



**WHEATLEY HOUSING GROUP LIMITED
BOARD MEETING**

Wednesday 28 September 2022

14.00

Wheatley House

AGENDA

1. Apologies for absence
2. Declarations of interest
3. a) Minutes of meetings held on 25 August 2022 and matters arising
b) Action list
4. Group CEO Update
5. Group Committee Chair update (RAAG)
6. Programme for Government and UK emergency budget
7. Group EDI and human rights policy
8. Group Arrears and Debtors Framework
9. Group Development programme -mid year update
10. Governance update
11. AOCB

Date of next meeting – Wednesday 26 October 2022 at 10.30am
8 New Mart Road, Edinburgh

Report

To: Wheatley Housing Group Board

By: Pauline Turnock, Group Director of Finance

Approved by: Steven Henderson, Group Chief Executive

Subject: Programme for Government and UK emergency budget

Date of Meeting: 28 September 2022

1. Purpose

- 1.1 To update the Board on the key issues and potential impacts of the Scottish Government's Programme for Government and UK emergency budget (via presentation at the meeting).

2. Authorising and strategic context

- 2.1 The Board is responsible for setting the Group's strategic direction and ensuring its overall financial viability. This is set within the context of understanding our external environment and national policy.

3. Background

- 3.1 On 7 September 2022 Scotland's First Minister, Nicola Sturgeon, announced the Programme for Government 2022-2023, *A Stronger and More Resilient Scotland*, which sets out the Government's immediate policy priorities for the coming year.
- 3.2 The programme is set within the context of the current economic climate, cost of living crisis and the change of Prime Minister in the UK Government.

4. Discussion

Programme for Government 2022-23

- 4.1 The programme is wide ranging and will impact our business, customers and communities in a number of ways as set out in further detail below:

Emergency Legislation – Rent Freeze and Eviction Moratorium

- 4.2 The programme includes a section on '*help for tenants*', covering both the social and private sectors. This includes an intention to enact emergency legislation to freeze rents in both the Social Rented and Private Rented sectors until March 2023.

- 4.3 The emergency legislation has not yet been published or considered by Parliament. This is expected to be in the first week in October. Given the composition of the Scottish Parliament, particularly with the SNP-Green coalition, which results in the majority of MSPs, the legislation is expected to pass.
- 4.4 The Cabinet Secretary for Social Justice, Housing and Local Government, Shona Robison, subsequently confirmed that the Scottish Government would be working with the Social Rented Sector to discuss a possible cap on rents after March.
- 4.5 Since the announcement the Scottish Federation of Housing Associations has been leading a social housing sector response to the announcement, with a focus on conveying the implications to Scottish Government officials and politicians. A copy of their latest briefing note is attached at Appendix 1.
- 4.6 In the private sector the Scottish Association of Landlords have criticised the rent freeze, indicating that it will lead to landlords leaving the sector, reduce housing supply and have a detrimental impact overall on renters.
- 4.7 The financial implications of a rent freeze being extended beyond 31 March will be significant for both us and the wider sector. We have developed a range of business plan contingency scenarios, which will be set out in more detail via a presentation at the meeting. These include both RSLs and Lowther Homes.
- 4.8. Additionally, the emergency legislation is set to deliver an immediate moratorium on evictions to prevent tenants from losing their homes over the winter period.

Financial Support

- 4.9 The programme included a package of financial support to assist people during the cost-of-living crisis. Most prominently, the Scottish Child Payment is set to rise from £20 to £25 per week, per eligible child, from 14th November 2022. Additionally, the criteria for the payment will expand for all eligible children (looked after by a guardian in receipt of a qualifying benefit) under 16, as opposed to the current age of under 6s.
- 4.10 The expansion of the Scottish Child Payment will have a significant impact for those families now eligible to receive an £1300 annually for each child over the age of 6. Those already receiving child payments seeing their payments rising to the same annual amount and no longer losing this additional income once their child becomes 6.
- 4.11 Our analysis of the numbers of children and households across Group suggests that 5341 further households may benefit from the additional support from the Scottish Government.
- 4.12 For those who receive Scottish Child Payment, there will be an automatic enrolment of other devolved family benefits (Best Start Grant, Early Learning Payment, and School Age Payment). This helps to maximise uptake of these benefits for families without the need for them to go through multiple application processes and leads to more money for families to support them at this difficult time.

- 4.13 A commitment to uprate the 8 Social Security Scotland payments by 6% has been made and has been compared to the 3.1% uprate by the UK Government. Although below inflation, this will still increase the level of support for recipients.
- 4.14 It is proposed to extend universal free school meals – subject to COSLA approval – to all primary school children; currently they are means tested for children in P6 and P7.
- 4.15 The Scottish Government is set to increase its funding for Discretionary Housing Payment (“DHP”) to Local Authorities at its Emergency Budget Review and provide them with flexibility to use DHP not only for tenants struggling with rent arrears, but also energy costs. An extra £5m funding was previously provided to Local Authorities during the pandemic.
- 4.16 Eligibility for the Tenant Grant Fund (“TGF”) – which was initially set up to assist tenants who accrued rent arrears during the pandemic – will be expanded to assist renters struggling with their housing costs due to the increased cost of living.
- 4.17 There are currently no longer funds still available in the areas where we have customers from the Tenant Grant Fund. It is possible that there will be an announcement of more funding for this scheme within the Emergency Budget Review. If so, we will be well prepared to maximise support for our customers from utilising our previous contacts and experience to do so, having supported customers to receive more than £450,000 from the available funding last year.
- 4.18 The Fuel Insecurity Fund will be doubled from £10 million to £20 million for households who are at risk of self-disconnection or self-rationing of their energy use. This can potentially increase the support we can draw down for our customers who are at risk of or have already self-disconnected or are self-rationing their energy use due to rising costs and limited incomes.
- 4.19 This is primarily drawn down via our supporting customers to apply for the Home Heating Support Grants as approved referral partners to the scheme. Since this fund opened in December 2021, we have supported 210 customers to draw down £148,387 of funding to clear debts and support their energy consumption moving forward. We will continue to support customers with these applications as part of the wraparound support provision from our Fuel Advice service.

UK emergency budget

- 4.20 The UK emergency budget is scheduled for 23 September. This is expected to include further details on energy support and changes to taxes, in particular National Insurance contributions. We will consider the implications of the emergency budget and provide a more detailed update at the meeting.

Next Steps

- 4.21 Emergency legislation containing details of the rent freeze and halt on evictions is expected to be published in the coming weeks. We will monitor developments very closely, including through our engagement with the SFHA.

- 4.22 A decision with regard to how best to proceed with legal action and the requests to the courts will be considered on a case by case basis taking into account the individual circumstances and legislation. We have experience of this during the pandemic, where the courts were allowed to continue granting decrees for eviction but these could not be enforced during the period of the ban. This did however exclude evictions based on Anti-Social Behaviour which could still be enforced.

5. Customer Engagement

- 5.1 We carry out extensive customer engagement as part of our annual rent consultation, including writing to every tenant. As part of our wider Here for Your campaign we have a strong focus on continuous communication and engagement with tenants on issues such as rent affordability in the months ahead.
- 5.2 Our planned approach and timing for rent setting, including how and when we consult tenants will be finalised once we understand the implications of the emergency legislation.

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 A detailed update on the financial implications will be set out at the meeting.

9. Legal, regulatory and charitable implications

- 9.1 We will continue to monitor the details of the emergency legislation which is expected to be published in the next few weeks to ensure we remain compliant.

10. Risk appetite and assessment

- 10.1 The Board's agreed risk approach 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".

11. Equalities implications

- 10.1 There is no equalities implications arising from this report.

12. Key issues and conclusions

- 12.1 The report covers the recent Scottish Government's Programme of Government for 2022-23 and the impact of this on the Group. We will continue to monitor developments and a further update will be provided to the Board at its October meeting, including our planned approach for rent consultation.

12. Recommendations

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

Appendix 1: SFHA Member briefing [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: Group EDI and Human Rights policy

Date of Meeting: 28 September 2022

1. Purpose

- 1.1 This report provides an update on Equality, Diversity and Inclusion (“EDI”) activity across the group and seeks approval of an updated Group EDI and Human Rights policy and its designation as applying group wide.

2. Authorising and strategic context

- 2.1 Under the Group Standing Orders, the Group Board is responsible for approving group policies and their designation as applying group wide. This is also affirmed in the Intra Group Agreement with partners.
- 2.2 Our strategy sets out our desire to increasingly tailor services across the Group to suit the needs of our customers, diversify our customer voices and consider how our workforce will more closely reflect our communities.

3. Background

- 3.1 As part of the strategic governance review the Board reiterated its commitment to EDI. This was reflected in the implementation plan, which included adding EDI to the Terms of Reference of the Wheatley Solutions Board. The Board also considered our approach to EDI at its strategy workshop in March 2022.
- 3.2 As part of the Board discussions in March 2022, we reflected on the range of activities we already undertake such as our employability programmes, work to support New Scots, established Hate Crime policy and procedures, gender pay gap monitoring, externally validated approach to Equality Impact Assessments and employee communications and training.
- 3.3 The Board also agreed our approach to Board diversity and considered our regulatory obligations in relation to the collection of equalities data, namely that each RSL should,

“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”.

- 3.4 To achieve this, the Scottish Housing Regulator (“SHR”) requires each landlord to collect data on each of the protected characteristics from existing tenants, people on waiting lists, staff, applicants and governing body members. Since March the Scottish Federation of Housing Associations (“SFHA”) equalities national guidance was further updated and reissued in June 2022. This included confirming their recommendation that equalities be collected on an anonymous basis, which we adopted.

4. Discussion

- 4.1. Our EDI activity spans a wide range of areas, including: the data we collect and analyse to better design, adapt, monitor and evaluate services, policies and processes; the actions we take to promote a culture of EDI; the activities we undertake that directly improve EDI. Our wider human rights approach has particular focus in our New Scots and refugee support, and commitment to treat our people fairly regardless of race, sex, nationality, ethnicity, language, religion, or any other status.

- 4.2. An update is provided in more detail on key elements of our EDI and human rights activity, followed by the revised policy which reflects our public facing commitments:

Diversity in our workforce and Boards

- 4.3. At the Board workshop in March the Board recognised the importance of diversity within our workforce and governing bodies. It was recognised that achieving this requires both a structured approach and a cultural focus.

Workforce diversity

- 4.4. Workforce diversity promotes a wider range of perspectives and experiences informing the way our services, policies and processes are developed and delivered. This, in turn, should improve the way we operate, innovate and meet customer needs and priorities.
- 4.5. We already hold a range of protected characteristics data for our staff such as age, sex, disability and pregnancy. We are also in the process of asking all staff to complete an equalities monitoring form to allow us to better understand our staff profile across all protected characteristics. We have engaged with our Trade Union partners, who are supportive of our planned approach, which we expect to conclude by the end of the calendar year.
- 4.6. This will allow us, in turn, to better understand how our staff characteristics reflect our communities. It will also provide us further insight which may feed into our EDI learning framework, our staff benefit and support packages and future staff recruitment.
- 4.7. We do however already recognise that we have diversity across protected characteristics in our workforce and our range of activities, in particular inclusiveness, reflect this. Further detail is set out in paragraph 4.19.
- 4.8. A key element of our workforce diversity, and supporting our communities more widely, is the work undertaken by the Wheatley Foundation. The Foundation has a very strong focus on socio-economic diversity and disability in particular.

