



THE GLASGOW HOUSING ASSOCIATION LIMITED
BOARD MEETING

Friday 12 February 2021 Via Videoconference

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minute of 6 November 2020 and matters arising

Main Business Items

4. Service mobilisation update
5. Creating a new vehicle for Glasgow – progress update
6. Your Home, Your Community, Your Future: Our 2021-26 strategy
7. Stronger Voices, Stronger Communities – our new engagement framework
8. Operating model update: approach to service delivery
9. Five Year Development Programme
10. Rent and other charges 2021/22
11. 2021/22 Financial Projections
12. Group Homelessness Policy 2021-2026

Other Business Items

13. Transforming our rent payment methods
14. Scottish Child Payment
15. Finance Report
16. [redacted]
17. Delivery Plan 2020/21 and Quarter 3 performance
18. Governance update
19. Gender Pay Gap (presentation)
20. AOCB



Report

To: GHA Board

By: Jehan Weerasinghe, Managing Director, GHA

Approved by: Martin Armstrong, Group Chief Executive

Subject: Service Mobilisation Update

Date: 12 February 2021

1. Purpose

- 1.1 This report provides an update on our response to the impact of the pandemic on our services, customers and communities.

2. Authorising context

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

3. Risk appetite and assessment

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

4. Background

- 4.1 This report provides a further update to Board members on our contingency operations to support both essential business and the new issues faced by our customers. It outlines our current remobilisation status across key customer facing areas.

- 4.2 Remobilising in the face of a pandemic continues to be challenging. As Covid cases persist and restrictions change regularly we have to be extremely agile in amending and delivering our ongoing services, restarting those which have stopped and creating new delivery models at pace. As we change our approach we are ensuring robust communication with our staff and customers who need to understand what we are doing, why and to be reassured that our processes keep them safe. Despite these challenges we have continued to deliver our remobilisation plans and meet the targets we have set for these.

5. Discussion

- 5.1 Throughout the pandemic we have continued to provide essential services to our customers. Since the last Board meeting in November additional restrictions were introduced across Scotland which came into effect over Christmas. Our remobilisation plans reflect these changes and are deliberately agile to respond to new changes as and when they happen.
- 5.2 This report covers a number of key services including letting, rental income, homelessness, care, repairs and our environmental services. The tone of measures introduced by the Scottish Government clearly reflects the 'stay at home' guidance. Since January 5th Scotland moved from level 4 to a temporary lockdown.

Letting

- 5.3 It is now a legal requirement to stay at home in level 4 areas except for essential purposes. Given the higher transmissibility of this new strain of the virus, it is of even greater importance than before that home moves, activities in connection with home moves and essential housing services are delivered in a manner that minimises the risk of transmission and seeks to keep everyone safe.
- 5.4 All home moves are permitted, provided they can be carried out safely. This continues to be the case following the introduction of the restrictions on the 5th January. Our Operating Safety Manuals ("OSM") were already in place to cover this and staff dealing with voids and sign-ups continue to be issued with Personal Protective Equipment ("PPE"). Tackling homelessness and helping customers continues to be a priority for GHA. As part of our remobilisation we have committed to the following actions:
- Gradually reducing the level of additional stock leased to Glasgow City Council ("GCC") which are now at 267 units, down from 450 units at the peak;
 - To provide 300 Housing First tenancies across Group by 2021 (currently 127 in GHA have been provided); and
 - To "flip" 150 temporary furnished flats across Group to permanent tenancies by March 2021 across Group – 56 tenancies have already been flipped.
- 5.5 We have let 1,832 homes in the year to date, the vast majority since the start of phase 2 of our letting in August. 1,060 of these homes were to let to homeless customers. The rapid progress in reducing the number of voids has been the result of a highly integrated approach between allocations staff, housing teams and City Building. This has involved prioritising repairs to maximise efficiency, ensuring safe working patterns for staff and rapid turnaround of properties leased to local authorities now being passed to those who were offered them prior to lockdown.

- 5.6 The next area of focus was on properties which have major repairs (R1). These include extensive rot works and major structural works. These repairs are more challenging to do in a Covid-19 environment where the workforce has to be safely socially distanced. These are now subject to individual assessment to identify when repairs can safely be carried out. We have already been able to start work on some of these 97 properties.
- 5.7 During lockdown we have let 151 new build homes to customers at the following sites: Invercanny Drive and Cally Avenue in Drumchapel, Auchinlea and Drochil Street in North East, Cathay St and Scaraway Place in the North West and Newhaven Road. At the Livingwell site in Auchinlea the customers are delighted with their new homes and have also positively feedback on the support offered in helping to move in by both housing officer and Livingwell teams during lockdown.

Rental income

- 5.8 Maintaining our rental income so that we can continue to provide services, alongside supporting our customers to be able to pay their rent have been key priorities through the pandemic. Housing Officers continue to successfully operate our virtual model of support through telephone and digital contact. They have quickly integrated this with our home visit teams to maximise the impact of these visits. The work of the home visit team on rent calls has ceased since the 5th of January in line with the more severe restrictions. Primary contact with customers is now through phone, email and digital channels.
- 5.9 GHA rental performance remains strong during lockdown. Our gross rental arrears now sit at 5.08%. The Scottish Housing Regulator monthly update results for November shows GHA still compares highly favourably to our comparator group (housing providers with +10,000 homes) in terms of rental performance where the Scottish average for gross rent is 8.45%

RSL	SHR Peer November Result	RSL Dec/Period 10 Result	Difference
GHA	8.45%	5.08%	-3.37%

- 5.10 Phase 2 commenced at the beginning of October. Following the Government's acceptance of the Homeless and Rough Sleeping Action Group's recommendations we now know that the 6-month notice period for Notice of Proceedings and evictions has been extended to 31 March 2021. We have therefore developed a revised escalation process with a new set of escalation letters. This includes the potential to escalate to Notice of Proceedings where we are satisfied that the household 'won't pay' rather than 'can't pay'. This will only be done following a review of each individual case, including an assessment of any covid-19 impact and any potential vulnerabilities
- 5.11 We have a small number of 'won't pay' cases that were issued a Notice of Proceedings in March that have continued to increase. Where appropriate, we will raise Court Action for these cases. We will also review our cases currently sisted at Court and for 'won't pay' cases that have significant and increasing arrears. In these cases, we will consider recalling the case to seek Decree. The use of bank and wage arrestment is a new part of our approach as outlined to the Board previously and this process is now underway.

- 5.12 We have clear messaging for customers, stakeholders and staff around our escalation processes. This will make it clear that only customers who repeatedly will not pay rent, have defaulted on an agreed repayment plan and repeatedly failed to engage with us would receive a letter about further action being taken. We will not evict anyone who falls into difficulty as a result of the impact of Covid-19. However, it is important that those who purposely avoid paying their rent understand they are in breach of their tenancy conditions and the consequences of this. We need customers to get in touch with us as quickly as they can so that we can help before the issue gets less manageable.
- 5.13 Over Christmas we have provided 5,179 vouchers (£30) to families to enable them to better face the financial pressures of Christmas. This combined the Talk-to-us rent campaign and the menu of wrap around service we are able to deploy has positively impacted upon rental performance, with the traditional Christmas spike in arrears having fallen by 29% in January.

Homelessness

- 5.14 We continue to prioritise lets to homeless households as part of our letting remobilisation. In the year to date 62% of lettings have gone to homeless households. During December alone we let 69.4% to homeless households. This figure will rise over the coming months as some of our initial lettings had been offered to households prior to lockdown and so could not be offered to homeless households.
- 5.15 The level of referrals in Glasgow had been rising steadily during lockdown due to the suspension of letting. At the peak, we had almost 1,600 referrals for housing compared to a normal level of just under 1,000. In addition, our Homelessness and Allocations Team are working with Glasgow City Council to directly match some of the longest standing referrals to suitable homes. This helps speed up timescales and support the households through the process. This has also significantly reduced the number of refusals we receive when compared to previous years.
- 5.16 The homelessness policy for the Group is included under separate agenda item. This will have a strong focus on preventing homelessness from happening. It will also focus on the unparalleled support homeless households are provided to settle into and become part of communities as well as the support communities need to ensure they remaining welcoming and supportive to new neighbours. Even for the most complex Housing First cases, we have an 85% tenancy sustainment rate in GHA.

Other Wheatley 360 services

- 5.17 Accidental dwelling fires have reduced in GHA against the backdrop of an increase across Scotland and Glasgow during lockdown. This increase was seen nationally by the Scottish Fire and Rescue Service and was largely attributable to people spending more time at home. Our Fire Safety Team had returned to home visits at the end of June as part of phase 2 of their remobilisation. They have been able to visit over 100 high priority customers and to take referrals from Housing Officers.

- 5.18 Close cleaning services resumed at the end of September. Since the 5th of January we have temporarily ceased this in-line with the most recent restrictions. We aim to reinstate this when it is safe and permissible to do so. The cleaning of Multi Storey Flat sits and bulk uplift of rubbish continue due to the associated fire risks of bulk rubbish.
- 5.19 5,173 anti-social behaviour cases have been recorded on our Streetwise system in the year to date. This is more than double the level for the same period last year. Over 80% of these cases relate to low level noise and neighbour disturbance that can be directly related to lockdown circumstances. Police Scotland have also noted an increase of notifications in relation to our estates in the same time frame.
- 5.20 We have continued to support people through our adapted service model which uses telephone and digital methods of contact wherever possible. This is supplemented by the use of home visits where these are essential.

Customer support

- 5.21 In addition to our core services we continue to provide support to our customers through our wraparound services and through our specific provision during the pandemic. Although our Housing Officers continue to be based primarily from home they have made 239,207 outbound calls to customers. Though the current restrictions have meant that work of home visiting team has had to be curtailed, we continue to safely deploy housing officers to sign customers up in new tenancies and accompany City Building Glasgow ("CBG") on gas appointments. Operating Safety Manuals are being adhered to and PPE is being issued as standard.
- 5.22 School closures have meant that some housing staff are juggling home schooling responsibilities with work. In such instances our flexible working arrangements and our think-yes culture have enabled staff members to adapt to these challenges and adopt varying work patterns. The leadership and pastoral support provided by the Group has been well received to enable our people to work through the temporary lockdown. GHA's overall absence rate increased from 0.98% in November to 1.15% in December, but still remains well below the target.
- 5.23 Our Group emergency fund continues to help customers in crisis situations. As with Eatwell, numbers are reduced but the help we are able to give is often crucial to the receiving households. Housing officers are also often crucial in picking up where households are struggling and in marshalling the right services to support them.

Repairs, Investment & Compliance

- 5.24 On the 17th March 2020, the Group suspended all non-essential works including appointment, programmed and cyclical repairs, investment programmes and works to void housing delivered by CBG. During this time CBG delivered essential and compliance work services only comprising emergency repairs, gas servicing, gas breakdowns, lift breakdowns and essential works to void properties for temporary accommodation and homelessness.

- 5.25 From 22nd June 2020 the scope of works was widened to include work under our Safety First approach, for example shower repairs, CCTV surveys, controlled entry repairs, persistent leaks etc. From 2nd November 2020, in line with the Group's agreed remobilisation plans, CBG begun transitioning from the safety first and essential services to an extended repairs service. In doing this the aim was to achieve a near business as usual position, where it was safe to do so, by January 2021.
- 5.26 This extended repairs service included the remobilisation and management of thematic backlog projects in a controlled and consistent manner such as roof repairs, medical adaptations and cyclical works. Extended services also included security related works such as window and door renewal, and other works including internal joinery and drainage repairs.
- 5.27 The latest lockdown meant that these plans for returning to a more business as usual service had to put on hold and an essential service in line with government guidance introduced. This service includes emergency repairs, compliance related works and works where there is a risk to the tenant's health and safety.
- 5.28 CBG's ability to deliver investment activity has also been restricted throughout the year; again in line with the service model that the Group Board agreed in response to the pandemic. Soft start pilot projects commenced late summer and all other agreed core programme works for 2020/21 were gradually resumed through November and December. The initial focus was on external works, using applicable social distancing restrictions and safe methods of working that had been developed and agreed in line with our remobilisation plan.
- 5.29 Internal works were planned to start from January 2021 but are now suspended in line with government guidance on essential works.
- 5.30 Gas safety compliance has been consistently 100% since September 2020 and will continue to be a priority.

6. Value for money implications

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

7. Impact on financial projections

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

8. Legal, regulatory and charitable implications

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

9. Partnership implications

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

10. Implementation and deployment

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

11. Equalities impact

- 11.1 None noted.

12. Recommendation

- 12.1 The Board is asked to note this update.



Report

To: GHA Board

By: Stephen Devine, Interim Group Director Repairs and Assets

Approved by: Martin Armstrong, Group Chief Executive

Subject: Creating a new vehicle for Glasgow – progress update

Date of Meeting: 12 February 2021

1. Purpose

- 1.1 This paper provides the Board with an update on progress in bringing together GHA's homes with those of Cube in Glasgow to create a new housing vehicle for the city.

2. Authorising context

- 2.1 Under the Group Authorise/Manage/Monitor Matrix, the GHA Board has responsibility for authorising new operating/service delivery models in its areas. Transferring Cube's stock in Glasgow to GHA will see changes to how GHA operates as management of the Cube stock is brought into existing GHA structures.
- 2.2 The strategic significance of GHA and Cube joining together to create a single organisation in Glasgow to further collective ambition, commitment to excellence and transformation mean that the proposed transfer is also subject to consideration and approval by Wheatley Group Board.

3. Risk Appetite and assessment

- 3.1 The proposed creation of a new vehicle for Glasgow, including the transfer of stock from Cube, is covered by the Operating model (modernising services etc) category in the Group's risk appetite framework. Risk appetite in this area is **"Hungry"**. This level of risk tolerance is defined as "eager to be innovative and choose options offering potentially higher business rewards (despite greater inherent business risk)".
- 3.2 The financial position of the combined new vehicle is set out in the separate financial projections paper on the agenda, including sensitivity analysis. This demonstrates the financial robustness of the new vehicle, which provides a platform for us to expand our investment and regeneration ambitions in the city.

4. Background

- 4.1 The GHA Board agreed to the key principles of a new vision for housing in the city at its meeting in October 2020.

These included;

- Bringing together Cube's homes in Glasgow with those of GHA to create a new vehicle for affordable housing in the city
- Ensuring future rent increases are below 3% throughout the life of the business plan, and for our higher rents (including former Cube homes and over 3300 multi-storey flats), restricting rent increases to 1% for three years
- Increasing our new build ambitions with an additional 600 new homes over and above the current assumption of 1500 in the next seven years of the business plan
- Creating at least three new community action regeneration areas, expanding our highly successful Transformational Regeneration Area programme in partnership with Glasgow City Council and the Scottish Government
- Investing at least £250 million in customers' homes over the next five years

4.2 The first stage in creating the new vehicle is the completion of the transfer of Cube properties in Glasgow. The value of these assets and financial information relating to them is shown below.

Asset value (current stat accounts)	£83.7m
Income	£14.1m
Operating Costs (excluding depreciation)	(£7.8m)
Operating Profit	£6.3m

4.3 Developing the possible transfer from Cube to GHA is part of wider restructuring which also includes transferring Cube's housing stock outside Glasgow to Loretto Housing. The inter-dependencies between these aspects has been reflected in the approach taken to, and timing of, the proposed transfer to GHA.

5. Discussion

5.1 To support the proposed transfers from Cube to GHA, Cube developed and consulted on a detailed proposal on the benefits and implications for tenants. This included:

Aspect	What was proposed
Investment	Investing £25 million in Cube homes, covered by this proposal, over the next 5 years
Rents	Rents increases capped at 1% for next 3 years
New build	Building 600 more affordable homes for rent in Glasgow than we could otherwise
Services	No change, customers will continue to enjoy the same high quality services they have currently
Landlord capacity/coverage	Tenants would transfer from Cube to GHA and customer needs locally will be better served through becoming part of larger organisations
Jobs and training	300 job, training or apprenticeship opportunities for Cube customers as a result of the additional investment above.

- 5.2 In-depth, engagement and consultation took place with tenants on the proposal and the transfer over the last four months or so. This included consultation, with the opportunity for tenants to provide feedback on the proposed benefits of transfer before Christmas and a formal transfer offer that was made at the start of January. As part of this in-depth engagement, TPAS (Tenant Participation Advisory Service) was available throughout to provide independent advice to tenants.
- 5.3 Staff spoke with 3,178 / 85% of Cube tenants to discuss their views on the proposals prior to the formal ballot. The feedback from Cube tenants outside Glasgow was very positive about the benefits of joining with Loretto with 90% in favour of the proposal. It was recognised that both organisations could deliver more together than they could apart; with the rent proposals, additional investment in homes and ability to deliver 500 new homes being particularly welcomed. We also engaged with other stakeholders such as elected members and MPs/MSPs, who were supportive of the proposals for Cube and Loretto to come together on the basis of what it could deliver for tenants.
- 5.4 The last stage of tenant engagement was a ballot, that was conducted independently by Civica Electoral Reform Services (ERS), between 7 January 2021 and 5 February 2021 inclusive, in line with legislative requirements on potential transfers.
- 5.5 Overall 42.9 % of eligible Cube tenants (i.e. those with a Scottish secure tenancy) voted in the ballot on the transfer to GHA, with 85.8 % of tenants voting in favour and 14.2% against.
- 5.6 In parallel with the successful ballot, due diligence is at an advanced stage in relation to Cube on behalf of GHA. As expected, there are no significant findings emerging so far from the legal, pensions and tax reviews. GHA undertook due diligence on Cube in 2012 when it initially joined as a subsidiary of GHA in advance of creating Wheatley Group.

- 5.7 Diligence is currently on-going and focused on 3 particular areas:

	Advisor	Purpose
Tax	EY	To ensure that the proposed transfer to GHA had no adverse implications
Pension	Spence and Partners	To ensure that Cube's existing pension arrangement do not present a risk to GHA or the group more generally
Legal	Thorntons LLP	To ensure there are no major legal issues in concluding the proposed transfer

- 5.8 Preliminary findings based on work to date are set out below. Final findings will be confirmed for the Board's next meeting.

Tax

- 5.9 No adverse tax liabilities are anticipated as a result of the transfer. Cube can gift the assets that are proposed to transfer to GHA with no adverse corporation tax consequences. Cube's income from the rental of social housing is exempt for VAT purposes.

- 5.10 Again, as with GHA, VAT on costs that relate directly to these supplies would be irrecoverable. LBTT (land and building transaction tax) would be applicable. However full relief from LBTT is available for transactions where the buyer and seller are RSLs.

Pensions

- 5.11 There are no additional pension related implications or liabilities for GHA as a result of the transfer. Fifteen Cube staff are already employed by GHA and seconded to Cube. All other Cube staff would transfer to Loretto Housing, to maintain their existing SHAPS or Salvus pension arrangements. Where necessary, and in keeping with our existing approach to intra-group working, staff would be seconded to GHA. Consultation with Cube staff on these changes will take place before the transfer.

Legal diligence

- 5.12 Thorntons' due diligence is focusing on identifying any major legal issue that might be a barrier to the transfer proceeding. So far no particular issues of concern in relation to concluding the transfer have been identified. Areas considered to date include:
- GHA and Cube's ability – from their respective constitutions – to conclude the transfer,
 - Cube's ability to assign its key contracts including for its heat and power systems, factoring, new build developments and energy efficiency works with British Gas
 - Where Cube is a tenant in a property (i.e. its headquarters at Maryhill Burgh Halls)
- 5.13 As part of this review, various obligations exist for Cube to inform the other parties to contracts if it is transferring them. Now that tenants have voted in favour work to do this will begin. As with the other diligence, a detailed update will be provided at the Board's next meeting, once Thorntons has completed its work.

Transfer agreement

- 5.14 An early draft of the transfer agreement between GHA and Cube is provided at Appendix 1. This agreement will provide the legal basis for transferring Cube's stock and other assets to GHA. It also contains provision relating to the promises that were made to Cube tenants as part of the transfer. The draft agreement has been prepared by Thornton's LLP who are also carrying out legal due diligence on Cube, and will be updated to reflect findings. At this stage, the agreement is presented as an early draft, in general form, to give members an opportunity for early consideration and comment. The intention is to present a final draft for agreement at the Board's next meeting in March 21.

Funder consent

- 5.15 Funder consent is required for the proposed transfer from Cube to GHA. The process is underway and we anticipate a positive outcome once our lenders have reviewed all the due diligence information.

Other consents

- 5.16 Agreement is needed from Glasgow City Council to assign grant agreements that Cube has for the development of affordable housing. This follows the same, mainly administrative process, that Cube and GHA undertook when they disposed of their mid-market properties to Lowther Homes in 2019.

6. Key issues and conclusions

- 6.1 The proposed new vehicle for Glasgow has the potential to deliver significant benefits for tenants, including greater investment in homes and communities, keeping rents affordable and supporting jobs and apprenticeships. By voting so strongly in favour of joining with GHA to create this vehicle, Cube tenants have expressed their clear support for the plans.
- 6.2 The technical elements of the proposed transfer are progressing to plan. Diligence is proceeding, with no issues of particular significance having been identified, to date, that would adversely impact the proposed transfer. We are now working to conclude the transfer, including completing due diligence, the transfer agreement and securing necessary consent from funders.
- 6.3 The creation of the new vehicle is the starting point for delivering the new vision for housing in the city. Further detail of the next steps, including aspects such as governance arrangements for the new vehicle, expanding our Transformational Regeneration Area programme, increasing our funding capacity to deliver more new homes, proposals on engagement mechanisms with tenants and communities and consideration of the name/brand of the combined vehicle will be brought back to the Board later this year.

7. Value for money implications

- 7.1 The proposed transfer from Cube to GHA is expected to positively impact our investment in homes value driver through accelerating improvement works for tenants in homes that transfer from Cube and delivering value for money for all tenants through the rent proposals.

8. Impact on financial projections

- 8.1 The impact of the proposed transfer from Cube is incorporated in the business plan projections paper separately on the agenda. No Issues have been identified as work has progressed to adversely impact the assessment presented previously or the Board's decision to progress the transfer.

9. Legal, regulatory and charitable implications

- 9.1 Legal advice has been sought and due diligence undertaken on Cube commensurate with the nature of transaction and information we already have from previous partnerships and funding exercises. No issues have been identified of significance to call into question what is proposed.

10. Partnership implications

- 10.1 Partners, including the SHR and funders have been kept informed throughout and we are working with them, as necessary, to conclude the aspects of the transfers that are applicable to them.

11. Implementation and deployment

- 11.1 We are aiming to conclude the transfer before the end of April 2021 subject securing funder consent and the Board agreeing the transfer agreement at its next meeting.
- 11.2 The transfer from Cube to GHA will require various systems and operational changes including migrating to GHA's operating and performance management environment. A group wide implementation team bringing together expertise from Cube, GHA, finance, ICT, assurance etc has been established to ensure a smooth migration. We expect necessary changes to be in place in line with the proposed transfer timetable.

12. Equalities impact

- 12.1 The particular needs of individual tenants were considered and support provided through Housing Officers and TPAS, as part of the consultation and engagement process.

13. Recommendations

- 13.1 The GHA Board is asked to:
- 1) note progress in developing the new vehicle for Glasgow, as the first step in delivering our vision for housing in the city, including the positive result of the Cube tenant ballot and findings from due diligence
 - 2) agree that the transfer is developed with a view to seeking final approval to it at the Board's next meeting.

LIST OF APPENDICES:

Appendix 1: [redacted]



To: GHA Board

By: Jehan Weerasinghe, Managing Director, GHA

Approved by: Martin Armstrong, Group Chief Executive

Subject: Your Home, Your Community, Your Future: Our 2021-26 strategy

Date of Meeting: 12 February 2021

1. Purpose

1.1. This report:

- provides a summary of the strategy sessions held by the Board in August/September;
- seeks the Board's approval for our draft 2021-26 Strategy, *Your Home, Your Community, Your Future*; and
- updates the Board on the engagement plan for staff

2. Authorising context

- 2.1. The Group Board agreed the Group strategy 2021-26 at its meeting in October 2020. Under the Group Authorising Framework, our partner organisations are responsible for developing and agreeing their own strategies within the context of these overall group strategic objectives.

3. Risk appetite and assessment

- 3.1. We do not have a single risk appetite in respect of our strategy. The risk context facing the Group has changed in light of Covid-19, with an economic shock and expected resultant increases in unemployment and financial difficulties, particularly among lower income households. Our strategy for 2021-26 reflects this new context.

4. Background

- 4.1. During August and September 2020, two Board strategy workshops were held to review our draft strategy in light of our experience of the pandemic.
- 4.2. Building on these discussions, the Board then held a joint session with the Board of Cube to consider a wider vision for housing in Glasgow. Both Boards agreed that by coming together to create a new platform in the city more could be delivered for tenants than through separate strategies. This included 600 additional new homes and reducing assumed future rent increases compared to those possible through separate business plans. The first stage of creating this platform was to bring together GHA and Cube stock in the city to create a new vehicle to deliver our ambitions.

- 4.3. On 8th February, it was confirmed that Cube tenants had voted strongly in favour of this first step, by agreeing to the transfer of their properties to GHA. The draft GHA strategy presented alongside this paper reflects the proposed partnership with Cube in overall terms, for example in respect of the numbers of new build homes and investment levels. However, there are a number of areas where further discussion with the Board over the coming months will be required to develop the new plans in more detail. These include:
- The future brand for the new vehicle
 - The governance structure that will be required to oversee delivery of the plans
 - Details of the next phases of regeneration and investment activity in the city, including potential for expanding the Transforming Communities: Glasgow model
 - How our new approach to tenant engagement will be incorporated into the plans
 - Timescales for any changes that the Board agrees
- 4.4. The draft strategy presented alongside this paper should be considered in this context; recognising that as the plans are worked through, we anticipate an update of the 2021-26 strategy document may be required later this year.

5. Discussion

(i) Board strategy discussions

- 5.1. A short summary of the feedback from the August/September Board workshops is provided in Appendix 1, with the full feedback sheets available on request. The key themes are set out in more detail below.
- The five strategic themes remain an appropriate and relevant way to structure the strategy
 - The vast majority of the GHA draft strategy remained unchanged and, as the Fraser of Allander Institute noted, more timely and relevant than ever in light of the pandemic
 - The Covid pandemic has provided an accelerant, which we should embrace, to the objectives and plans already set out in the draft strategy in two respects;
 - to increasing the use of digital methods for engaging with our customers and delivering services which are convenient, reliable and give the customer greater control;
 - Face-to-face customer contact remains a vital part of our approach to customer engagement and our operating model;
 - while around 70% of our staff are not office-based, our staff operating model should transition to a more hybrid home/office working approach now for staff who were previously office-based, accompanied by wider support for our people to work and lead in a more digital context.

- Linked to the operating model and increased use of digital, agreement we should accelerate the reduction of our corporate estate, with support for exploring options such as repurposing for housing
- Affordability for our customers will be a key challenge due to the economic impact of Covid-19, particularly in terms of the labour market; so the proposals to bring forward the limit on rent increases to 2.9% from 2025 to immediately was strongly supported.
- The importance of stakeholder support in delivering some key aspects of the strategy, especially local authorities and the Scottish Government in respect of future policy and funding for housing and care.
- The green agenda is increasingly important, and we should seek to work with Scottish Government to deliver the funding necessary to further retrofit customers' homes to save them money on fuel bills and reduce our carbon footprint.
- Challenge in delivering our development and investment work due to Covid-19 restrictions were discussed, as well as the potential impacts and risks in relation to our supply chains.
- The potential structural changes in the labour market increasing home working and the potential increase in demand for access to open spaces and properties which can be used to support home working across all tenure types
- The asks of the Group Board reflected the view that Wheatley Solutions and the Wheatley Foundation are two key enabling vehicles in the Group that support our partner organisations in service delivery. In terms of Solutions, the Board were keen to see a continued development of digital service offerings and engagement platforms for customers. The role of the Foundation in supporting customers who are experiencing hardship as a result of the pandemic emerged as a common thread. The importance of our continued role in facilitating training and employment for our customers was highlighted, especially with the impact on our communities of the furlough scheme ending.
- There was a strong appetite for us to contribute at a local and national level to the homelessness agenda. This was however within the context of strong feedback that appropriate wraparound support must continue to be provided to a significant number of homeless people using the model of Housing First, and we also have a responsibility to maintain balanced, sustainable communities.

(ii) Revised GHA strategy

- 5.2. Appendix 2 contains the revised strategy document in two formats A) a word version where the changes are in **blue text** for ease of reference and B) a revised designed version. The updated strategy reflects the Board's agreement that the vast majority remained appropriate. Our strategy supports our ambition to increase the number of new homes we can build, to keep rents affordable and to expand the regeneration outcomes we can deliver.

- 5.3. Our new strategy, ***Your Home, Your Community, Your Future***, maintains all of the ambition originally contained in our 2020-25 draft, but takes account of the impact of the pandemic and the changed political and economic context.
- 5.4. The strategy reflects:
- Accelerating the introduction of a **new blended operating model**, which maintains a focus on achieving a strongly personalised approach
 - Strengthening our commitment to investment in our **digital infrastructure** to enhance our ability to provide services and engage with our customers digitally.
 - In tandem seeking to use our influence to improve digital inclusion for our customers and support all customers to have affordable home broadband connections
 - Setting ambitious proposals for how we can be a key partner at local and national level as part of a Group response in **tackling homelessness**
 - Drawing on our experience of the pandemic to **strengthen our understanding of families** and tailor our service offering accordingly. This includes introducing a specific family satisfaction target
 - Accelerating our planned rent increase assumption reductions **to year 1** of the strategy
 - The creation a new platform and brand for investment and regeneration in the City

(iii) Engagement and consultation

- 5.5. We anticipate launching the new strategy to staff and external stakeholders later this year, at the point when in-person gathering becomes possible again. Given the scale of ambition in the strategy, discussing what it means for staff face-to-face will be much more effective than using Zoom sessions. Launching the new strategy will therefore be one of first things we do with staff in the new hub buildings, bringing the new working model to life.

6. Key issues and conclusions

- 6.1. The draft 2021-26 strategy reflects the outcome of engagement and discussion with the Board. There was a strong degree of consensus that the majority of the previous draft strategy remained appropriate, with amendments in certain key areas to reflect the impact of the pandemic and changed economic context.
- 6.2. We propose to accelerate progress towards some of the objectives, such as our working model for staff, and expand our ambitions in other areas such as energy efficiency and broadband in our customers' homes. We propose to reflect a strengthened role in addressing the impacts of the pandemic on financial hardship in our communities, and set out more concrete targets for our role in addressing homelessness.

- 6.3. The strategy also starts to incorporate the development of a single platform for investment and regeneration in the City. The strategy will be updated as we further develop our plans following the successful ballot.

7. Value for money implications

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

8. Impact on financial projections

- 8.1. Our business plan projections continue to be updated to ensure they align with the objectives set out in our strategy.

