actual share based on schemes contracted through WDS higher than anticipated.
- Overall, WDS reports expenditure of £14,536k. This is £13,314k lower than budget. Delays to the start of forecasted developments across the RSL group are the main drivers of the variance.

3) Summary of RSL operating costs and margin v budget



Operating costs per unit:

- At June 2023 operating costs per unit are marginally higher than budget for WH Glasgow and Loretto and marginally lower than budget for WH South and WH East. This higher unit cost variance is attributable to the higher repair costs to maintain our properties partially offset by reduced bad debts
- 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 favourable to budget in WH South and Loretto at June 2023. The unfavourable variance in WH Glasgow is driven by the increased spend in repairs and maintenance costs not being fully offset by the favourable variances in bad debts, voids and other grant income. The unfavourable variance in WH East is driven by the reduced new build grant income due to early completions recognised in 2022/23 .
- Similar to operating costs, the variances across expenditure lines is impacting margins in the RSLs.

Wheatley Group Financial Report To 30 June 2023 (Period 3)

Non RSL entities

4a) Wheatley Care – Period to 30 June 2023

[redacted]

4b) Lowther – Period to 30 June 2023



[redacted]

5) Wheatley Solutions – Period to 30 June 2023



[redacted]

6) Wheatley Foundation – Period to 30 June 2023

[redacted]

7) City Building (Glasgow) LLP – Period to 16 June 2023

[redacted]

8) Wheatley Group – Consolidated Balance Sheet

	As at 30 June 2023 £ks	As at 31 March 2023 £ks
Fixed Assets		
Social Housing Properties	2,617,598	2,594,716
Investment properties	280,105	279,134
Other tangible fixed assets	70,400	71,553
Investments -other	116	116
Fixed Assets	2,968,219	2,945,519
Debtors Due More Than One Year		
Inter Company Loan	0	0
Pension Asset	2,505	2,505
Current Assets		
Investments	3,980	0
Stock	1,725	1,713
Trade debtors	4,006	2,128
Rent & Service charge arrears	19,617	20,735
less: Provision for rent arrears	(14,112)	(13,369)
Prepayments and accrued income	23,172	8,846
Intercompany debtors	0	0
Other debtors	21,402	28,910
	59,790	48,963
Bank & Cash	35,166	39,340
Current Assets	94,956	88,303
Current Liabilities		
Trade Liabilities	(6,158)	(6,619)
Accruals	(61,890)	(64,750)
Deferred income	(42,270)	(36,964)
Rents & service charges in advance	(16,034)	(15,309)
Intercompany creditors	0	0
Other creditors	(21,872)	(16,066)
	(148,224)	(139,708)
Net Current Assets	(53,269)	(51,405)
Long Term Liabilities		
Contingent efficiencies grant	(47,914)	(47,914)
Bank finance	(1,267,122)	(1,246,338)
Bond finance	(300,000)	(300,000)
Provisions	(8,690)	(8,737)
Deferred income	(54,560)	(53,570)
Intercompany creditors	0	0
Pension liability	(3,247)	(3,247)
Long Term Liabilities	(1,681,533)	(1,659,806)
Net Assets	1,235,922	1,236,813
Funding Employed Capital & Reserves		
Share Capital	0	0
Retained Income b/fwd	720,604	785,565
Income & Expenditure	(891)	(64,961)
Revaluation Reserves	516,209	516,209
Funding Employed	1,235,922	1,236,813

Key highlights:

- Group net assets are £1,235.9m at 30 June 2023.
- The Balance Sheet as at 31 March 2023 reflects the audited statutory accounts for the year then ended.
- 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 £10.8m higher than 31 March 2023 mainly driven by the timing of invoices being raised and an increase in prepaid expenses and accrued income.
- Current liabilities are £8.5m higher than the year end position, with an increase of £5.3m in deferred income for new build grants and increase in other creditors, offset by a reduction in accruals.
- Long term liabilities at 30 June 2023 are £21.7m higher than the year end position due to £20m additional loans received to finance the developments across the RSL's and £1m increase in deferred income.
- Income and expenditure of £891k relates to the group deficit for the period.

10) Wheatley Group – Q1 Forecast 2023/24

Key highlights:

The Group forecast full year out-turn at the end of Quarter 1 shows a net operating surplus of £66.8m, which is £6.9m unfavourable to budget and a statutory deficit of £5.6m, which is £7.9m unfavourable to budget.

Adjusted EBITDA MRI after excluding grant income on new build completions and capital investment spend of £73.2m is forecast compared to an EBITDA MRI of £71.9m budgeted, £1.3m favourable. This forecasts an underlying surplus after taking into account interest costs of £0.7m compared to budgeted underlying surplus of £0.4m.