- 4.9. Our Modern Apprentice programme has 10% of places set aside for young people with disabilities. Our 2021 intake had 15.8% of new apprentices with some form of disability. Additionally, almost 5% of customers supported by the Wheatley Works programme had a disability or long standing health issue.
- 4.10. Our graduate programme, Ignite, whilst not restricted to any age group, has also played an important role in bringing young talent into the Group. Combined with the apprenticeship programme this supports age diversity within our workforce.
- 4.11. The Foundation apprenticeship programme extends to different areas of our business, such as housing, corporate services and our environmental apprentices. This supports the diversity these programmes bring being spread across our business.
- 4.12. In addition to age, we also routinely review staff gender split to understand the gender balance in key service areas. In Housing Officer and Environmental Operative roles we have taken steps to review our recruitment approach and pathways to ensure that these roles are attractive to all genders. As a result of this, over the last three years the gender balance in both areas has improved.
- 4.13. Through our Wheatley Works programme more widely we have also supported over 1400 people to access jobs and training opportunities, including 865 living in the 20% most deprived areas. Although not directly part of our own workforce the programme supports our communities to access opportunities.

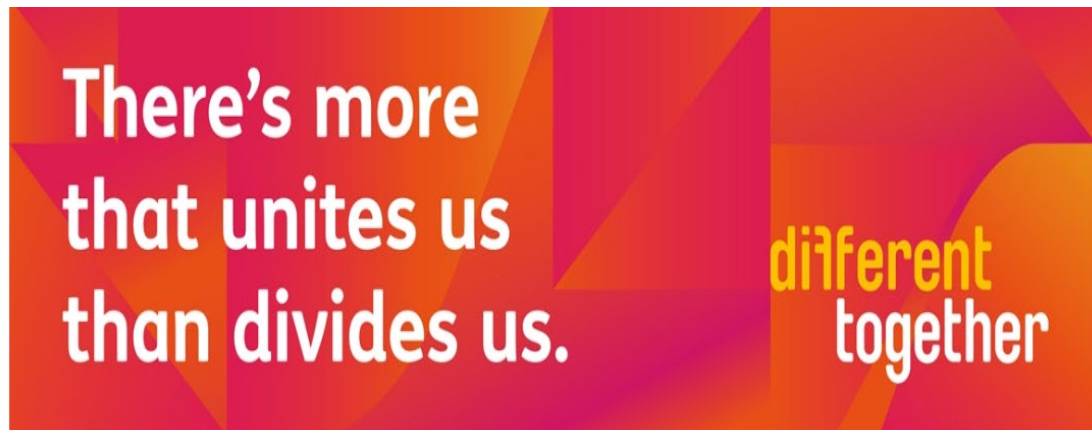
Board diversity

- 4.14. At the Board workshop in March it was agreed that we should commence monitoring Board diversity and that we should be cognisant of diversity in our recruitment. This has now been formalised as part of our recruitment process and we have undertaken a baseline of diversity across the wider Group. The results are attached at Appendix 1.
- 4.15. The results indicate that we have a good balance of gender, individuals with disabilities, ethnicity and age range across our governing bodies. The results also indicate a diverse range of socio-economic backgrounds. We already know that we have strong diversity of skills and experience for our Board skills self assessments.
- 4.16. We currently have a number of appointments being finalised which will enhance the level of diversity in terms of age and ethnicity. It is intended that the Group Remuneration, Appointments, Appraisal and Governance Committee will consider the results in more detail at its October meeting. By this time the new appointments will be in place and have completed the equalities monitoring form.
- 4.17. At a time when we have been reducing Board size, we have enhanced the level of diversity through our recruitment in the last 12 months relative to our position pre pandemic.

- 4.18. It is intended that we will undertake benchmarking of our Board diversity relative to the wider sector and the national census results where and when the data is available. As indicated to the Board previously Housemark are able to provide some comparators from the wider UK sector.

Inclusiveness and culture

- 4.19. Culture plays a key element in EDI , in particular the message we send to staff in both what we say and what we do. We recently launched a high profile internal campaign and brand promoting EDI – *Different Together*.



- 4.20. The launch of the brand was supported in a number of ways, including:

- the launch of a new EDI Learning suite via our My Academy staff development platform, with the core training becoming mandatory for all staff (see below);
- the launch of *Different Together* resource hub on our staff intranet;
- a new Community of Excellence, led by the Director of People Services, was launched;
- highly visible placement on our staff intranet, communications and in our visuals across our Centres of Excellence; and
- *TalkTogether* manager briefings with updates on inclusiveness activities and key messages to be discussed at team meetings

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Dashboard / EDI Dashboard

Welcome to the
EDI Learning Suite

Welcome to the Equality, Diversity and Inclusion Learning Suite!

Wheatley is in a unique position to help alleviate discrimination, promote equality and champion the diversity of our communities and workforce. We have created a new EDI Suite (Equality, Diversity and Inclusion) to raise awareness within Wheatley and highlight the benefits of a diverse and inclusive workplace. Access all EDI and Wellbeing learning in one place, including e-learning, online seminars and podcasts!

Watch the video below for a special introduction from our EDI Ambassadors, Jehan Weerasinghe and Morgan English.

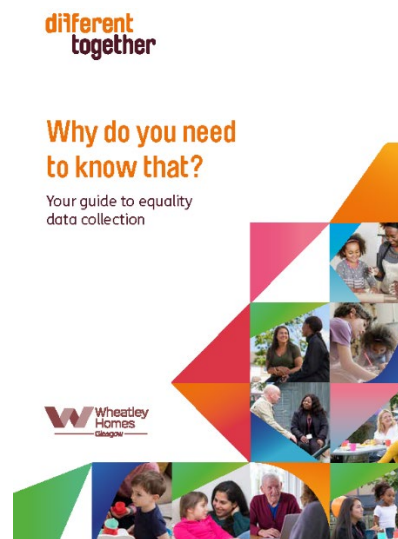
- 4.21. Leadership and tone from the top are essential elements in diversity and inclusiveness becoming embedded in organisational culture. To support this diversity and inclusiveness are being incorporated into all our leadership development programmes. In addition to this we will maintain highly visible leadership, including the Group Chair attending the Community of Excellence annually.
- 4.22. The Community of Excellence is underpinned by our refreshed staff equality networks, which will feed into its activity. Following discussion from the launch meeting of the Community of Excellence, the following were agreed as being the initial characteristics the equality networks to focus on; LGBTQ+, neurodiversity & disability and carers. The networks will receive support from our Wellbeing and Inclusion team and will launch during National Inclusion Week 2022 (26th – 30th September).
- 4.23. Our staff equality networks are each sponsored by a member of our Executive Team, reinforcing our commitment to EDI from all levels of the organisation. These groups will provide representation, support and guidance and help raise awareness through the lens of their network. This supports us both ensuring as wide a range of perspectives as possible and sending a clear message to staff that their voice can and will be heard.
- 4.24. The response from staff has been very positive, with the level of interest in joining our Community of Excellence and equality networks very high. We are seeking to harness this high level of engagement and create ambassadors which promote its work across the Group. The Community of Excellence members will receive in-depth, face-to-face EDI training to increase their own knowledge and learning.
- 4.25. Going forward, the Community of Excellence will support the review of Equality Impact Assessments, feed into the refresh and promotion of our Reasonable Adjustment Passport and help draft a Statement of Commitment for us to publish on our websites. This follows best practice to signal our commitment to EDI as an employer, and of our Boards and Group Executive Team.
- 4.26. We also have a strong focus on promoting inclusiveness through spotlighting and awareness raising through blogs and staff stories on areas such as menopause, neurodiversity, men's health as wider events such as International Non-Binary day and Pride.
- 4.27. We have enhanced our support for mental health through introducing specialist counselling, 1-2-1 help and Cognitive Behavioural Therapy workshops. In addition, we have introduced menopause workshops with support targeted at anyone experiencing menopause or anyone who knows someone experiencing menopause.
- 4.28. We are now working towards the 'Menopause Friendly' organisational accreditation, to add to our accreditation as a Disability Confident employer and Mindful Employer charter.

Data collection, monitoring and processes

- 4.29. Data collection and monitoring play an important role in providing us with information that can inform decision making. Enhancing our collection and monitoring arrangements has been a strong focus in recent months.

Tenant equalities data

- 4.30. We have a regulatory obligation to collect equalities data for our tenants, although it is not mandatory for tenants to provide us with this information. This month we commenced a data collection exercise, writing to every tenant to ask them to complete an equalities monitoring form.
- 4.31. Our approach to data collection was co-created with tenants. We engaged our Tenant Scrutiny Panel and sought feedback from Customer Voices focus groups on our approach, with a particular focus on the content of our communication and branding. This included the focus groups reviewing a range of options for how we collected the data, the guide to be issued to tenants and giving feedback on the types of issues tenants would want to understand.
- 4.32. The focus groups confirmed the guide covered the areas that would be most important to tenants (advising why we are collecting data, what we will do with it and how we will respect their privacy). The guides were also updated to reflect feedback from the focus groups. The focus groups indicated that they would have more trust in their landlord carrying out this exercise directly, rather than through an independent party i.e. Civica.
- 4.33. The equalities guide and form have now been sent out to all RSL customers under our new EDI *Different Together* branding:



- 4.34. Customers will be reminded to complete this through social media posts, and text or email reminders (depending on the customer's contact preference). A version of online form will also be extended to MyHousing. To date we have received over 2200 responses.
- 4.35. We will consider the results relative to the national census results, when available, to understand how they compare. The results of each will be reported to individual RSL Boards in November.

Recruitment

- 4.36. We routinely collect protected characteristic data for job applicants and these will be reviewed by the People Services and Group Executive teams on a quarterly basis.

- 4.37. We are also refining our approach to track the data by protected characteristics through to areas such as:
- % who were selected for interview
 - % who were appointed
- 4.38. We have also made a range of refinements to our recruitment and induction approach this year, including:
- Reviewing and refreshing our recruitment approach, drawing on good practice such as the Scottish Government ethnic minority recruitment toolkit;
 - Refreshing our job profile adverts, ensuring they communicate our commitment to EDI and are fully inclusive;
 - When relevant, advertising our intention to increase the presence of an under-represented group, showing applicants from diverse backgrounds are encouraged;
 - Enhancing the visibility of EDI in our induction process (including mandatory training), showing the importance and commitment of the Group and expectations of employees

We are also developing bespoke training for staff undertaking job interviews regarding being inclusive, guarding against bias and communicating with applicants.

Policy and services – impact assessments and monitoring

- 4.39. We have a group wide Equality Impact Assessment (“EIA”) approach, which was independently validated by an external expert. Our policy framework clearly identified which policies require an EIA. This provides us with a consistent, structured approach to ensuring that we have considered the implications across all protected characteristics.
- 4.40. We are also in the process of enhancing our equalities monitoring for services. It is intended that we will initiate or expand equalities monitoring for the drawdown of wraparound services and the Wheatley Foundation. This will support us understanding how these services are consumed and whether we should take any action to promote them differently.

Human rights

- 4.41. We have a strong track record of promoting human rights, including our New Scots Action plan supporting the integration of refugees, providing homes and opportunities for Ukrainian refugees and our work within Group protection in areas such as Hate Crime and anti-social behaviour.
- 4.42. Our EIAs and policies are designed to ensure that all our services incorporate equal access and comply with the law. For example, our allocations policy is reviewed by our legal team to ensure that it complies with the law in how we allocate properties. Our tenancy agreements are in a standard form and place no specific conditions which are discriminatory. Similarly, we have clear policies and processes in areas such as accessing repairs and adaptations.
- 4.43. The Board agreed our Group Modern Slavery Statement at its last meeting. We have assessed the risk in our supply chain as low, we continue to seek assurance from suppliers on compliance with our policy requirements regarding modern slavery given the current economic climate.