9. Legal, regulatory and charitable implications

- 9.1. We will continue to keep the Scottish Housing Regulator informed of any changes to our strategy. Our strategy has been developed taking into account and reflecting the views, need and priorities of our tenants in line with the requirements of Regulatory Standard of Governance (2).

10. Implementation and deployment

- 10.1. A Group performance management framework is being developed and will be accompanied by a delivery plan for 2021/22, being the first year of the new strategy period. A GHA version will be developed and presented to the Board thereafter.

11. Partnership implications

- 11.1 There are no partnership implications.

12. Equalities impact

- 12.1. The strategy recognises the importance of diversity and any significant changes to service delivery in the implementation of our strategy will be subject to impact assessments.

13. Recommendations

- 13.1 The Board is asked to:
- 1) Note the feedback from the Board strategy workshops;
 - 2) Agree, subject to any comments, the updated GHA Strategy: *Your Home, Your Community, Your Future*;
 - 3) Note the strategy will be refreshed to incorporate updated plans for the single platform for the City and brought back to the Board later in the year; and
 - 4) Note the proposed approach to staff engagement.

List of appendices

Appendix 1 – Summary of Board strategy workshops feedback

Appendix 2A – Mark up version of revised GHA Strategy: *Your Home, Your Community, Your Future*

Appendix 2B – Design version of GHA Strategy: *Your Home, Your Community, Your Future*

Appendix 1 – GH A Board Feedback

Board	Challenges/barriers or opportunities/enablers	Vision, brand, flag and message	Strengthening/adjusting existing strategic priorities	Asks of Group
GHA (x2 sessions)	<ul style="list-style-type: none"> Poverty – highlighted through discussions around affordability of rent, the continuation of EatWell and the need for wrap around services increasing during lockdown The workplace – opportunity to accelerate the blended model of homeworking and digital channel shift for staff whilst reducing the reliance on office accommodation. There is an opportunity to bring about a massive reduction in our carbon footprint through our corporate estate strategy Job creation – a challenge in terms of level of tenants who could be impacted but opportunity to do more in terms of employability support Engagement - opportunity to increase the level of engagement via digital, but needs to stay focussed on being personal 	<ul style="list-style-type: none"> Agree with proposed areas to strengthen vision Agree title needs refined to reflect current context No strong consensus on title 	<ul style="list-style-type: none"> Homelessness – support increased focus, but need to be mindful of impact on the sustainability of existing communities Would like to see an early focus on the development of the Whole Family Approach Support of the Foundation will be required more than ever Support acceleration of new operating model and associated changes in our corporate estate Agree we strengthen our 'green' focus 	<ul style="list-style-type: none"> Develop our approach to measuring and tracing community impact In Homelessness discussions at national level we try and ensure the complexities are understood Digital capability in areas such as data analytics is further developed and also to support accountability

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Our key performance indicators

Our vision for 2021 to 2026

GHA, part of Wheatley Group, is rooted in its local communities and committed to delivering outstanding, customer-focused services.

As one of the UK's biggest social landlords, we have an ambitious new-build programme underway and a number of national and international awards to our name. But it is our dedication to delighting our customer and helping them to reach their potential which truly sets us apart.

Your Home, Your Community, Your Future sets out how we will take our services to the next level on this, the next stage of our journey, from 2021 to 2026.

It's a journey which began with stock transfer of the city's social housing from Glasgow City Council in 2003.

Since then we've [improved the lives of our customers](#) and changed the city's skyline forever, demolishing homes which had no long-term future to make way for fantastic new homes for customers and invested more than £1.5billion modernising homes in the biggest housing refurbishment programme of its kind in Europe. An ambitious, new-build programme has seen us work closely with our key partners, Glasgow City Council and the Scottish Government, to bring forward thousands of much-needed new affordable homes. We were delighted to have delivered over 3,000 award winning new build homes over the last ten years. Over the lifetime of this strategy we will build [2100](#) more homes while continuing to invest in the fabric of our existing homes.

But our mission is, and always will be, focused on much more than just bricks and mortar. **Better homes, better lives, a better Glasgow** is what guides us now, and as we look to the next five years.

Having the keys to one of our homes will continue to lead to a new world of opportunity for customers to help improve life chances and maximise potential. We will remain committed to helping people break down the barriers, too often created by disadvantage and poverty. This will include offering people in our homes real opportunities – such as jobs and training – to improve their lives and have more control over what happens in their area. We will also work with our partners and tenants, to create safe, peaceful and connected communities.

Customers will be at the heart of decisions and we will offer people more choice in how they engage with us as well as how they access our services.

We will deliver our vision for our communities against a backdrop of significant external challenges, Brexit, the impact of Welfare Reform, digital exclusion, rising levels of poverty, continuing public spending cuts and the continuing gap between housing need and supply. [We also recognise the challenges our customers are facing in this Covid-19 era. Our response demonstrated the adaptability and agility of our model as we supported our customers and communities when they needed us most. From supporting vulnerable customers accessing vital food supplies, providing families with essential items to support their children, to](#)

expanding wrap around services to help with benefit claims and fuel advice we have reaffirmed that we are about more than just a home. This experience leaves us ideally placed, working alongside our partners, to support them and play a strong role in a fair and socially just economic recovery.

Through the lifetime of this strategy, we will continue to work with customers to allow them to achieve more, co-creating a better future for them and a better Glasgow.

By 2026, we know that the expectations of our customers and our staff will be very different. We will evolve how we work, listening and responding so that GHA remains in the best possible shape to deliver on its ambitions. Key to this is understanding the needs of our diverse range of customers across the city and the unique characteristics and opportunities in different communities. This includes where high-rise living, comprising 20% of our homes, brings whole communities under one roof.

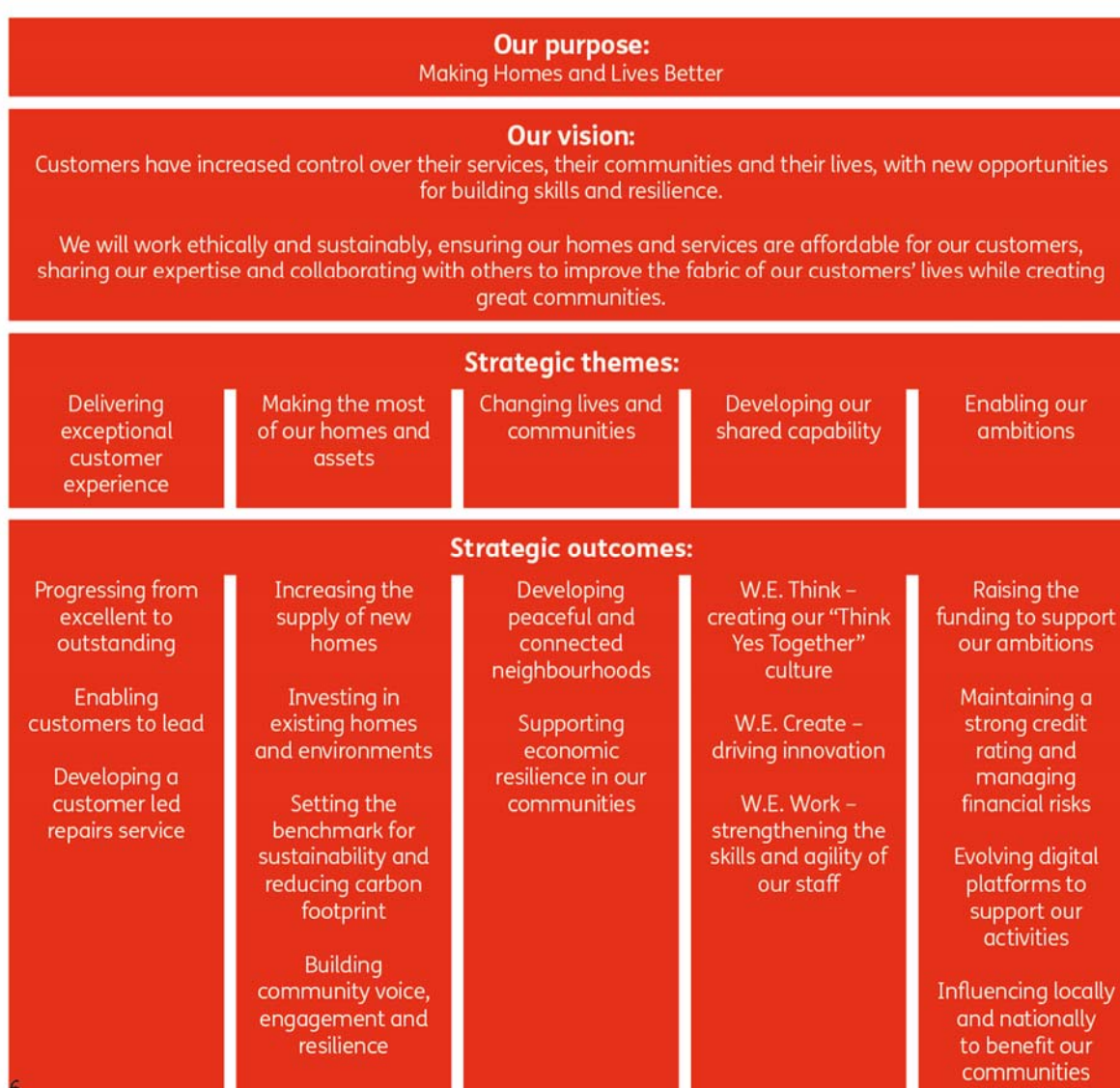
At the heart of our strategy for 2021 to 2026 are five strategic themes:

- **Delivering exceptional customer experience**
- **Making the most of our homes and assets**
- **Changing lives and communities**
- **Developing our shared capability**
- **Enabling our ambitions.**

Our vision – GHA in 2026

Our vision is to enable our customers to reach their potential for a brighter future for themselves and their families. Our strategy for making this real will deliver an unprecedented shift in the balance of power and control towards our customers, empowering them to make their own choices about the services they want, ensuring they are properly equipped to do things for themselves and involving them in the design of products and services from start to finish. Our task is to ensure that no customer is left behind in this bold new world of digital transformation.

We will deliver this vision through five strategic themes, under which we have defined 16 strategic outcomes. These are summarised below.



These themes and outcomes align the strategic priorities across our Group. The particular priorities of GHA’s strategy for 2021-26 are detailed in the following sections of this document under each strategic theme.

The delivery of our outcomes will be assessed through a series of key performance indicators and impact measures. These will demonstrate our progress towards the outcomes throughout the life of the strategy.

Performance indicators will be measured and monitored on a regular basis. These are detailed below each of the relevant themes within this document. The impact measures will quantify our societal and economic impact and provide evidence of statements made in the strategy. These will generally require periodic evaluation studies to assess the results. Our impact measures relate to the following key areas:

Strengthening the Economy – this will include tracking the significant impact this strategy will make to the Scottish GDP. It is projected by GHA that the operating and capital spend over the 2021-26 period is estimated to support up to 3,600 jobs, training places and apprenticeships annually and have a total impact of up to £1bn on GDP.

Reducing Poverty and Improving Wellbeing – this will include measuring how we are reducing the cost of running a home and tracking the positive impact that our support services are making to both customers' financial circumstances and overall wellbeing and resilience.

Improving our Environment and Mitigating Climate Change – this will include reducing our corporate carbon footprint to [net zero](#), reducing the CO2 emissions in our Wheatley homes and raising the environmental standard of our New Build homes making them more energy efficient and cheaper to run.

Strengthening our communities – this will include increasing customers' social capital, expanding our engagement methods and measuring the positive impact this is making to our customers and our communities. We will also track how our increased community cohesion is helping to make our neighbourhoods more 'peaceful'.

Our values:

- Excellence – we raise the bar in everything we do
- Community – people direct what we do and together we build strong communities
- Ambition – we push the boundaries in new ways so everyone can fulfil their potential
- Trust – we inspire customers and staff to shape the future.

1. Delivering exceptional customer experience

Excellence is embedded in the GHA culture and we want to build on this foundation of excellence to deliver even more outstanding services.

Our vision is that services will be easy to access and feel seamless for our customers. We'll have a renewed focus on their overall 'experience' with us, seeking to maintain our existing high levels of customer satisfaction.

Following our past success in achieving top quartile performance, we will work with our customers to define what 'outstanding' service means to them now and what it will mean in future. Understanding what creates value for our customers will help us improve services and track the impact of changes we make for individuals and communities.

We will prioritise services which mean most to customers and engage with customer groups who tell us they are less satisfied so we better understand their needs.

We want to offer quick resolutions to issues which affect how satisfied people feel with our services. That's why we'll build engagement channels into the development of services so that we capture and respond to customer feedback.

Analysis shows that we can improve upon satisfaction with families as they struggle to deal with competing demands on their time and money so we will develop a Whole Family Approach to support them through every stage of life.

Our new Whole Family Approach is focused on improving outcomes for families. Children and young people will become part of decision-making in our neighbourhoods, such as the use of outdoor space around our high-rise blocks. In our homes, we'll look to develop more child-friendly features such as better storage for family equipment. In high-rise homes this may involve providing storage for bikes, prams and play equipment; promoting active play and healthy living. New-build homes will be designed to suit modern family living. As children grow we will support families with employment and training opportunities through the Wheatley Foundation. Young adult children in our homes will be offered a housing options consultation as they consider setting up their own home.

We will drive digital transformation to deliver innovative solutions to issues facing GHA and our customers, building thriving customer communities online as well as in the real world.

Our digital-based services, such as GoMobile, My GHA and MyHousing, will continue to help us strengthen our customer insight, ensuring we can meet the different needs of customers. We will work with partners across the city and nationally to anticipate the profile and demography of our future customers as well as the issues they will face in 2026 and beyond.

We will re-design the way we engage with customers, [taking into account the lessons we learned whilst working through the Covid-19 pandemic](#). Enabling customers to have more choice and control to make changes that are important to them. Digital channels will also allow customers more control to direct services in a way that suits them.

Co-designing the transformation of our services with our customers will ensure no one is left behind. In our high-rise homes, we will utilise the community space to provide online access and support for customers to help build and improve their digital skills. Services will be tailored to meet the specific needs of customer groups, whether they are delivered digitally or face to face. We will encourage a diverse range of customers to talk about their experiences and the issues that matter to them and will encourage our customers to challenge our performance and outcomes.

Our co-design process will focus on the key customer journeys of repairs, allocations, complaints and anti-social behaviour.

We will demonstrate GHA's progress towards the outcomes under **delivering exceptional customer experience** through the following key performance indicators.

Our key performance indicators:

- Overall customer satisfaction is above 90%
- Implement "Rate it" score from book it, track it, rate it repairs approach and aim to improve performance by 10%
- Tenant satisfaction with value for money increased to 85%
- Satisfaction with complaint handling increased by 10%
- Overall satisfaction amongst households with children improved to 90%
- 90% of customers feel they can participate in the landlords' decision-making process
- 95% of customers actively engaged in shaping services feel they participate in decision-making
- Satisfaction with the process of getting my new home is improved by 10%

2. Making the most of our homes and assets

Our primary purpose of changing lives through providing quality homes remains unchanged. Building on the unparalleled success of the last five years we have set ourselves another challenging target. We will deliver 2,100 new homes over the life of the strategy.

Improving our existing customers' homes remains a key strategic priority. We will use our financial strengths to invest a further £250m over the next five years in improving, modernising and maintaining homes, in addition to over £190m on repairs. This will allow us to reduce the levels of emergency, reactive and maintenance repairs which create inconvenience to our customers as well as being poor value for money.

The safety and security of customers will continue to be of paramount importance.

Our new engagement framework, “Stronger Voices, Stronger Communities” will place the customer at the heart of how we plan and design our improvement programme and new-build developments. We will maximise the use of technology to engage a diverse range of customers across our geographic footprint in both the investment planning process and the development of our new homes. We will help customers to both design and visualise their new kitchen or bathroom. When pre-allocating our new homes customers will be able to decide on kitchen preferences and finishes to interior décor.

We will harness technology to make home life more convenient for our customers and to support people to live independently for as long as possible. This will include delivering digital connectivity in every high-rise block and expanding the “How are you Today” service to older people within our high-rise homes.

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

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

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

We will ensure our people are equipped with the skills and confidence they need to successfully make this transition and will develop ways of working so that no staff member feels isolated or unsupported due to more flexible working patterns.

A warm, safe and energy efficient home in the right location is a life changing experience for a household that can transform health and well-being, educational attainment and life

opportunities. Over the next five years our ambition is to make a giant leap forward on our journey towards our long term aims of becoming carbon neutral and eliminating fuel poverty. This will include a targeted programme in our high-rise homes such as energy advice and interventions, including smart meters and heating upgrades, introduction of better controls and utilisation of renewable heat sources to offset the cost of heating wherever possible. This work will contribute to compliance with the Energy Efficiency Standard for Social Housing (EESH) in the future.

The scale of our new-build programme will deliver significant benefits in employment, training and apprenticeship opportunities for our customers and communities. Our housing-led regeneration in the city's eight priority Transformational Regeneration Areas will continue through Transforming Communities: Glasgow, a partnership with Glasgow City Council, the Scottish Government and GHA.

We will create a new platform and brand for investment and regeneration within Glasgow, which will build on and seek to expand this highly successful housing led regeneration approach. Subject to the agreement of our partners, this will include TRA-style arrangement in Wyndford, and potentially further areas of Glasgow stock with regeneration challenges.

This platform will unlock £50m additional investment in regeneration and development, a further 600 new homes increasing our development programme to 2100 new homes, £10m of additional investment in existing tenant's homes and address challenges with future rent levels.

Moving through to 2026, we want to review empty or underused assets within our communities and, if viable, deliver innovative restoration projects which bring more homes to existing neighbourhoods.

Our Wheatley 24 homes will be highly adaptable and can easily change as the needs of the household evolves. This means homes will support people at all stages of life creating truly 'lifetime homes'.

In addition to the added value this brings to our customers, it will deliver significant business benefits, including reducing tenancy turnover and future-proofing our homes against changing demographics.

We will work with innovative development partners to ensure our house types evolve, and that they are sustainable, connected and intelligent homes for the future. They will be built as efficiently as possible with the most limited impact on the environment.

Our new engagement framework will encourage customers to help shape initial house designs and offer opportunities to stay connected throughout the project. This approach will place the customer at the heart of how we plan and design our new-build developments. We will adopt the same approach and principles for major improvement programmes.

Tackling fuel poverty, improving energy-efficiency and mitigating increases in energy costs for our customer base continues to be key. We will prioritise solutions for electrically heated

homes that enhance control and cost savings for customers, and draw on external research to solve long-standing challenges for improving energy efficiency in non-standard construction types.

We will demonstrate GHA's progress towards the outcomes under **making the most of our homes and assets** through the following key performance indicators.

Our key performance indicators:

- Develop 2,100 new homes across all tenures
- Invest over £300m of new public and private finance in new build housing
- 95% of customers satisfied with their new-build home
- Invest £250m in improving, modernising and maintaining homes
- Achieve a 60:40 ratio of planned to reactive repairs
- Reduce the volume of emergency repairs by 10%
- Deliver digital connectivity in every high-rise block by 2026
- Maintain existing tenant satisfaction with the quality of their home at over 90%.

3. Changing lives and communities

By 2026, we want our customers and our communities to be more resilient. Many of our customers and communities face multiple challenges that have been exacerbated by the Covid-19 pandemic, such as financial hardship, working in sectors disproportionately economically impacted by the pandemic and poor mental health.

Through the Wheatley Foundation, our Care services and Wheatley 360, we provide a portfolio of wrap-around services and opportunities which help change GHA tenants and their families' lives and encourage individuals not just to harbour aspirations but also to realise them. Employability will be a key priority going forward. The Wheatley Works programme will continue to grow, helping customers into jobs, training or apprenticeships and our Wheatley bursaries programme will support customers to attend higher education

The pandemic has further heightened the national policy focus on homelessness. We have already made a strong contribution to tackling homelessness in the City and this was reinforced during the pandemic. Through our new **Group Homelessness Policy**, we will take a leading role in the national agenda around Rapid Rehousing and Housing First for those who have been homeless, supporting the Scottish Government and local authorities in their plans.

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

We will support our older tenants to be as active and independent as possible. Building on our Livingwell model we will work as enablers to allow people to use their skills to support others. Our existing Group services including Care and Wheatley 360 will be maximised to deliver support to older people and also tailored for other households who need this type of support. Building on the success of our 415 Hub and Cluster Innovation model, we will also establish four additional Hubs in Glasgow utilising the connectivity of our high-rise block. Customers, their families and carers can visit the demonstrator flats to experience the available technology for themselves, including dementia friendly environments. This is complemented by our virtual shop front app, which enables the available technology to be discussed with customers in their homes.

Over the last five years we worked with our customers and communities to ensure our neighbourhoods are peaceful and places customers are proud to live. Using both online and offline platforms and approaches, we will support local engagement and encourage customers to work together to design local solutions in response to local priorities building resilience, skills and confidence so people can make things happen for themselves.

Our Community Improvement Partnership approach will take communities from being merely safe to ones which are improving, peaceful and with high levels of satisfaction. This will be based on building a confidence cycle with communities which will support communities to

become more resilient through increased confidence to report crimes and other issues. In turn, this will help GHA and our partners to make customers feel safe in their neighbourhood and communities stronger and more peaceful. This will be supplemented by our high quality environmental services and our strong focus on best quality fire safety provisions which will help to reduce the incidence of fires. A particular focus for this will be in high-rise homes where we will ensure each home passes an annual fire safety assessment.

Building on our Locality Planning approach, we will take a lead role in influencing other organisations and agencies in the interests of our customers. This will involve establishing common objectives, agreed and co-ordinated approaches, shared data and common indicators of success.

Loneliness is a real issue for many people in our communities. Our aim will be to put the 'Neighbour' back into our neighbourhoods, creating a modern version of 'Neighbourliness' as a hallmark of our communities by 2026. We will seek to co-create opportunities with a focus on supporting families, young people and overcoming isolation across the generations. Digital neighbourhoods will provide a virtual forum where our customers can connect to further support each other and co-create local solutions to improve their local community. Our forum will provide an easy location for people to advertise community events and help increase the use of key community spaces.

We will work with communities to co-create a 'Place Measure' that reflects the criteria our customers identify as the hallmarks of a successful and resilient community. We have listened to our customers and we recognise the importance of connectivity for communities, and we will work to influence the improvement of transport infrastructure and services for our communities. We will use Voice of the Customer real-time digital feedback to track the impact and progress of all our new developments, when we carry out major investment work, and for Wheatley Foundation activities.

Involving customers in co-designing with us will ensure our services are tailored to meet the needs of particular groups, whether they are delivered digitally or face to face. Designing our digital services to ensure they feel personal will be crucial for ensuring our customers continue to feel we care about them and they have a strong connection with us even though engagement is through digital channels.

Extending our Outcomes Star approach from care into housing will shift the balance of power and control to the customer and ensures the service they experience is personalised based on what is most important to them.

Our new engagement framework will include an innovative community led development approach, involving our customers and wider communities in decision making at all the key stages of our work, whether it be new-build, in existing housing or around service development. As we move through key project milestones we will provide regular

opportunities for communities and customers to re-engage, stimulating deeper and richer connection with the communities that we are investing in.

Tenant Control of Expenditure – we will be open and transparent about how we are spending customers’ money at both an individual and a community level, providing relevant performance information for customers to hold us accountable, and enabling customers to engage more meaningfully in decision making around repairs.

Our refined ‘Community Benefit Model’ will involve engaging our customers and communities in identifying and prioritising the type of community benefits they most want to see derived from our investment in existing homes and new-build housing projects. We will continue to use our procurement frameworks to drive wider community benefits with our suppliers in order to expand the ‘Wheatley Benefit for Customers’ providing them with a growing range of opportunities through the MySavings rewards gateway to save money and reduce the cost of running their home.

By 2026 our unique high-rise living experience will be a positive choice for customers, with an established reputation for combining great homes with role model services, opportunities and exceptional standards, in vibrant and well connected communities. Linking people to each other will be a particular focus for our high-rise homes. Uniquely, in high rise blocks whole communities are brought together under one roof. As a result, a strong sense of belonging can be fostered helping to make people proud of their home and neighbourhood. To do this we will utilise both the building and its surroundings to create great storeys which allow for dynamic engagement for all of our customers and their families.

We will demonstrate GHA’s progress towards the outcomes under **changing lives and communities** through the following key performance indicators.

Our key performance indicators:

- Meet the agreed contributions to accommodation for homeless households in each local authority we operate in
- Over 70% of our customers live in neighbourhoods categorised as peaceful
- Achieve 85% satisfaction with Wheatley Environmental Services
- Reduce the number of accidental dwelling fires by 10%
- 100% of applicable properties have a fire risk assessment
- Over 70% tenants in high-rise homes feel safe walking in their neighbourhood after dark
- Over 2,500 jobs, training and apprenticeships delivered
- 150 customers supported by Wheatley bursaries to attend higher education and university
- Over 5,500 vulnerable children benefit from targeted Foundation programmes
- 60% of tenants with online accounts are using the MySavings rewards gateway.

4. Developing our Shared Capability

During 2020 we made significant progress in reshaping our operating model as we moved to deliver services using a blended approach of face to face and virtual engagement with our

customers. Our staff have risen to this challenge remarkably and during the life of this strategy, we will continue to invest in our people to ensure they have the exceptional skills, attitude, engagement and influence to excel in this new, increasingly virtual, working environment.

Our unique Think Yes culture inspires staff to develop innovative solutions and build insightful, trusting relationships with customers and communities. By 2026 our culture will have evolved still further under our W.E. Think approach so that our customers will increasingly be 'thinking yes' for themselves. As a result of our 'Think Yes Together' culture, we will transform our culture and our thinking in order to create value for customers in different ways as they increasingly self-serve and do more for themselves.

The success of our transition towards self-directed services will require significant skill and capacity building for both staff and customers: our shared capability. As our service offerings change, the skill sets required to deliver them will also change. At the same time, building the capacity of our customers and communities over the next five years will be equally important in bringing about the new empowering relationship we are seeking to establish with them. We will measure both staff and customers on 'distance travelled', linked to our outcomes-based approach and showing the impact our staff make for their customers.

W.E. Create will drive innovation across all aspects of our business and in our communities. GHA tenants and communities will benefit from the creation of a Community Academy, taking the Academy on the road and into the heart of our communities with both virtual and physical spaces for innovation and learning. Creating environments and opportunities for our staff and customers to learn together will re-enforce our Think Yes Together culture. By 2026, our Community Academy will:

- embed customer driven learning, ensuring learning is designed with customer involvement
- focus on building individual capacity to help customers prepare for the world of work
- bring access to Wheatley Scholarships and apprenticeships to our customers' doorstep
- provide opportunities for customers to come into our business and get work experience through a Wheatley Customer Work Experience programme.

W.E. Work will deliver the transformational changes to our roles and operating model required to ensure this Strategy is delivered. For example, by 2026 our customer-facing roles will have evolved to include developing relationships of trust online, building the capacity of customers to do things for themselves, helping communities have a stronger voice, linking people with their neighbours/into activities and engaging with influence.

We anticipate the workforce of 2026 will be significantly different from the workforce of today; fully digital and increasingly looking for more flexible career models, work arrangements, reward programmes and career development opportunities. Up to 75% of our workforce will no longer work a traditional Monday to Friday pattern by 2026. Our aim is to

deliver a gradual and smooth transition towards a new workforce model that is more agile in responding efficiently to changes in customer requirements. We will:

- explore opportunities for co-designing modern employment terms and conditions and working practices that appeal to our evolving workforce and ensure maximum flexibility to meet changing needs
- re-design our work roles, rationalising and professionalising the number to reflect the creativity and agility of our staff to deliver our vision
- introduce a new career marketplace platform, putting staff in control of managing their own career and encouraging leaders to share talent for the benefit of the business
- value staff who are highly skilled in building and managing relationships and have the capacity to lead creative outcomes.

In addition, we will work to improve the diversity of our workforce.

Our Future 250 programme will provide a sought-after route for young people to develop their talent, attracting an external talent pipeline for our evolving business requirements. Each year a cohort will be identified and provided with structured opportunities to move around the business to build their skills and experience portfolio, honing their talents and demonstrating their potential. At GHA we will encourage young people in our communities to engage with this programme and we will provide opportunities for those on the programme.

We will demonstrate GHA's progress towards the outcomes under **developing our shared capability** through the following key performance indicators.

Our key performance indicators:

- Over 90% of staff say they feel appreciated for the work they do
- Staff absence is maintained at 3%
- Staff turnover remains at less than 7%
- Over 80% of customer's self-report positive distance travelled towards 'self-reliance'
- [Our workforce demographic makeup more closely resembles that of the communities in which we operate](#)
- 40% of promoted posts filled with internal candidates.

In addition to the above GHA specific KPIs, GHA will also contribute to and monitor against the following Group-wide KPIs:

- 50 graduates provided with opportunities to work and gain experience in our sectors
- 250 young people provided with structured opportunities to build their skills within the business.

5. Enabling our Ambitions

The funding platforms we put in place provide a strong basis to raise the funding to support our ambitions. However, new facilities will be required in the latter years of the strategy

period and we will look to bond, bank and other potential sources to identify the most advantageous options. Access to Scottish Government grant, which was such a vital element of the new-build programme we delivered from 2015-20, will continue to be key to our ambitions.

Our continuing focus on social rented housing, supported by Scottish Government subsidy, will help in our objective to maintain a strong credit rating and manage financial risks. We will test our business plan against a set of financial golden rules and ensure we have mitigating actions ready to address a wide range of adverse scenarios and stresses.

By 2026 GHA's customers and staff will become the most digitally enabled in Scotland. Our evolving digital platforms will help to support our activities and provide a rich portal for customers to draw down services, save money on fuel bills, interact with their community and tap into a host of other benefits. Importantly, the transition that our customers and staff make to self-managed services must be both successful and sustainable as well as being based on offerings that fundamentally improve services beyond that which is possible in an off-line environment. To achieve this, we will optimise digital channels for customers to drive positive engagement and give them finger-tip access to the data they need to make informed decisions.

Technology and digital innovation will also augment the work that is done by people in the organisation. Creating a single source of trusted, secure information for all core front line staff will ensure our decision-making is informed in real time and that our decisions strategically, tactically and operationally are intelligence led.

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

Our success over the last five years has ensured Wheatley has been accepted and recognised as a force for good in Scotland. Building on these strong foundations, GHA is well positioned to confidently and deliberately take a leading role on the UK and international stage influencing locally and nationally to benefit our communities.

Over the next five years we will also adopt an international dimension to our search for best practice. Identifying and exploring different ways of working and solutions developed across a broader range of contexts will stimulate and inform our thinking. This will enhance our international profile and reputation through showcasing our own role-model approaches across the world.