Total income is forecast to be £1.0m lower than budget:

- Net rental income is expected to be £0.5m favourable to budget and includes the reprofiled new build completions and lower rent loss on voids with the forecast reflecting a continuation of the favourable performance at June.
- Grant income for new build is expected to be marginally less than budget with a £33k unfavourable variance. The forecast is based on the updated profile for 2022/23 early completions and for the updated 2023/24 completions.
- Other grant income is expected to be £1.8m unfavourable to budget, mainly driven by a reduction of £3.3m in the SHNZ grant due to a reprofiling of the WH South programmed works and £0.5m for WH East. This has been offset by an increase in the adaptations grant received which is £2.0m higher than budget.
- Other income is forecast to be £0.4m favourable to budget due to additional external funding of £0.5m for Employability and Tackling Poverty & Social Inclusion Foundation projects (which have compensating increased running costs) and reduced income in Wheatley Care based on service hours delivered.

Total expenditure is expected to be £5.9m higher than budget.

- Employee costs are £0.4m lower reflecting savings reported in the year to date
- Running costs are expected to be £0.1m unfavourable to budget after making provision for £0.5m additional grant funded costs for the Foundation.
- Repairs and maintenance costs are forecast to be £7.8m higher than budget, and includes an additional provision for responsive repairs across the RSLs to help meet expected higher levels of demand and inflationary pressures on the cost of materials. The additional provision has been offset in part by reduced cyclical spend. An improvement plan has been put in place, however the forecast provision has been prepared on a prudent basis and does not take any reduction in spend associated with these actions into account
- Bad debts are £1.5m lower than budget with the forecast reflecting a continuation of the favourable performance at June.
- Net interest payable is forecast to be £1.0m higher than budget with higher interest payable linked to an increase in the bank base rates, reduced by additional bank interest received from investing excess funds on overnight deposit.
- Net capital expenditure is forecast to be £19.7m lower than budget.
- The level of claims of new build grant and the SHNZ grant projected for the year has been reprofiled to match with the most recent spend forecast and has reduced in total by £22.7m.
- The core investment programme is £8.2m lower than budget recognising the reprofiling of a number of core programmed spend and SHNZ project work across all RSL's. This planned reduction in spend has partially been offset by additional spend recognised for the increased capitalised voids and capitalised repairs works.
- The new build development spend is expected to be £36.1m lower than budget. Spend levels are forecast to be lower across a number of sites with the main reductions noted in Johnstonebridge and Lochans in WH South, Wallyford Area 5, Westcraigs plot 13, Winchburgh BB, Sibbalds Brae, and Deans South at WH East and at East Lane and Dargavel at Loretto. Additional spend is also noted in WH Glasgow due to an earlier site start at Shandwick and Calton Village Phase B and Westcraigs 4 & 5 operating ahead of schedule at WH East. .

	FULL YEAR		
	Budget £000	Forecast £000	Variance £000
INCOME			
Net Rental Income	326,867	327,345	478
Grant Income New Build	29,005	28,972	(33)
Grant Income Other	18,244	16,394	(1,850)
Other Income	38,710	39,098	389
Total Group Income	412,826	411,809	(1,016)
EXPENDITURE			
Employee Costs	95,341	94,942	399
ER/VR	5,910	5,910	-
Running Costs	44,920	44,828	92
Repairs & Maintenance	73,751	81,537	(7,786)
Bad debts	5,612	4,092	1,520
Depreciation	112,408	112,408	-
Demolition	1,105	1,253	(148)
Total Group Expenditure	339,047	344,969	(5,923)
NET OPERATING SURPLUS	73,779	66,840	(6,939)
Net operating margin	17.9%	16.2%	-1.6%
Net Interest Payable	(71,472)	(72,474)	(1,002)
STATUTORY SURPLUS	2,307	(5,634)	(7,941)

	FULL YEAR		
	Budget £000	Forecast £000	Variance £000
INVESTMENT			
Total Capital Investment Income	(120,782)	(98,040)	(22,742)
Core Investment Programme	85,234	77,079	8,155
New Build Programme	205,454	171,135	34,319
Other fixed assets	13,198	13,198	-
NET CAPITAL INVESTMENT SPEND	183,104	163,372	19,732

Report

To: Wheatley Housing Group Board

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

Approved by: Steven Henderson, Group Chief Executive

Subject: Contract Award – Servitor Job Management System

Date of Meeting: 30 August 2023

1. Purpose

- 1.1 To seek approval for the award of the contract for the provision of the Servitor Job Management System contract to Civica UK Limited (“Civica”) for a contracted period of three years + two one-year extensions (up to five years in total) to a total value of up to £3,000,000 (inc VAT).

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 an optional extension of 2 years, is up to £3,000,000. The contract delivers the core platform for repairs in Wheatley Homes South and aligns with the Group’s digital transformation ambitions in terms of aligning our platforms by extending it to Wheatley Homes East (“WHE”).

3. Background

- 3.1 Civica has provided the Servitor Job Management System to Wheatley Homes South since September 2019 as part of the operational and digital transformation of the in-house repairs service.
- 3.2 Servitor provides job management, programme management, stores and purchasing, void repair management, user reporting dashboards, finance dashboards, planned servicing, and programmed maintenance as its core functionality.
- 3.3 Servitor works in tandem with Servitor Express, Sub-contractor Portal, Civica Mobile and Dynamic Repairs Scheduling (“DRS”) for responsive repairs and also integrates with other systems used within the Group such as the Localz “Find My Engineer” customer service platform, ASTRA, Anite for owner customer billing and the Group financial system for repair and supplier cost management.