- 4.44. We are also alert to the signs of modern slavery in our communities with our staff, as part of our wider focus on protection and safeguarding, encouraged to report unusual activity. One recent example includes spotting access and egress controls within rooms, identifying a suspected case of Modern Slavery and this being reported to the police via our Community Improvement Partnership. Our operating model therefore again provides us with a means to identify such activity.

Policy review

- 4.45. The draft revised policy is attached at Appendix 2. The policy sets out broad commitments on our approach to EDI and Human Rights. It sets out how we will further strengthen the consideration of equalities in our decision-making, policies and service design and delivery - for example through using the equality data collected.
- 4.46. By its nature it is not exhaustive and we have a clear plan of areas we intend to refine and improve in the next 12 months. It is intended that our action plan will be reviewed by the Wheatley Solutions Board at its next meeting, in line with its Terms of Reference.
- 4.47. The policy also includes a commitment to publish an annual equalities report. The form of the annual report will be developed and subject to review by the Wheatley Solutions Board. It will include a combination of statistical data, actions we have taken in the previous year and plans for the year ahead.

Independent review

- 4.48. We have engaged with Business in the Community and the Employers Network for Equality and Inclusion ("ENEI") in the work to date and developing our action plan. Their feedback has been very positive and they have allowed us to draw on good practice in other sectors.
- 4.49. It is intended that we will commission an annual independent review of our progress and potentially an annual self assessments against recognised frameworks, such as the ENEI Talent Inclusion and Diversity Evaluation self-assessment. The results and proposed actions would thereafter be presented to the Wheatley Solutions and subsequently this Board.

5. Customer Engagement

- 5.1 The collection of equalities data requires extensive customer engagement as we are required to ask all waiting list applicants, new tenants and existing tenants for protected characteristic data.
- 5.2 We co-created our approach towards this with customers through focus groups as it is critical that as part of asking for this information, we are clear on why we are collecting it, what we will do with it and that provision of this information is voluntary and anonymous. By involving customers in the design of our approach, this should support a higher response rate.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

- 7.1 We are collecting equality data through MS forms. Customers have the option to return the equality form to us via post or by using the link/QR code provided in their form. We will email reminders using our digital marketing platform or text our customers a reminder to complete the form.
- 7.2 This will depend on the contact preference our customers have told us ensuring we are contacting customers in a way that suits them. Our priority with any digital platform will continue to be the privacy by design principle.

8. Financial and value for money implications

- 8.1 There are no financial implications associated with this report.

9. Legal, regulatory and charitable implications

- 9.1 The progress made and highlighted in the report, as well as our reviewed EDI and Human Rights policy, provide us with a clear basis for evidencing our compliance with our legal and regulatory obligations.
- 9.2 We are required to update the Scottish Housing Regulator (“SHR”) on our plans for meeting their regulatory requirement with regards to equality data collection as part of the Annual Assurance Statement, due in October.

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.
- 10.2 To mitigate this we engage independent external advice as part of developing an approach to demonstrate and evidence how we meet our equalities regulatory obligations.

11. Equalities implications

- 11.1 The report outlines the recent progress that has been made with our EDI agenda. These will support us to more clearly assess equalities implications in our decision making.

12. Key issues and conclusions

- 12.1 As a Group we are strongly committed to EDI and Human Rights. We have a strong focus on continuous improvement and ensuring this is reflected in our organisational culture.
- 12.2 Following the strategic governance review the Wheatley Solutions Board will have a formal role overseeing and scrutinising our activity in this area on an ongoing basis. The skills and experience of the Wheatley Solutions Board takes into account this responsibility.

13. Recommendations

13.1 The Board is asked to:

- 1) Note the range of EDI related activity already underway and in progress;
and
- 2) Approve the reviewed EDI and Human Rights policy and its designation as
a group wide policy.

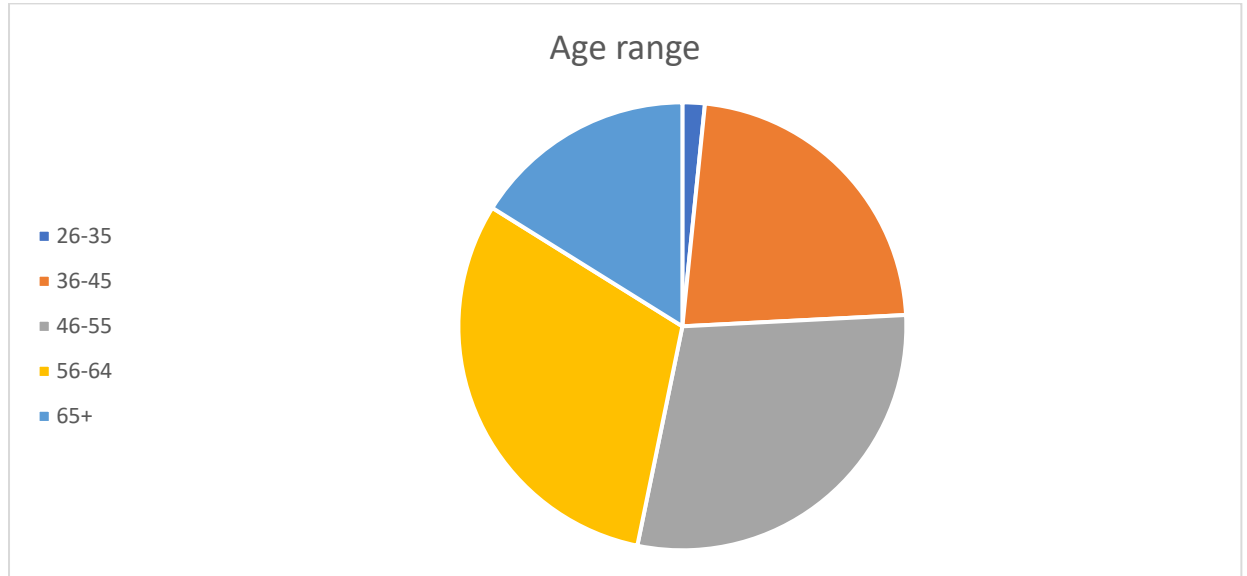
LIST OF APPENDICES:

Appendix 1: Board member equality data (group wide aggregated)

Appendix 2: Group EDI and Human Rights policy [redacted. Available here:
[Publication scheme | Wheatley Group \(wheatley-group.com\)](https://www.wheatley-group.com/publication-scheme)]

Board member equalities report

Age range



1. What is your sex? *(this relates to biological sex)*

[More Details](#)
[Insights](#)

Male	22
Female	25
Intersex	0
Prefer not to say	2



2. Do you consider yourself to be a trans person?

[More Details](#)
[Insights](#)

Yes	0
No	47
Prefer not to say	2






3. (You're disabled under the Equality Act 2010 if you have a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on your ability to do normal daily activities.)

Are you a disabled person?

[More Details](#)





 Insights

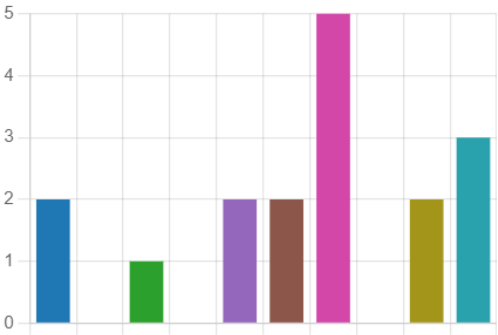
 Yes	5
 No	42
 Prefer not to say	2



4. If yes, do you have any of the following, which have lasted, or expected to last, at least 12 months? (tick all that apply)

[More Details](#)

 Deafness or partial hearing loss	2
 Blindness or partial sight loss	0
 Learning difficulty (autism, dysle...	1
 Neuro-divergent condition	0
 Mental health condition	2
 Physical disability	2
 Long-term illness, disease or co...	5
 Autoimmune (HIV, multiple scler...	0
 Prefer not to say	2
 Other	3

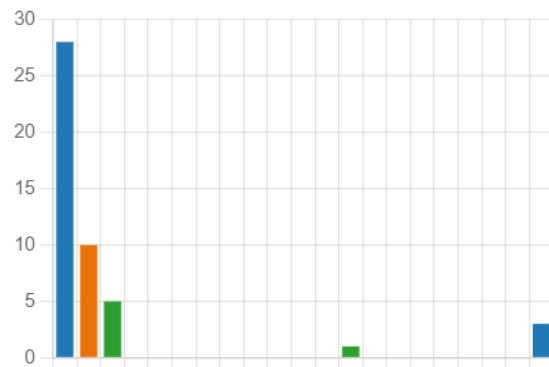


5. What best describes your ethnic group? (please select one option)

[More Details](#)

[Insights](#)

White - Scottish	28
White - Other British	10
White - Irish	5
White - Polish	0
Roma	0
Any other White background	0
Black - Scottish	0
Black - British	0
African , Scottish African or Briti...	0
Caribbean, Scottish Caribbean o...	0
Any other Black background	0
Pakistani, Scottish Pakistani or B...	0
Indian, Scottish Indian or British ...	1
Bangladeshi, Scottish Banglades...	0
Chinese, Scottish Chinese or Brit...	0
Any other Asian background	0
Arab, Scottish Arab or British Ar...	0

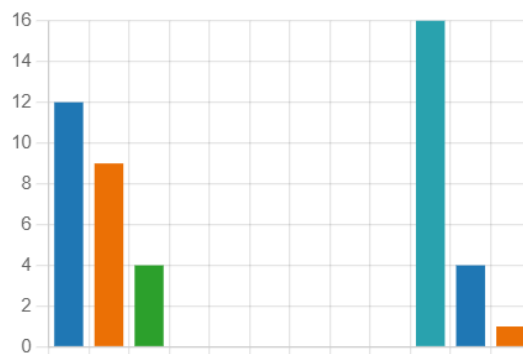


6. What religion or belief, religious denomination or body do you belong to?

[More Details](#)

[Insights](#)

Roman Catholic	12
Church of Scotland	9
Other Christian	4
Jewish	0
Muslim	0
Hindu	0
Buddhist	0
Sikh	0
Islam	0
No specific belief in religion (eg ...	16
Prefer not to say	4
Other	1

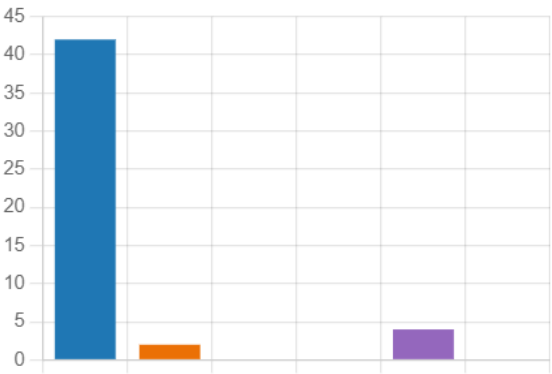


7. Which of the following best describes your sexual orientation?

[More Details](#)

 Insights

● Straight/heterosexual	42
● Gay man	2
● Lesbian	0
● Bisexual	0
● Prefer not to say	4
● Other	0



8. Are you presently in a civil partnership?

[More Details](#)

 Insights

● Yes	0
● No	44
● Prefer not to say	4



9. Are you presently married?

[More Details](#)

 Insights

● Yes	31
● No	15
● Prefer not to say	3



10. Are you pregnant?

[More Details](#)

 Insights

● Yes	0
● No	45
● Prefer not to say	3



11. Have you taken maternity or paternity leave in the past year?

[More Details](#)

Yes	0
No	45
Prefer not to say	3

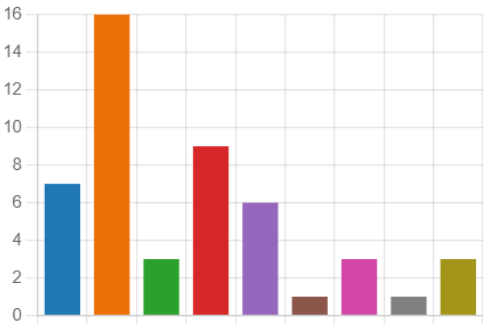


12. What was the occupation of your main household earner when you were about 14?

[More Details](#)

[Insights](#)

Modern professional and trad...	7
Senior, middle or junior mana...	16
Clerical and intermediate occu...	3
Technical and craft occupatio...	9
Routine, semi-routine manual ...	6
Long-term unemployed (claim...	1
Small business owners who e...	3
Other such as retired, this quest...	1
I prefer not to say	3



Report

To: Wheatley Housing Group Board

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

Approved by: Steven Henderson, Group Chief Executive

Subject: Group Arrears and Debtors Framework

Date of Meeting: 28 September 2022

1. Purpose

- 1.1 The purpose of this report is to provide an update on the review of the Group Arrears and Debtors Framework and to seek approval for the revised framework and its designation as applying group wide.