GHA staff will increasingly be recognised as thought leaders and practice experts in their particular discipline. Staff will increasingly liaise with, inform and influence strategic decision makers in Scotland through membership of committees and advisory groups.

As part of our evolving business intelligence approach we will map and maintain strategic profiles across our existing and potential future footprint. This will ensure we systematically identify new opportunities for growth and partnership working to maximum effect.

We will demonstrate GHA's progress towards the outcomes under **enabling our ambitions** through the following key performance indicators.

Our key performance indicators:

- Limit rent increases to **2.9% throughout the life of the strategy**
- Maintain gross rent arrears below 4%
- Average days to let a home maintained at less than 14 days
- Over 50% of customers actively using their online account to transact with GHA.

In addition to the above GHA specific KPIs, GHA will also monitor against the following Group-wide KPIs:

- Maintain a strong investment credit rating of A+ stable.

Making homes and lives better
wheatley-group.com

GHA

Your Home, Your Community, Your Future



2021-2026



GHA part of Wheatley Group
Our five-year strategy





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OUR VISION FOR 2021 TO 2026

GHA, part of Wheatley Group, is rooted in its local communities and committed to delivering outstanding, customer-focused services.

As one of the UK's biggest social landlords, we have an ambitious new-build programme underway and a number of national and international awards to our name. But it is our dedication to delighting our customer and helping them to reach their potential which truly sets us apart.

Your Home, Your Community, Your Future sets out how we will take our services to the next level on this, the next stage of our journey, from 2021 to 2026.

It's a journey which began with stock transfer of the city's social housing from Glasgow City Council in 2003.

Since then we've improved the lives of our customers and changed the city's skyline forever, demolishing homes which had no long-term future to make way for fantastic new homes for customers and invested more than £1.5billion modernising homes in the biggest housing refurbishment programme of its kind in Europe. An ambitious, new-build programme has seen us work closely with our key partners, Glasgow City Council and the Scottish Government, to bring forward thousands of much-needed new affordable homes. We were delighted to have delivered over 3,000 award winning new build homes over the last ten years. Over the lifetime of this strategy we will build 2100 more homes while continuing to invest in the fabric of our existing homes.

But our mission is, and always will be, focused on much more than just bricks and mortar. **Better homes, better lives, a better Glasgow** is what guides us now, and as we look to the next five years.

Having the keys to one of our homes will continue to lead to a new world of opportunity for customers to help improve life chances and maximise potential. We will remain committed to helping people break down the barriers, too often created by disadvantage and poverty. This will include offering people in our homes real opportunities – such as jobs and training – to improve their lives and have more control over what happens in their area. We will also work with our partners and tenants, to create safe, peaceful and connected communities.

Customers will be at the heart of decisions and we will offer people more choice in how they engage with us as well as how they access our services.

We will deliver our vision for our communities against a backdrop of significant external challenges, Brexit, the impact of Welfare Reform, digital exclusion, rising levels of poverty, continuing public spending cuts and the continuing gap between housing need and supply. We also recognise the challenges our customers are facing in this Covid-19 era. Our response demonstrated the adaptability and agility of our model as we supported our customers and communities when they needed us most. From supporting vulnerable customers accessing vital food supplies, providing families with essential items to support their children, to expanding wrap around services to help with benefit claims and fuel advice we have reaffirmed that we are about more than just a home. This experience leaves us ideally placed, working alongside our partners, to support them and play a strong role in a fair and socially just economic recovery.

Through the lifetime of this strategy, we will continue to work with customers to allow them to achieve more, co-creating a better future for them and a better Glasgow.

By 2026, we know that the expectations of our customers and our staff will be very different. We will evolve how we work, listening and responding so that GHA remains in the best possible shape to deliver on its ambitions. Key to this is understanding the needs of our diverse range of customers across the city and the unique characteristics and opportunities in different communities. This includes where high-rise living, comprising 20% of our homes, brings whole communities under one roof.

At the heart of our strategy for 2021 to 2026 are five key outcomes:

- › Delivering exceptional customer experience
- › Making the most of our homes and assets
- › Changing lives and communities
- › Developing our shared capability
- › Enabling our ambitions.

OUR VISION – GHA IN 2026

Our vision is to enable our customers to reach their potential for a brighter future for themselves and their families. Our strategy for making this real will deliver an unprecedented shift in the balance of power and control towards our customers, empowering them to make their own choices about the services they want, ensuring they are properly equipped to do things for themselves and involving them in the design of products and services from start to finish. Our task is to ensure that no customer is left behind in this bold new world of digital transformation.

We will deliver this vision through five strategic themes, under which we have defined 16 strategic outcomes. These are summarised below.

Our purpose: Making Homes and Lives Better				
Our vision: Customers have increased control over their services, their communities and their lives, with new opportunities for building skills and resilience. We will work ethically and sustainably, ensuring our homes are affordable for our customers, digitally enabled and low or net-zero carbon. We will share our expertise and work with others to improve the fabric of our customers' lives while creating great communities.				
Strategic themes:				
Delivering exceptional customer experience	Making the most of our homes and assets	Changing lives and communities	Developing our shared capability	Enabling our ambitions
Strategic outcomes:				
Progressing from excellent to outstanding	Increasing the supply of new homes	Developing peaceful and connected neighbourhoods	W.E. Think – creating our “Think Yes Together” culture	Raising the funding to support our ambitions
Enabling customers to lead	Investing in existing homes and environments	Supporting economic resilience in our communities	W.E. Create – driving innovation	Maintaining a strong credit rating and managing financial risks
Developing a customer led repairs service	Setting the benchmark for sustainability and reducing carbon footprint		W.E. Work – strengthening the skills and agility of our staff	Evolving digital platforms to support our activities
	Building community voice, engagement and resilience			Influencing locally and nationally to benefit our communities

These themes and outcomes align the strategic priorities across our Group. The particular priorities of GHA's strategy for 2021-26 are detailed in the following sections of this document under each strategic theme.

The delivery of our outcomes will be assessed through a series of key performance indicators and impact measures. These will demonstrate our progress towards the outcomes throughout the life of the strategy.

Performance indicators will be measured and monitored on a regular basis. These are detailed below each of the relevant themes within this document. The impact measures will quantify our societal and economic impact and provide evidence of statements made in the strategy. These will generally require periodic evaluation studies to assess the results. Our impact measures relate to the following key areas:

- **Strengthening the Economy** – this will include tracking the significant impact this strategy will make to the Scottish GDP. It is projected by GHA that the operating and capital spend over the 2021-26 period is estimated to support up to 3,600 jobs, training places and apprenticeships annually and have a total impact of up to £1bn on GDP.
- **Reducing Poverty and Improving Wellbeing** – this will include measuring how we are reducing the cost of running a home and tracking the positive impact that our support services are making to both customers' financial circumstances and overall wellbeing and resilience.
- **Improving our Environment and Mitigating Climate Change** – this will include reducing our corporate carbon footprint to net zero, reducing the CO2 emissions in our homes and raising the environmental standard of our New Build homes making them more energy efficient and cheaper to run.
- **Strengthening our communities** – this will include increasing customers' social capital, expanding our engagement methods and measuring the positive impact this is making to our customers and our communities. We will also track how our increased community cohesion is helping to make our neighbourhoods more 'peaceful'.

Our values:

- **Excellence** – we raise the bar ...in everything we do
- **Community** – people direct what we do ...and together we build strong communities
- **Ambition** – we push the boundaries in new ways ...so everyone can fulfil their potential
- **Trust** – we inspire customers and staff ...to shape the future.



1. DELIVERING EXCEPTIONAL CUSTOMER EXPERIENCE

Excellence is embedded in the GHA culture and we want to build on this foundation of excellence to deliver even more outstanding services.

Our vision is that services will be easy to access and feel seamless for our customers. We'll have a renewed focus on their overall 'experience' with us, seeking to maintain our existing high levels of customer satisfaction.

Following our past success in achieving top quartile performance, we will work with our customers to define what 'outstanding' service means to them now and what it will mean in future. Understanding what creates value for our customers will help us improve services and track the impact of changes we make for individuals and communities.

We will prioritise services which mean the most to customers and engage with customer groups who tell us they are less satisfied so we better understand their needs.

We want to offer quick resolutions to issues which affect how satisfied people feel with our services. That's why we'll build engagement channels into the development of services so that we capture and respond to customer feedback.

Analysis shows that we can improve upon satisfaction with families as they struggle to deal with competing demands on their time and money so we will develop a Whole Family Approach to support them through every stage of life.

Our new **Whole Family Approach** is focused on improving outcomes for families. Children and young people will become part of decision-making in our neighbourhoods, such as the use of outdoor space around our high-rise blocks. In our homes, we'll look to develop more child-friendly features such as better storage for family equipment. In high-rise homes this may involve providing storage for bikes, prams and play equipment; promoting active play and healthy living. New-build homes will be designed to suit modern family living. As children grow we will support families with employment and training opportunities through the Wheatley Foundation. Young adult children in our homes will be offered a housing options consultation as they consider setting up their own home.

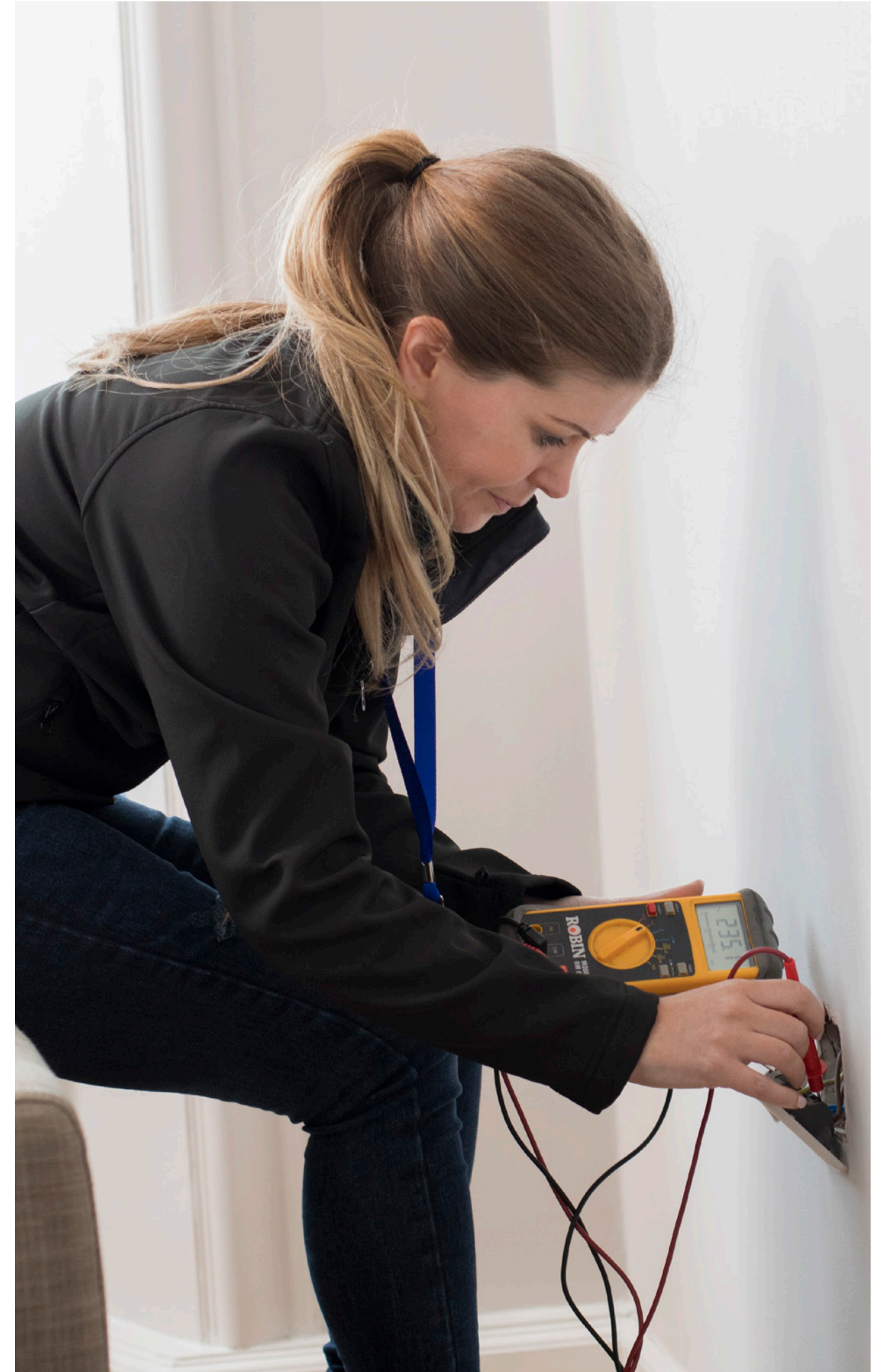
We will drive digital transformation to deliver innovative solutions to issues facing GHA and our customers, building thriving customer communities online as well as in the real world.

Our digital-based services, such as GoMobile, My GHA and MyHousing, will continue to help us strengthen our customer insight, ensuring we can meet the different needs of customers. We will work with partners across the city and nationally to anticipate the profile and demography of our future customers as well as the issues they will face in 2026 and beyond.

We will re-design the way we engage with customers, taking into account the lessons we learned whilst working through the Covid-19 pandemic. Enabling customers to have more choice and control to make changes that are important to them. Digital channels will also allow customers more control to direct services in a way that suits them. Co-designing the transformation of our services with our customers will ensure no one is left behind. In our high-rise homes, we will utilise the community space to provide online access and support for customers to help build and improve their digital skills. Services will be tailored to meet the specific needs of customer groups, whether they are delivered digitally or face to face. We will encourage a diverse range of customers to talk about their experiences and the issues that matter to them and will encourage our customers to challenge our performance and outcomes.

Our co-design process will focus on the key customer journeys of repairs, allocations, complaints and anti-social behaviour.

We will demonstrate GHA's progress towards the outcomes under **delivering exceptional customer experience** through the following key performance indicators.





Our key performance indicators:

- › Overall customer satisfaction is above 90%
- › Implement “Rate it” score from book it, track it, rate it repairs approach and aim to improve performance by 10%
- › Tenant satisfaction with value for money increased to 85%
- › Satisfaction with complaint handling increased by 10%
- › Overall satisfaction amongst households with children improved to 90%
- › 90% of customers feel they can participate in the landlords’ decision making
- › 95% of customers actively engaged in shaping services feel they participate in decision making
- › Satisfaction with the process of getting my new home is improved by 10%.



2. MAKING THE MOST OF OUR HOMES AND ASSETS

Our primary purpose of changing lives through providing quality homes remains unchanged. Building on the unparalleled success of the last five years we have set ourselves another challenging target. We will deliver 2,100 new homes over the life of the strategy.

Improving our existing customers' homes remains a key strategic priority. We will use our financial strengths to invest a further £250m over the next five years in improving, modernising and maintaining homes, in addition to over £190m on repairs. This will allow us to reduce the levels of emergency, reactive and maintenance repairs which create inconvenience to our customers as well as being poor value for money.

The safety and security of customers will continue to be of paramount importance.

Our new engagement framework, **“Stronger Voices, Stronger Communities”** will place the customer at the heart of how we plan and design our improvement programme and new-build developments. We will maximise the use of technology to engage a diverse range of customers across our geographic footprint in both the investment planning process and the development of our new homes. We will help customers to both design and visualise their new kitchen or bathroom. When pre-allocating our new homes customers will be able to decide on kitchen preferences and finishes to interior décor.

We will harness technology to make home life more convenient for our customers and to support people to live independently for as long as possible. This will include delivering digital connectivity in every high-rise block and expanding the **“How are you Today”** service to older people within our high-rise homes.

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

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

The resulting capital gains and efficiency savings will help fund our investment ambitions and be reinvested in customer priorities. In addition, it will generate new

opportunities for supporting entrepreneurship and resilience in our communities through provision of dedicated spaces for customers, social enterprises and local business incubation.

We will ensure our people are equipped with the skills and confidence they need to successfully make this transition and will develop ways of working so that no staff member feels isolated or unsupported due to more flexible working patterns.

A warm, safe and energy efficient home in the right location is a life changing experience for a household that can transform health and well-being, educational attainment and life opportunities. Over the next five years our ambition is to make a giant leap forward on our journey towards our long term aims of becoming carbon neutral and eliminating fuel poverty. This will include a targeted programme in our high-rise homes such as energy advice and interventions, including smart meters and heating upgrades, introduction of better controls and utilisation of renewable heat sources to offset the cost of heating wherever possible. This work will contribute to compliance with the Energy Efficiency Standard for Social Housing (EESH) in the future.

The scale of our new-build programme will deliver significant benefits in employment, training and apprenticeship opportunities for our customers and communities. Our housing-led regeneration in the city's eight priority Transformational Regeneration Areas will continue through Transforming Communities: Glasgow, a partnership with Glasgow City Council, the Scottish Government and GHA.

We will create a new platform and brand for investment and regeneration within Glasgow, which will build on and seek to expand this highly successful housing led regeneration approach. Subject to the agreement of our partners, this will include TRA-style arrangement in Wyndford, and potentially further areas of Glasgow stock with regeneration challenges.

This platform will unlock £50m additional investment in regeneration and development, a further 600 new homes increasing our development programme to 2100 new homes, £10m of additional investment in existing tenant's homes and address challenges with future rent levels.

Moving through to 2026, we want to review empty or



underused assets within our communities and, if viable, deliver innovative restoration projects which bring more homes to existing neighbourhoods.

Our **Wheatley 24** homes will be highly adaptable and can easily change as the needs of the household evolves. This means homes will support people at all stages of life creating truly 'lifetime homes'.

In addition to the added value this brings to our customers, it will deliver significant business benefits, including reducing tenancy turnover and future-proofing our homes against changing demographics.

We will work with innovative development partners to ensure our house types evolve, and that they are sustainable, connected and intelligent homes for the future. They will be built as efficiently as possible with the most limited impact on the environment.

Our new engagement framework will encourage customers to help shape initial house designs and offer opportunities to stay connected throughout the project. This approach will place the customer at the heart of how we plan and design our new-build developments. We will adopt the same approach and principles for major improvement programmes.

Tackling fuel poverty, improving energy-efficiency

and mitigating increases in energy costs for our customer base continues to be key. We will prioritise solutions for electrically heated homes that enhance control and cost savings for customers, and draw on external research to solve long-standing challenges for improving energy efficiency in non-standard construction types.

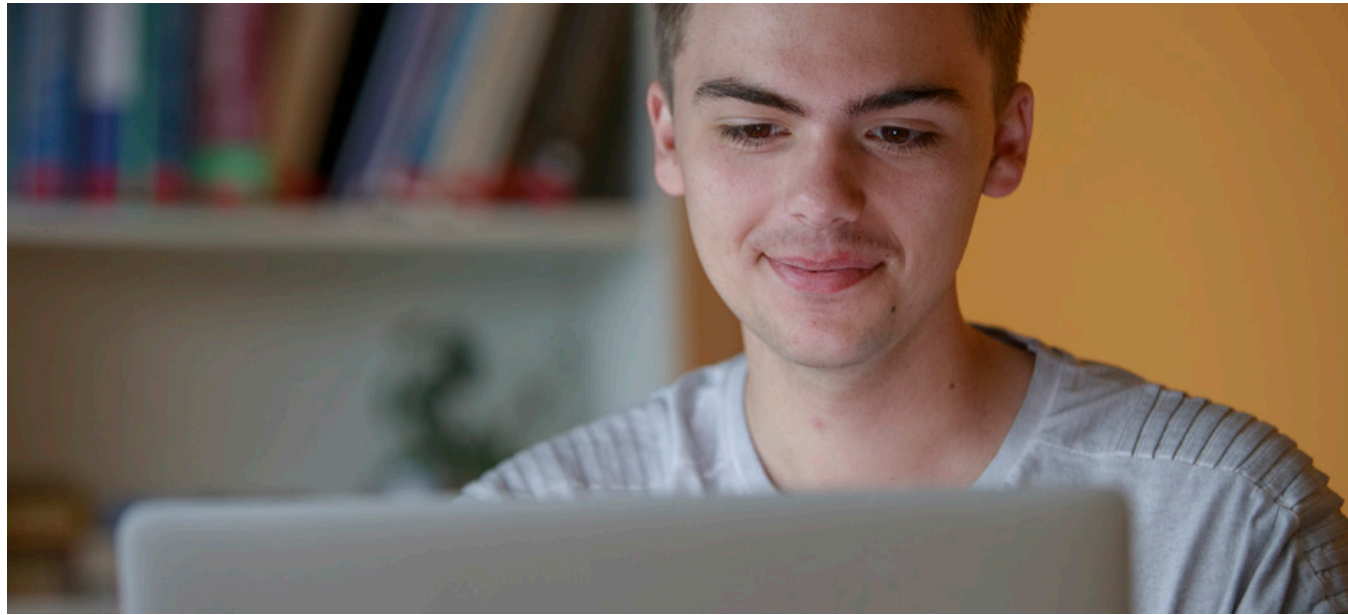
We will demonstrate GHA's progress towards the outcomes under **making the most of our homes and assets** through the following key performance indicators.



Our key performance indicators:

- › Develop 2100 new homes across all tenures
- › Invest over £300m of new public and private finance in new build housing
- › 95% of customers satisfied with their new-build home
- › Invest £250m in improving, modernising and maintaining homes
- › Achieve a 60:40 ratio of planned to reactive repairs
- › Reduce the volume of emergency repairs by 10%
- › Deliver digital connectivity in every high-rise block by 2026
- › Maintain existing tenant satisfaction with the quality of their home at over 90%.

3. CHANGING LIVES AND COMMUNITIES



By 2026, we want our customers and our communities to be more resilient. Many of our customers and communities face multiple challenges that have been exacerbated by the Covid-19 pandemic, such as financial hardship, working in sectors disproportionately economically impacted by the pandemic and poor mental health.

Through the Wheatley Foundation, our Care services and Wheatley 360, we provide a portfolio of wrap-around services and opportunities which help change GHA tenants and their families' lives and encourage individuals not just to harbour aspirations but also to realise them. Employability will be a key priority going forward. The **Wheatley Works** programme will continue to grow, helping customers into jobs, training or apprenticeships and our Wheatley bursaries programme will support customers to attend higher education

The pandemic has further heightened the national policy focus on homelessness. We have already made a strong contribution to tackling homelessness in the City and this was reinforced during the pandemic. Through our new **Group Homelessness Policy**, we will take a leading role in the national agenda around Rapid Rehousing and Housing First for those who have been homeless, supporting the Scottish Government and local authorities in their plans.

We will increase the amount of our homes that go to those who are already homeless. We will ensure that

we do this in a way which builds the strength and resilience of the new households and the surrounding community. Our work with people who have lived experience of homelessness to map their customer journeys will be used to direct our services in the way which works best for this customer group and the wraparound services they need. The insight this provides will help us lead the way in strengthening the pathways for homeless people to ensure they can access the support they need easily and at the time they need it.

We will support our older tenants to be as active and independent as possible. Building on our Livingwell model we will work as enablers to allow people to use their skills to support others. Our existing Group services including Care and Wheatley 360 will be maximised to deliver support to older people and also tailored for other households who need this type of support. Building on the success of our 415 Hub and Cluster Innovation model, we will also establish four additional Hubs in Glasgow utilising the connectivity of our high-rise block. Customers, their families and carers can visit the demonstrator flats to experience the available technology for themselves, including dementia friendly environments. This is complemented by our virtual shop front app, which enables the available technology to be discussed with customers in their homes.

Over the last five years we worked with our customers and communities to ensure our neighbourhoods are peaceful and places customers are proud to live. Using

both online and offline platforms and approaches, we will support local engagement and encourage customers to work together to design local solutions in response to local priorities building resilience, skills and confidence so people can make things happen for themselves. Our **Community Improvement Partnership** approach will take communities from being merely safe to ones which are improving, peaceful and with high levels of satisfaction. This will be based on building a confidence cycle with communities which will support communities to become more resilient through increased confidence to report crimes and other issues. In turn, this will help GHA and our partners to make customers feel safe in their neighbourhood and communities stronger and more peaceful. This will be supplemented by our high quality environmental services and our strong focus on best quality fire safety provisions which will help to reduce the incidence of fires. A particular focus for this will be in high-rise homes where we will ensure each home passes an annual fire safety assessment.

Building on our Locality Planning approach, we will take a lead role in influencing other organisations and agencies in the interests of our customers. This will involve establishing common objectives, agreed and co-ordinated approaches, shared data and common indicators of success.

Loneliness is a real issue for many people in our communities. Our aim will be to put the 'Neighbour' back into our neighbourhoods, creating a modern version of 'Neighbourliness' as a hallmark of our communities by 2026. We will seek to co-create opportunities with a focus on supporting families, young people and overcoming isolation across the generations. Digital neighbourhoods will provide a virtual forum where our customers can connect to further support each other and co-create local solutions to improve their local community. Our forum will provide an easy location for people to advertise community events and help increase the use of key community spaces.

We will work with communities to co-create a 'Place Measure' that reflects the criteria our customers identify as the hallmarks of a successful and resilient community. We have listened to our customers and we recognise the importance of connectivity for communities, and we will work to influence the improvement of transport infrastructure and services for our communities. We will use **Voice of the Customer** real-time digital feedback to track the impact and progress of all our new developments, when we carry out major investment work, and for Wheatley Foundation activities.

Involving customers in co-designing with us will ensure our services are tailored to meet the needs of particular groups, whether they are delivered digitally or face to face. Designing our digital services to ensure they feel

personal will be crucial for ensuring our customers continue to feel we care about them and they have a strong connection with us even though engagement is through digital channels.

Extending our Outcomes Star approach from care into housing will shift the balance of power and control to the customer and ensures the service they experience is personalised based on what is most important to them.

Our new engagement framework will include an innovative community led development approach, involving our customers and wider communities in decision making at all the key stages of our work, whether it be new-build, in existing housing or around service development. As we move through key project milestones we will provide regular opportunities for communities and customers to re-engage, stimulating deeper and richer connection with the communities that we are investing in.

Tenant Control of Expenditure – we will be open and transparent about how we are spending customers' money at both an individual and a community level, providing relevant performance information for customers to hold us accountable, and enabling customers to engage more meaningfully in decision making around repairs.

Our refined 'Community Benefit Model' will involve engaging our customers and communities in identifying and prioritising the type of community benefits they most want to see derived from our investment in existing homes and new-build housing projects. We will continue to use our procurement frameworks to drive wider community benefits with our suppliers in order to expand the 'Wheatley Benefit for Customers' providing them with a growing range of opportunities through the MySavings rewards gateway to save money and reduce the cost of running their home.

By 2026 our unique high-rise living experience will be a positive choice for customers, with an established reputation for combining great homes with role model services, opportunities and exceptional standards, in vibrant and well connected communities. Linking people to each other will be a particular focus for our high-rise homes. Uniquely, in high rise blocks whole communities are brought together under one roof. As a result, a strong sense of belonging can be fostered helping to make people proud of their home and neighbourhood. To do this we will utilise both the building and its surroundings to create great storeys which allow for dynamic engagement for all of our customers and their families.

We will demonstrate GHA's progress towards the outcomes under **changing lives and communities** through the following key performance indicators.



Our key performance indicators:

- › Meet the agreed contributions to accommodation for homeless households in each local authority we operate in
- › Over 70% of our customers live in neighbourhoods categorised as peaceful
- › Achieve 85% satisfaction with Wheatley Environmental Services
- › Reduce the number of accidental dwelling fires by 10%
- › 100% of applicable properties have a fire risk assessment
- › Over 70% tenants in high-rise homes feel safe walking in their neighbourhood after dark
- › Over 2,500 jobs, training and apprenticeships delivered
- › 150 customers supported by Wheatley bursaries to attend higher education and university
- › Over 5,500 vulnerable children benefit from targeted Foundation programmes
- › 60% of tenants with online accounts are using the MySavings rewards gateway.



4. DEVELOPING OUR SHARED CAPABILITY

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

Our unique Think Yes culture inspires staff to develop innovative solutions and build insightful, trusting relationships with customers and communities. By 2026 our culture will have evolved still further under our **W.E. Think** approach so that our customers will increasingly be 'thinking yes' for themselves. As a result of our **'Think Yes Together'** culture, we will transform our culture and our thinking in order to create value for customers in different ways as they increasingly self-serve and do more for themselves.

The success of our transition towards self-directed services will require significant skill and capacity building for both staff and customers: our shared capability. As our service offerings change, the skill sets required to deliver them will also change. At the same time, building the capacity of our customers and communities over the next five years will be equally important in bringing about the new empowering relationship we are seeking to establish with them. We will measure both staff and customers on 'distance travelled', linked to our outcomes-based approach and showing the impact our staff make for their customers.

W.E. Create will drive innovation across all aspects of our business and in our communities. GHA tenants and communities will benefit from the creation of a Community Academy, taking the Academy on the road and into the heart of our communities with both virtual and physical spaces for innovation and learning. Creating environments and opportunities for our staff and customers to learn together will re-enforce our Think Yes Together culture. By 2026, our Community Academy will:

- embed customer driven learning, ensuring learning is designed with customer involvement
- focus on building individual capacity to help customers prepare for the world of work
- bring access to Wheatley Scholarships and apprenticeships to our customers' doorstep
- provide opportunities for customers to come into our business and get work experience through a Wheatley Customer Work Experience programme.

W.E. Work will deliver the transformational changes to our roles and operating model required to ensure this Strategy is delivered. For example, by 2026 our customer-facing roles will have evolved to include developing relationships of trust online, building the capacity of customers to do things for themselves, helping communities have a stronger voice, linking people with their neighbours/into activities and engaging with influence.

We anticipate the workforce of 2026 will be significantly different from the workforce of today; fully digital and increasingly looking for more flexible career models, work arrangements, reward programmes and career development opportunities. Up to 75% of our workforce will no longer work a traditional Monday to Friday pattern by 2026. Our aim is to deliver a gradual and smooth transition towards a new workforce model that is more agile in responding efficiently to changes in customer requirements. We will:

- explore opportunities for co-designing modern employment terms and conditions and working practices that appeal to our evolving workforce and ensure maximum flexibility to meet changing needs
- re-design our work roles, rationalising and professionalising the number to reflect the creativity and agility of our staff to deliver our vision
- introduce a new career marketplace platform, putting staff in control of managing their own career and encouraging leaders to share talent for the benefit of the business
- value staff who are highly skilled in building and managing relationships and have the capacity to lead creative outcomes.

In addition, we will work to improve the diversity of our workforce.

Our Future 250 will provide a sought-after route for young people to develop their talent, attracting an external talent pipeline for our evolving business requirements. Each year a cohort will be identified and provided with structured opportunities to move around the business to build their skills and experience portfolio, honing their talents and demonstrating their potential. At GHA we will encourage young people in our communities to engage with this programme and we will provide opportunities for those on the programme.