- 3.4 From the outset the intention was to implement this software in WHE, as a secondary phase. However, this was delayed by the pandemic. It is however part of a strategic project for this year and will significantly upgrade the current WHE platform.

4. Discussion

- 4.1 The Servitor and DRS platforms are provided as a software and infrastructure-hosted service from Civica-owned data centres. Wheatley Homes South's in-house repairs team launched in April 2020 and this was supported by the Servitor and DRS platforms that were implemented at the same time. Several bespoke improvements have been made to the platform over this time to enhance service delivery.
- 4.2 The proposed re-contract will allow Wheatley Homes South to continue to deliver this service to customers and provide a mature platform for Wheatley Homes East to migrate their repair service management to.
- 4.3 A key element of our Group strategy in relation to repairs is to consolidate services and processes. The introduction of a shared East and West repairs platform will support a consistent approach to customer service across both in-house repairs teams. The shared way of working will support consistent reporting for Group and will allow shared practices and associated efficiencies over time.
- 4.4 The migration of Wheatley Homes East to the shared platform will allow the decommissioning of five software platforms in current use (Genero, DRS, Kypera, Contact Manager, Job Manager). This will provide annual savings in vendor support, infrastructure, and internal technical support costs. Decommission planning will form part of the Wheatley Homes East implementation project. This is also in keeping with our cyber security focus on reducing the number of platforms we have.
- 4.5 The shared service approach will also support improvements in consolidated financial management with all repair costs managed via the Group finance system via the existing WHS interfaces. The existing Kypera system used for WHE repair cost management will be discontinued for future financial management upon implementation of Servitor.
- 4.6 A number of added value services are under review with Civica which will be considered over year 1 on the contract, these include a refresh of the hosted infrastructure and implementation of disaster recovery services.
- 4.7 Given the significance of the Servitor platform for the delivery of our repairs service the option of a full tender to explore an alternative system was not considered. It is proposed the contract be awarded under the Crown Commercial Services – Back Office Software Framework Agreement. 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.

5. Customer Engagement

- 5.1 Engagement with customers was not directly applicable to this contract.

6. Environmental and sustainability implications

- 6.1 As part of the contract award we require the vendor to provide assurance that the energy source for cloud-based data centres originates from renewable sources. Their approach should be in line with our Sustainability Framework.
- 6.2 The implementation of this software at WHE improves our operational carbon footprint due to:
- The DRS scheduling functionality means that the software matches repair jobs to the nearest trades operative and in turn this reduces the amount of travelling;
 - The stores management functionality informs our trade materials supplier, Stark Group, to replenish our van stocks with the items our trade operatives have used. Van stocks are replenished at the roadside, reducing the need for our trade operatives to make separate visits to the trade counter;
 - As a result of the above, our vans are only carrying the stock required which reduces the amount of fuel needed.

7. Digital transformation alignment

- 7.1 Our Group strategy sets a clear direction and is underpinned by digital transformation. Implementation of Servitor at WHE alongside wider service improvements across WHS, enables the delivery of 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 investment in the existing Job Management platform utilised by WHS. The contract also widens its usage to WHE. The costs breakdown is as follows:
- Capital investment for Civica project costs and hardware is: £804,597.60.
 - Revenue cost for the 5-year term is £1,785,474.00.
 - Total £2,590,071.60
- 8.2 Further to these costs, all revenue costs from Year 2 onwards are subject to RPI indexation increases (currently at 8.9%) plus 2%. The DRS service provided by One Advanced, will also require to be re-licenced in Years 4 and 5. The cost of this service for years 4 and 5 is currently unknown, but would be understood prior to activating any additional years. Due to the unpredictability of RPI inflation and the unknown DRS re-licensing fees. The contract value is estimated to be up to £3,000,000.

9. Legal, regulatory and charitable implications

- 9.1 Crown Commercial Services procurement of this framework was, compliant with the procurement. 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 Civica detailing a financial stability rating of B with comments that “all contracts can be considered”. This meets the Group’s minimum requirements with respect to financial standing.
- 9.3 A Vendor Security Assessment and Data Processing Impact Assessment have previously been completed and will be updated prior to entering into this contract.

10. Risk Appetite and assessment

- 10.1 The Group’s 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.

11. Equalities implications

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

12. Key issues and conclusions

- 12.1 This contract has two main requirements. Firstly, to renew the contract for the provision of the Servitor system currently used by WHS and secondly, to mobilise the 2nd phase of this project for WHE.
- 12.2 This contract will further contribute to the digitisation of the repairs service. This aligns with the Group’s Strategy.

13. Recommendations

- 13.1 The Board is requested to approve the award of a contract for the re-procurement and further roll-out of the Servitor Job Management System for a contract period of up to five years up to the value of £3,000,000.