2. Authorising and strategic context

- 2.1 Under the Group Standing Orders, the Group Board is responsible for approving group frameworks and their designation as applying group wide. This is also affirmed in the Intra Group Agreement with partners.
- 2.2 As the framework relates to Arrears and Debtors, each partner will require to have its own individual policy which reflects its own operating context and business type.
- 2.3 The Group Chief Executive is responsible for ensuring that operations are well managed including approving how services are organised and delivered, such as rent collection.

3. Background

- 3.1 The Group Arrears and Debtors Framework ("the Framework") has been reviewed in line with our standard review cycle of 3 years. Since the current Framework was last updated we have come through a pandemic and adapted our way of working from a 'traditional' office-based model to a new, agile 'hybrid' model of working.

4. Discussion

- 4.1 The Framework has been updated to better reflect our new working practices and operating context. Further emphasis has been given to the effective management of income and prevention of customer debt, as well as how we support our customers.

- 4.2 The aim of the Framework is to prevent debt accruing where possible and to reduce it quickly and effectively where it does occur. We will achieve this by quickly identifying customers who are having challenges with payment and ensuring that they have access to the appropriate personalised wraparound and support services. We will continue to support our customers throughout their journey to help them move back to a positive payment status as quickly as possible.
- 4.3 The updated Framework, attached at Appendix 1, reaffirms that we want customers to understand the importance of starting their agreements positively and continuing in this manner during their relationship with us, including customers who are living in our supported accommodation.
- 4.4 It is therefore essential that we demonstrate how we will secure income and clearly set out our expectations from the outset around payment of rent in advance and from day one of an agreement, using our preferred method of Direct Debit where possible.
- 4.5 The amended Framework is more reflective of our current operating model. We want our customers and our business to be financially resilient and able to withstand any challenges that come up in terms of rent and income collection/payment. We also want customers to feel supported and able to benefit from the lived experiences of other customers we have worked with, showing them there is a positive way forward and out of debt should this occur.
- 4.6 The language in the Framework has been updated throughout. Sections of the Framework have also been reorganised and amended to ensure clarity, with some additional information and sections added to support this, including legislative changes and links to other policies. Other key changes include:
- **Aims & Objectives** – has been updated to reflect our current position and approach, and a **Key Principles** section has been added.
 - **Starting the Customer Relationship** and **Building on the Relationship** – the key statements in both these sections have been streamlined and the language has been updated. A section that had been in the original Framework related to ‘time limited benefits’ (potentially to cover incentives) has been removed as it is no longer relevant.
 - **Our Approach to Debt Recovery** – this section has been created to show more detail on how we will approach recovery of debt and deliver wraparound support services. The language has been refined and updated and it highlights the key steps we will aim to take to support our customers and recover income due to us. The content has also been streamlined to avoid duplication within the Framework and to provide clarity. It also details how our staff will take decisions on a case-by-case basis and outlines the support that we will provide, with some examples provided. It adds clarity on the potential for sanctions and enforcement action to be taken on our part where a customer fails to pay or engage with us to address the outstanding debt and also outlines and refines the detail on the role of the Group Debt Recovery Team in this process.

- **Ending the Relationship** – Further detail relating to the former tenant arrears recovery process and the role of the Group Debt Recovery Team has been included, as well as noting the consequences of continued non-payment of former tenant debt, particularly where a customer may want to draw down services from us in future.
- 4.7 The Framework has also been updated to reflect recent data protection legislation and information regarding Group policies and privacy notices. Confidentiality has been updated to reflect the Data Protection Act 2018 and Wheatley Group Data protection policy, with a link to Wheatley Group privacy notices. Complaints information has also been updated with a link to the complaints policy on the website and with information on available formats.

5. Customer Engagement

- 5.1 Customers across all RSLs gave their views on their experience as a customer and their own journey in relation to rent, income and making payments. Topics covered included 'transforming payments', 'accessing their online account', 'rent arrears', 'wraparound services,' and the various other support services provided by the Group.
- 5.2 Communication and early intervention were highlighted to get the customer the right support and to engage them early on. Customers felt the services provided were excellent and covered nearly everything a customer might need and with a high standard of support. Customers that hadn't accessed our various services expressed an interest in learning more.
- 5.3 We will continue to engage with our customers, taking account of their views and experiences to shape and co-create our services, helping us to build on and sustain positive relationships with customers.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

- 7.1 This Framework seeks to help deliver digital transformation with a clear direction towards promoting digital payment methods and opportunities to interact and provide feedback through digital methods.

8. Financial and value for money implications

- 8.1 There are no financial implications associated with the Framework document. However, failure to effectively implement debt management could pose a risk both financially and in terms of value for money given it relates to collection of income and arrears recovery across the Group.

9. Legal, regulatory and charitable implications

- 9.1 We will comply with legislation and good practice in relation to dealing with tenants in the recovery of rent arrears.

The relevant legislation is as follows:

- UK General Data Protection Regulations
- The Data Protection Act 2018
- Housing (Scotland) Act 2001
- Homelessness etc (Scotland) Act 2003
- Housing (Scotland) Act 2010
- Equality Act 2010

- 9.2 In cases where we require to raise court action for repossession, appropriate legal advice and support resource is in place to handle each case and ensure that all legal requirements are complied with.

10. Risk Appetite and assessment

- 10.1 The Group risk appetite related to income collection is **cautious**, defined as wanting to maintain our strong credit rating and manage our financial risk. Therefore, we prefer to take safe delivery options which will protect our current position.
- 10.2 The primary risk arising from our Arrears and Debtors Framework would be that if it is not reviewed and updated, we risk having an approach that would negatively impact income collection and could become non-compliant with changing legislative requirements. This is mitigated by undertaking this current review and maintaining a regular review cycle for the Group Framework and associated RSL policies.

11. Equalities implications

- 11.1 We will not discriminate in the operation of this Framework and seek to ensure that individual needs are recognised and that our customers are treated fairly and with respect.

12. Key issues and conclusions

- 12.1 The Arrears and Debtors Framework has been reviewed and updated to better reflect our practices and our current operating model. Further emphasis has been given to the effective management of income and prevention of customer debt. The stated aim is to prevent debt accruing where possible and to reduce it quickly and effectively where it does occur. This will be done by providing personalised support for customers to help them move back to a positive payment status as quickly as possible.
- 12.2 The Framework also sets out the importance of customers starting their agreements positively and continuing in this manner during their relationship with us. We will do this by clearly setting out expectations from the outset regarding the payment of rent in advance and from day one of an agreement, using our preferred payment method of Direct Debit.
- 12.3 We want our customers and our business to be financially resilient and able to withstand challenges that come up around rent and income. We want customers to feel supported too and to be able to share their own and benefit from the lived experience of others, to show a positive route forward and out of debt.

- 12.4 To support this, each section of the Framework has been reviewed, refined and updated. Parts have also been reformatted and amended to ensure clarity of the Framework, with some additional information and sections added to support this.

13. Recommendations

13.1 The Group Board is being asked to:

- 1) Note the content of the report and updates to the Framework;
- 2) Approve the updated Arrears and Debtors Framework and its designation as applying group wide; and
- 3) Note that individual Arrears and Debtors Policies based on this Group Framework will be developed by partner organisations as applicable.

LIST OF APPENDICES:

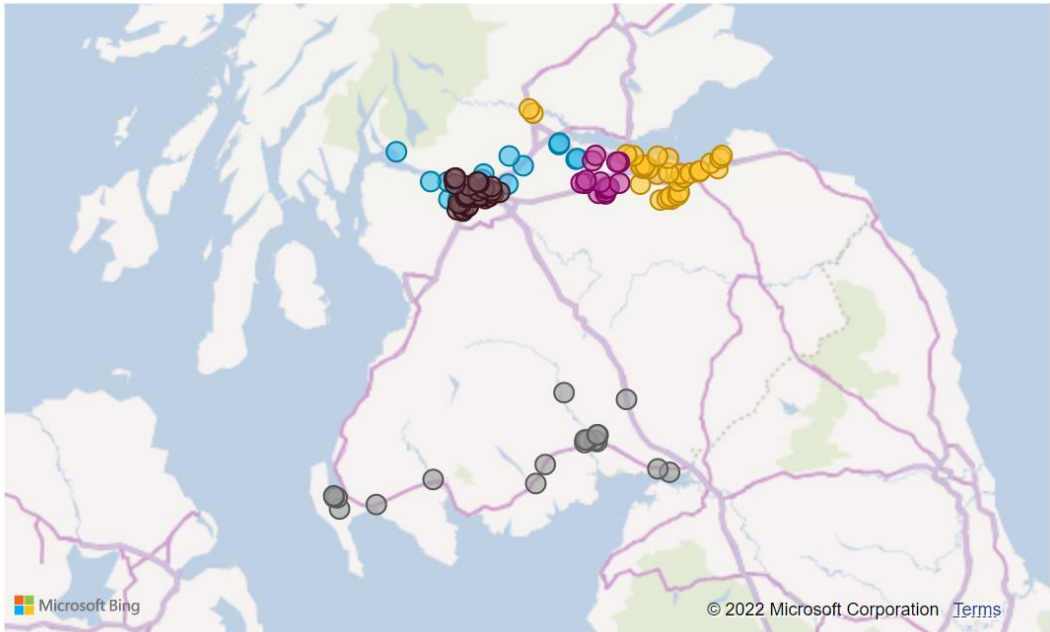
Appendix 1 - Updated Draft Group Arrears and Debtors Framework [redacted.
Available here; [Publication scheme | Wheatley Group \(wheatley-group.com\)](#)]

P4 Development Update

- Programme Overview
- Completions Summary
- Approved by Board, not yet on site
- Contractor Exposure
- Awards

Notes: *Due on Site projects*
 On Site projects

projects on site: 23	projects due on site: 6
units on site: 1,521	units due on site: 320
units comp. this FY: 150	
smallest project: 8	average project: 66



Report

To: Wheatley Housing Group Board

By: Frank McCafferty, Group Director of Repairs and Assets

Approved by: Steven Henderson, Group Chief Executive

Subject: Group Development programme - mid year update

Date of Meeting: 28 September 2022

1. Purpose

- 1.1 The purpose of this report is to provide an update on the Group's development programme performance to 31 July 2022.