We will demonstrate GHA's progress towards the outcomes under **developing our shared capability** through the following key performance indicators.



Our key performance indicators:

- › Over 90% of staff say they feel appreciated for the work they do
- › Staff absence is maintained at 3%
- › Staff turnover remains at less than 7%
- › Over 80% of customer's self-report positive distance travelled towards 'self-reliance'
- › 40% of promoted posts filled with internal candidates.

In addition to the above GHA specific KPIs, GHA will also contribute to and monitor against the following Group-wide KPIs:

- › 50 graduates provided with opportunities to work and gain experience in our sectors
- › 250 young people provided with structured opportunities to build their skills within the business
- › Our workforce demographic makeup more closely resembles that of the communities in which we operate.

5. ENABLING OUR AMBITIONS

The funding platforms we put in place provide a strong basis to raise the funding to support our ambitions. However, new facilities will be required in the latter years of the strategy period and we will look to bond, bank and other potential sources to identify the most advantageous options. Access to Scottish Government grant, which was such a vital element of the new-build programme we delivered from 2015-20, will continue to be key to our ambitions.

Our continuing focus on social rented housing, supported by Scottish Government subsidy, will help in our objective to maintain a strong credit rating and manage financial risks. We will test our business plan against a set of financial golden rules and ensure we have mitigating actions ready to address a wide range of adverse scenarios and stresses.

By 2026 GHA's customers and staff will become **the most digitally enabled in Scotland**. Our evolving digital platforms will help to support our activities and provide a rich portal for customers to draw down services, save money on fuel bills, interact with their community and tap into a host of other benefits. Importantly, the transition that our customers and staff make to self-managed services must be both successful and sustainable as well as being based on offerings that fundamentally improve services beyond that which is possible in an off-line environment. To achieve this, we will optimise digital channels for customers to drive positive engagement and give them finger-tip access to the data they need to make informed decisions.

Technology and digital innovation will also augment the work that is done by people in the organisation. Creating a single source of trusted, secure information for all core front line staff will ensure our decision-making is informed in real time and that our decisions strategically, tactically and operationally are intelligence led.

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

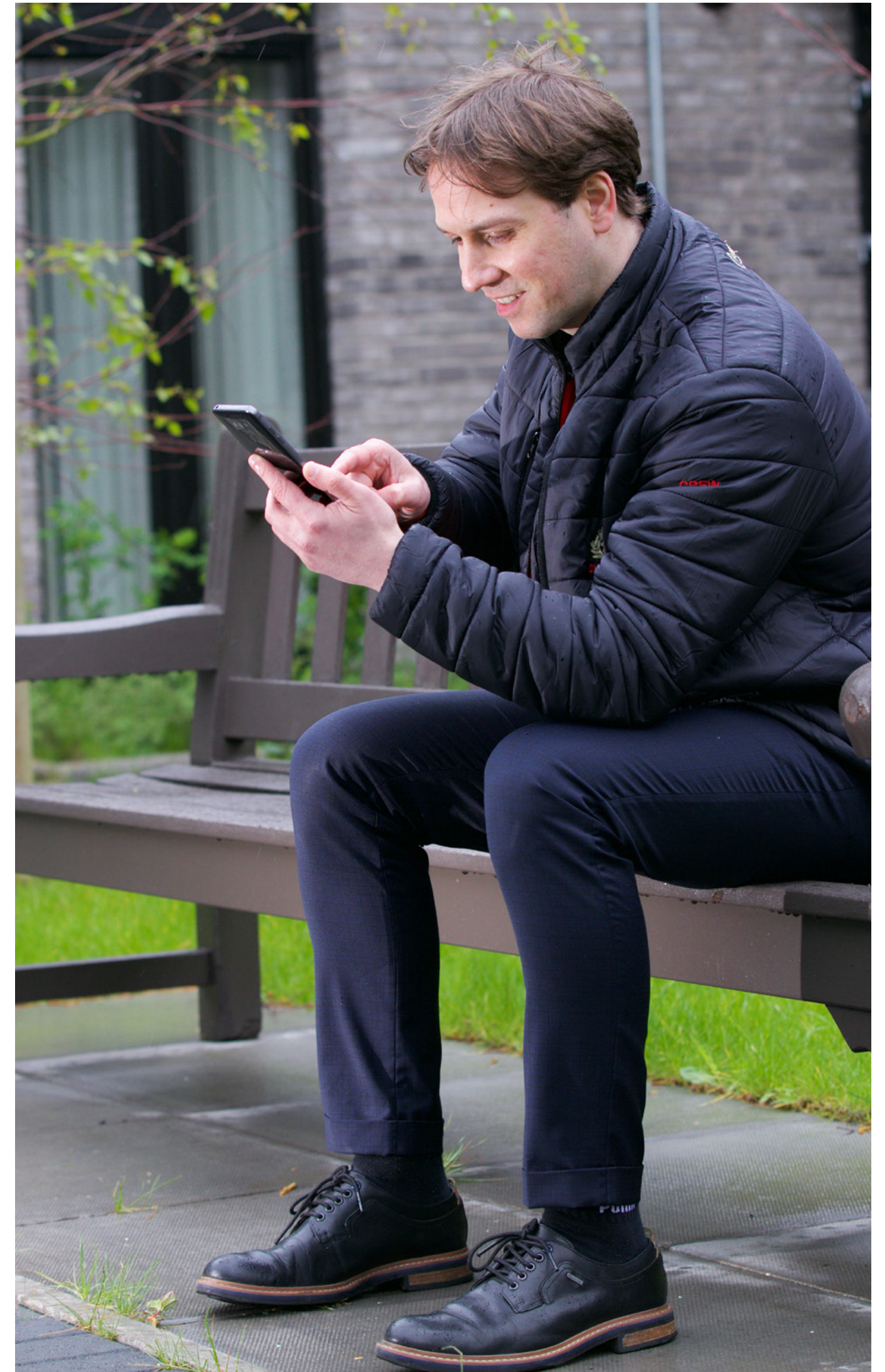
Our success over the last five years has ensured Wheatley has been accepted and recognised as a force for good in Scotland. Building on these strong foundations, GHA is well positioned to confidently and deliberately take a leading role on the UK and international stage influencing locally and nationally to benefit our communities.

Over the next five years we will also adopt an international dimension to our search for best practice. Identifying and exploring different ways of working and solutions developed across a broader range of contexts will stimulate and inform our thinking. This will enhance our international profile and reputation through showcasing our own role-model approaches across the world.

GHA staff will increasingly be recognised as thought leaders and practice experts in their particular discipline. Staff will increasingly liaise with, inform and influence strategic decision makers in Scotland through membership of committees and advisory groups.

As part of our evolving business intelligence approach we will map and maintain strategic profiles across our existing and potential future footprint. This will ensure we systematically identify new opportunities for growth and partnership working to maximum effect.

We will demonstrate GHA's progress towards the outcomes under **enabling our ambitions** through the following key performance indicators.





Our key performance indicators:

- › Limit rent increases to 2.9% throughout the life of the strategy
- › Maintain gross rent arrears below 4%
- › Average days to let a home maintained at less than 14 days
- › Over 50% of customers actively using their online account to transact with GHA.

In addition to the above GHA specific KPIs, GHA will also monitor against the following Group-wide KPIs:

- › Maintain a strong investment credit rating of A+ stable.

Our values are what unites everyone at Wheatley



www.wheatley-group.com

Wheatley Group, Wheatley House
25 Cochrane street, GLASGOW G1 1HL



Report

To: GHA Board

By: Jehan Weerasinghe, Managing Director, GHA

Approved by: Martin Armstrong, Group Chief Executive

Subject: Stronger Voices, Stronger Communities – our new engagement framework

Date of Meeting: 12 February 2021

1. Purpose

- 1.1. This report seeks the Board's approval to our approach to implementing the new Group engagement framework, which supports the ambition in ***Your Home, Your Community, Your Future*** to transform our engagement approach and shift the balance of power towards our customers.

2. Authorising context

- 2.1. The Group Board has responsibility for setting the overall Group frameworks. The engagement framework is a new approach which supports the delivery of the 2021-26 strategy. Each Board is responsible for, where applicable, adapting and implementing Group frameworks in a way which reflects their own operating context.

3. Risk appetite and assessment

- 3.1. Our 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.
- 3.2. Shifting the balance of power towards the customer brings some risk as we empower customers to take more decisions around priorities and resources. A robust framework within which we can support customers and use our strategic delivery plan to manage this transformation will help to mitigate any risks.

4. Background

- 4.1. GHA has a strong tradition of tenant engagement. Our community governance structure, including Area Committees, Local Housing Committees (LHCs), the Tenant Scrutiny Panel, Registered Tenants' Organisations and forums for high-rise, African and Polish customers have provided ways for local people to influence how we deliver investment and services in our communities. This approach to devolved decision making is the proud tradition that ***Stronger Voices, Stronger Communities*** draws upon.

- 4.2. Our current approach to engagement is strong and has been recognised as such by external assessments such as EFQM. Our Think-Yes culture means that any staff member engaging with a customer listens and responds to what the customer is saying to find a positive solution. Community groups/meetings are another way in which customers can raise issues which matter to them, as are our locality events and pop-up sessions where investment priorities are discussed. Our customers can become involved in estate inspections and are able to provide feedback and agree actions for improving neighbourhoods. The Wheatley Scrutiny Group, comprising tenants from across Wheatley Group, meets regularly with senior officers to look at performance and service improvements.
- 4.3. Prior to the coronavirus pandemic we had carried out over 300 conversations with customers across the Group on their views about engagement. Customers valued varied channels for engagement and being able to engage on improving services and their local neighbourhoods. Customers also liked the idea of more apps being available to assist engagement and access to services. Formal meetings were less popular but customers welcomed the opportunities for activities such as open days or pop-up events.
- 4.4. The Covid 19 pandemic has accelerated our digital strategy and both staff and customers have developed their digital skills. Engagement with customers has been taking place in a digital space both on a 1-2-1 basis with individual customers and with groups of customers. Through our Emergency Response Fund, we have been able to provide some customers with tablet computers which have increased their ability to connect and communicate with us, with other providers and with their friends and families.
- 4.5. Today there are fifteen LHCs and three Area Committees. While we have not been able to meet physically with these Committees since early 2020, the Locality Housing Directors have been in regular contact with the Chairs. In the context of Scottish Government restrictions, it has not been possible for the Committees to meet physically during lockdown.
- 4.6. While our staff and the Committee Chairs have worked hard to sustain the Committees, their membership levels have fallen in recent years. The formality of the meeting format has meant that new voices have not always engaged in the membership. For many customers, engaging through a formal minuted meeting is not their preferred way of giving their views.
- 4.7. Our strategy - ***Your Home, Your Community, Your Future*** – sets a clear ambition that *“customers will have increased control over their services, their communities, and their lives, with new opportunities for building skills and resilience”*.
- 4.8. A new engagement framework – ***Stronger Voices, Stronger Communities*** – has been developed to help support the delivery of this ambition. This framework sets out a number of principles for how we will seek to broaden the input of tenants into the work of GHA. This supports our aim for customers and communities to feel more in control of their personal and collective wellbeing, inspired to raise their aspiration and able to realise their potential.

- 4.9. The engagement framework presented in this paper sets out the key principles, but further proposals will be brought back to the Board in the coming months to set out how these principles will be translated into change in the GHA context. This may involve some realignment of existing practices in order to expand the opportunities for customers to engage with us.

5. Discussion

- 5.1. Our vision is to support our customers to reach their potential. Our strategy for making this real will mean an unprecedented shift in the balance of power and control towards our customers, empowering them to make their own choices about the services they want.
- 5.2. Each customer is an individual who will want and/or need different levels of engagement to feel empowered and in control. Our engagement approach is designed to support customers' choices for the experience they want. The emphasis will not be on expecting customers to form constituted groups, meeting in specified locations at set times. Instead the approach will be to encourage accessibility – anyone can volunteer for an activity without further commitment – and flexibility – people can express views at a time and in a way that suits - online, 24/7, from home, or in person.
- 5.3. The engagement framework, attached at Appendix 1, consists of 4 pillars which support our engagement with customers, as illustrated in Figure 1 below.

Figure 1 – The Stronger Voices framework



- 5.4. The supporting processes; job roles; and outcomes which are sought for each pillar are set out within the framework document at Appendix 1.

- 5.5. These cover the range of options which customers will have available to them, such as
- providing a single comment or piece of feedback;
 - suggesting an idea for improvement;
 - being involved in a focus group discussion;
 - scrutinising our performance;
 - assessing the standard of our estates;
 - redesigning a customer service journey;
 - testing a new product;
 - making decisions on a budget or policy priority
 - accessing learning or accreditation opportunities; or
 - joining an apprenticeship programme
- 5.6. The key principles that will change under the new framework are set out below.

Table 1

Previous framework	New framework
GHA specific	Community and/or service specific
Membership requirements and official positions	Accessibility – anyone can volunteer for an activity without further commitment
Formal meetings at set times – physical presence required including requirement to travel	Flexible input e.g. express views at a time and in a way that suits - online, 24/7, from home, in person
Enabled skills development for those with formal roles	Focus on skills and capacity development with informal and formal development opportunities available
Small percentage of customers involved – less than 0.5%	Marketing to reach a wide range of customers, including quarterly Group-wide Stronger Voices newsletter – highlighting opportunities to engage and featuring how views have made a difference
Characterised by <ul style="list-style-type: none"> • Unintentional exclusivity • Lack of diversity and wider opportunity • Focused on GHA customer to the detriment of other Group customers e.g. factored homeowners, care customers 	Characterised by <ul style="list-style-type: none"> • Improved diversity and opportunity • Group-wide approach which integrates with our care and support services and builds capacity • Connects and publicises our Foundation activities

- 5.7. An example of an approach to engagement which is community specific rather than subsidiary specific is the You Choose Challenge project that Dunedin Canmore and West Lothian Housing Partnership are carrying out jointly in Whitburn at the moment. Wheatley Foundation have provided DC and WLHP with a £5,000 Community Benefit grant and they have been consulting with both DC customers and WLHP customers in Whitburn to see how they would want to see this spent. The aim of this pilot initiative is to engage with the widest group of customers.

- 5.8. This project is also designed to test digital engagement and co-creation methods with these customers and to use a voting technique to find consensus on priorities. This approach could be rolled out across all RSLs within group. The aim of this pilot is to test digital capability in a small scale setting. We can build upon the wealth of experience of both LHC and Area Committee members in approving funds for local initiatives when it comes to rolling out this approach in GHA.
- 5.9. The **We Listen** pillar is a very open form of engagement which we would expect all customers to experience at some point in their relationship with us. It enables customers to put forward ideas which are not driven by our agenda. Customer conversations carried out by Housing Officers are an example of this – where the customer can bring up anything which is important to them, and the Housing Officer listens to understand what our role might be and how we can help. Often this will be about opening service options for customers, but it might also be about supplying information, or developing insight which will help for example to create a community project or influence a service change. The main outcomes from this pillar are increased customer satisfaction; faster complaints resolution; lower levels of waste demand, better customer relationships. Current examples of ‘we listen’ include arranging sign-ups and viewing of homes at dates and times that suit the customer.
- 5.10. The main purpose of the **We Consult and Co-create** pillar of engagement is to test and consult on proposals; identify what doesn’t work in current processes or policies; co-design new services or products; and challenge our collective thinking in order to improve. The outcomes are increased customer satisfaction; fewer complaints; lower levels of waste demand; and better value for money as resources are deployed in accordance with customer priorities. An example of this was the formation of the Wheatley Emergency Response Fund which was created following stories of difficulties customers experienced during lockdown.
- 5.11. The **We give power...** pillar focuses on ways in which we can safely empower our customers to make decisions on their own homes and environments, and to make decisions on priorities and resources. Our development of on-line, self-service tools help to promote this for the individual customer - for example, they can decide and track when and where they want a repair carried out; use a budget calculator to make a decision about whether they can afford their own tenancy; or use the Wheatley MyCommunity app to seek consensus with neighbours to improve a shared garden area or other neighbourhood improvement ideas. Increasing the proportion of our budgets that customer have a direct say over is an important outcome from this pillar. An existing example of ‘we give power’ is the work of the LHCs which currently oversee the Better Lives funding and how it is allocated in localities.
- 5.12. The main purpose of the **We Support** pillar of engagement is to support people to develop their potential and build capacity and resilience in our communities. We have experience of using approaches which support this already, especially within Wheatley Care and other support services provided throughout the Group. Encouraging volunteering, as in the LivingWell service; encouraging individual expression through music and art; and supporting youth development projects are all ways in which we can support people to develop their potential. The Extensive programme of engaging at LivingWell sites was pioneered in GHA, prior to being rolled out to other parts of group.

- 5.13. We will create a programme of engagement activity which is linked to our strategic delivery plan and recruit 100 customers across our all RSLs within group to become *Customer* or *Community Voices*. This will be attractive to customers who would like the opportunity to be more involved in discussion and co-design with us, and will be supported by a learning and development programme.
- 5.14. The programme will ensure customer involvement at an early stage within all appropriate strategic delivery projects, with business leads having the responsibility for leading this engagement as part of project development. The performance target for this will be that 50% of our strategic delivery projects will have customer engagement as an early milestone.
- 5.15. In GHA we will use this approach to re-energise our customer involvement. Some of our currently engaged customers involved in Area Committees, LHCs and the African Forum are likely to be interested, for example Customer Panel members, and it will provide an opportunity to recruit a wider range of our customers. Increasing the diversity of actively engaged customers is something the Board, the Customer Panel and officers are very keen to take forward, and the Customer and Community Voice programme provides an ideal opportunity and support to do this. This will enable our customers to engage not only around local community issues but also to be involved in co-creating and improving Group-wide services such as repairs, environmental services, 24-hour customer service etc.
- 5.16. As we change the engagement environment to strengthen the customer voice and shift more power to our customers the approach of our staff will need to change to support this. Table 2 below uses some examples to illustrate this for different job roles.

Table 2 – changing the engagement environment for staff

Roles in 2020	Roles in 2026
I am a Communications Officer and I produce content for our social media pages	I am a Communications Officer and I support tenants to set up their digital neighbourhood forums
I am a Locality Housing Director and I present reports to my LHC for their information	I am a Locality Housing Director and yesterday my local Community Voices presented their Keep Scotland Beautiful assessment findings/recommendations for my action
I am Director of Development and I negotiate with developers, contactors and partner agencies.	I am Director of Development and I work alongside our current and future customers to ensure our development programme meets customer and community needs
I am Group Director of Repairs and Assets and I work with the Joint Venture and our in-house contractors to ensure a customer-focused and efficient repairs service across Group	I am Group Director of Repairs and Assets and I meet regularly with Customer Voices to discuss their recommendations on the repairs service

- 5.17. The customer engagement environment will also feel different for Boards as we increase the involvement and empowerment of our customers. Table 3 provides some illustrations as to how this could develop for Boards.

Table 3 – transforming the customer engagement environment for Boards

Roles in 2020	Roles in 2026
I am a member of a GHA Board and I receive an annual report on customer satisfaction	I am a member of a GHA Board. We receive quarterly reports on customer feedback and regular recommendation reports from our local Customer and Community voices
I am a member of Wheatley Board and when we receive a Board paper on a new product it always covers what this will deliver for the customer	I am a member of Wheatley Board, and when we receive a paper on a new product it includes a video presentation from Customer Voices explaining how and why they have co-created it with officers
I am Chair of one of our GHA – we have 6 tenant Board members to ensure the customer voice is heard strongly as part of the decision-making process	I am Chair of one of our GHA - we have a board portal which tells us what customer engagement activities are taking place in our subsidiary and the outcome of these, including where tenants have voted on options

- 5.18. The framework document also sets out how we can build a suite of digital engagement tools which will enable a wider diversity of customers to become involved both locally and at a strategic Group level depending on their personal preference.
- 5.19. In 2020 we launched a closed group Facebook page for customers in the North West of Glasgow. So far this has 354 followers who regularly engage with us through this platform. We have promoted services such as wrap around services, work of the NETs teams and advertised a selection of homes on MyHousing. Our Community Engagement Officers have also direct messaged customers through this channel. This has also been a great means for linking with other 3rd sector organisations who provide a vital service to customers in their communities.
- 5.20. Taking this to the next stage, we envisage that a *MyCommunity* app could provide a flexible easy tool for our customers to engage with us and with each other. It will enable us to reach out to customers with information and opportunities such as volunteering, apprenticeships, grants and benefits. Customers and other agencies who work with us will be able to interact with the app and share information and insight.
- 5.21. As we develop our online service offering and encourage self-service by customers we will ensure that feedback is sought from customers at relevant points in the service journey. This could range from a simple text message after a repair is carried out to a more qualitative phone call or web chat after a customer has been in a tenancy with us for one year. Integrating feedback opportunities within service journeys will provide better insight for improving the customer experience.

- 5.22. Our 2021-26 strategy emphasises co-creation with our customers and promoting their ability to be in control and self-direct their services. By 2026 we hope that our customers will be empowered to make their own choices about the services they want, be properly equipped to do things for themselves and involved in the design of products and services from start to finish. Through this journey with our customers we hope that our communities will become stronger; more resilient; and able to make their voices and their expectations heard more widely.

6. Key issues and conclusions

- 6.1. The new engagement framework *Stronger Voices, Stronger Communities* is designed to support the delivery of the ambition in *Your Home, Your Community, Your Future* and shift the balance of power and control towards our customers, empowering them to make their own choices about the services they want.
- 6.2. The framework sets out the overall principles of a new approach to engagement. If the Board agrees these principles, then we will develop proposals for how they will be translated to specific changes and new approaches in GHA. In order to expand the range of tenant input, we anticipate that some realignment of our existing engagement models and practices will be required. These proposals will be brought back to the Board for its consideration in the coming months.

7. Value for money implications

- 7.1. Ensuring that the customer voice is at the heart of our activities and our strategic planning will help to drive increased value for money.

8. Impact on financial projections

- 8.1. The 2021/22 financial projections include a provision of £19.5m over the five-year period for customer directed investment. In 2021/22 alone investment priorities to be decided by tenants equate to 8% of the overall core programme allocation. Within the Wheatley Foundation, £0.8m of funding has been set aside to support the You Choose Challenge project across the Group's RSLs.

9. Legal, regulatory and charitable implications

- 9.1. There are no legal implications arising from the proposed engagement framework.

10. Implementation and deployment

- 10.1. The deployment of this framework will be supported by a new centrally co-ordinated approach. This will oversee the annual engagement programme which supports the customer voice throughout our strategic activities. A sample programme is included at the end of the framework document as an illustration.
- 10.2. The team will include Digital Officers who will be responsible for exploring digital opportunities for engagement and supporting customers to develop their digital skills.

- 10.3. The 2021/22 strategic delivery plan will include customer engagement as an early milestone in at least 50% of the projects.

11. Partnership implications

- 11.1 All partner organisations will adopt the framework set out in Appendix 1, tailored to their own customer profiles and contexts.

12. Equalities impact

- 12.1. The proposed framework seeks to expand the opportunities available to customers to engage with us. By adopting a blended digital/off-line approach and increasing accessibility and flexibility it is intended to increase the diversity of customers who are involved in providing feedback and shaping our services.

13. Recommendations

- 13.1 The Board is asked to:
- 1) Note the new Group engagement framework at Appendix 1; and
 - 2) agree that proposals for how the principles of the framework will be translated into realigned engagement practices for GHA will be brought back to the Board later this year

List of appendices:

Appendix 1 - Group Engagement framework

Stronger Voices, Stronger Communities

Customer Engagement Framework

December 2020

Stronger Voices, Stronger Communities

Vision

Our vision is to support our customers to reach their potential. Our strategy for making this real will deliver an unprecedented shift in the balance of power and control towards our customers, empowering them to make their own choices about the services they want.

The development of our approach has been informed by feedback from our customers and by the research project carried out for us by The Democratic Society “Democracy Starts at Home”.

We want to challenge ourselves in our approach to engagement – to create that unprecedented shift in power to the customer. Our 2021-26 strategy ***Your Home, Your Future, Your Community*** emphasises co-creation with our customers and promoting their ability to be in control and self-direct their services. By 2026 our customers will be empowered to make their own choices about the services they want, be properly equipped to do things for themselves and involved in the design of products and services from start to finish.

This shows how a Wheatley Customer will personally experience our engagement with them in 2026 – how it looks and feels to them.

I feel in control and have choices

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

I shape the services I receive

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

I have access to the information I need

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

Each customer is an individual who will want and/or need different levels of engagement to feel this experience. Our engagement approach is designed to support customers' choices for the experience they want. The emphasis will not be on expecting customers to form constituted groups, meeting in specified locations at set times. Instead the approach will be to encourage **accessibility** – anyone can volunteer for an activity without further commitment – and **flexibility** – people can express views at a time and in a way that suits - online, 24/7, from home, or in person.

By making our engagement options more flexible for customers we seek to improve the opportunities for engagement which are available to our customers and widen the diversity of customers who are actively involved in shaping services. We will support our customers and communities to feel more in control of their personal and collective wellbeing, inspired to raise their aspiration and able to realise their potential.

The Framework

The engagement framework consists of 4 pillars which support our engagement with customers, as illustrated in Figure 1 below.

Figure 1 – The Stronger Voices framework



1. We Listen **You are heard**

Processes

This is a very open form of engagement which we would expect all customers can and will access at some point in their relationship with us. It enables customers to put forward ideas which are not driven by our agenda. Currently we engage with customers under this pillar in a variety of ways. Our **Think Yes culture** means that any staff member engaging with a customer listens and responds to what the customer is saying to find a positive solution. **Customer conversations** carried out by Housing Officers are an example of this – where the customer can bring up anything which is important to them, and the Housing Officer listens to understand what our role might be and how we can help. Often this will be about opening service options for customers, but it might also be about supplying information, or

developing insight which will help for example to create a community project or influence a service change. **Facebook** can also be used by customers to express what is on their mind rather than responding to any focused question we have asked.

Voice of the Customer is the process we use to identify on-line feedback on various service areas or topics. This type of process will become increasingly important customer on-line self-service increases.

Community groups/meetings are another way in which customers can raise issues which matter to them, for example a staff member might attend a community meeting where the main topic of conversation is lack of public transport. While we do not have a direct role in this it helps us to build community insight and we may be able to help influence other community partners or support grant funding applications.

Learning from complaints analysis is also an important way in which we listen to what our customers are saying, and change the way we deliver our services as a result of their feedback.

Key Roles

Our main job roles who engage with customers in this way are our front-line staff

- Housing Officers
- Engagement and Foundation Officers
- Care Workers and Managers
- Customer Service Centre staff
- Lettings Advisors
- Repairs and Investment staff
- NETs staff
- Locality Directors/Heads of Housing

Outcomes

The main purpose of this pillar of engagement is to provide solutions to our customers for the issues they raise. This is a cornerstone of our Think Yes culture.

The outcomes are increased customer satisfaction; faster complaints resolution; lower levels of waste demand, better customer relationships.

Another outcome is the ideas and innovation that customers can bring to our business. Insight gathered through this form of engagement is collected and

structured through the locality planning process, complaints analysis and survey feedback.

2. *We consult and co-create* ***You influence and design with us***

Processes

As part of this pillar we currently use a number of consultative processes. These include **rent consultation** or other **policy proposals**, **project proposals**, **surveys** ranging from small/local, service specific eg repairs, to wide ranging such as our annual customer satisfaction surveys. **Focus groups** are a method we also use to seek more qualitative responses which can still be used to provide structured and representative views.

These are important processes, but our ambition is to support more opportunities for customers to become proactively involved in working with us to design services. We believe some customers will find this very rewarding although we recognise it will not appeal to all customers as it requires a greater degree of time and effort. So the key processes focus on design – service design; estate design; system design; and home design.

We will introduce the concept of **Customer and Community Voices**. These will be customers who will work alongside officers to inspect, advise on and design how we deliver services and projects. We will design an annual programme for our Customer and Community Voices which will be informed by our Group strategic delivery plan so the customer voice is at the heart of our strategic projects. There will be a recruitment and training programme for customers to encourage and support involvement in this and to help build capacity. An early example of this type of involvement is the programme we have to train customers as Keep Scotland Beautiful (KSB) assessors – so that they can carry out joint estate inspections with our staff and contribute to how we can jointly improve our environments.

One of the activities our Customer and Community Voices will be involved in is **customer journey mapping**. When we explored this as a concept with our customers during our International Conference on Engagement it was one of the most popular activities with our customers, and brings huge insight as to how our processes and systems can be improved to deliver a better customer experience.

On a more individual basis, our Health & Wellbeing Assistants work with individual care customers using an **Outcome Star method** which supports the people we work

for to identify the aspects of their life they want to improve and how to go about it.

Key roles

Our main job roles who engage with customers in this way are those with a responsibility for service and strategy development

- Community of Excellence Leads
- Business Leads
- Investment Managers
- Development Managers
- Project Officers
- Service Improvement staff

Outcomes

The main purpose of this pillar of engagement is to test and consult on proposals; identify what doesn't work in current processes or policies; co-design new services or products; and challenge our collective thinking in order to improve. The outcomes are increased customer satisfaction; fewer complaints; lower levels of waste demand; and better value for money as resources are deployed in accordance with customer priorities.

Ensuring that the customer voice is heard and enabling co-design as an early milestone in our strategic projects will deliver innovation and fresh thinking in our delivery. Customer focused design has always been important to us, but the process of co-creating with customers in the design process is a new part of our approach.