2. Authorising and strategic context

- 2.1 Under the Group Standing Orders Group Board approval is required for key matters relating to the Group's financial and strategic framework. The Group Board retains strategic oversight of progress with the asset growth programme across the Group.
- 2.2 The Wheatley Developments Scotland Board has operational oversight of the development programme, including approval of new projects, in line with the Board's approved Terms of Reference.
- 2.3 The delivery of the Group's development programme supports our ongoing role as a key partner for the Scottish Government in their More Homes Scotland commitments and by their Affordable Housing Supply Programme with the commitment to deliver 110,000 new supply affordable homes by 2032.
- 2.4 The development programme requires ongoing partnership working with the Local Authorities in our operational areas including in Glasgow and Edinburgh who have Transfer of Management Development Funding ("TMDF") powers. We additionally continue to be in contact with a broad range of private developers, housebuilders, and land agents to seek to put ourselves into a position to take advantage of any development opportunities as they may emerge.

3. Background

Affordable Housing Supply Programme

- 3.1 The Scottish Government has confirmed funding for the Affordable Housing Supply Programme of £3.5Bn in the five-year period from 2021/22. This announcement is one of the major pillars within the Housing to 2040 strategy launched by the Scottish Government in March 2021 and reaffirmed in the Programme for Government announced in September 2021.

- 3.2 The respective Resource Planning Assumptions (“RPA”) for the local authorities in our operating areas have been confirmed for the five years from 2021/22, with £3.2Bn committed. The resource planning assumption from 2021/22 to 2025/26 for the City of Glasgow is £538m and the City of Edinburgh is £234m. The RPA for Dumfries and Galloway in the same period is £106m.

Benchmark Grant

- 3.3 Scottish Government has committed to adjusting the benchmark system annually to account for inflation, with the review dates for 2022 to be confirmed. Scottish Government has further committed to convening discussions should evidence demonstrate that there is an increase in the number of applications requiring above benchmark grant funding which is having a material impact on the speed of programme delivery.
- 3.4 We continue to liaise with the Scottish Government and Local Authorities in relation to inflationary cost pressures and the submission of grant applications which are above the benchmark level. To date, all project approvals have been supported.

Wheatley Developments Scotland Strategy Workshop

- 3.5 Wheatley Developments Scotland (WDS) held its strategy workshop on the 1st September 2022. The Board considered the current market context, demographic and housing demand profile as well as the strategic landscape and key national policies and the impact on the delivery of the development programme.
- 3.6 The strategic ambitions; set out largely through Making the Most of our Assets, were reviewed alongside the progress being made in each of the areas as well as a financial review of our ambition to deliver 4000 new homes by 2026.
- 3.7 The WDSL Board considered that the strategic ambitions are appropriate, and that substantial progress was being made against these ambitions. The WDSL Board asked that the Group continue to engage at a National Level in relation to national policy development for Net Zero Emission homes and Modern Methods of Construction (“MMR”).

4. Discussion

- 4.1 Commentary on the development programme including highlights and exceptions, is provided in Table 1 below. This information is reported to the end of Period 4 – 31 July 2022. To the end of July, 150 units had been completed. A total of 490 completions are included in the Business Plan 2022/23 target as approved in February 2022. This target is currently expected to be achieved. A further 180 units carried forward from 2021/22 are also expected to complete this financial year.

Table 1

Dashboard Indicators	Dashboard: Highlights & Exceptions
On site	At 31st July 2022 we had 1,521 units (total development numbers) in the live programme across 23 sites. Our largest project is West Craigs for DCH (300 units). Our smallest project on site is LHA's Vellore Road (8 units)

Due on site	<ul style="list-style-type: none"> At the end of P4, we had 320 units due on site across 6 projects. Currie's Yard has since achieved a site start (89 units). This will bring our total development programme to 1,841 units.
2022/23 Budget v Actual spend	At period 4 (31 July 2022) our spend across the Group was £19.9m v a budgeted figure of £23.4m, an adverse variance of £3.5m. As previously reported, at the core of this movement of spend v budget is the later than planned start of a number of projects.
Completions to 31 July 2022	To 31 July 2022 we have completed 150 units. This was split 123 Social Rent units, and 27 Mid-Market units.
Engagement Status	We have 10 ' High Engagement ' projects on site. These projects relate to scale of the project (over 70 units) or where the project involves complex ground conditions. Updates on High Engagement projects are shown below.

Engie projects

- 4.2 Our development programme with Engie is now reaching its conclusion. Outstanding works have been completed at Bellrock, Auchinlea and Kennishead and Year End Defects have been completed on some properties with visits undertaken on the final properties. Final accounts for the Engie projects are close to being settled and we remain confident will be concluded within the agreed costs approved for the three projects. The Development Team attended a Stronger Voices session with customers at the Livingwell blocks which will provide lessons learned and feedback for future developments.

DGHP Programme

- 4.3 The first 6 handovers for DGHP's project at Nursery Avenue, Stranraer (19 units) took place from McTaggart on 3rd August with the project expected to complete on 29th September 2022. The project at Easttriggs (18 units) with Ashleigh (Scotland) Ltd was completed as planned in July 2022. A start on site occurred on 15 August 2022 by CCG (Scotland) Limited at Curries Yard, Heathhall. This project of 89 units is the largest DGHP project since joining the Group. Demolition of the office block at Ashwood Drive, Stranraer is now underway; the site I expected to comprise a mix of 11 general needs units and DGHP's new Stranraer Office hub. Design Teams are now working up detailed plans to enable tenders to be prepared for the sites at Glenluce (10 units) and Springholm (47 units) following receipt of Planning Permission for both sites in July 2022. DGC (Dumfries and Galloway Council) has agreed to sell a desirable site at Lochans (2 miles from Stranraer) to the Wee House Company who are now working up designs and costs for us. The site is expected to deliver 16 modular homes and the Strategic Housing Authority is supportive of the project.

[paragraphs 4.4-4.5 redacted]

Queens Quay, Clydebank (Loretto Housing)

- 4.6 Handover of 35 units has been achieved to date along with the first close of units for Clydebank Housing Association. An Extension of Time is being considered, (additional time and no additional cost), taking the completion date into September 2022. A response is awaited from WDC (West Dunbartonshire Council) in relation to the vouched tender costs for the works to Titan Boulevard but to date over half of these costs have been invoiced and paid by WDC. We continue to work with WDC in

relation to the relocation of the telecoms mast which will allow the Titan Blvd Road to be adopted.

[paragraphs 4.7-4.8 redacted]

Wyndford

- 4.9 Consultation events took place in late 2021 and early 2022, gaining valuable feedback from the community in relation to the nature of future proposals. Through the consultation, 53 residents expressed an interest to participate in the 'Wyndford Future Focus Group' which will help to co-create the masterplan. The first meeting was held in May 2022 and the next session included a site walk-around in August whereby the Group will help inform the design team about the local area and the opportunities for the masterplan to best meet the aspirations of the community. The master planning team is now undertaking the necessary technical surveys and site investigations to scope the development constraints and opportunities. We are in the process of agreeing the housing mix for the new build proposal with GCC.
- 4.10 [paragraph 4.10 redacted]
- 4.11 The demolition tenders were returned in July 2022 and the evaluation process is currently being undertaken, with works programmed to commence in March 2023, subject to the clearance of the blocks which is currently at over 64% cleared. A proposal for a demolition contractor appointment will be brought to the next Group Board. [redacted]

West Craigs

- 4.12 The building contract for West Craigs Plots 4 and 5 was signed on 30 June 2022 and formal site start was achieved on 15 August 2022, with some early works taking place in advance of this date.
- 4.13 The planning submission for the next affordable phase, West Craigs Plot 13, was submitted to CEC (City of Edinburgh Council) in May 2022, with a determination expected in October 2022. Plot 13 comprises 125 units, with the final tenure split between social rent and mid-market rent to be confirmed in due course in consultation with DCH Housing Management, Lowther Homes, and CEC as TMDF (Transfer of Management Development Funding) grant funder. Proposals for acquisition and tender are being progressed and will be presented to Board in due course.

Bellgrove (Lowther Homes)

- 4.14 The former Bellgrove Hotel was acquired in April 2021 and the Planning Application Notice was submitted in September 2021, allowing a period of community consultation in October and November 2021 and pre-application meetings with Planning.
- 4.15 The site is within the Gallowgate Transformational Regeneration Area (TRA) and the original intention of Transforming Communities: Glasgow (TC:G) was to redevelop the site and an adjacent land parcel for Mid-Market rent through the procurement of a development partner that would deliver housing for sale on the remaining private sector sites within the TRA. In June 2022, the TC:G board approved the separation of the private sector and affordable housing sites which enabled us to call-off CCG from our Contractor Framework to progress the affordable site, including the area of the former hotel.

- 4.16 The design team and CCG have undertaken several options appraisals to produce an efficient design proposal, relative to the constraints of the site which include both partial and full demolition. We have engaged with GCC Planning in relation to the application and expect to hold a joint meeting with GCC Planning and Historic Environment Scotland ahead of the planning application being made.

Contractor Financial Exposure

- 4.17 Credit rating scores from Equifax are included within the new project reports as these are presented to WDS (Wheatley Developments Scotland) Board for approval. Equifax scores are monitored monthly, along with Companies House and London Gazette data. We have included the most up-to-date data in the table set out below and compared that to the most recently reported ratings. The contractors included are those where projects are being considered, contractual negotiations are ongoing, projects are on site or in the defects liability period.

Identification	Appointed Firms	Equifax rating		Previous equifax rating	
		Rating	Date	Rating	Date
SC214691	Ashleigh (Scotland) Limited	A	18/08/2022	A	20/07/2022
SC056810	CCG (Scotland) Ltd	A	18/08/2022	A	20/07/2022
SO301080	City Building (Contracts) LLP	I	18/08/2022	I	20/07/2022
SC044986	Cruden Investments Limited	B-	18/08/2022	B-	20/07/2022
01738371	EQUANS Regeneration Limited	A	18/08/2022	A	20/07/2022
SC042957	McTaggart Construction Limited	C	18/08/2022	C	20/07/2022
SC069644	Ogilvie Construction Limited	B	18/08/2022	B	20/07/2022
SC211357	Robertson Partnership Homes Limited	I	18/08/2022	I	20/07/2022
SC031286	Springfield Properties PLC	A	18/08/2022	A	20/07/2022
01818486	Persimmon PLC	A+	18/08/2022	A+	20/07/2022
08428265	CALA Group (Holdings) Limited	A	18/08/2022	A	20/07/2022
02207338	Keepmoat Homes Limited	B	18/08/2022	B	20/07/2022
SC129108	Sim Building Group Limited	B	18/08/2022	B	20/07/2022
03018173	BDW Trading Limited	A+	18/08/2022	A+	20/07/2022
SC110507	Allan Water Homes Limited	A	18/08/2022	A	20/07/2022
01392762	Taylor Wimpey UK Limited	A	18/08/2022	A	20/07/2022
SC610475	Artisan Edinburgh Corstorphine Limited	I	18/08/2022	I	20/07/2022
SC332867	Abbotswell Developments Limited	E	18/08/2022	E	20/07/2022
00670176	Bellway Homes Limited	A-	18/08/2022	A-	20/07/2022
00101073	Balfour Beatty Group Limited	C	18/08/2022	C	20/07/2022
02387333	Lovell Partnerships Ltd	A-	18/08/2022	A-	20/07/2022
SC255429	Miller Homes Limited	A+	18/08/2022	A+	20/07/2022
SC393731	Ambassador Residential Limited	I	18/08/2022	I	20/07/2022
SC630720	Ambassador Group Holdings Limited	D+	20/07/2022	D+	20/07/2022

- 4.18 There have been no changes to Equifax ratings since the previous report to Wheatley Developments Scotland Board in September 2022.

- 4.19 Up until now, bi-annual relationship meetings are held with key Framework Contractors. These meetings will take place on a quarterly basis going forward. Meetings were held with CCG, McTaggart Construction and Cruden's in August. Common themes noted were:

- material costs are still rising (albeit not at previously seen rates) with no expectation of costs falling to previously seen levels;
- resource availability remains challenging across all trades because of a buoyant private sale market;
- Early engagement with the contractor on all projects remains a priority.
- The contractors advised that annual accounts are in the process of being audited and will be submitted to Companies House by October 2022.

- 4.20 Additionally, Springfield Properties have put all long-term fixed-price affordable housing contracts on hold and has temporarily suspended its expansion into the private rented sector due to the uncertainty regarding market conditions and the Scottish Government's future rent freeze policy. This does not impact the delivery of projects currently being progressed across the programme which are phased to allow a shorter contract period for which fixed prices can be secured.

External recognition – Development Awards/shortlisting

- 4.21 A number of our development projects have recently either won or been shortlisted for prestigious national development awards, which are summarised in appendix 1. In late August, we were advised that Lincluden Stables, Dumfries has been shortlisted in two categories of the prestigious Herald Property Awards, Affordable Housing Development of the Year and Best Renovation and Conversion. The awards will be announced on the 29th of September.

5. Customer Engagement

- 5.1 We work closely with our internal customers in the planning and delivery of the programme. The respective RSL Housing Management Teams and Lowther Homes letting team are closely aligned with our programme. As part of any new project approval, we will report on the capacity of the new operating model to meet the requirements of new stock in relation to housing management and maintenance.
- 5.2 Local communities are engaged in the planning process at a neighbourhood level in all our developments as part of the statutory consent process. Additionally, as the programme is delivered, we undertake customer satisfaction surveys from our end customers across both social rent and mid-market rent tenures.
- 5.3 Several “Customer Voices” projects are progressing across Group and learnings from these projects will be applied to future new build projects. We will work with Stronger Voices colleagues to consult with customers on preferences for layout, fixtures and finishes where possible to do so. Work to place the customer at the heart of how we plan and design our new build developments has commenced and is being considered for all future projects.

6. Environmental and sustainability implications

- 6.1 Our new build properties will be developed to meet Aspects 1 and 2 of the Silver Sustainability Standards which covers reduction in carbon dioxide emissions and energy use for space heating. This is in line with Grant condition requirements from the Scottish Government and the TMDF authorities in Glasgow and Edinburgh. Our new build homes meet EPC (Energy Performance Certificates) Band B.
- 6.2 A number of our larger development projects will also feature district heating solutions e.g. Queens Quay and Calton Village, and increasingly we are moving to specify zero carbon heat pump technology in our developments, as we move towards the national decarbonisation targets and gas free developments by 2024.

7. Digital transformation alignment

- 7.1 Our Group Strategy sets a clear direction for our new homes being digitally enabled to support home working and modern living. All our new build homes as standard are now enabled by the provision of fibre to the home. This is free of charge to the end customer and included within the total development costs. The customer then has the choice as to the internet provider they wish to use.
- 7.2 The digital enablement of affordable homes is one of the additional quality measures that the Scottish Government is assessing within the current grant benchmark review process that is underway.

8. Financial and value for money implications

- 8.1 Our ability to successfully deliver new build housing helps strengthen the income streams in our business plan and supports our RSLs' charitable objectives to address housing need by providing much needed homes for potential customers on our waiting lists.
- 8.2 Delivering value for money to our funders and stakeholders, including the Scottish Government and local authorities, continues to maintain our position as a key delivery partner.
- 8.3 The 2022/23 Business plan currently has forecasts a total of 670 new homes to be completed in the 2022/23 financial year.

Development Fund

- 8.4 The 2022/23 Business Plan included an allocation to the development fund of £450k, available over the current year.
- 8.5 To date £97k of this fund has been allocated to the Shawbridge St project in Glasgow (approved May 2022). We will continue to report to WDS Board on the proposed utilisation of the fund and as and when approval is given for use of the remaining fund.

9. Legal, regulatory and charitable implications

- 9.1 The Scottish Housing Regulator seeks regular updates on our new build programme and funding position.
- 9.2 We undertake title due diligence relative to all site acquisitions required to facilitate the development programmes along with preparation of documentation and due diligence associated with asset securitisation.

10. Risk Appetite and assessment

- 10.1 The Group's risk appetite in respect of development is "open", which is defined as willing to choose the option "*most likely to result in successful delivery while also providing an acceptable level of reward*".
- 10.2 The information provided in this report supports our management of risk in respect of the development programme by providing a robust performance management framework.
- 10.3 Under the contractor Framework we use the Group Schedule of Amendments ("SoA") to the SBCC build contract which allows for tailored contract requirements across all projects through Design & Build, fixed price contracts.
- 10.4 Our approach to financial appraisal and Internal Rate of Return (IRR) ensures a prudent approach to the appraisal of projects. Contractor financial standing is reviewed through their Equifax score on a monthly basis and any adjustments are reported to the Wheatley Developments Scotland Board.
- 10.5 We engage with framework contractors on a quarterly basis to review their financial position and wider market context. A suitable regime of monitoring, recording and inspection is undertaken by our Clerk of Works on site to ensure the quality of works and progress against our programme is assessed.

- 10.6 A Performance Bond and Parent Company Guarantee Framework was agreed by Group Development Committee (now Wheatley Developments Scotland Ltd Board), in January 2022. This Framework is considered as part of every project appraisal reported to WDSL (Wheatley Developments Scotland Limited) Board.

11. Equalities implications

- 11.1 Within the programmes, all new build units are designed to Housing with Varying Needs (Part 1), as integrated into the Glasgow Standard.

12. Key issues and conclusions

- 12.1 Global economic factors, including the conflict in Ukraine, Brexit, and the impact of COVID are impacting the cost of materials across the supply chain. Issues related to the availability of materials have lessened, with contractors and developers managing this through their supply chain procurement strategies. Extensions of time have been sought on projects for matters related to COVID 19 and material supplies. The construction contracts in place do not allow for increased material costs where we are in contract.
- 12.2 We currently expect to achieve 670 completions this year, as per the business plan assumptions. We continue to work with partners in Scottish Government to address rising costs through the grant benchmark regime. We will actively engage in the grant benchmark review process, once this commences.

13. Recommendations

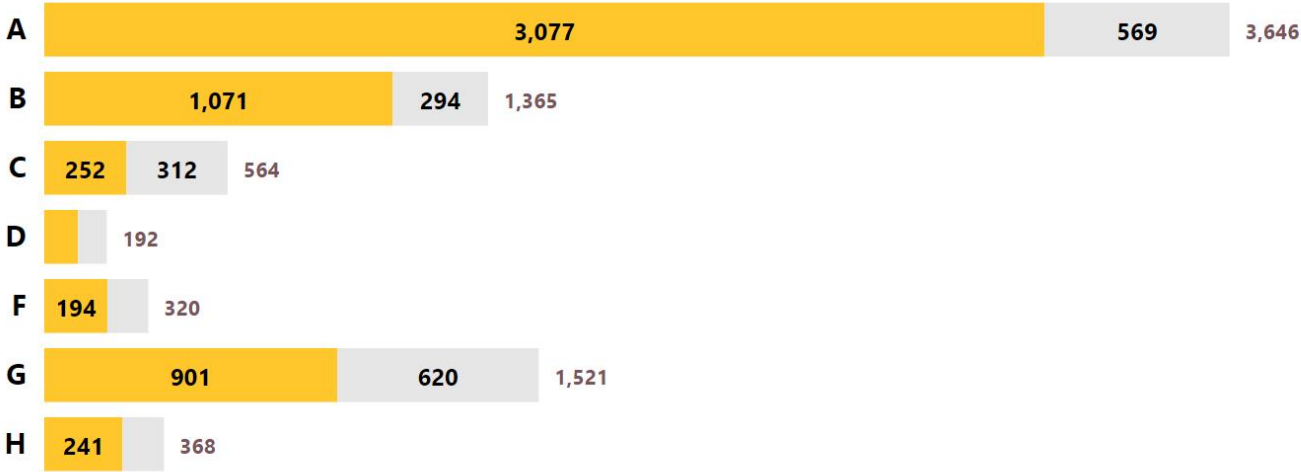
- 13.1 The Board is asked to note the report.

Appendices

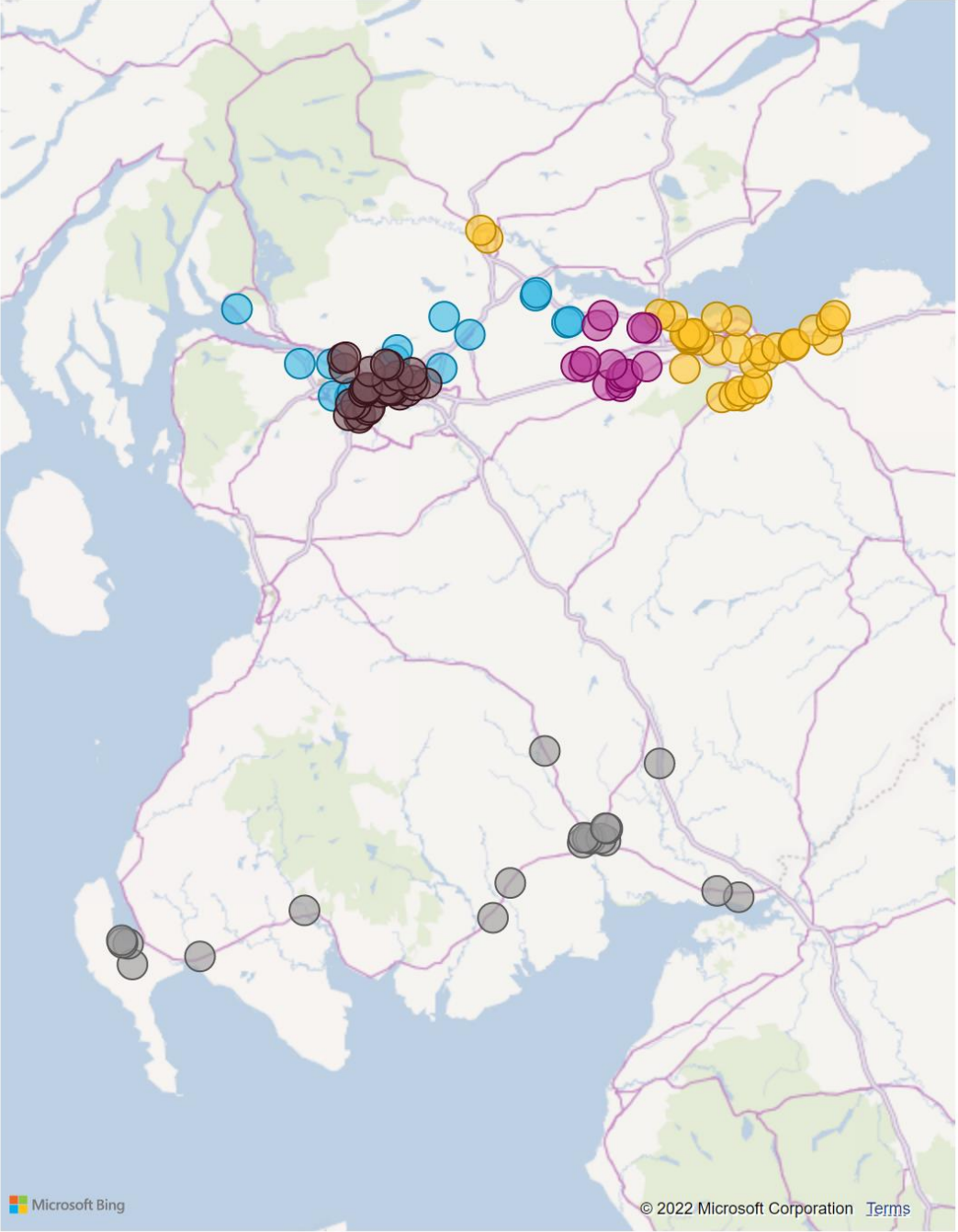
Appendix 1 - Period 4 performance dashboard