3. *We give power to...* *You decide*

Processes

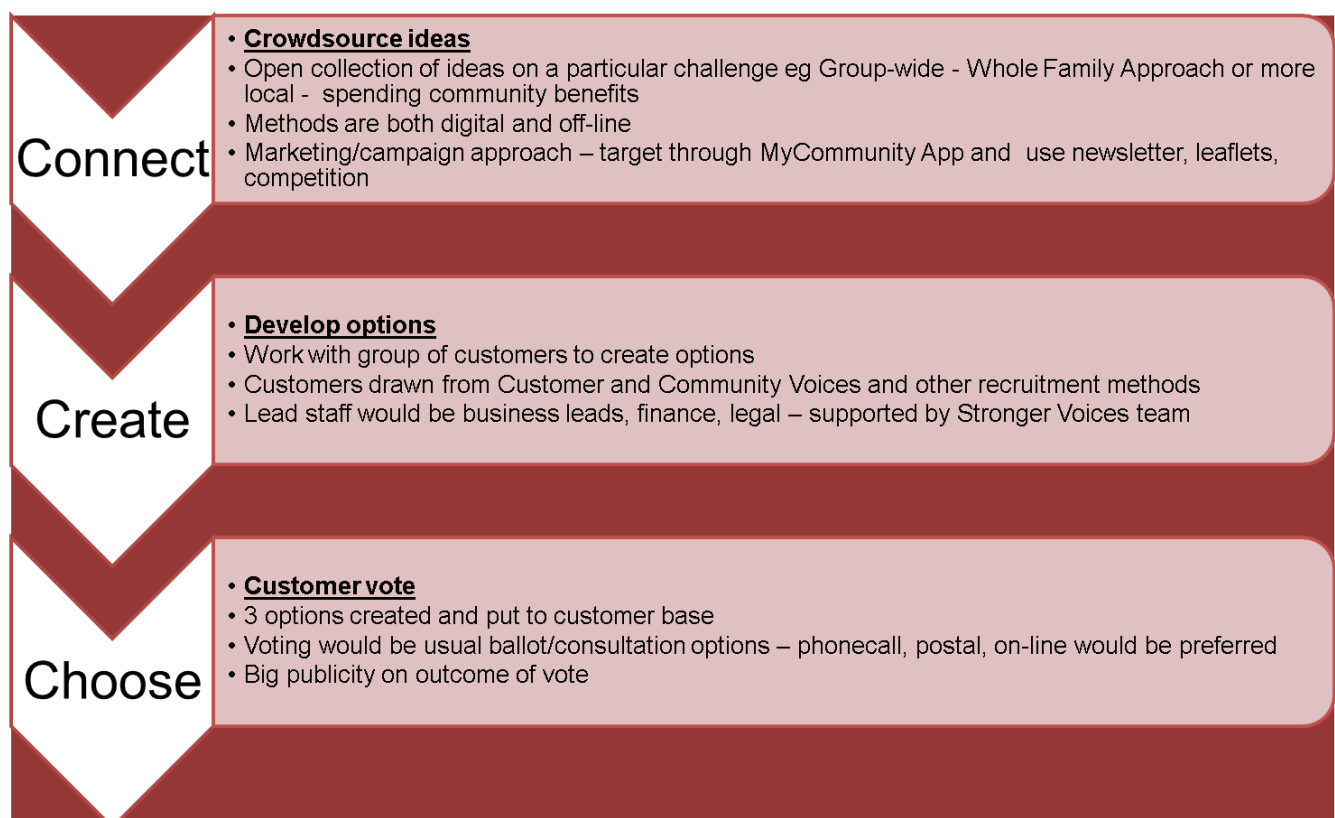
The processes for this pillar focus on ways in which we can safely empower our customers to make decisions on their own homes and environments, and to make decisions on priorities and resources. Our development of on-line, self-service tools help to promote this for the individual customer - for example, they can decide and track when and where they want a repair carried out; use a budget calculator to

make a decision about whether they can afford their own tenancy; or use the Wheatley MyCommunity app to seek consensus with neighbours to improve a shared garden area or other neighbourhood improvement ideas. The LivingWell model for older people uses supportive technology to give people more control and independence in their homes and communities.

An example of further empowerment for the individual customer is **Your Homechoice**. This will provide an allowance for customers taking up their new home with us to choose some work to be done that helps turn the house into a home for them. For example this could be the installation of additional power points which helps them to create a home office environment, or the installation of additional shelving or a kitchen unit which assists with storage solutions.

The **You Choose Challenge** will be one of the key methods we use to engage customers to make collective decisions about priorities and resources. This method is illustrated in Figure 2.

Figure 2 – You Choose Challenge



You Choose Challenge can be used to support a Group-wide decision, for example how to make a policy more family-friendly. But it can also be deployed more locally for example to decide on community projects or local investment decisions.

Key roles

The key staff roles involved in this pillar will be those which carry budget responsibility and decision-making power as this power will need to be appropriately devolved

- Executive Team
- Director of Finance
- MDs
- All Directors

Outcomes

The main purpose of this pillar of engagement is to empower customers to make decisions and choices about what matters to them. Our customers and communities will feel more in control of their personal and collective wellbeing, inspired to raise their aspiration and able to realise their potential. Self-directed services, innovative approaches such as Outcome Star, Livingwell for older people and Housing First help build the trust, confidence and ability of individuals to make the changes that are important to them, giving people more power and control over their lives and their futures.

The outcomes are increased ideas and innovation; increased customer satisfaction; fewer complaints; more customers feeling involved in decision-making; and better value for money as resources are deployed in accordance with customer priorities.

4. *We support* ***Your voice is stronger and people listen to you***

Processes

The processes for this pillar focus on ways in which we can support people to develop their potential and raise aspirations. We have experience of using many of these processes already, especially within Wheatley Care and other support services provided throughout the Group. Encouraging volunteering, as in the LivingWell service; encouraging individual expression through music and art; and supporting youth development projects are all ways that we currently support people to develop their potential. On-line tools such as the MyCommunity app will help people connect better with these opportunities and with each other.

The support provided through the Wheatley Foundation to access apprenticeships and bursaries is another method by which we support capacity development. This engagement framework provides an opportunity to integrate this support and develop it further through wider engagement opportunities. We will provide a learning suite and potential accreditations for those customers who become Customer and Community Voices, helping them to develop their skills to assess information, challenge approaches and express their views. This will form one of the pathways for customers who may be interested in positions as Board members.

Key Roles

Our main job roles who will support customers to develop their potential are

- Stronger Voices Officers
- Care and Support staff
- Health and Wellbeing Assistants
- Wheatley Foundation Officers
- Academy staff

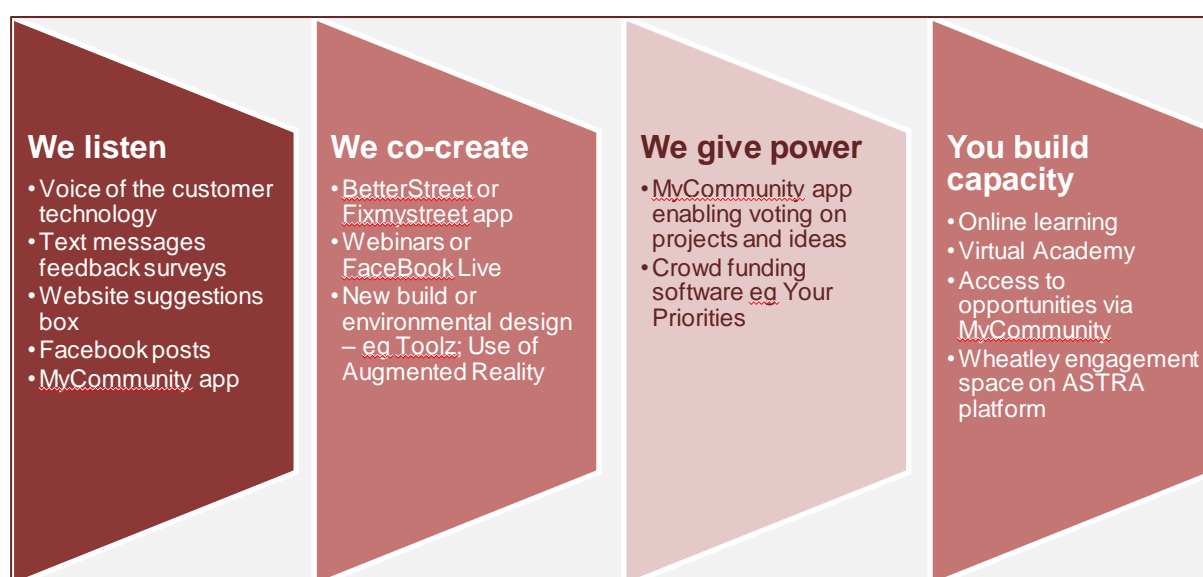
Outcomes

The main purpose of this pillar of engagement is to support people to develop their potential and build capacity and resilience in our communities.

Digital Engagement

The engagement framework is based on a blended approach which understands the value of face-to-face interaction but also the opportunities that can come through digital methods of engagement. We will develop digital engagement tools which will support the different pillars of the engagement framework as illustrated in Figure 3.

Figure 3 – Digital tools to support engagement



The development of the **MyCommunity app** will be the key mechanism to support digital engagement. This will enable customers to join a local neighbourhood digital engagement forum where they can engage with their Housing Officer or other key staff on community issues. We will be able to share local information specific to each community and also Group-wide information where appropriate eg to promote benefit take-up campaigns. Customers will also be able to promote activities or information and support which is available locally, as will other partners with whom we work.

Digital engagement can replace or supplement off-line community activity such as a meeting to discuss investment in a block. This should enable a wider range of input by increasing the methods by which people can take part in sharing information and views; building community consensus; and reaching decisions. Importantly, we will ensure that digital engagement is used to increase the range of customers who are able to participate. We will support customers to engage on-line but we will also ensure that no-one is excluded from involvement because they are unable to participate in this way.

Other digital methods which we will develop include the **integration of feedback within the customer service journey**. The opportunity to provide feedback will be

available at different points in the service journey – for example to provide feedback on-line through text, web or app feedback after ordering a repair; then again after receiving the repair. This can also be developed for example to contact a customer after they have completed their first year of tenancy with us, to seek feedback on their experience.

We will develop our **digital toolkit** to seek opportunities to make engagement more fun and engaging for our customers. This may be through working with our partners eg new build contractors on video technology so that customers can take a visual on-line tour of a development. There are also apps available such as BetterStreet which can help engage residents in assessing their neighbourhood environment and providing comment on what works for them, what makes them feel safer etc.

Staff resources

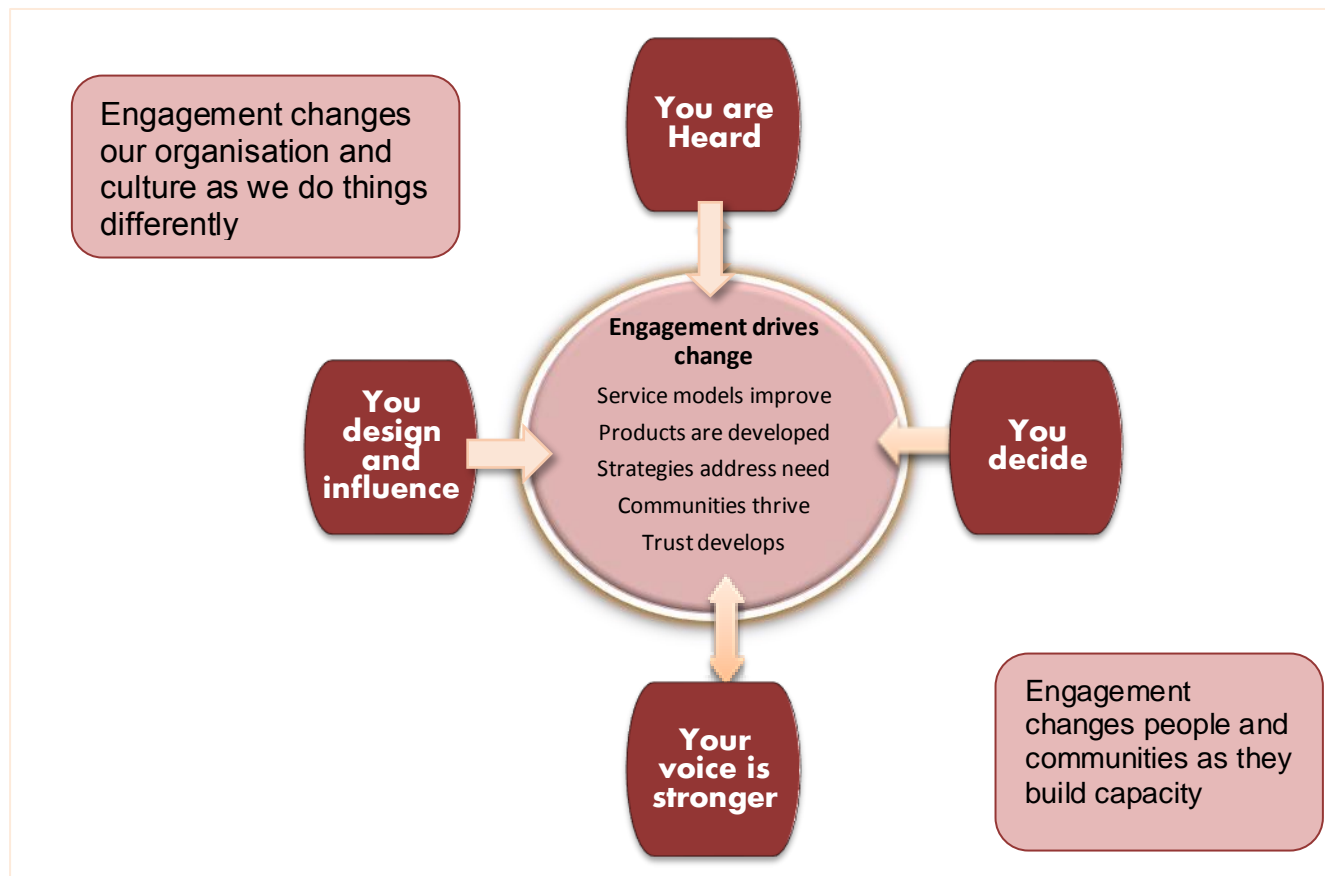
Every member of staff in Wheatley Group has a role in promoting engagement and responding to the customer voice in all our activities. The Stronger Voices team will support business leads to ensure this happens and will oversee the annual engagement programme which supports the customer voice throughout our strategic activities. A sample programme is attached at Appendix 1 of this document.

The team will include Digital Officers who will be responsible for exploring digital opportunities for engagement and supporting customers to develop their digital skills.

Framework outcomes

This engagement framework is designed to support our ambition to promote a culture which places the customer voice at the heart of everything we do. Through our strategy **Your Home, Your Future, Your Community**, we have set out to challenge ourselves in our approach to engagement – to create that unprecedented shift in power to the customer. Our 2021-26 strategy emphasises co-creation with our customers and promoting their ability to be in control and self-direct their services. By 2026 we hope that our customers will be empowered to make their own choices about the services they want, be properly equipped to do things for themselves and involved in the design of products and services from start to finish. Through this journey with our customers we hope that our communities will become stronger; more resilient; and able to make their voices and their expectations heard more widely.

Figure 4 - Framework outcomes



KEY PERFORMANCE INDICATORS

- Overall customer satisfaction above 90%
- Over 90% of Care customers satisfied with the overall service
- Overall satisfaction amongst households with children improved to 90%
- 90% of customers feel they can participate in the landlord's decision making
- 95% of customers actively engaged in shaping services feel they participate in decision making
- 50% of strategic delivery plan projects include customer engagement as an early milestone
- 100 Customer and Community Voices recruited in 2021
- 25% of customer-facing budgets will be controlled by customers by 2026

Wheatley strategic engagement - sample programme

Month	Activity	Outcome	Supporting pillar
March	Group Delivery plan approved	At least 50% of projects have specific milestones covering customer engagement	You influence and co-design
March	Annual programme for Customer and Community Voices is created	Annual programme of activity is identified	You influence and co-design
April	6 monthly performance is published on line and customer scrutiny invited through MD webinar	Customers are involved in scrutiny and improvement ideas	You influence and co-design
May	Analysis of integrated service feedback is provided as part of quarterly performance report to Boards	Customer feedback drives improvement activity	You are heard
May	Recruitment drive for Customer and Community Voices launches	New opportunities for involvement	You influence and co-design
June/July	Summer gala days/outdoor events	Publicise services, publicise feedback loop, community consultation, local investment priorities, apprenticeship programme	You are heard

August	Apprenticeship programme launches	Young customers are supported into the labour market, building skills and resilience	Your voice is stronger
August	Analysis of integrated service feedback is provided as part of quarterly performance report to Boards	Customer feedback drives improvement activity	You are heard
September	CEO webinar	Provides early context for rent consultation and shows how customer views drive strategy and budget setting	You are heard
October	Rent consultation <ul style="list-style-type: none"> - Face-to-face focus groups (balanced for age/gender) - MD Webinars - Interactive email and Website feedback 	Consultation informs budget setting	You are heard
November	6 monthly performance is published on line and customer scrutiny invited through MD webinar	Customers are involved in scrutiny and improvement ideas	You influence and co-design
November	Analysis of integrated service feedback is provided as part of quarterly performance report to Boards	Customer feedback drives improvement activity	You are heard
January	Annual Group You Choose Challenge launched	Ideas are crowdfunded, innovation is supported	You decide

February	Analysis of integrated service feedback is provided as part of quarterly performance report to Boards	Customer feedback drives improvement activity	You are heard
February	Co-creation session with staff and Customer Voices identify 3 ideas to take forward	3 ideas are identified	You decide
February	Budget process is finalised	Agreed % of customer facing budgets is decided by customer priorities	You decide
March	Group Delivery plan approved	At least 50% of projects have specific milestones covering customer engagement	You influence and co-design
April	The 3 “You Choose” ideas are marketed on-line and voting takes place	Customers decide on policy	You decide
April	Customer and Community Voices annual conference – presenting their findings to senior staff, Boards and other stakeholders, including interested customers	Confidence building and skills development – showcasing achievement	Your voice is stronger
May	Winning idea is incorporated in the strategy review and taken forward	Publicity of process and winning idea – customers see that they have decided on policy	You decide
May	Other ideas and feedback are incorporated in Board strategy sessions for Board consideration	Customer input informs strategy development	You influence and co-design



Report

To: GHA Board

By: Jehan Weerasinghe, Managing Director, GHA

Approved by: Martin Armstrong, Group Chief Executive

Subject: Operating model update: approach to service delivery

Date of Meeting: 12 February 2021

1. Purpose

- 1.1. To present, for Board agreement, how our approach to service delivery will develop during the 2021-26 strategy period.

2. Authorising Context

- 2.1. Under the Group Authorise/Manage/Monitor matrix, the GHA Board are responsible for approving its strategy and the Business Plan. Developing our approach to service delivery including through increasing the use of digital mechanisms is a stated objective, and the direction presented here is a key step in realising this.

3. Risk Appetite and Assessment

- 3.1. Our risk appetite relating to operating models and modernising of services is hungry i.e. eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk).

4. Background

- 4.1. Our commitment to exceptional customer experience is a key theme in our strategy. Discussions with Boards across the group as part of updating our strategy highlighted that *'Digital service delivery will be the norm, but we will ensure no-one is left behind. We will prioritise the introduction of new service models in the first year of the strategy based on our experience of working during the pandemic, blending digital and face to face service whilst maintaining a strongly personalised approach.'*
- 4.2. This recognition of the importance of digital is not new and has been a clear direction of travel and priority for GHA and customers. However, also as noted in feedback on the strategy over the summer of 2020, *'the Covid pandemic has provided an accelerant, which we should embrace, to the objectives and plans already set out in the draft strategy in two respects;*
- *increasing the use of digital methods for engaging with our customers and delivering services which are convenient, reliable and give the customer greater control;*

- *while around 70% of our staff are not office-based, our staff operating model should transition to a more hybrid home/office working approach now for staff who were previously office-based, accompanied by wider support for our people to work and lead in a more digital context.* ‘

- 4.3. At its meetings in November the Board considered and agreed two key elements of our operating model that sit alongside our approach to service delivery. These were our new ways of working and our new corporate hub model. Agreed plans for our ways of working will see us adapt from a “traditional” office-based set-up, with the vast majority of staff working in 9-5 or fixed shift patterns, to a much more flexible approach. This will include a hybrid model, where staff would have the choice of how to achieve the best of both worlds – social contact with colleagues every week, but flexibility to work from home, with reduced travel time and cost.
- 4.4. Our agreed corporate hub model makes clear that our future physical spaces will be places for collaboration, learning and inspiration. This fits with our local operational model and experience over the years. Customer footfall in our offices has steadily declined to a point where they have effectively become staff base from which mobile working takes place to serve customers in communities, rather than frontline service delivery assets. In the absence of a traditional office network, the role of the Customer Service Centre (“CSC”) becomes even more important in terms of acting as a key conduit of customer inquiries.
- 4.5. The approach to service delivery discussed here is the final step in defining how we will apply the accelerant from how we have responded this year to realise key aspects of our already agreed strategy more quickly than would have been otherwise possible.

5. Discussion

- 5.1. We already have a reputation for delivering excellent services that meet customer needs. This has been achieved through continually refining our approach to service delivery. Our next development of our approach to service delivery will make a major contribution to many of the strategic outcomes we have set in the 2021-26 strategy, including:
 - **Delivering Exceptional Customer Experience** - Our approach to service delivery will bring us close to customers in communities, provides direct customer input to our repairs and other services and positions Lowther as an online business;
 - **Making the Most of our Homes and Assets** - Our approach will reduce travel including to offices and the resources needed to operate them; thereby increasing sustainability and reducing carbon footprint
 - **Changing Lives and Communities** - Our approach to service delivery will concentrate our highly skilled, field based workers in communities where they can work with customer to create peaceful and connected neighbourhoods and support economic resilience
 - **Developing our Shared Capacity** - Our approach is built on collaboration, is innovative and focuses on strengthening the skills and agility of our staff
 - **Enabling our Ambitions** - Our approach to service delivery embraces digital platforms to support our activities

- 5.2. We expect all of our approaches to service delivery, albeit some to a greater extent than others, to develop through the accelerant provided by the pandemic. Notable opportunities that will contribute to this include the ability to serve the customer more flexibly, move to hybrid working for staff, have non-customer facing hubs where staff can cluster and develop our digital and online approaches more rapidly than would have otherwise have been possible.
- 5.3. Services including care, NETS, repairs and dealing with antisocial behaviour will, as now, continue to be built on skilled staff, providing high quality services to customers in their homes and communities. Services models in these area will be enhanced including through greater use of online, digital, video and developing automatic confirmation of appointments and progress/service delivery updates and the ability to anticipate customer actions and respond proactively. An essential aspect of these new service models will be providing customers with easy routes to let us know when we have not lived up to our commitments. In practice, this will be achieved through having mechanisms, as part of every service, that are focused exclusively on providing a customer with the ability to let us know quickly when they are not satisfied, and that are geared towards us taking immediate action to resolve the situation. Examples of this include:
- As part of every repair, pushing a text to the customer asking for them to rate the service, monitoring this in real time, calling every customer who does not rate the service highly and arranging immediately for necessary action to resolve the situation
 - Housing officers leaving cards as part of every customer interaction, with a dedicated helpline number for the customer to call if the experience or service had not met their expectation or resolved the issue
 - Introducing technology into our CSC where a customer is asked to remain on the line at the end of a call to rate the service. Again, any negative feedback would trigger an immediate call to the customer to identify and resolve the issue
- 5.4. The examples above are intended for illustration. In developing this approach multiple mechanisms will be deployed to ensure customers have choices in how they tell us their expectations of how we would meet our commitments were not met. This will ensure we do not require a customer to use an approach they are uncomfortable with (e.g. some might want to avoid providing negative feedback on the phone) or that is not available to them (e.g. not all customers will have access to a mobile phone) when they are taking the time and effort to feedback on where we could do better.
- 5.5. In-depth change will also happen in our housing service for staff as they work flexibly to meet the needs of customers at times that suit them in a hybrid environment spanning communities, our new hubs and their homes, and make even greater use of digital methods to keep in contact with customers. The greater strategic focus on knowing quickly where we have not met our commitments and acting will also mean that staff are required to be even more dynamic in their approach so they can get involved and fix the cause of any dissatisfaction, quickly. Consultation with GHA frontline teams on the blended model took place prior to Christmas 2020.

- 5.6. The CSC will also develop, shifting from call handling to being a resolution centre that meets the customer need at point of contact, with no presumption or ability to pass it on. This will require significant change including not only having the key ThinkYes principle of meeting the customer need at point of contact embedded in our people, but also in our digital environments. Key to this will be designing customer journeys through webchat and web self-service that are natural for customers and that encourage the customer to express their needs, so it can be understood and resolved, rather than channelled through pre-determined pathways to pre-set outcomes.
- 5.7. Another significant change will be developing our resolution centre as a hybrid environment with staff working at home and in a more traditional physical contact centre. At present, the CSC has adapted well from working in a wholly office based environment to a completely virtual one. However, going forward we do not see staff working exclusively from home as the way ahead for the service or its people because of the work involved, the importance of having strong team connections for learning, development, performance and staff wellbeing and lack of connection quality and resilience over the public broadband infrastructure.
- 5.8. Wheatley Solutions will be another area where the approach to service delivery will develop as it changes to support a GHA that is no longer predominantly 9 to 5 and office based.

Our platforms

- 5.9. Key to these and other changes will be being clear on the platforms that we will build our approach to service delivery on and their purpose. These platforms will be:
- **Web self-service** for simple transactions (such as making a payment) that the customer wants to complete quickly with minimal effort.
 - **Web chat** for transaction where the customer needs a little advice or guidance, such as querying a bill, and that can be completed in a few interactions.
 - **Phone** for more complex interactions, such as a wellbeing check or raising/responding to an issue, where we or the customer want to understand the situation.
 - **Face-to-face** for more complex situations where we need to investigate or the customer is vulnerable, and for high value interaction for the customer and us such as moving into a new home.
- 5.10. At present our **web self-service** offer is immature. We currently have approximately 23,000 registered customers but the numbers transacting with us regularly is between 3,400 and 4,000. The main uses of this platform currently by customers is for payments, to register for MySavings, or to make service requests, such as a bulk uplift or to request a call back from their housing officer. The ability to raise a repairs was also available on a trial basis earlier in the year but it is not offered currently while we are fully remobilising our service.

5.11. As part of developing this platform, priorities will include:

- increasing customer transactions (and registrations).
- resolving around 20% of all customer service request through this channel, there and then.
- making it possible for customers to self-serve less complex repairs (e.g. fix leaking tap, replacing skirting).
- introducing the ability to book an appointment (e.g. with Housing Officer, for bulk uplift, for a repair) at a time that suits the customer.
- reflecting the greater speed and simplicity of requests on this platform through having differential service offers. These offers would be built on recognising that where we get a service request and/or we can resolve it more quickly, then the value of this should be available for the customer. An example of this would be making it possible for customers to book 2-hour appointment slots for a repair on this platform rather than a 4-hour slot by phone.
- building customer confidence and supporting use through offering web chat and a phone call if needed by a customer to complete their transaction.
- exploring the potential of a Wheatley App.

5.12. **Web-chat** is available on MyHousing at present with approximately 11,000 interactions last year. Maturity of this platform elsewhere in our business is low although the recent upgrade to our CRM system, Astra, means limited development is needed to deploy this capability across multiple service lines. Priorities for deploying this platform include:

- deploying it and promoting it as an alternative to phone for customers who are comfortable with this platform and way of interacting.
- Expanding the offer, including the existing 9-5 MyHousing service, to e4/7/365 to support around 10% of all customer transactions.
- training staff to converse with customers over chat.
- developing the ability to choose to speak with an advisor and pushing this to a customer when they appear to be struggling to use the platform effectively.
- exploring the potential of chatbots and automation for simple transaction.

5.13. Our **phone** based service through our CSC and customers being able to contact housing officers is well established and mature. Last year, there were over 800,000 calls across our hubs in Glasgow and Dumfries, including in excess of 250,000 for repair with the majority of these being from GHA customers. Other key areas of demand include general enquiries and making a payment. In addition, housing officers have made over 200,000 calls to customers including to support payment of rent this year. While this is a mature platform, significant change will be made as part of our new approach to service delivery including:

- moving from a traditional contact centre to a resolution at point of contact centre
- dealing with around 50% of all customer interactions through this platform and resolving well over 95% there and then.
- anticipatory interventions and proactive outbound calling to support business objectives (e.g. gas servicing), where needed for rectification (e.g. call to reschedule if we expect an appointment to be missed or this happens) and in support of scheduled customer wellbeing campaigns

- proving a helpline where customer can detail when a service did not meet their expectations and that has the authority to take the action needed to make this right
- bringing our Glasgow and Dumfries CSC centres together as one, making the most of staff not being tied to geography and the flexibility that comes with working remotely at times that suit staff and customer demand.
- promoting and reinforcing our 24/7/365 service so customer know they can get full service at any time which will help smooth demand throughout the week and fit with more agile working among many of our customers.
- introducing automated text confirmation of appointments and the ability to see where the operative is when on route to the customer home.
- updating the IVR and adding virtual queuing so customer can request a call rather than waiting on hold when demand is high).

5.14. As now, **face-to-face** will be our most important platform going forward. This platform is mature and widely recognised as the main value component for customers, staff and our business across a wide range of activities in communities. These activities range from providing visible presence and routine service delivery every day through our NETS and repairs, to supporting our most vulnerable customers in complex situations including through Housing First, the work of the CIP and the day in, day out actions of Housing Officers and Care staff. Going forward, this platform will develop as part of our approach to service delivery through:

- maintaining our focus in communities, never forgetting that most of our staff will work in this way, delivering services and resolving 20% or so of our most complex customer interactions.
- scheduled welfare checks – building on the value this brought during lockdown - with customers to make sure they are ‘doing ok’ with the ability to act when not.
- continuing to use new technology (phone, video, WhatsApp etc.) where appropriate to interact with customers.
- exploiting flexibility from our new ways of working to serve customers at times, and in locations, that suit them.
- exploring the value of predictive analytics to anticipate requirements, guide actions and augment staff judgement. This, along with GoMobile and other planned developments in digital will maximise our ability to take action when with customers in their home to meet service needs there and then

5.15. In developing our approach to service delivery we also need to recognise the different demographics and segments we serve, and that particular experiences and skills will impact which platform customers are most comfortable using. To support this, we will look to market different options to different demographics. Examples of this might include recognising that some:

- Some older customers may prefer to use phone and face to face rather than web self-service or web chat, even for what we might regard as a simple transaction. On the flip side of this, adoption of the Alertacall device has been highly successful amongst LivingWell customers.
- younger customers may tend to adopting non-voice platforms because it is their preference even when we think phone or face-to-face are more appropriate for the particular request

- 5.16. Our planned virtual patches through which our resources will be tailored to, and build in-depth expertise in, the needs of particular customer segments such as older people and asylum seekers is also part of how our approach to service delivery will become even more finely tuned and we will make sure no customer or group is left behind.
- 5.17. We expect our approach to service delivery through these platforms and the planned development activities to bring many benefits for our customers and our business including:
- even greater flexibility to serve customers when it suits them.
 - staff no longer working 9-5 or fixed shifts, or from an office based environment.
 - far quicker and simpler resolution for the vast majority of customer service requests, at the first point of contact through web self-service, web chat and by phone.
 - complex, emotional customer interactions dealt with by skilled staff in the field or by other means that suit the customer.
 - much less dependency on geography - staff working remotely can serve customer wherever they are.
 - a more connected group with staff clustering in any location and leaders working across our geography.
 - simpler paths to rapid rectification, as we increasingly anticipate when things have not gone to plan.