Programme Summary

Status	DC	DGHP	Loretto	WHG	WLHP	Total
A. Potential	14	11	5	16	4	50
B. Feasibility	5	4	2	3	5	19
C. Initial Design Agreed		1	1	1		3
C. Initial Design Stage			1	3		4
D. Contractor Appointed		2		3		5
F. Due on Site	2		1			3
F. Due on Site / Detail Design	1	1			1	3
G. On Site	10	1	5	4	3	23
H. Complete (Defects Period)	2	2	1	5	2	12
Total	34	22	16	35	15	122



● SR units ● MMR units

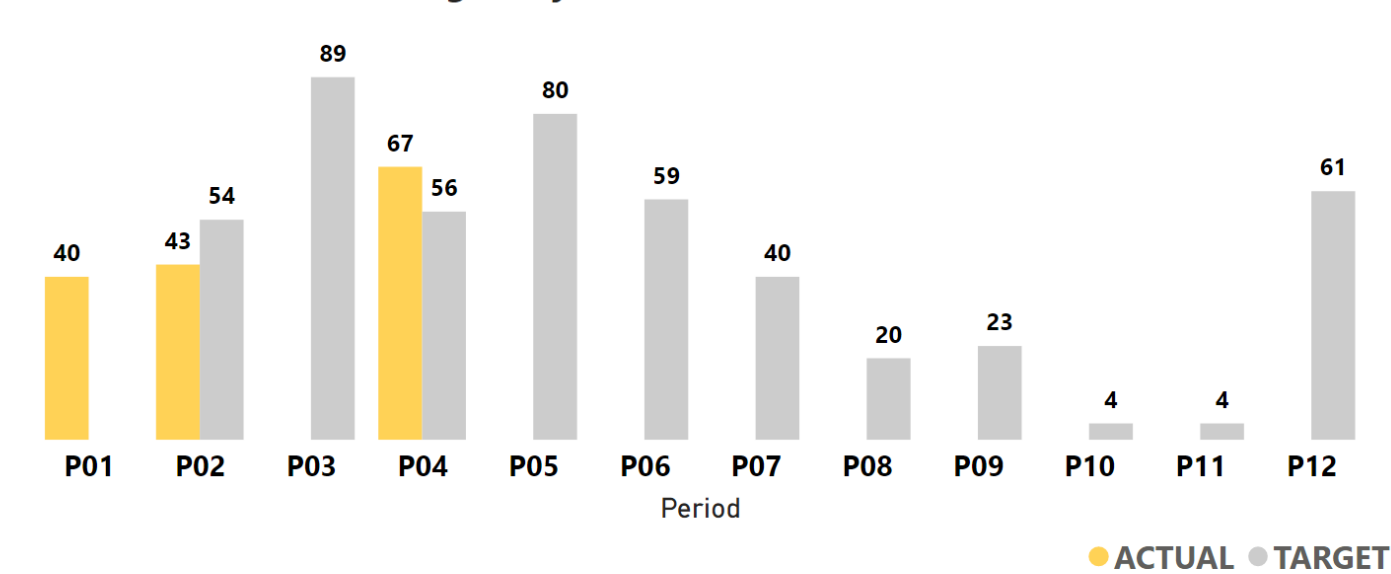


● DC ● DGHP ● Loretto ● WHG ● WLHP

Completions Summary

Project	20/21	21/22	22/23	Total
<input type="checkbox"/> Complete				
Damshot Crescent			26	26
Gillwood Road			18	18
Hurlford Avenue		43	27	70
<input type="checkbox"/> On Site				
Almondvale			48	48
Dargavel Village		9	11	20
Queens Quay			20	20
Sighthill MMR		30		30
South Gilmerton	10	24		34
	10	106	150	266

Actual Handovers and Targets by Month



BP Projection to Year End

RSL	MMR	SR	Total
DC	12	80	92
DGHP		37	37
Loretto		193	193
WHG	102		102
WLHP	32	34	66
Total	146	344	490

Completions this FY

RSL	MMR	SR	Total
DGHP		18	18
Loretto		31	31
WHG	27	26	53
WLHP		48	48
Total	27	123	150

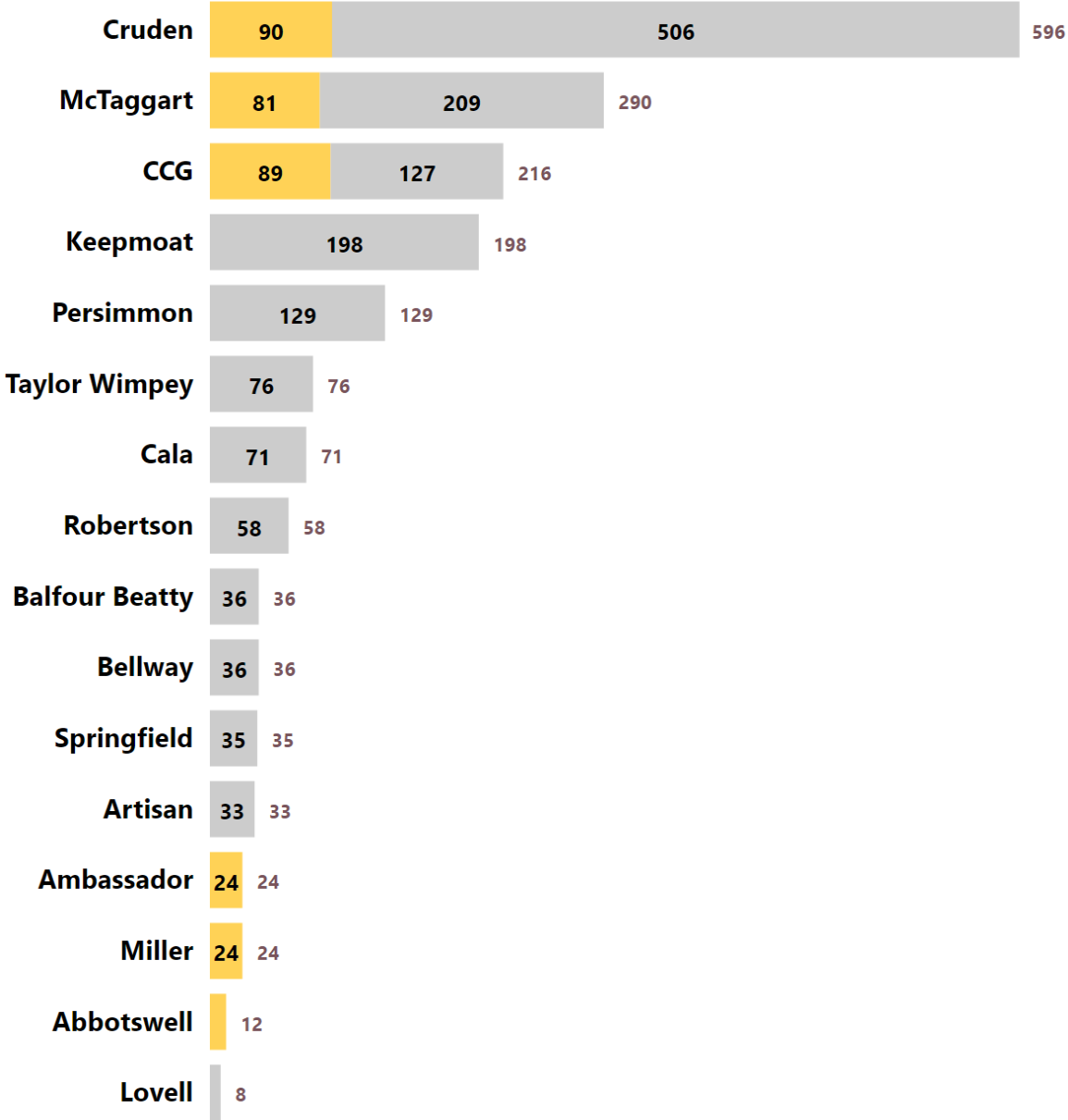
Approved projects, not yet on site

RSL	Project	Procurement	Board Approval	Site Start	Grant	BW	Planning	RCC	Scottish Water	Stopping Up
DGHP	Curries Yard	Direct Award	June 2022	August 2022						
DC	Lanark Road, Edinburgh	S75	March 2021	July 2022						
Loretto	Main St, Maddiston	S75	March 2022	August 2022						
DC	Victory Lane, Wallyford	S75	January 2022	October 2022						
DC	Wallyford Area 5	Direct Award	January 2022	November 2022						
WLHP	Winchburgh BB	Direct Award	November 2020	September 2022						



Contractor Exposure

Status	Due on Site		On Site		Total	
Project	Projects	Total Cost	Projects	Total Cost	Projects	Total Cost
Abbotswell	1	£1.524			1	£1.524
Ambassador	1	£4.147			1	£4.147
Artisan			1	£4.884	1	£4.884
Balfour Beatty			1	£5.243	1	£5.243
Bellway			1	£4.583	1	£4.583
Cala			2	£9.752	2	£9.752
CCG	1	£22.816	2	£23.604	3	£46.420
Cruden	1	£13.684	4	£79.683	5	£93.368
Keepmoat			1	£26.025	1	£26.025
Lovell			1	£1.151	1	£1.151
McTaggart	1		4	£42.511	5	£42.511
Miller	1	£3.752			1	£3.752
Persimmon			2	£12.237	2	£12.237
Robertson			1	£8.453	1	£8.453
Springfield			1	£5.078	1	£5.078
Taylor Wimpey			2	£11.424	2	£11.424
Total	6	£45.922	23	£234.627	29	£280.549



● Due on Site ● On Site

Awards in Last 18 Months

Project	Ceremony	Award	Category	Nominee	Outcome
Bell St / Watson St	15 December 2021	Saltire Housing Design Awards	Multiple Dwelling Award	GHA / Lowther	Winner
Bell St / Watson St	15 December 2021	Saltire Housing Design Awards	Saltire Medal for Housing Design	GHA / Lowther	Winner
Buckley Street	25 November 2021	CIH Scotland Housing Awards	Excellence in regeneration	Loretto	Shortlisted
Hinshelwood	25 November 2021	Glasgow Institute of Architects Design Awards		Elder & Cannon	Shortlisted
Queensberry Square	25 November 2021	CIH Scotland Housing Awards	Excellence in development for affordable housing	Dumfries and Galloway Housing Partnership	Shortlisted
Bell St / Watson St	11 November 2021	Homes For Scotland	Development of the Year (Medium 26-99 units)	GHA / Lowther	Shortlisted
Buckley Street	11 November 2021	Homes For Scotland	Development of the Year (Medium 26-99 units)	Loretto	Winner
Hinshelwood	11 November 2021	Homes For Scotland	Development of the Year (Large 100+ units)	GHA / Lowther	Winner
Bell St / Watson St	28 October 2021	Scottish Home Awards	Renovation of the Year	Wheatley Group	Winner
Bell St / Watson St	29 September 2021	Herald Property Awards	Best Renovation + Conversion	Collective Architecture	Winner
Dixon Terrace	15 September 2021	Scottish Home Awards	Affordable Housing Development of the Year	West Lothian Housing Partnership	Shortlisted
Bell St / Watson St	06 September 2021	RIAS	Historic Environment Scotland's Conservation and Climate Change Award	Collective Architecture for Wheatley Housing	Winner
Bell St / Watson St	24 February 2021	Architects Journal Retrofit Award	Housing	Collective Architecture for Wheatley Group	Shortlisted

Notes: Approved projects, not yet on site

Project	Update
Lanark Road, Edinburgh	Contractor reviewing delivery options for the affordable housing element with CEC. We await CEC determination on the requirement for on site provision of affordable units.
Main St, Maddiston	The contract concluded on 1 June 2022. Golden Brick is anticipated in tranches between September 2022 and January 2023, with completions between July 2023 and November 2023.
Victory Lane, Wallyford	Project will be a golden brick now with legals being completed in September 2022. Golden Brick expected October 2022.
Wallyford Area 5	Site acquired on 31 March 2022. Planning approval achieved on 07 June 2022. Design work progressing well to obtain tender and seek board approval and achieve a site start of January 2023..
Winchburgh BB	Site not yet acquired. Revised proposals to be presented to WDSL.

Notes: On Site Projects

Project ▲	Update
Almondvale	26 units complete in May 2022 and 22 units in July 2022. The remaining units will take place during phased handovers September - November 2022.
Blackness Road	The 6 MMR units are due to be handed over on 6 September with the remaining 8 SR units expected October 2022.
Calton Village Ph1	Remediation Strategy has finally been agreed with CLO and works ongoing on that basis. All piling complete, substructure 95% complete with superstructure Brickwork started to block 1.
Curries Yard	Contractor took possession of site on 15th August 2022, commencing site set up and security. RCC & SW approval awaiting Letter of Undertaking from DGC which we are pushing.
Dargavel Village	June handovers did not take place. 7 handovers will be on 26th July and 4 handovers on 2nd August. Completion was due for 15.08.22 but recent handover projections suggest final handover on 15th September 2022. No EoT application has been made yet.
Hallrule Drive	An EoT request has been awarded, with a revised contract completion date of 24th June 2022. Non completion certificate issued. Completion now likely 1 September 2022. No further EoT has been submitted.
Macmerry	Development Agreement now signed and in place as of 19 July 2022.
Nursery Avenue	Project remains on programme to deliver 19 units in late September 2022 with first 6 plots now looking to be handed over on the 3/8/22.
Penicuik	On site, progress satisfactory
Queens Quay	A 3rd EOT request is expected from, taking completion to 16 Sept'22. We took the first 2 closes for handover to Loretto HA on Tues/Wed 12th & 13th July, 20 flats in total. There have been 2 closes handed over for Clydebank HA. Ongoing legal works re DoC
Raw Holdings	Missives concluded and building contract signed. The first tranche of golden brick was achieved in July 2022.
Roslin Ph1	Previously delays have been reduced and site is running ahead of programme. Handover of the first 12 flats is now anticipated in late September 2022. All 38 units due to completed in 2022/23.
Roslin Ph2	Settlement for all Golden Brick Tranches was completed pre- 31 March. Progress on site is good.
Rowanbank	Golden Brick was achieved on 04/02/22. The contractor is running behind programme and while some of the programme is expected to be recovered, a delay in handovers is anticipated.
Sawmill Field	First handovers took place on 18th Aug, tenant viewings for second tranche 8th Sept. Dialogue ongoing with Arg&Bute Council on allocations and their 5 supported accom. Last handover now March 23
Shawbridge Street	Works commenced on site Monday 25th July 2022 with contract completion 16th February 2024.
Sighthill MMR	30 properties handed over to date. Next handovers planned for early Q3 at block 10. Remedials started to blocks 1 and 2. Bridge to open August 2022. No further platform handovers have been provided by GCC to Keepmoat.
South Gilmerton	18 units out of the total development of 52 units remain under construction with an estimated completion date of 31 August 2022.
The Wisp Phase 3C	Project completion delayed due to complications in securing the substation wayleave for the wider site and two planning conditions (sound and light pollution) which are now discharged.
Vellore Road	The contract concluded on 6 April 2022 and as this is a Turnkey project, completion is anticipated in September 2022.
Wallyford Area 7	Phase 3 & 4 golden brick completed 4 July 2022.
Watson St Ph2	Contractual completion date 19 August 2022. Project now expected to complete in late September
West Craigs Phase 1 (Plot 4)	Additional grant secured and contract signed on 30 June 2022. Site started on 15 August 2022.
West Craigs Phase 2 (Plot 5)	Additional grant secured and contract signed on 30 June 2022. Site started on 15 August 2022.

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: 28 September 2022

1. Purpose

- 1.1 To update the Board, seeking approval where appropriate, on the following appointments:
- New Group Board members;
 - Group Committee memberships; and
 - Group Committee Chairs

2. Authorising and strategic context

- 2.1 Under its Terms of Reference the Group RAAG Committee is responsible for overseeing recruitment and succession planning across the Group. Any appointments where remuneration is involved requires the Group Board to approve the remuneration level.
- 2.2 In relation to Committee memberships and Chairs, the RAAG Committee must approve these for recommendation to the Group Board for approval.

3. Background

- 3.1 At its meeting on 25 August 2022, the RAAG Committee considered and agreed to the proposed appointments as detailed in the report. We are required under the Group Standing Orders to review the membership of Group Committees on an annual basis.

4. Discussion

New Group Board member – Non Executive Director

- 4.1 The Board has one vacancy upon the retirement of Martin Kelso and Paddy Gray at the 2022 AGM. As part of the review of the Group 3 year succession plan the Board agreed that we should fill this vacancy with a Non-Executive Director with skills and experience in technology.
- 4.2 We identified a strong prospective candidate for the role, Alison McLaughlin, who was subsequently interviewed by a panel of Jo Armstrong, Bernadette Hewitt and Caroline Gardner. The interview was on the basis that Alison would also join the Group Audit Committee and Wheatley Solutions Board where there is a skills gap for technology and digital skills and experience.

- 4.3 The panel agreed to recommend Alison to the Board for appointment. A copy of her CV is attached at Appendix 1 and the panel Chair will provide a further update on its recommendation at the meeting.

New Group Board member – Subsidiary Chair director

- 4.4 At its first meeting following the AGM the Dunedin Canmore Housing Board will formally confirm the appointment of Alastair Murray as its Chair. Alastair has been pre-authorised by the RAAG Committee in line with its delegated authorities.
- 4.5 Subject to this being agreed by the Dunedin Canmore Housing Board Alastair will become a subsidiary Chair Director succeeding Mary Mulligan. Formal Board approval is required for his appointment as a director and remuneration (which is at the standard rate for subsidiary Chair Board members).

Appointments to committees

- 4.6 On 25 August, the RAAG Committee reviewed the membership of the Group Audit Committee, Group RAAG Committee and Group Strategic Development Committees. The Committee's recommendations and updates are set out below:

Group Audit Committee

- 4.7 The recommended Committee membership is as follows:
- Caroline Gardner (Chair – Finance, risk and internal controls)
 - Bernadette Hewitt (Service delivery)
 - Fiona Burden (drawn from DGHP - Legal)
 - Alison McLaughlin (technology - pending approval)
 - New Wheatley Homes Glasgow Non-Executive – Accountant (appointment expected October 2022)
- 4.8 This would see the Committee membership totalling five. The Committee's membership has historically been higher, with 6 members. It is intended that upon completion of the current recruitment the Committee Chair early next year whether we wish to seek an additional member. Based on the skills and experience, we would initially seek to draw the additional member from within our existing non-executive pool across the Group and partner Boards.

Group RAAG Committee

- 4.9 The Group RAAG Committee membership is ex-officio, comprising:
- Group Chair (Jo Armstrong)
 - Group Vice-Chair
 - Chair of Group Audit Committee (Caroline Gardner)
 - Chair of Wheatley Homes Glasgow (Bernadette Hewitt)
 - Chair of Group Development Company (Bryan Duncan)
- 4.10 This was recently reinforced as part of the review of the Committee's Terms of Reference and no changes are proposed. Membership will be reduced until such time as a successor is appointed as Group Vice-Chair.

Group Strategic Development Committee

- 4.11 The Group Strategic Development Committee remains in place to consider either a) any particular strategic issues which require more detailed consideration prior to being considered by the Group Board b) any matters the Board wishes to delegate not within the purview of an existing partner Board or Group Committee.
- 4.12 No changes are proposed to the existing membership, which is as follows
- Jo Armstrong (Chair)
 - Bernadette Hewitt
 - Caroline Gardner
 - Jo Boaden
 - Bryan Duncan
- 4.13 The Committee membership will be subject to review should any matter be delegated to the Committee.

5. Customer Engagement

- 5.1 As this relates to Board recruitment and succession there are no customer engagement implications.

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 Scottish Housing Regulatory Framework requires that payment of any Board member is within the context of a policy framework. We have a policy on Board member remuneration and the granting of any remuneration is subject to Board approval.

10. Risk appetite and assessment

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

- 10.2 Our strategic risk register contains the risk *“The governance structure is not clearly defined, is overly complex and lacks appropriate skills at Board and Committee levels to govern the Group effectively. Failure of corporate governance arrangements could lead to serious service and financial failures.”*
- 10.3 One of the means by which we mitigate this risk is by having a strong focus on succession planning, including oversight through the RAAG Committee. Our succession planning is within the context of each Board having a clearly defined skills matrix.

11. Equalities implications

- 10.1 Our approach to Board diversity will be a consideration in all future Board recruitment and appointments.

12. Key issues and conclusions

- 12.1 The appointment of a new Non-Executive Director will take the Board to its full size, following the updated composition agreed as part of the strategic governance review, of:
- 6 Non-Executive Directors (Jo A, Bryan, Jo B, Manish, Caroline and Alison); and
 - 5 Subsidiary Chair Directors (Bernadette, Eric, Maureen, Alastair and Lindsey)
- 12.2 We will now update our Articles of Association to reflect the revised Board composition, with a view to holding a Special General Meeting to adopt them after our October or December meeting.

12. Recommendations

- 12.1 The Board is asked to:
- 1) Approve the appointment of Alison McLaughlin as a Non Executive Director at a remuneration rate of £12,408 effective from 28 September 2022;
 - 2) Approve the appointment of Alastair Murray as a subsidiary Board Director at a remuneration rate of £12,408 effective from 28 September 2022; and
 - 3) Approve the membership and Chairs of the Group Audit Committee, Group RAAG Committee and Group Strategic Development Committees