Leadership

- 5.18. As highlighted in our strategy and reinforced through earlier Board consideration of the people and physical aspects that will shape our operating model, adaptive leadership in a more digital context will be key to our future service delivery. As now, we will look to our leaders to collaborate in bringing the approach to service delivery to life. The role our leaders play in developing staff and ensuring the quality of our services will, as now, be critical in our new approach. Achieving this will involve regular in person one-to-one sessions with staff, creating conditions for empowerment and providing clear authorising frameworks, albeit often in less formal settings than the office locations of our past.
- 5.19. Our new models will also require adaptive leadership that is comfortable in two contexts that come with our new operating model, namely:
- Leading when staff cluster in hubs, reflecting how important these physical spaces will be. and
 - Leading when many staff are working more remotely including at home at times through our hybrid model for people. Lockdown has afforded us the opportunity to develop this approach amongst leaders who have been going through a virtual training environment
- 5.20. Our expectation is that leaders will lead by example, operating in a hybrid way spending their time across our various hubs, working from home and engaging stakeholders.

- 5.21. When leaders cluster in hubs with each other and/or their teams they will be expected to:
- champion the service model so it becomes embedded and we make the most of the opportunities it brings.
 - advocate for the customer to ensure our approach to service delivery meets need.
 - motivate teams and each other including nurturing and sustaining individual wellbeing.
 - innovate and bring new ways of working that benefit the customer, quickly.
- 5.22. Providing the leadership staff need as part of our approach to service delivery when they are working at home or spending time in communities with customers will also be essential. Here we will expect our leadership to:
- enhance performance in an environment where face to face contact is reduced.
 - communicate in virtual environments where this will be less natural and there are fewer visual indicators to go on.
 - be digitally literate, as Zoom, WhatsApp, social media, AI etc. become an ever increasing part of everyday life.
 - adapt to new challenges and ways of working that best meet customer needs.
 - be available when staff need them, especially when working at weekends and evenings is part of our more flexible approach.

Behaviours

- 5.23. As now, behaviours will be key to the success of our approach to service delivery. Our new approach will, amongst other things, require our people to be:
- committed to co-creation with customers and equipping customers to do the right thing for themselves and become self-reliant.
 - comfortable in an environment where 75% of staff do not routinely work 9-5 or fixed shifts.
 - able to balance working in communities and from home.
 - willing to take power to make the right decision and act quickly to resolve customer requests and to seek out and deal with any situation where the customer is not satisfied.
 - proactive in identifying customer/service issues and intervening to correct them.
 - collaborative in working across group and beyond.
 - accountable for their performance and career progress.
- 5.24. Currently staff bring many of these behaviours as demonstrated by their contribution in already providing an excellent service including during the pandemic. Staff commitment to their own development will be particular important especially given the hybrid nature of work for many and reduced face to face contact. Key to this in our new model will be our peoples' ability to:
- tap into peer-to-peer networks for ideas, support and sharing.
 - identify and own their development needs and be active in making sure these are met.
 - explore flexible career models and be open to opportunities as they develop.
 - be confident and assertive in dealing with a range of stakeholders.
 - look after their own wellbeing.

5.25. As mentioned above, staff wellbeing will, as it is currently, be a major consideration in ensuring the success of our approach to service delivery. Key aspects of this will include:

- continuing, as we have throughout, while the pandemic remains to have Covid secure workplace and to implement learning in terms of workplace hygiene and infection control.
- tackling staff isolation including through nurturing collaborative working, introducing tools to support this and retaining a strong focus on the team.
- making training and coaching sessions interactive with small numbers to encourage participation and establish relationships.
- developing specific induction and training programme to help younger and new worker adapt to Wheatley and our approach to service delivery.
- investing in the right technology so that staff are confident of delivering the new service model.
- ensuring staff have the right home working environment for applicable staff.
- Encouraging physical activity e.g. the uptake of the Cycle to work scheme in 2020 is double the previous year.
- Promoting positive mental health including through giving staff control and the ability to make a difference through a service delivery model with staff empowerment and clear authorisation frameworks at its core.
- Developing wellbeing package that support flexible working.
- Using our new hubs where staff cluster to make connections.

Wheatley Solutions

5.26. The focus in this paper so far has mainly been on our new approach to service delivery for customers. However, the platforms and approaches to service delivery discussed here will be equally applicable to Wheatley Solutions and how it supports colleagues across the group. In particular, staff in Wheatley Solutions will need to work in an agile way to support a Group that is serving customers when it suits them. The platforms discussed (WSS, web chat, phone and face to face) will be applicable to meeting the needs of internal colleagues and used in similar ways as for customers, with self-service and chat options developed for more straightforward transactions, and phone and face to face for complex matters. Opportunities created through our new approach such as staff being able to work in a hybrid way and not being bounded by geography will be key as Wheatley Solutions develops its approach to service delivery as part of our new operating model. Similarly, as with our RSLs and other customer facing partners, having a performance framework for Wheatley Solutions that allows group partners to be clear on the contribution made to their business objectives will be a priority.

5.27. The new approach to service delivery discussed here is expected to have a major impact in realising the ambition and strategic outcomes in our 2021-2026 strategy including to make digital service delivery the norm, while never losing the personal touch. Our new approach is also expected to deliver particular service outcomes including that:

- 85% of service requests will be fully resolved at first point of contact.
- 25% of customers will choose to transact with us at times that are convenient for them outside 9-5 weekday hours.
- 75% of our staff are working more flexibly.
- 90% of our complex, emotional customer interactions will be dealt with initially by skilled staff in the field or by means that suit the customer.
- Over 50% of customers will actively use their online account to transact with us.
- Satisfaction with complaint handling will increase by 10%.

6. Key Issues and Conclusions

- 6.1 Consideration of our strategy by the Board agreed the accelerant that the on-going pandemic has had on reaching the operating model set out in our 2021-2026 strategy. The Board has agreed some elements of how this operating model will be achieved including hybrid, flexible working by staff, and our move from a 'traditional' office based approach to hubs. The final piece of our new operating model is the new approach to service delivery presented here. This approach is based on having platforms, with clear purpose through which customer interactions will take place, leadership approaches that support the approach and behaviours that will underpin its success.
- 6.2 The approach to service delivery discussed here will impact every aspect of our operations although some service areas including housing will change more than others.
- 6.3 Our approach to service delivery, once agreed by the Board, will provide the framework within which our platforms and core services will be developed at pace.

7. Value for Money Implications

- 7.1 Our new service model will impact each of our value for money drivers – having an effective repairs service, investment in customer homes and 24/7 customer service. Specific details of impact and benefit on each driver will be developed as part of taking forward approaches outlined here for these and other services.

8. Impact on financial projections

- 8.1. The investment needed to accelerate our new operating model was agreed by the Group Board at its October and this Board at its November meeting.
- 8.2. Specific financial appraisal will be undertaken as part of making investment decisions for each platform.

9. Legal, Regulatory and Charitable Implications

- 9.1 There are no direct legal, regulatory or charitable implications arising from this report.

10. Implementation and deployment

- 10.1. The approach to service delivery will be in place for summer 21 recognising our existing commitment to having new service models in place during the first year of our strategy, the accelerant impact from the pandemic and most importantly, the value the new approaches to service deliver will bring for customers and staff. Specific implementation plans will be put in place for each of the platforms discussed here.

11. Partnership Implications

- 11.1 The consideration in this report applies to all group partners.

12. Equalities Impact

- 12.1 There are no equalities implications associated directly with this report. Appropriate arrangements will be developed for vulnerable customers, those with particular needs, and different demographics to ensure no one is left behind as part of implementing the new approach to services delivery.

13. Recommendations

- 13.1 The Board is asked to:
- 1) agree the approach to service delivery set out here for the 2021-2026 strategy period; and
 - 2) note that this approach to service delivery will form part of our operating model along with more flexible working by staff and development of corporate hubs that the Board considered at its previous meetings.



Report

To: GHA Board

By: Tom Barclay, Group Director of Property and Development

Approved by: Martin Armstrong, Group Chief Executive

Subject: Five Year Development Programme

Date of Meeting: 12 February 2021

1. Purpose

- 1.1 To seek approval for the GHA five year development programme.
- 1.2 A presentation on the five year programme will be made at the meeting.

2. Authorising context

- 2.1 The overall strategic direction and associated priorities of the Group are reserved to the Group Board. In relation to the development programme, this includes the geographical areas in which we operate. Each individual Board is responsible for agreeing its own development programme within the wider Group parameters.
- 2.2 The responsibility for the approval of new projects rests with the Group Development Committee, in line with the Committee's Terms of Reference approved by the Group Board.
- 2.3 A copy of the draft GHA and Group-wide five year development programme was presented to the Group Development Committee on 4 February 2021 and the Group wide programme will be presented to the Group Board on 24 February 2021.

3. Risk Appetite and assessment

- 3.1 The Board's risk appetite in respect of the new build development programme is "open", which is defined as willing to choose the option '*most likely to result in successful delivery while also providing an acceptable level of reward*'.
- 3.2 Our future strategic direction envisages a continuing development programme, beyond the assumptions in our current strategy. Our own and the wider Group development programme represents a significant element of expenditure, in the form of borrowing to fund construction. In the coming year we anticipate spend of over £100m, inclusive of Grant funding, on the Group development programme.

- 3.3 The income from the construction of new homes represents a correspondingly significant element to increasing rental income to continue to service borrowing. Additionally, the development programme plays a key role in reducing management costs per unit, as overheads are spread over a greater number of units.
- 3.4 Risks associated with this programme are:
- We do not identify a pipeline of development opportunities to realise our assumed development programme at GHA level;
 - We construct too few units to repay our borrowing levels or achieve assumed reductions in management cost levels;
 - Grant availability beyond March 2021. This applies to all developing RSLs and local authorities.
- 3.5 To mitigate risk we have brought together a strong programme of named sites in the proposed five-year GHA programme. In addition, we have a further 'lifeboat' list of additional sites, that are subject to regular dialogue with Glasgow City Council and capable of being progressed where circumstances allow.
- 3.6 Grant availability is a major focus for all developing RSLs and Local Authorities. While the 5-year Scottish budget announced in January 2021 assumes housing expenditure falling in 2021-22 before rising to provide a 16% increase over 5 years, it will be February 2021 before the Transfer of Management and Development Funding budget for Glasgow is confirmed.

4. Background

- 4.1 The current business plan assumes that GHA will complete 876 units of affordable housing in the five financial years from 2021/22, and up to an additional 370 units of mid-market rent housing will be developed in Glasgow for Lowther Homes over that period.
- 4.2 Table 1 below sets out the proposed GHA programme completions by year:

Table 1 – GHA programme

Fin Yr	21/22	22/23	23/24	24/25	25/26	Total
Units	385	116	147	178	50	876

5. Discussion

Development Footprint

- 5.1 An important consideration for our future pipeline is understanding the areas where opportunities may emerge. For GHA this will be driven by Glasgow City Council's Local Housing Strategy, and the Strategic Housing Investment Programme (SHIP) that flows from it.

- 5.2 The Group Board agreed in February 2020 that GHA will be our principal developer for the City of Glasgow. On this basis, there are no live or assumed Glasgow projects associated with the Cube transfer.
- 5.3 The planning of our programme involves discussion with Glasgow City Council, and the annual submission of a Strategy and Development Funding Plan covering a five-year period.

Development appraisal criteria

- 5.4 The Board approved the criteria set out in in Table 2 below, which also reflect the revised rate of return targets. These form the basis for assessing new development opportunities for inclusion in our programme:

Criteria	Measure/Test
Local Housing Strategy	Contribute to the Glasgow Local Housing Strategy. The project appraisal should detail which of the LHS outcome(s) the project will contribute.
Building and strengthening strategic partnerships/relationships	Contribute to strengthening our strategic partnership with GCC and relationships with developers. The appraisal will identify the strategic partnerships and/or relationships to which the project will contribute.
Improving customer choice	The housing mix will be developed in consultation with GHA Housing Management and respond to known and anticipated housing need for social rented housing and in conjunction with Lowther Homes for our future mid-market rent programme.
Housing Market Areas	Within the City of Glasgow, unless otherwise agreed with the Group Board.
Internal Rate of Return	The Internal Rate of Return shall be a minimum of 5.7%.
Debt	Borrowing required would not exceed total assets.
Borrowing	Borrowing will be repaid within 30 years.
Valuation Growth	Projects to be valuation positive on our balance sheet and assumed to deliver valuation growth within 3 years.

- 5.5 The Group Development Committee has the authority to approve projects where they meet the agreed criteria. This allows a balance between a strategic programme role, and the ability to set clear parameters for projects to proceed.

- 5.6 Where any of the criteria are not met, a project may be referred by the Group Development Committee (if there are exceptional reasons for proceeding), to the GHA Board for consideration. If new opportunities arise that do not feature in the approved five-year development programme, then those proposed projects may also be presented to the GHA Board for agreement to add to the programme.

5 Year Development Programme

- 5.7 The GHA draft five-year development programme is attached as Appendix 1.
- 5.8 The first year of the five-year development programme includes completion of projects currently in progress, including the first completions at Sighthill. Thereafter, the programme comprises a range of social rented and MMR projects to provide the GHA target share of the Group-wide programme.

6. Key issues and conclusions

- 6.1 The Group five-year development programme sets out an ambitious and challenging programme, that would see us continue to be a key delivery partner for the Scottish Government in the provision of new supply affordable housing. GHA would, on the strength of this programme, continue to operate as a key delivery partner for Glasgow City Council in the provision of new supply affordable housing in the city.
- 6.2 The pandemic has impacted significantly on our development programme in late 2019/20 and throughout 2020/21. The cessation of construction activity during the initial lockdown, followed by new procedures agreed between the construction industry and the Scottish Government for safe site operations, has enabled construction activity to continue but productivity has been impacted. Remaining uncertainty linked to Covid-19 has been considered in the planning and Business Plan implications of the five-year development programme.
- 6.3 The national Infrastructure Investment Programme, announced by the Scottish Government in late 2020, proposes that funding for new affordable housing will continue to be a priority beyond 2021. Full details of the national funding budget for housing will not be clear until after the Scottish Parliamentary elections in May 2021.

7. Value for money implications

- 7.1 Value for money will continue to be a focus in the programme, as we operate in a local market which continues to be affected by inflationary pressure, and subject to the emerging effects of both the covid pandemic and the UK withdrawal from the EU.
- 7.2 We intend to achieve value for money through our continuing use of Group contractor and consultant frameworks, and by exploring appropriate development opportunities brought to us by private developers.
- 7.3 This combination will allow us to achieve tangible benefits for tenants as increased efficiency can enable us to deliver better value for money.

8. Impact on financial projections

- 8.1 Our business plan assumes circa £130.4m of development over the next five years for GHA. Spend for 2021/22 is expected to be circa £52.7m. The successful delivery of the development programme helps us to realise the wider assumptions within GHA's financial projections. The summary of the development costs and grant over the next five years is presented in the table below:

Investment in new properties	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2024/26
	£'000	£'000	£'000	£'000	£'000
Development Costs	52,744	31,110	15,176	11,821	19,588
Grant Income	(28,458)	(6,728)	(6,141)	(6,233)	(12,292)
Total investment in new properties	24,287	24,382	9,035	5,588	7,296

9. Legal, regulatory and charitable implications

- 9.1 Details of the development programme are shared with the Scottish Housing Regulator on a regular basis.
- 9.2 Our Property Legal Team continues to provide support to the programme through provision of advice supporting procurement, contracts and site acquisition, with support from external solicitors where required.

10. Partnership implications

- 10.1 We rely on funding agreements with the Scottish Government for the remainder of our Bond-related programme, now restricted to Sighthill, and Glasgow City Council for more recent projects included in their Strategic Housing Investment Plan. Progress on the current year's grant programme is monitored through regular meetings with the Scottish Government and GCC.
- 10.2 Our new build activity has been a significant contributor to the supply of new affordable housing in Glasgow in recent years.

11. Equalities impact

- 11.1 Within the programme, all new build units are designed to Housing with Varying Needs (Part 1) and the mandatory 'Glasgow Standard'. The inclusion of 10% wheelchair units is also a funding requirement.

12. Recommendations

- 12.1 The Board is asked to approve the GHA five year development programme as summarised in this report.

List of Appendices:

Appendix 1 – GHA five-year development programme.



5 Year Development Programme

**GHA Board
12 February 2021**



Better homes, better lives

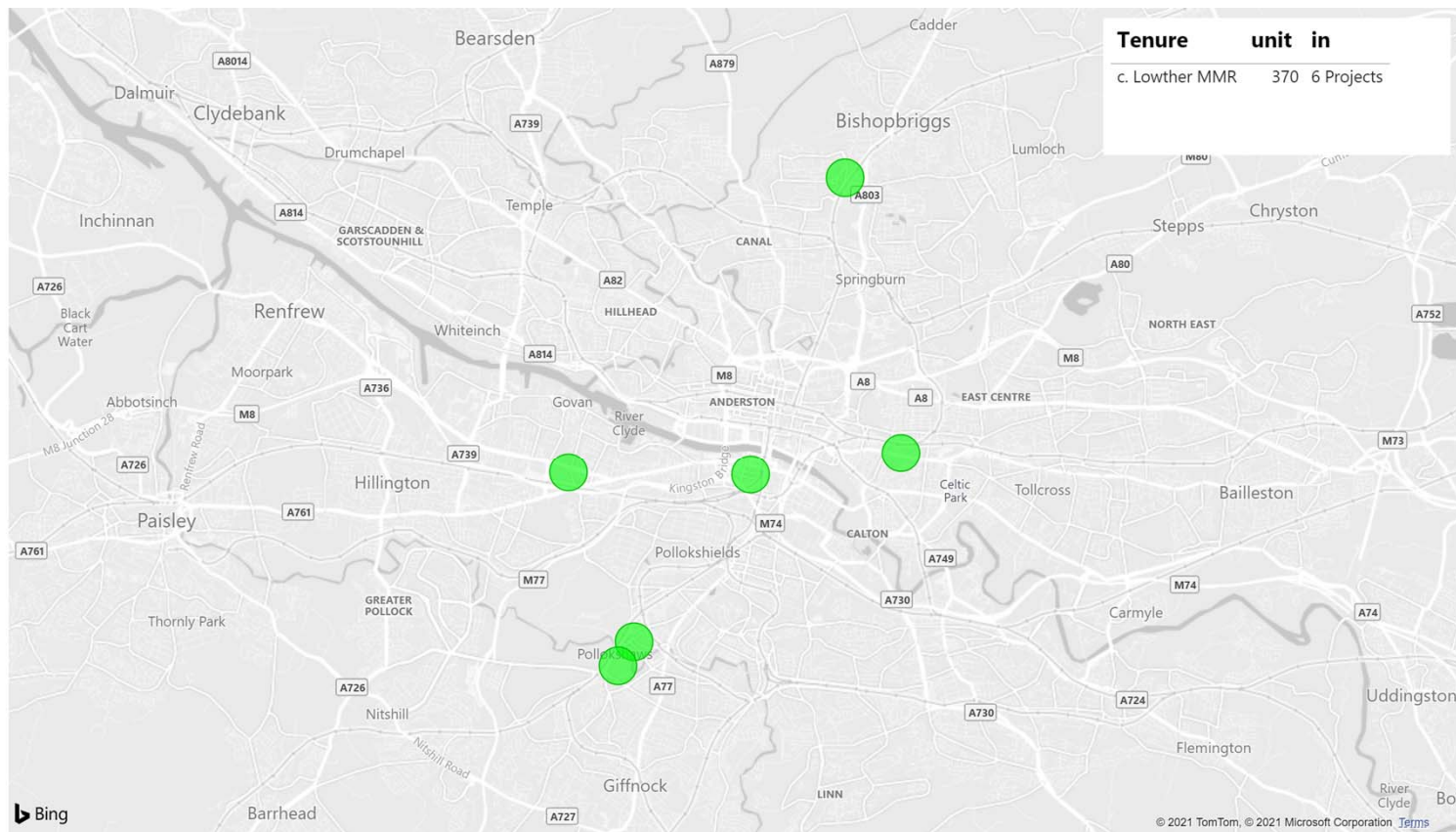
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Programme

FY of Comp	Project	Area	Prev. Year	SR	MMR	21/22	22/23	23/24	24/25	25/26	Total
21/22	Auchinlea	Easterhouse	57	23	0	23					23
21/22	Carnwadric Rd / Hopeman Rd	Carnwadric		22	0	22					22
21/22	Dovehill Phase 1	Calton		0	32	32					32
21/22	Hurlford Avenue	Garscadden		0	70	70					70
21/22	Kennishead Avenue	Kennishead		48	0	48					48
21/22	Main Street, Ballieston	Ballieston	25	0	12	12					12
21/22	Watson St Ph2	Merchant City		0	46	46					46
22/23	Damshot Crescent	Old Pollok		26	0		26				26
22/23	Sighthill MMR	Sighthill		0	198	132	66				198
23/24	Calton Village Ph 1	Calton		0	123			123			123
23/24	Shandwick / Arnisdale	Easterhouse		48	0		24	24			48
24/25	Calton Village Ph 2	Calton		0	98				98		98
24/25	Albion	Ibrox		80	0				80		80
27/28	Wyndford	Maryhill		50	0					50	50
Total			82	297	579	385	116	147	178	50	876

FY of Comp	Project	Area	Prev. Year	SR	MMR	21/22	22/23	23/24	24/25	25/26	Total
23/24	Ashgill Road	Milton		0	53			53			53
23/24	Shawbridge Street	Pollokshaws		0	35			35			35
24/25	Albion	Ibroy		0	80				80		80
24/25	Shawbridge Arcade	Pollokshaws		0	62				62		62
25/26	Bellgrove Hotel	Gallowgate		0	70					70	70
25/26	Cook Street	Tradeston		0	70					70	70
Total				0	370			88	142	140	370

Lowther



● c. Lowther MMR



On Site



Auchinlea



Watson



Baillieston



Sighthill

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Carnwadric Rd / Hopeman Rd



RSL	Project	Do we own?	SR	MMR	Total
GHA	Carnwadric / Hopeman	Yes	22		22

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Damshot Crescent



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RSL	Project	Do we own?	SR	MMR	Total
GHA	Damshot	Yes	26		26

Classified as Public

Gallowgate / Calton – Dovehill Ph1



RSL	Project	Do we own?	SR	MMR	Total
GHA	Dovehill Ph1	No		32	32

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Calton Village Phs 1, 2 & 3

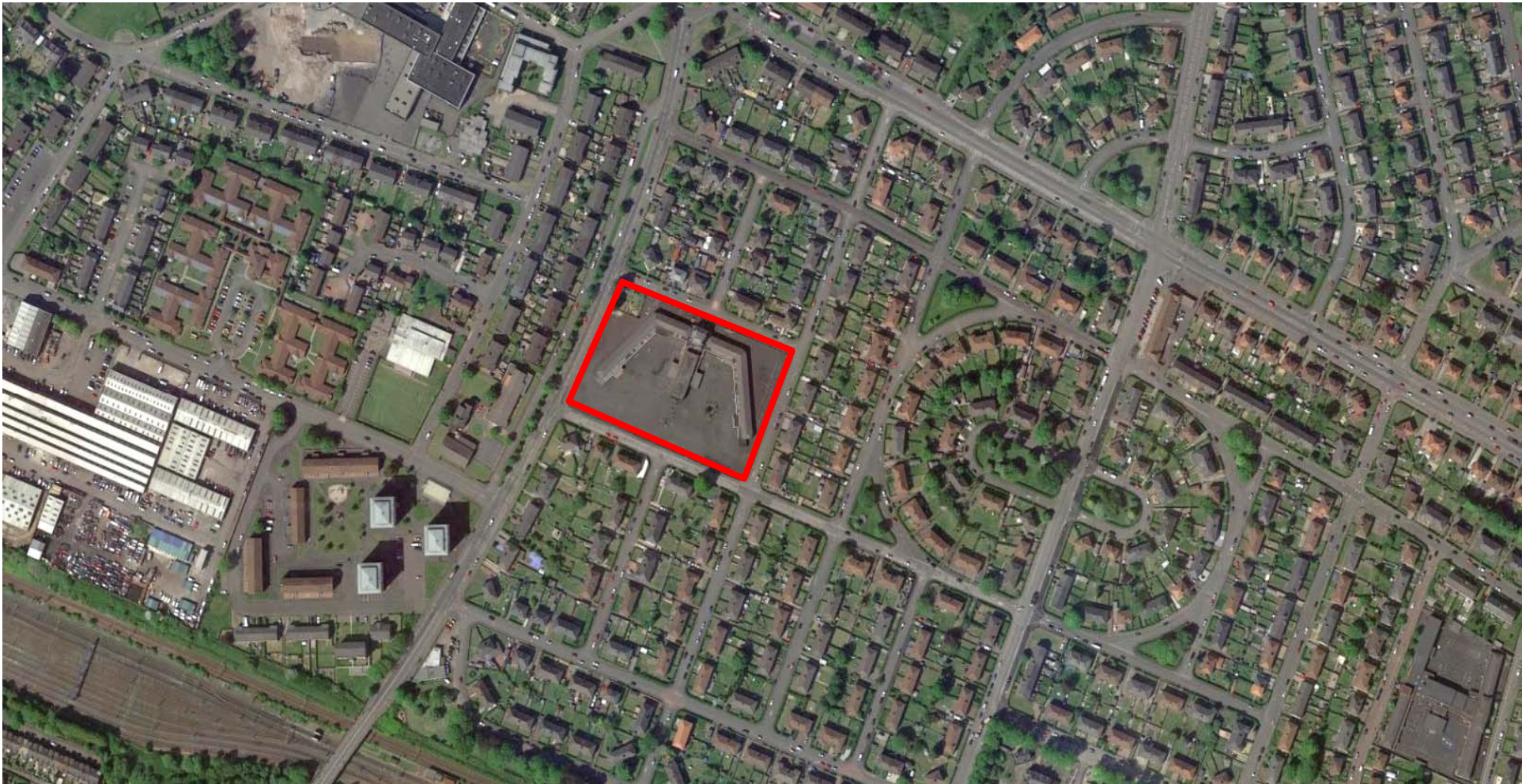


RSL	Project	Do we own?	SR	MMR	Total
GHA	Calton Village Phs 1, 2 & 3	Yes	30	227	257

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10

Garscadden – Hurlford Avenue



RSL	Project	Do we own?	SR	MMR	Total
GHA	Hurlford Avenue	No		72	72

Better homes, better lives

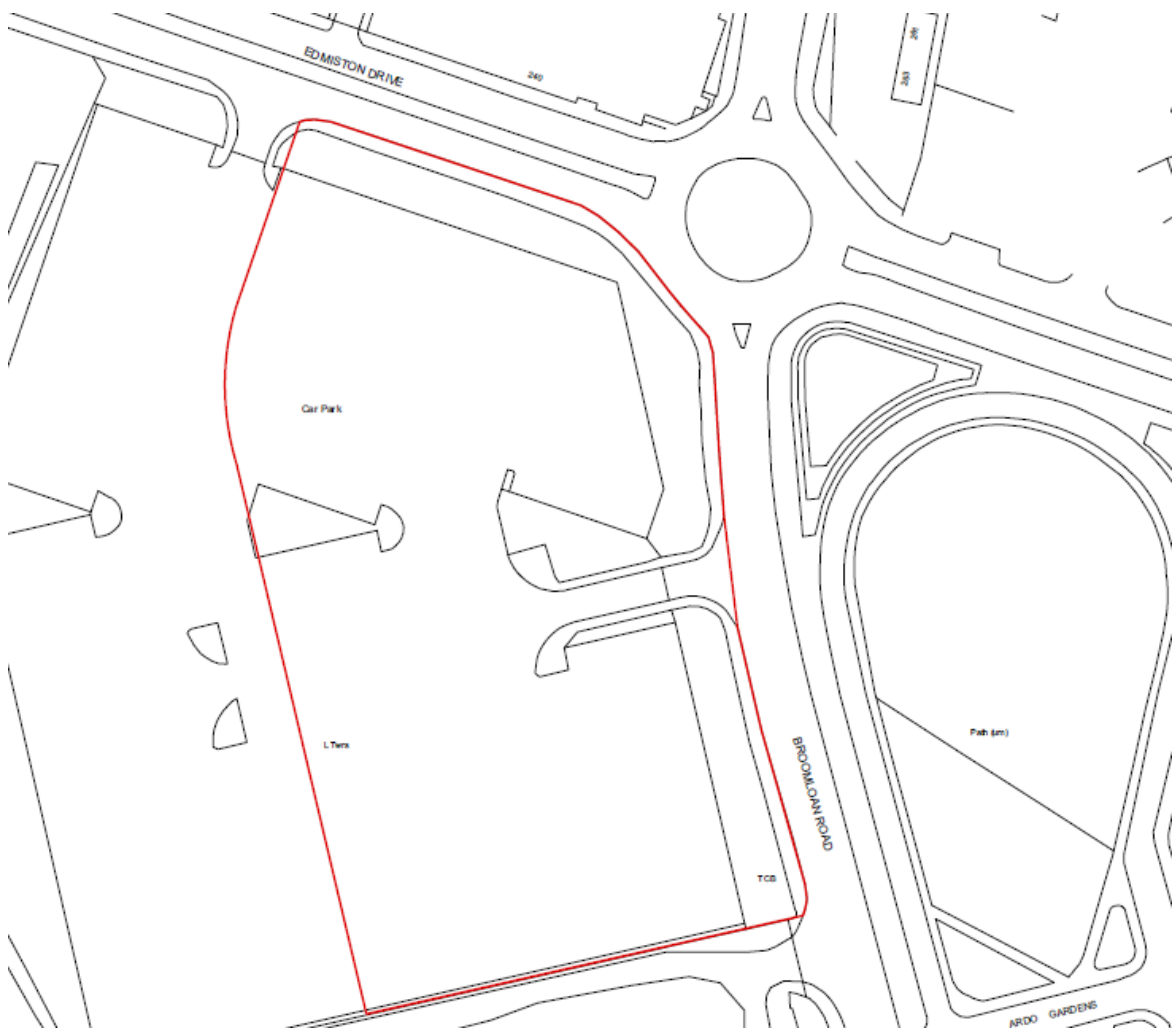
Easterhouse – Shandwick / Arnisdale



RSL	Project	Do we own?	SR	MMR	Total
GHA	Shandwick / Arnisdale	Part	30	30	60

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Albion: Broomloan Road



RSL	Project	Do we own?	SR	MMR	Total
GHA	Albion	No	80		80

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Classified as Public

GHA



Report

To: GHA Board

By: Jehan Weerasinghe, Managing Director, GHA

Approved by: Martin Armstrong, Group Chief Executive

Subject: Rent and other charges 2021/22

Date of Meeting: 12 February 2021

1. Purpose

1.1 This report:

- Provides feedback from our consultation on the 2021/22 RSL rent and service charge increase; and
- Seeks Board approval for the 2021/22 rent and service charge increases.

2. Authorising context

- 2.1 The Group Board are responsible for agreeing the overarching rent parameters for rent setting. Thereafter each individual partner Board agrees their own individual rent increase proposals within the agreed parameters.
- 2.2 The Group Board agreed that a base increase of 1.7% should be the basis of consultation with each RSL's tenants, but with some element of variation taking into account individual RSLs circumstances. This applied in our context, where the Board agreed based on affordability analysis that 3319 multi storey flats be consulted on a base rate of 1%.
- 2.3 It also agreed that a second option, 0.5% above the base level, should be discussed with tenants, with tenants asked whether they would be prepared to pay these higher levels in return for additional local investment.

3. Risk Appetite and assessment

- 3.1 Our risk appetite in relation to business planning assumptions such as rent increases is open, defined as *“willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward”*.
- 3.2 In relation to the statutory requirement in consulting and engaging tenants on any rent increase, our risk appetite is averse, that is *“avoidance of risk and uncertainty is a key organisational objective”*.

- 3.3 The decision on rent increases involves striking a balance between the need to continue our path out of underlying deficit into surplus (as set out in our business plan), continuing to deliver services our customers tell us they want, and keeping rents affordable. Setting rents lower than the assumption in the business plan could – in the absence of mitigating cost savings – risk the financial viability of the Group. However, we are also required under statute to take into account the views of customers before making final decisions on rent levels.

4. Background

- 4.1 The rent increase assumptions in our financial projections are subject to annual review. The annual review takes into account the key principles set out in our Group rent setting framework:

- 1) Financial viability;
- 2) Affordability;
- 3) Comparability; and
- 4) Consultation with tenants and service users.

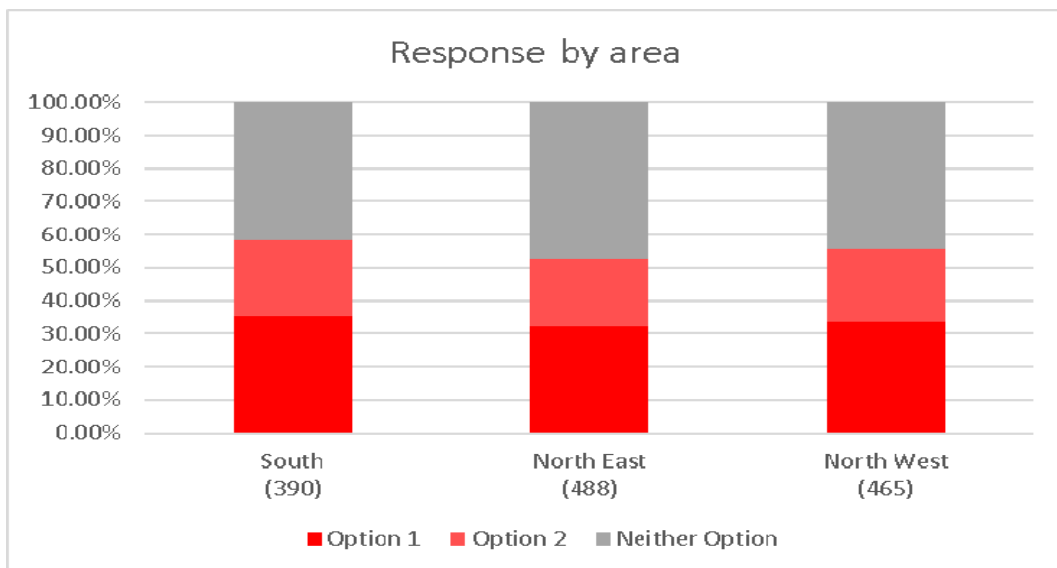
- 4.2 The Board considered the first three principles as part of agreeing the baseline consultation levels during discussions at the November 2020 meeting. The consultation with tenants is the final element of our rent setting process prior to formally agreeing rent levels.

5. Discussion

- 5.1 Our consultation with tenants encompassed two elements. Firstly, our consultation with all existing tenants based on the options agreed by the Board. In addition to this, a further 2700 Cube tenants were consulted on a future 1% increase as part of the ballot process for transferring to GHA.
- 5.2 We received a total of 1343 responses from tenants. In total **55% indicated they supported** one of the two options. A further breakdown of the results is set out below:

Area

- 5.3 The breakdown of feedback from tenants in our three main areas were as follows:



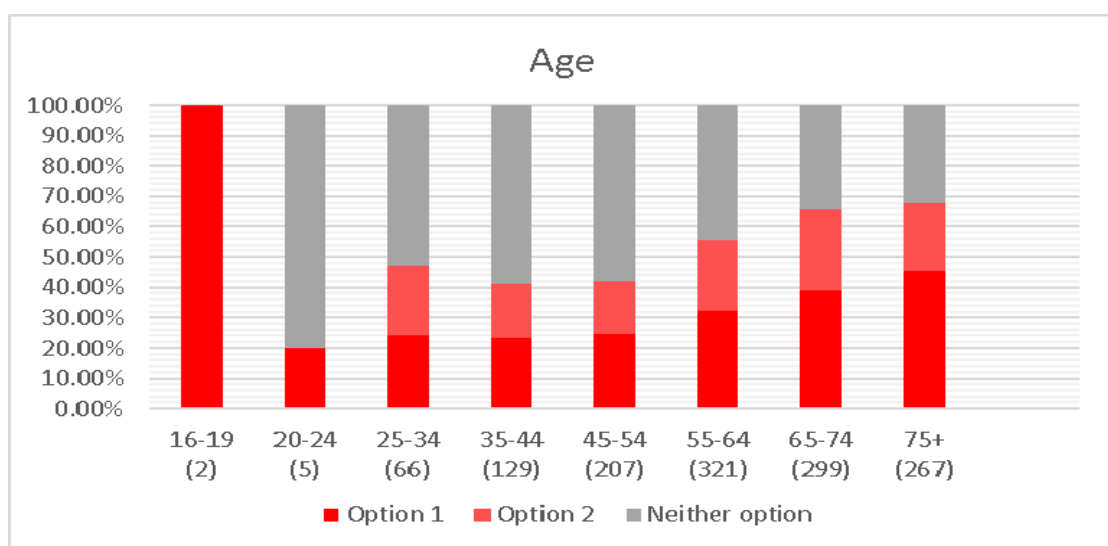
- 5.4 The breakdown by area shows that all three areas had a majority of tenants indicating support for one of the two options. No single area deviated significantly from the overall result.

Cube

- 5.5 A key element of the Cube ballot proposals was the 1% rent guarantee for three years. Our pre ballot engagement with tenants indicated that the rent offer would be a key consideration at the formal ballot stage. The results from the Cube ballot indicated that a total of 1,130 tenants, who will now become GHA tenants, voted on the transfer proposals, with 85.8% in favour.

Age

- 5.6 A total of 1296 tenants, some 96%, provided their age category as part for their consultation return. The data identifies that return and support levels, as with the previous year, are generally correlated to age, with the level of support ascending with the age groups. The results are set out below:



Qualitative feedback

- 5.7 We invited respondents to provide feedback on why they elected to choose the option they did. A total of 888 tenants provided this. For those who supported one of the options, the feedback indicated that they selected this because they wanted the smallest available increase whilst maintaining their current service level (that they were happy with).
- 5.8 Those who selected the higher option showed a strong preference for additional investment being focussed on internal works such as skirting and doors or improvement to grounds such as outdoor communal spaces.
- 5.9 Those who did not support either option primarily indicated that affordability was a key consideration, particularly within the context of the pandemic.

6. Key issues and conclusions

- 6.1 The feedback from tenants indicates that the majority of tenants wish us to maintain current service levels and apply a rent increase accordingly. When taking into account the range of increases the weighted average increase for tenants will be 1.6%.
- 6.2 The proposed rent increases would be the lowest we have applied in 10 years (other than for stock previously classified for demolition) and reaffirm our strategic priority to utilise financial efficiencies to minimise rental uplifts for tenants. They also reflect our increasingly refined approach to assessing affordability and comparability and, where there is a case for doing so, introducing an element of variation.

7. Value for money implications

- 7.1 The level of rent increase proposed during the consultation included detailed analysis in areas such as affordability and comparability. We know that overall rent levels are an element of how tenants perceive value for money. This is however set within the context of the services we provide, particularly repairs, through the rental income.

8. Impact on financial projections

- 8.1 The financial implications of our rent uplift are set out in the financial projections, which are subject to a separate paper.

9. Legal, regulatory and charitable implications

- 9.1 Consultation with tenants on any increases in rent or service charges is a requirement of the Housing (Scotland) Act 2001. The approach set out in this paper therefore discharges our requirement to consult under the Act.
- 9.2 The 2016 Scottish Housing Regulator Thematic Review of Rent Setting detailed a number of recommendations, including provision of options to tenants during rent setting consultations. The approach taken this year responds to these recommendations.

10. Partnership implications

- 10.1 There are no partnership implications arising from this report.

11. Implementation and deployment

- 11.1 Following approval of the 2021/22 rent and service charge levels, tenants will subsequently receive notification of the final decision in writing 28 days clear of a change in rent being applied.
- 11.2 In recognition of the increasing importance for tenants to notify the relevant authority of the change, we are undertaking additional communication to remind and encourage tenants to notify the change of circumstances as soon as possible.

12. Equalities impact

- 12.1 Feedback by age was analysed and set out in the report. The ethnicity element of our returns comprised 92% of the one category, White Scottish/British. It is intended that as part of our Equality and Diversity policy implementation and new engagement framework we will seek to increase the diversity of responses in future years.

13. Recommendations

- 13.1 The Board is asked to:
- 1) Consider the feedback received through the consultation process with tenants on our 2021/22 RSL rent and service charge increase;
 - 2) Agree that a 1% rent increase be applied to the Cube tenants transferring to GHA;
 - 3) Approve a 1% rent and service charge increase for the 3319 multi-storey properties identified in the consultation;
 - 4) Approve a 1.7% rent and service charge increase for 2021/22 for all other tenants; and
 - 5) Agree that we formally write to tenants to confirm this subject to Group Board approval



Report

To: GHA Board

By: Steven Henderson, Group Director of Finance

Approved by: Martin Armstrong, Group Chief Executive

Subject: 2021/22 Financial Projections

Date of Meeting: 12 February 2021

1. Purpose

1.1 The purpose of this report is:

- To set out the updated projections for investment in assets and services over the five year period to 2026, in support of our strategic ambitions; and
- to ask for the Board's approval of these updated financial projections, of which the first year will form the draft budget for 2021/22.

2. Authorising context

2.1 Under the terms of the Intra-Group Agreement between GHA and the Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, the GHA Board is responsible for the on-going monitoring of performance against agreed targets. This includes the on-going performance of its finances.

2.2 While the Group Board is responsible for the overall approval of the Group business plan and parameters, the GHA Board must also agree its individual business plan within these parameters.

3. Risk appetite and assessment

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

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

4. Background

- 4.1 As a result of the emergence of COVID-19 and the resulting restrictions, there has been substantial disruption to our business which is expected to continue through into 2021/22. Throughout the pandemic we have been closely monitoring our financial performance and providing regular updates to the Board on the impact on our Financial projections. Revised 2020/21 Financial projections were presented to the Board in November and were used to inform our decision on the rent increase for consultation with tenants. Earlier in the year, a decision was taken to delay the launch of the Group's new five year strategy while we reflected on the changes the pandemic had on our business, customers and communities.
- 4.2 While there have been many challenges over the past year, it has also allowed us to achieve a number of already planned strategic ambitions much earlier than planned. Efficiencies achieved to date, and increases in our planned savings from the earlier introduction of our new operating model have allowed us to reduce our long term rent increase assumptions from 3.5% to 2.9% achieving the key outcome set out in our strategy to deliver below 3% increases by 2025.
- 4.3 At the meeting in November 2020 the GHA Board agreed in principle to the transfer of Cube stock in Glasgow. This will create a new vehicle for the city and provide the platform to increase investment in existing homes, build 600 more homes than would otherwise be the case and keep rents affordable for all Wheatley Glasgow tenants. The financial projections in this paper reflect the increased impact this new vehicle will be able to make in improving the homes and lives of our customers and communities throughout Glasgow.

5. Discussion

- 5.1 Our draft strategy for 2021-2026, *Your Home, Your Community, Your Future*, forms the basis of these financial projections. Detailed financial statements (income and expenditure account, balance sheet and cash flow statements) are provided in the appendix, showing these before and after the integration of Cube stock. Table 1 below summarises these to show – in cash terms - the level of income we forecast, and how this will be spent over the period.

Table 1: summary cash inflow and outflows

	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
Income (excluding new build grant)	£207m	£211m	£218m	£224m	£232m
Expenditure					
- Housing, environmental and Wheatley 360 services	(£39m)	(£37m)	(£38m)	(£39m)	(£39m)
- Wheatley Solutions including customer service centre	(£21m)	(£21m)	(£21m)	(£21m)	(£21m)
- Repairs	(£36m)	(£38m)	(£39m)	(£39m)	(£41m)
- Demolition & ER/VR	(£4m)	(£3m)	-	-	(£3m)
- Better Lives & Foundation	(£4m)	(£4m)	(£4m)	(£3m)	(£3m)
- Bad Debts	(£4m)	(£4m)	(£4m)	(£4m)	(£4m)
- Other costs *	(£4m)	(£4m)	(£3m)	(£3m)	(£4m)
Total Expenditure	(£112m)	(£111m)	(£109m)	(£109m)	(£115m)
Revenue Surplus before Interest and Capital Investment in Existing Homes	£95m	£100m	£109m	£115m	£117m
Investment in Existing Homes	(£52m)	(£48m)	(£50m)	(£50m)	(£50m)
Loan Interest and Funding Costs	(£50m)	(£53m)	(£55m)	(£57m)	(£58m)
Underlying Cash Surplus/(Deficit) from Operations	(£7m)	(£1m)	£4m	£8m	£10m

New Build and Other Investment					
Development Costs**	(£57m)	(£38m)	(£22m)	(£15m)	(£22m)
Grant Income	£29m	£7m	£6m	£6m	£12m
Lowther Homes on lend	(£1m)	(£5m)	(£5m)	(£4m)	-
Other Asset Investment	(£12m)	(£9m)	(£7m)	(£5m)	(£4m)
New Build and Other	(£41m)	(£45m)	(£28m)	(£18m)	(£14m)
Funding Activities					
Working Capital Movements	(£3m)	£3m	£3m	£3m	£3m
Loan Drawdowns	£51m	£43m	£21m	£7m	£1m
Funding Activities	£48m	£46m	£24m	£10m	£4m

* Other costs include fuel/utility charges for delivering district heating, stock surveys, commercial property & insurance costs

**Development costs include capitalised demolition costs, employee costs & capitalised interest

5.2 The table above shows that by year 3 we generate sufficient cash, or revenue surplus, from our underlying business operations to cover the cost of investing in our existing homes and our borrowing costs. This is a significant milestone and means that our underlying operational surplus when expressed as a proportion of funding costs is >1 from year 3 onwards, a key indicator of the financial strength of the business.

- 5.3 Investment in new build (including capitalised interest, demolition and staff costs) totals £94m net of grant claims over the five years, and provides funding for the completion of 876 new build homes. The financial projections reflect an increase in GHA's loan to Lowther of £15m which enables Lowther to develop its own homes for the first time, with plans for 300 properties for mid-market rent in Glasgow over the five year period. Of these units, 150 are assumed to be directly funded using the additional intra-group loan with the remaining properties funded through additional private finance direct to Lowther.
- 5.4 Other asset investment includes £26m for GHA's share of investment in the Group's IT capital investment programme recognising the role technology has in supporting the delivery of the key strategic aims in the Group's 2021-26 strategy. Alongside the digital aspirations for Group services to customers and staff, the funding also provides for a safe, secure and reliable technology service.
- 5.5 Funding costs increase over the five year period as borrowings are drawn to fund the new build development. There is a gap during the development period as new homes are completed and become available for letting, with rental income growing over the period as the units are completed which in turn generates a higher level of revenue surplus to meet funding costs and in time generate excess cashflows to help towards funding future development. In assessing the level of borrowings, an important measure is to compare the value of GHA's borrowings to the housing assets which support the debt. The loan to value measure increases comfortably to 65% by 2022/23 before reducing as new properties are completed as shown in 5.18 below.
- 5.6 The financial highlights under each theme of our new strategy are set out below.

Delivering Exceptional Customer Experience

- 5.7 Our strategy seeks to deliver exceptional customer experience while maintaining affordable rent levels for our tenants. Our services will be delivered using a blended approach of face to face and digital, will be easy to access and feel seamless to customers.
- 5.8 These projections include funding to deliver our new operating model; with £39m in 2021/22 to maintain our strong frontline service presence in communities, including our 1:200 housing officer patch sizes, environmental teams and Wheatley 360 wraparound services such as police, fire safety and protecting our customers. At the same time, we will be improving the technology available to support our staff in delivering services to customers. The contribution of £26m over the next five years towards our digital transformation strategy will deliver:
- improved online services, with a range of upgrades and improvements such as new apps for customers to report anti-social behaviour or urgent cleaning required in communal areas and the next phase of improvements to our MyHousing lettings and advice system;
 - Expanding our online repairs services with automated communications as part of our "book it, track it, rate it" approach;
 - New ways for customers to engage, for example through community forums, as part of our wider engagement strategy

- GHA's contribution to the Community Improvement Partnership; £1.5m per annum will support police teams to enhance our focus on anti-social behaviour, and fire specialists to help our customers remain safe in their homes.
- through our partner organisation Wheatley Solutions, our 24/7 Customer Service Centre will support our customers in new ways, providing proactive support to help resolve customer issues and coordinating many of our larger scale electronic communications through text and secure messaging.

Making the most of our homes and assets

- 5.9 The projections include funding to deliver 1,182 new homes for social and mid market rent in years 1-5. A total of 882 of these homes will be delivered directly by GHA (including a small number of buybacks) and £154m of gross funding for the new build programme has been reflected within the projections. This is assumed to be supported by grant income of £60m.
- 5.10 Total investment of £250m in our existing homes has been reflected within our five year forecasts. This work will largely be completed by our joint venture partner, City Building (Glasgow) LLP. Scottish Government and the Scottish Housing Regulator published further guidance last year on the achievement of the Energy Efficiency Standard for Social Housing ("EESH") mark 2 which requires, where practically possible, all properties to be brought up to EPC band B by 2032. Over the 30-year life of the plan, the average investment per property is £35k (in today's prices, excluding VAT), which aligns with the level of investment that JLL, the Group's valuation experts, have estimated is required as part of their most recent valuation of our housing properties.
- 5.11 During the first 5 years of the plan £193m of funding has been earmarked for repairs, assisting the upkeep and maintenance of our stock. This represents a continuity of our per property repairs budgets, with inflationary uplifts assumed every year. Repairs remains the largest area of budgeted revenue expenditure.
- 5.12 The financial projections include a provision of £21m over the five year period for customer directed investment as part of our new engagement strategy. The new Customer Voice fund will promote community engagement and will mean investment will be directed to the work streams our customers value most. Further detail of this will be brought back to the Board later this year.

Changing lives and communities

- 5.13 The financial projections demonstrate our commitment to changing the lives of our tenants and the wider communities in which we operate. This will be achieved through:
- Funding of £11m to the Wheatley Foundation ("The Foundation") over the first 5 years of the financial projections. The Foundation use this to deliver services to our customers including welfare benefits advice, employability advice and training schemes for unemployed tenants, modern apprenticeships, our furniture up-cycling Homes Comforts scheme as well as our Eat Well service which delivers food parcels for 6 weeks to tenants most in need. The funding of £11m includes the waiver by GHA of its interest on the intra-group loan to Lowther which is paid to the Foundation by Lowther on GHA's behalf.

- The Group-wide Tenancy Support Service (“TSS”) is managed by our colleagues at Loretto Care. GHA’s financial projections include annual funding of £1.3m and in return we receive flexible, tailored support for our vulnerable tenants.
- Better Lives funding of £500k has been included in 2021/22 with a further £300k per annum thereafter – supporting local, community-led projects with our tenants deciding how these amounts are spent.
- The Helping Hand Fund was introduced in GHA 6 years ago to assist our tenants in financial difficulty. The £500k provision in each of the first three years can provide a “helping hand” towards utility bills, the purchase of food or can be used to help clear rent arrears. This funding continues to be relevant with the impact of COVID-19 on our customer’s income and the increase in tenants moving to universal credit.

Developing our shared capacity

- 5.14 During 2020 we made significant progress in reshaping our operating model as we moved to deliver services using a blended approach of face to face and virtual engagement with our customers. Over the next five years, we will continue to invest in our staff to ensure they have the exceptional skills, attitude, engagement and influence to excel in this new, increasingly virtual working environment. Through our contribution to Wheatley Solutions, our financial plan helps fund a continued focus on staff development in a technology enabled workplace and in our leadership and graduate programmes. Provisions for investment in offices and IT will deliver a new collaborative hub estate and improved homeworking services to staff.
- 5.15 Our new strategy also refers to measures to support our tenants through the following:
- Funding for modern apprenticeships through the Wheatley Foundation. These apprenticeships are offered to young people in the communities in which we operate.
 - The Foundation also offer bursaries to tenants and customers of the Wheatley Group. This provides financial support to our customers who want to go into further education but would struggle to afford it on their own.

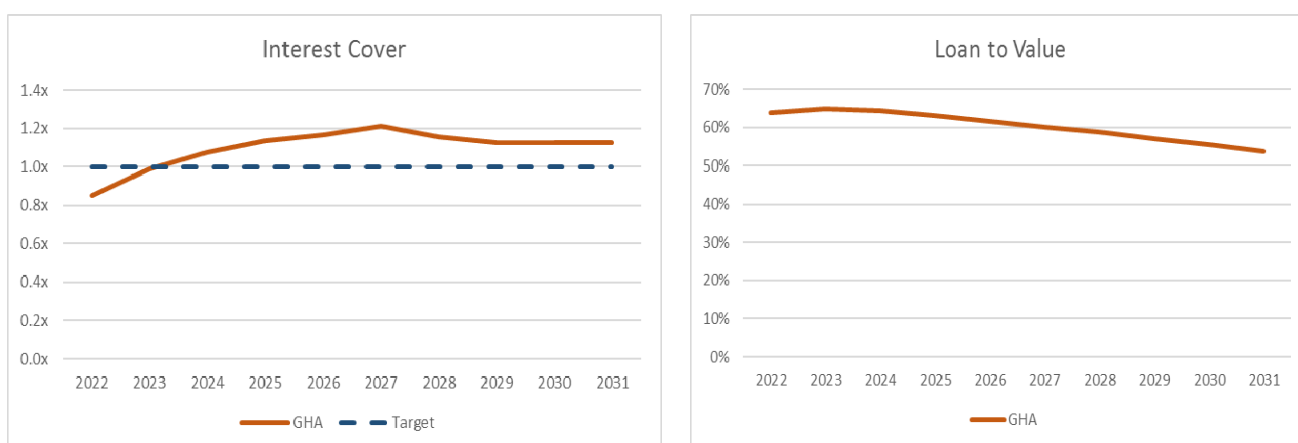
Enabling our ambitions

- 5.16 In order to achieve our ambitious strategy, we must demonstrate a strong and stable financial performance. This will ensure we continue to achieve a strong credit rating and attract funding at low rates of interest.
- 5.17 To this end we must ensure that GHA and the other subsidiaries within the Group meet certain financial parameters. These include ensuring that a sufficient operating margin is generated and that there is sufficient cash flow strength and asset cover to support the level of debt. This ensures WFL1, as the RSL treasury vehicle, is able to meet its external funding conditions. There are two key ratios that we consider :-

- Revenue Surplus less Capital Investment (earnings before interest, tax, depreciation and amortisation with major investment spend taken into account) over net interest payable is the ratio used by the Group to assess whether sufficient surplus is generated to fund our activities, maintain the housing stock and cover interest payments. Ideally this interest cover ratio should be >1.
- The loan to value ratio (outstanding loans net of cash divided by value of completed housing and investment properties) is used to assess whether there is sufficient asset cover to support the level of debt.

5.18 Figure 1 shows the projected key financial ratios for GHA, incorporating the Cube Glasgow stock, over the next ten years.

Figure 1: Key Financial Ratios



5.19 As shown above GHA will generate sufficient income from operating activities to fund investment and finance costs from year 3 on. Loan to value increases from 64% in 2021/22 to 65% in 2022/23 before reducing each year thereafter. This demonstrates that GHA will have sufficient asset cover to support loans.

6. Key Issues and Conclusions

6.1 These financial projections, once approved, will be submitted to the Wheatley Group Board for approval on 24 February. The figures in the first year of the projections, 2021/22, will then form the basis of the annual budget which will be presented to the GHA Board for approval in March. Performance against the budget will then be monitored through the management accounts provided to the Board throughout the year.

7. Value for Money implications

7.1 The financial projections incorporate cost efficiency measures, which are a key element of continuing to demonstrate value for money. These will be reflected in the annual budget and performance monitored against budget each month.

8. Impact on Financial Projections

8.1 Revised financial projections for GHA are summarised in section 5 above and in Appendix 1.

9. Legal, regulatory and charitable implications

- 9.1 There are no specific legal implications arising from the revised financial projections. Implementation of specific actions identified in these projections may have legal implications and specific legal input will be sought as part of any business case approval process for these actions.

10. Equalities impact

- 10.1 Not applicable.

11. Recommendation

- 11.1 The Board is requested to:
- 1) Approve the updated financial projections for investment in assets and services over the five year period to 2026; and
 - 2) Agree that the projected 2021/22 figures form the basis of next year's annual budget which will be presented to the Board for final approval in March.

LIST OF APPENDICES

Appendix 1 - GHA 2021/22 Financial Projections

GHA Financial Projections 2021/22

1 Headlines

The emergence of the Covid-19 pandemic had a significant impact on the day to day operations of the business with the varying levels of restrictions imposed by UK and Scottish Government throughout 2020/21 requiring us to change and adapt the way we deliver services to our customers. The financial position of GHA has remained strong to date and financial projections for 2021/22 assume the return of our usual service model with the relaxation of the rules, while remaining well placed to respond to restrictions being in place for longer. Provision has been retained in the projections for a higher number of tenants moving onto Universal Credit as an expected tightening of the job market impacts customers' ability to keep their rent accounts up to date and a higher allowance has been set aside to cover PPE costs for staff in year 1.

The updated financial projections for 2021/22 and beyond include:

- Provision to deliver 1,182 additional homes for social and mid-market in the first 5 years of the plan with 882 delivered directly by GHA through the new build (876) and the acquisition (6) programmes. An increase in GHA's Loan to Lowther of £15m is assumed to allow delivery of a further 300 MMR properties.
- £225m of investment in our existing housing stock in the first 5 years of the projections, including a provision of £21m for our new customer directed investment fund, Customer Voice.
- Increased provision for investment in our digital transformation and office accommodation strategies
- £11.0m of donations to the Wheatley Foundation as well as £1.7m Better Lives funding across the first 5 years of the plan.
- Significant efficiency savings in our management costs delivered through our new operating model. This will result in an improving operating surplus in the first 5 years of the projections. By year 2 of the financial projections, GHA is expected achieve the key milestone of generating sufficient cash from its underlying business operations to meet the borrowing costs of the business and the cost of its investment works
- GHA's peak debt of £968.7m is forecast to be reached in 2024/25 (year 4)

The GHA Board agreed at the October 2020 Board meeting to the possible transfer of Cube properties in Glasgow. If this proceeds 2,741 social rent properties and 27 mid-market rent properties will transfer to GHA. Our financial projections including GHA's share of the stock include:-

- Rent increases for the transferring stock capped at 1% for 3 years from April 2021
- Total of £250m for investment in all existing housing stock in Glasgow, of which £25m will be earmarked for the Cube properties, with provision for the regeneration of the Wyndford estate.

The revised financial projections, including the transfer stock, show GHA will meet all key financial indicators including having sufficient asset cover to support the increased level of borrowing and will generate sufficient cash from underlying business operations to meet the cost of borrowing and investment by year 3 (2023/24).

2 Key assumptions

The key assumptions in the GHA 2021/22 Business Plan are highlighted below. All figures include VAT and inflation, unless stated otherwise.

2.1 Stock numbers

Social housing

Opening stock numbers for the 2021/22 financial projections have been derived using the audited stock numbers at 31 March 2020 as per the statutory accounts, adjusted for forecast additions and disposals in 2020/21. Additions relate to new build properties completed in the year and other one off, strategic acquisitions. Disposals refer to any demolitions in the year. The 2021/22 projections assume an opening balance of 39,882 properties at 1 April 2021:

- The opening stock numbers are net of 124 properties which are assumed to have been handed over to the contractor for demolition in 2020/21. These relate to 120 units at Gallowgate and a further 4 properties on Carntyne Road. Demolition of these properties is assumed to complete in 2021/22.
- In 2020/21 240 properties are expected to complete at our developments at Linkwood, Cranhill, Scaraway and Auchinlea. A further 627 homes are assumed to complete over the period to 2027/28, with 297 of these completing in the first 5 years.

GHA Financial Projections# 2021/22

Funding for 6 individual asset purchases is included in 2021/22. These primarily relate to former Right to Buy properties bought back and facilitate majority ownership of a block.

As a result of the changes noted above, social rent units are forecast to increase to 40,185 units over the first 5 years of the projections.

Other Affordable Housing

Our mid-market rent properties offer a low cost alternative to people in employment who receive a low to moderate salary. These units are built and owned by GHA but are leased to and managed through the Wheatley Housing Group's commercial subsidiary, Lowther Homes Limited.

At 1 April 2021 GHA are expected to own 574 mid-market rent ("MMR") properties following completions in the current year at Baillieston and Inglefield. Over the first 5 years of the projections a further 579 units are expected to be completed, taking our MMR portfolio to 1,153 properties by 31 March 2026.

A summary of the change in stock numbers for both social rent property and mid-market rent properties is shown below:

Stock Numbers	Forecast				
	2021/22	2022/23	2023/24	2024/25	2025/26
	Year 1	Year 2	Year 3	Year 4	Year 5
Opening Units	40,456	40,847	40,963	41,110	41,288
Additions - Acquisitions	6	-	-	-	-
Additions - Social Rent	93	50	24	80	50
Additions - MMR	292	66	123	98	-
Closing Units	40,847	40,963	41,110	41,288	41,338

Anticipated handover of units at the Kennishead new build development in early 2021/22 marks the final completions with respect to our commitment as part of the re-provisioning programme.

2.2 Rents and Service Charge Income

Opening rents are based on our average weekly rent for our current rent roll of £87.74. This has been adjusted for a proposed 1.7% general rent increase in April 2021, subject to board approval. An increase of 2.4% has been reflected in 2022/23 with increases thereafter assumed at 2.9% as noted below:

Rent increases	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
Percentage rent increase assumed	1.70%	2.40%	2.90%	2.90%	2.90%

The exception to this are 3,319 properties, predominantly MSFs, which are assumed to have rent increases capped at 1% for 3 years from April 2021.

2.3 Other Income

A further £7.9m is expected to be generated by GHA in 2021/22 from other income streams, rising to £12.0m by year 5 of the projections (2025/26). Other income encompasses service charges for heat with rent, district heating and garage lock ups as well as commercial income from radio masts, the rental of offices and shops underneath our housing properties, as well as lease income from Lowther Homes for our MMR properties.

In light of the ongoing restrictions resulting from Covid-19 and the impact this has had on services, our financial projections make provision for a reduction in income from our commercial properties and district heating scheme in the first year. Over the 5 year period other income in total is projected to increase by £4.0m. This is driven, in the main, by the completion of additional MMR units which are in turn let to Lowther Homes and are expected to contribute £6.4m by 2025/26, an increase of £2.9m over the 5 year period.

GHA Financial Projections# 2021/22

Other Income	Forecast				
	2021/22	2022/23	2023/24	2024/25	2025/26
	Year 1	Year 2	Year 3	Year 4	Year 5
<u>External</u>					
Heat with rent	375	480	617	794	1,021
Furnished Lets	16	0	0	0	0
Hillpark District heating	167	230	237	244	250
Garage income (net of voids)	386	396	407	419	431
Owners Capital Works	279	288	296	305	313
Wayleave Income (Virgin)	150	150	0	0	0
Commercial - Radio Masts	300	150	150	75	75
Commercial - Properties	1,298	1,528	1,748	1,801	1,855
Initiatives - Solar PVs	395	403	410	418	423
<u>Internal</u>					
MMR lease income	3,428	4,545	5,272	5,781	6,360
Commercial - Wheatley House & Lipton	1,416	1,438	1,469	1,502	1,535
TOTAL	8,210	9,606	10,607	11,338	12,263
Owners Capital Costs offset against income	(279)	(288)	(296)	(305)	(313)
NET INCOME	7,931	9,318	10,311	11,033	11,951

2.4 Cost inflation assumptions

The general cost inflation rates assumed within the financial projections are shown in the table below:

	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
Cost inflation assumption (excluding employee costs)	1.50%	3.00%	3.00%	3.00%	2.50%

Covid-19 continues to have a significant economic impact at a global and domestic level. Inflation levels were low prior to the emergence of the virus with lockdown restrictions and the knock on effect on businesses causing CPI to fall to 0.6% in December 2020, a reduction from a rate of 1.3% in December 2019. Despite short term demand restrictions, market views on underlying economic prospects remain strong and, on relaxation of the restrictions, prices are expected to be driven up in the coming year. The longer term outlook shows cost inflation moving back to higher levels as more normal trading conditions return through 2021/22. We have held our expectation for cost inflation to move upwards and our forecasts reflect a rate of 1.5% in 2021/22 rising up to 3% by 2022/23, with a long term outlook of 2.5% from year 5 onwards, retaining an element of prudence in our forecasts.

2.5 Operating performance

Void loss as a proportion of rental income has increased from 0.6% in 2019/20 to 1.12% in the current year to date largely as a result of Covid-19. The financial projections assume that void losses begin to return to previous levels in 2021/22 with the 1% rate assumed reflecting a prudence compared to historic performance.

Bad debts are assumed throughout the forecasts to be 2.0% of rental income. Again, this is higher than the current levels reported by GHA but has been set cautiously to acknowledge the impact of both Covid-19 and welfare reform has on our tenants. Our Business Plan assumptions on movements in arrears as a result of universal credit have been updated to reflect our experience in the current year and expectations going forward :-

- A total of 10,500 tenants previously receiving housing benefit will move to UC over the five year period (12,000 tenants assumed to have already moved to UC);
- 80% of tenants who move on to universal credit will have an increase in arrears, with this increase equivalent to 5 weeks rent (£425-£485); and
- Of this increased arrears balance it is assumed only 40% will be recovered with this recovery taking up to two years.

GHA Financial Projections# 2021/22

An additional provision for increased arrears has also been made in 2021/22 in recognition of potential increases in unemployment and an increase in tenants moving to benefits for the first time.

2.6 Management costs

The following management costs (including inflation) are funded within the plan:

Operating Costs (including inflation)	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Direct management costs – GHA staff and running costs	39,775	38,062	37,539	38,220	38,862
Recharges from Wheatley Solutions (including Transactional Hub)	19,216	19,735	19,928	19,827	20,266
Total management costs	58,992	57,797	57,468	58,048	59,128

The management costs above reflect direct employee and running costs in GHA as well as recharges from Wheatley Solutions for the shared services this entity provides the Group. The projections include efficiency savings expected to be achieved through implementation of our new operating model and includes savings from our office accommodation and digital transformation strategies in addition to procurement savings. In real terms, management costs are expected to fall by £4.5m between 2021/22 and 2025/26; a 7.6% reduction.

2.7 Repair Costs

Our customer satisfaction surveys consistently show a direct link between the repairs service tenants receive and their satisfaction levels. While Covid-19 restrictions resulted in changes to the repairs service and a reduction in the number and types of repairs we were able to deliver in 2020/21, our financial projections reflect previous levels of funding required to meet the increasing legislative requirements that the business must comply with (e.g. emergency lighting, window safety catches, TMVs, HIU inspections) and the exceptional service our customers expect. This equates to average funding of £847 per property in 2021/22 increasing by inflation to £955 per property in 2025/26.

Repair costs (including inflation)	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Total repair costs	33,833	34,957	36,397	37,213	38,356
Average no. of units	39,932	40,006	40,043	40,095	40,160
Average repair cost per unit £	847	874	909	928	955

2.8 Demolition costs

The financial projections include a provision of £0.5m in respect of our demolition programme. This funding primarily covers the contract costs to complete the demolition of our properties at Gallowgate. These properties were fully cleared in 2020/21 following the completion of new build properties at the adjacent site and demolition commenced in Q4 of that year. The costs of demolition are wholly funded by GHA and reduce the operating surplus in the year incurred.

2.9 Other provisions

The financial projections continue to include a commitment to improve the wider communities in which we operate. Over the first 5 years of the plan, the following funding has been included:

- Helping Hand Funding of £460k in each of the first three years of the plan. This funding helps those in financial difficulty, particularly those whose employment status has changed or whose benefits may change as a result of moving to universal credit.
- Better Lives Funding of £500k in 2021/22 and at £300k per annum thereafter. This fund is currently managed and distributed by our Better Lives officers, employed by the Wheatley Foundation, to local communities following local committee approval.
- Annual costs of £1.2m for the Tenancy Sustainment service that Loretto Care delivers on our behalf.
- Donations to the Wheatley Foundation totalling £11.0m over the first 5 years of the plan. This is used by the Wheatley Foundation to fund their projects which directly impact the lives of GHA tenants. These projects include their bursary programme, training for vulnerable tenants looking to get back into employment, fuel and welfare benefit advice as well as fitness classes and the Home Comforts and Eat Well services. This is largely funded through the redirection of interest receivable on the convertible debt instrument owed by Lowther Homes to GHA. This equates to £1.8m per annum with an additional top up provision from GHA of

approximately £250k per annum. Additional interest assumed to be received in relation to the £15m increase in on lend to Lowther will also be redirected to the Foundation and will replace additional contributions.

2.10 Operating Cost per Unit

Our operating costs per unit, excluding depreciation and finance costs, over the five year period are set out below:

Operating Costs	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
Operating Costs exc depn (£'000)	103,725	102,453	101,646	102,307	106,997
Average no. of units in year	39,932	40,006	40,043	40,095	40,160
Operating Cost per unit (£)	2,598	2,561	2,538	2,552	2,664

The underlying operating cost per unit, in real terms, is assumed to decrease by 6.8% over the first five years, a saving of £176 per unit. This saving is driven by asset growth and operating cost efficiencies.

2.11 Capital Investment

Investment in current housing stock

Funding for our rolling programme of investment works in our existing housing stock across the first 5 years of the projections is shown below; over £225m is assumed to be invested in this timeframe. This funding includes inflation, VAT, fees, and capitalised employee costs associated with the delivery of the investment programme.

Investment in existing properties	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Core Investment Programme	18,519	15,823	18,605	17,080	16,128
Capitalised Compliance Costs	2,410	2,674	1,324	1,264	694
Customer Voice Fund	5,000	4,000	4,000	4,000	4,000
Capitalised Void Costs	7,302	7,509	7,723	7,947	8,141
Capitalised Repairs	3,500	3,605	3,713	3,824	3,920
Disabled Adaptations	1,537	1,537	1,537	1,583	1,623
Capitalised Employee Costs	2,655	2,624	2,611	2,663	2,716
Capitalised Fixed Overhead	6,166	6,351	6,542	6,738	6,906
Total Capital Investment	47,088	44,123	46,054	45,099	44,128

Funding of over £86m is included in the business plan over the first 5 years for the core investment programme and the replacement of components. This includes £22.7m across gas and electric heating and connected response, £15.1m for lift replacements and other mechanical and electrical works and £8.7m for new kitchens. A provision of £21m has also been made over the 5 years for our new Customer Voice fund. This provision will be used for tenant directed investment works, building customer engagement into our investment programme and delivering the projects most important to them.

Capitalised void costs include the costs of carrying out the programme of void works as well as the costs of clearing the properties. This clear out service was brought in-house during 2020/21 and is carried out by the void team within the Wheatley 360 wrap-around service structure.

Scottish Government and the Scottish Housing Regulator published further guidance on the achievement of EEESH2 which requires, where possible, all properties to be bought up to EPC band B by 2032. Additional provision for capital investment has been made over the life of the plan to bring the 30 year average investment per property up to £35k, which aligns with the level of investment JLL, the Group's valuation experts, have estimated when undertaking the most recent valuation of housing properties.

Investment in new housing

Funding in relation to our new build programme has been included in the financial projections. Over the first 5 years of the plan, development costs of £130.4m have been reflected. These costs are assumed to be part funded by grant income of £59.9m, with the total net cost to GHA being £70.5m. Funding of £0.3m for other property acquisitions has also been reflected in the plan, as well as £1.25m of Development Fund; this is used for abnormal costs at sites which may otherwise result in development costs being too prohibitive to progress. The costs and grant income associated with investment in new properties is shown below:

Investment in new properties	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Development Costs	52,744	31,110	15,176	11,821	19,588
Development Fund	450	450	350	0	0
Capitalised Employee Costs	2,220	2,111	2,038	2,079	2,120
Acquisitions	310	0	0	0	0
Grant Income	(28,458)	(6,728)	(6,141)	(6,233)	(12,292)
Total investment in new properties	27,266	26,943	11,422	7,667	9,416
<i>Acquisitions and completions in year**</i>	<i>391</i>	<i>116</i>	<i>147</i>	<i>178</i>	<i>50</i>

**In year development costs will be for units that complete in later years and do not necessarily relate to the units completing in the same year.

In addition to the 882 properties GHA will directly deliver over the 5 year period, the financial projections reflect an increase in GHA's loan to Lowther of £15m. This additional funding will enable Lowther to fund the development of 300 properties for mid-market rent in Glasgow over the 5 year period. Of these units, 150 are assumed to be directly funded using the additional on lend with the remaining properties funded through additional private finance.

2.12 Interest Rate Assumptions

The new build programme assumed in the financial projections requires debt finance to be drawn down over time. In line with the wider Group funding strategy, borrowing is advanced from Wheatley Funding No 1 Limited (WFL1) at an assumed blended all in average funding rate. The blended funding rate reflects a combination of bank and bond funding, any fixed rate arrangements in place and any monitoring or commitment fees payable by WFL1 to external funders and is consistent across all Group subsidiaries.

The rate assumed within the 2021/22 financial projections has been updated to reflect the current low variable interest rates, together with the rates achieved on fixed rate arrangements put in place by WFL1 during 2020/21. The revised rates assumed on group funding and for interest receivable on cash balances are shown in the table below.

Interest rate assumptions	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
Interest Payable (Group funding)	4.95%	5.00%	5.10%	5.10%	5.10%
Interest Receivable	0.25%	0.50%	0.75%	1.50%	2.00%

3. Financial projections – next 5 years

3.1 Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Net rental income	185,578	190,083	196,049	201,246	207,500
Other Income	7,931	9,318	10,311	11,033	11,951
Grant Income	28,859	8,418	16,209	10,906	3,990
Total Income	222,368	207,820	222,569	223,185	223,441
Management and service costs	(58,992)	(57,797)	(57,468)	(58,048)	(59,128)
Repairs and maintenance costs	(33,833)	(34,957)	(36,397)	(37,213)	(38,356)
Demolition and ER/VR costs	(3,259)	(2,104)	0	0	(2,728)
Wider Role and Strategic Initiatives	(3,943)	(3,812)	(3,882)	(3,045)	(2,665)
Bad Debts	(3,698)	(3,784)	(3,899)	(4,001)	(4,119)
Depreciation	(64,621)	(66,784)	(67,667)	(70,444)	(73,558)
Operating Expenditure	(168,346)	(169,237)	(169,312)	(172,751)	(180,555)
Revaluation of investment properties	(20,072)	(6,526)	(19,957)	(8,254)	1,740
Operating Surplus	33,950	32,057	33,299	42,179	44,627
Operating Margin	15%	15%	15%	19%	20%
Net Finance Costs	(46,831)	(49,423)	(51,753)	(52,406)	(52,652)
Surplus/(Deficit)	(12,881)	(17,366)	(18,454)	(10,227)	(8,025)
Revaluation of housing properties	23,394	34,968	41,449	39,545	46,133
Total comprehensive income	10,513	17,603	22,995	29,319	38,109

The information presented in the table above includes inflation.

Income

Rental income net of void losses increases over the five year period due to assumed rent increases and growth in our asset base as a result of the development programme.

Other income relates to income from our service charge offerings to tenants (e.g. heat with rent, home contents insurance, and rental income for our garage lock ups), as well as commercial property income (i.e. our offices and shops, radio mast charges and lease income from Lowther Homes for our MMR properties). Other income is assumed to increase by £4.0m over the first 5 years of the projections due primarily to increased lease income.

Capital grant income is recognised in the income statement in line with the completion of the associated capital spend. Grant income in the table above reflects the recognition of grant with respect to the new build programme. This is recognised in the income statement at the handover date of properties. As a result, the level of grant income fluctuates significantly across the five years reflecting both the volume of new build completions in each year as well as the tenure mix (as social rent units attract a higher level of grant funding).

Operating Expenditure

Management costs across the period assume efficiency savings as detailed in section 2.5 of this paper. Efficiency savings are expected to be achieved in running and employee costs incurred by GHA directly and recharged from Wheatley Solutions.

Non recurring costs have been shown as a separate line (Demolition and Organisation Restructuring) as these are included in the projections for a finite length of time only. They primarily relate to demolition costs and ER/VR costs which are “non-recurring” business change expenditure.

As noted in section 2.8, wider role and strategic initiative spend refers to revenue funding for our wider role activities in the communities that we serve. Funding of £17.3m has been included in the first 5 years of the projections.

Operating Surplus

The revaluation of investment properties line relates to gains and losses forecast on the revaluation of our investment (mid-market rent) properties. A revaluation loss on these properties is forecast in each of the first 4 years of the projections. Despite this however, the financial projections estimate that GHA will generate an operating surplus in all 5 years shown.

GHA Financial Projections# | 2021/22

When new build grant income and the impact of property valuations are stripped out of the operating statement above, the underlying business performance can be seen to be following an improving trend with operating surplus rising from £25.2m (13%) in 2021/22 to £38.9m (18%) in 2025/26.

STATEMENT OF COMPREHENSIVE INCOME	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Total Income	193,509	199,402	206,360	212,279	219,451
Operating Expenditure	(168,346)	(169,237)	(169,312)	(172,751)	(180,555)
Operating Surplus	25,163	30,164	37,048	39,528	38,896
Operating Margin	13%	15%	18%	19%	18%

Total comprehensive income

Any changes in the valuation of our housing stock are reflected in the Statement of Comprehensive Income. Reductions in the valuation coincide with the timing of handovers of new build properties as our gross cost to build exceeds the assumed valuation of new build properties.

3.2 Statement of Financial Position

STATEMENT OF FINANCIAL POSITION	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Housing assets	1,438,153	1,481,649	1,497,307	1,515,605	1,560,418
Other Fixed Assets	61,390	63,997	65,642	65,453	63,083
Investment Properties	64,488	67,367	74,364	81,925	83,863
Lowther Investment	8,387	8,387	8,387	8,387	8,387
Total Fixed Assets	1,572,417	1,621,400	1,645,700	1,671,370	1,715,750
Pension Asset	13,585	13,585	13,585	13,585	13,585
Current Assets	58,356	63,096	69,245	72,271	73,131
Current Liabilities	(64,654)	(62,724)	(52,484)	(47,761)	(56,063)
Net Current (Liabilities)/Assets	(6,298)	372	16,761	24,510	17,068
Long term liabilities	(952,513)	(990,563)	(1,008,257)	(1,012,357)	(1,011,187)
Other Provisions	(1,095)	(1,095)	(1,095)	(1,095)	(1,095)
Net Assets	626,096	643,699	666,694	696,013	734,122
Total Reserves	626,096	643,699	666,694	696,013	734,122

The information presented in the table above includes inflation.

Housing Assets

The value of Housing assets reflects the expected value of our housing stock over the five year period. Our housing assets are held at valuation and are assumed to increase in value each year as a consequence of our investment in our existing stock and in new properties.

Other Fixed Assets

Other Fixed Assets include our fixtures and fittings and IT Equipment. Annual depreciation charges reduce the balance each year.

Investment Properties

Investment properties include our commercial properties (i.e. shops and offices) and our mid-market rent properties. These are valued annually with any movement in valuation taken through operating profit.

Net Current Assets

Current assets include rent arrears, trade debtors and cash, together with the intercompany balance relating to the loan to Lowther. Arrears are expected to increase from current year levels in 2021/22 following the continued roll out of universal credit. This position is then expected to improve as these debts are recovered. The remaining movement in current assets relates to the increase in lending to Lowther.

Current liabilities fluctuate over the period primarily as a result of the inclusion of grant received in respect of the new build programme. This is held as deferred income in the balance sheet until the units complete and it can be recognised in Turnover.

Long Term Liabilities

Long term liabilities relate to the loan due to Wheatley Funding Limited 1 (WFL1) and the contingent efficiencies grant. The long term liabilities balance increases until year 4 before reducing in 2025/26. Peak debt of £975.7m is reached in 2024/25, with repayments commencing from year 5 onwards.

Reserves

Reserves are forecast to increase over the five years as assumed increases in housing property valuations offset losses generated after paying our costs of borrowing.

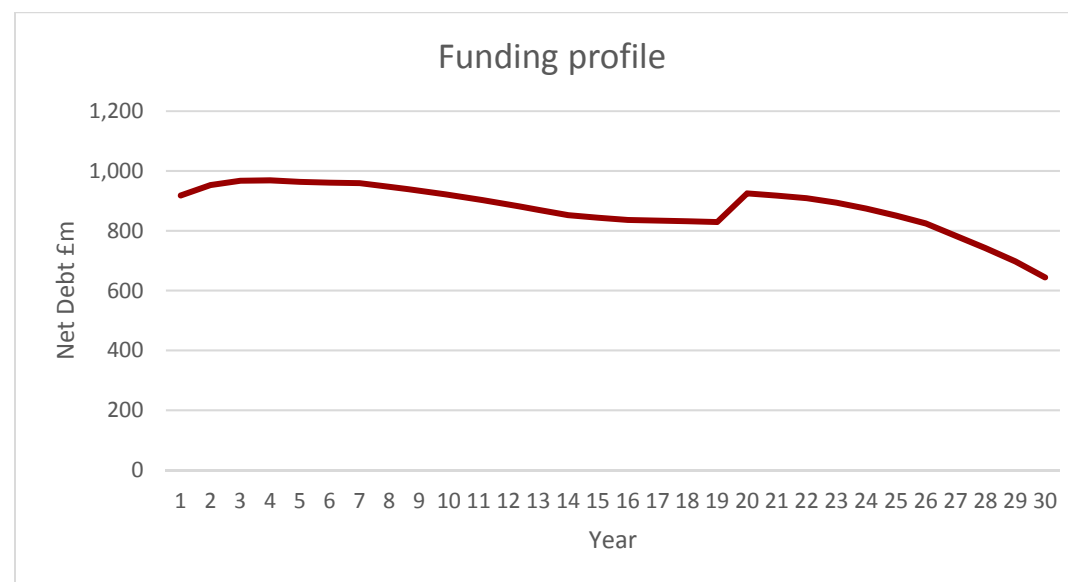
3.3 Statement of Cash Flow

Cash Flow	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Net Cash from Operating Activities	89,784	96,948	104,715	109,972	112,454
Core & Other Capital Expenditure	(59,234)	(53,093)	(52,247)	(50,404)	(48,207)
New Build Expenditure (net of grant)	(27,266)	(26,943)	(11,422)	(7,667)	(9,416)
Increase in loan to Lowther	(500)	(4,600)	(6,200)	(3,700)	-
Net Cash after Investing Activities	2,783	12,312	34,845	48,201	54,831
Net Finance Costs	(46,831)	(49,423)	(51,753)	(52,406)	(52,652)
Net Movement in Cash	(44,048)	(37,111)	(16,909)	(4,205)	2,179

The net movement in cash improves over the period as efficiency measures are realised and rental income from new build properties can be recognised. Debt reaches the maximum required in year 4 of the forecasts, however, thereafter the business will generate sufficient cash resources to both service its debt and repay an element of the capital borrowed. The table shows the cash requirement of the business and how this improves each year. The underlying business is cash generative in all years and this will contribute towards the financing costs of the business.

4. Funding and Key Financial Parameters

The plan reflects the group funding arrangements through Wheatley Funding Limited 1 (WFL1). GHA can borrow from WFL1, subject to debt facilities being available, what it can support with its assets and cash flows. The graph below shows GHA's projected debt requirement over the 30 years. This shows a maximum funding requirement of £975.7m (£968.7m net of cash) in year 4 (2024/25). From year 5 on debt, there is sufficient cash generated to service debt and begin making repayments. The increase in year 20 relates to repayment of the £100m Contingent Efficiencies Grant.



GHA, together with all the other RSLs in the RSL Borrowing Group, needs to ensure that all external funding conditions at WFL1 level are met at all times, including compliance with financial covenants. Whilst there are no specific financial covenants at each RSL level it is the delivery of the approved financial projections by each RSL (as set out in section 3 above for GHA) that is key to meeting funding conditions at WFL1.

There are also a number of important financial parameters which need to be met to ensure that GHA remains financially sustainable in the long term and that its contribution to the RSL Borrowing Group, along with all the other RSLs in the group, allows WFL1 to meet its external funding conditions. The following criteria need to be taken into account when assessing the impact of any risks or business decisions on the financial projections:

Cash Flow Strength

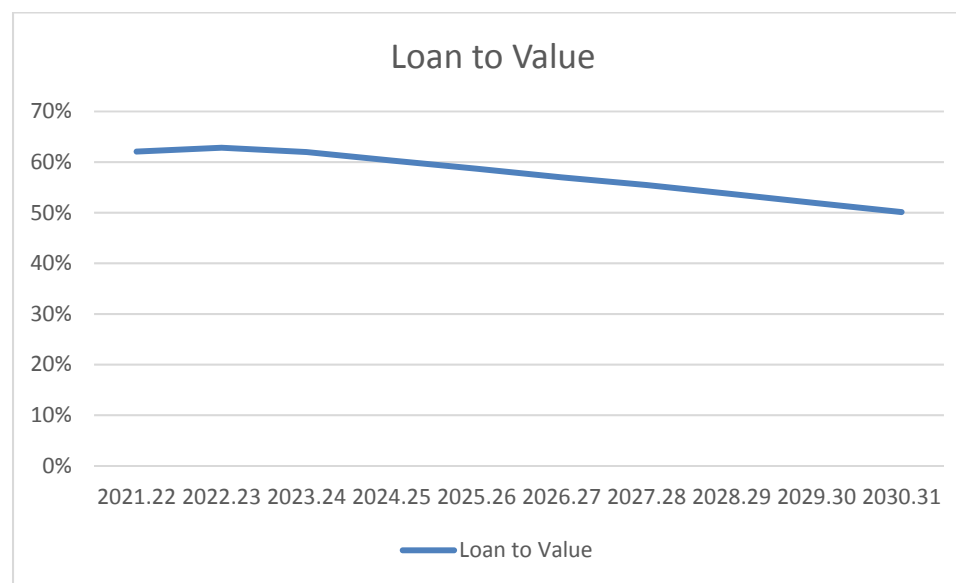
Cash flows need to be able to demonstrate that there is sufficient cash available to service intra-group debt each year. The measure of Revenue Surplus removes items that are non-cash and/or unrelated to operations, such as grant income and property valuation movements, and this after deducting capital investment costs is used to assess the funds available to meet interest payments and pay for all costs related to existing stock.

Cash Flow Strength	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Revenue Surplus	89,784	96,948	104,715	109,972	112,454
Less Capital Investment (Existing Properties)	(47,088)	(44,123)	(46,054)	(45,099)	(44,128)
Revenue Surplus less Capital Investment	42,696	52,825	58,660	64,873	68,326
Net Finance Costs	(46,831)	(49,423)	(51,753)	(52,406)	(52,652)
Revenue Surplus less Capital Investment and Finance Costs	(4,135)	3,403	6,907	12,467	15,674
Interest Cover	0.91x	1.07x	1.13x	1.24x	1.30x

In the first year of the plan interest costs exceed Revenue Surplus less Capital Investment reflecting the level of investment in our core investment programme. As income increases on completion of the additional units and efficiency savings are realised the ratio improves and by year 2 is sufficient to cover borrowing costs and capital investment.

Asset cover

One of the metrics which governs overall borrowing limits is the value of the owned asset base. The GHA investment and development programme is supported by intra-group borrowing from WFL1 which operates on a Group wide borrowing and asset security basis. It is however important that each subsidiary within the group have sufficient asset cover to support their debt requirement. The measure used to assess this is loan to value, defined as net debt as a percentage of the value of housing and investment properties (excluding housing under construction). The graph below shows the projected loan to value for GHA over the first 10 years. This shows a maximum loan to value of 63% in 2022/23, with this decreasing gradually thereafter. There is therefore sufficient asset cover.



6. Impact of Cube Stock Transfer

The GHA Board agreed at its meeting in October 2020 to the possible transfer of all Cube properties in Glasgow to GHA. This sections sets out the key assumptions made in respect of the transferring stock..

6.1 Key Assumptions

Stock numbers

It has been assumed 2,741 properties for social rent and 27 mid market rent properties will transfer to GHA in 2021/22. This represents all dwellings currently owned or managed by Cube within the City of Glasgow with the social units comprised of

- 2,593 general needs units
- 12 shared ownership
- 136 supported dwellings of which 12 contain multiple rooms.

Of the 2,741 opening properties for social rent, 600 multi storey flats are assumed to be demolished over the first five years with the first block of 150 properties assumed to be handed over to the contractor in 2021/22 and the remaining 450 the following year.

Income

Rent and service charge income assumptions are based on current rents and reflect the proposed 1% increase in April 2021. In line with commitments to tenants as part of the ballot rent increases will be capped at 1% for a further 2 years and are assumed to increase by 2.9% each year thereafter.

In addition to rent and service charges, other income will also be received in relation to the stock transferring from Cube. This includes lease income from Lowther in respect of the 27 mid-market rent properties they manage on Cube's behalf, commercial property income and income in respect of the district heating schemes. Projected other income for the first 5 years is shown in the table below.

GHA Financial Projections# 2021/22

Other Income	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Commercial	104	85	86	87	87
MMR leases	137	140	143	146	149
Garages	39	39	39	41	42
District Heating	253	344	350	357	363
Total Income	534	608	619	630	641

Operating Expenditure

The table below shows the additional operating expenditure assumed over the five year period in respect of the transferring stock.

	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Management and service costs	4,364	4,377	4,512	4,521	4,683
Repairs and maintenance costs	2,511	2,599	2,419	2,322	2,507
Demolition costs	928	503	-	-	-
Wider Role and Strategic Initiatives	325	329	332	292	296
Bad Debts	376	333	330	339	349
Depreciation	4,710	5,003	5,226	5,412	5,611
Operating Expenditure	13,213	13,143	12,819	12,886	13,446

Management and service costs include assumed direct staff and running costs together with a share charges from Wheatley Solutions for group services.

A total of £12.4m has been included over the five year period for repairs and maintenance of the transferring properties. This includes costs specific to the properties transferring such as lift maintenance in addition to an allocation of general reactive and cyclical maintenance provisions.

Demolition costs for the 4 multi storey blocks are assumed to be £8.9m and include provision for service disconnections, home loss and disturbance payments to tenants in addition to the cost of the physical demolition. It has been assumed that the majority of these costs can be capitalised as we have plans to redevelop the site. The amounts shown in operating costs therefore reflect the revenue component of the costs only.

Wider Role and strategic initiatives include £156k in respect of the tenancy support service, donations to the Foundation of £114k per annum and a provision of £44k in each of the first 3 years for the helping hand fund.

Investment in Existing Properties

In line with ballot promises £25m of investment in existing properties will be delivered over the first 5 years of the programme. This is shown in the table below.

Investment in existing properties	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Core Investment Programme	3,733	3,101	2,606	4,985	5,728
Capitalised Voids & Repairs	875	707	728	750	769
Capitalised Employee Costs	197	200	203	207	211
Total Capital Investment	4,804	4,008	3,537	5,942	6,708

7. Key Financials (Including Cube Stock)

The financial statements include GHA's share of the Cube stock from 1 April 2021.

7.1 Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Net rental income	198,378	201,092	207,101	212,587	219,172
Other Income	8,465	9,927	10,929	11,662	12,592
Grant Income	28,859	8,418	16,209	10,906	3,990
Total Income	235,702	219,437	234,239	235,155	235,753
Management and service costs	(63,355)	(62,174)	(61,979)	(62,569)	(63,811)
Repairs and maintenance costs	(36,344)	(37,556)	(38,817)	(39,535)	(40,863)
Demolition and ER/VR costs	(4,187)	(2,607)	-	-	(2,728)
Wider Role and Strategic Initiatives	(4,268)	(4,140)	(4,214)	(3,337)	(2,961)
Bad Debts	(4,074)	(4,117)	(4,229)	(4,340)	(4,468)
Depreciation	(69,330)	(71,787)	(72,893)	(75,856)	(79,169)
Operating Expenditure	(181,559)	(182,381)	(182,131)	(185,637)	(194,001)
Revaluation of investment properties	(20,036)	(6,489)	(19,920)	(8,216)	1,779
Operating Surplus	34,106	30,567	32,187	41,302	43,531
Operating Margin	14%	14%	14%	18%	18%
Net Finance Costs	(50,286)	(53,217)	(55,994)	(56,961)	(57,501)
Surplus/(Deficit)	(16,180)	(22,650)	(23,807)	(15,658)	(13,969)
Revaluation of housing properties	24,550	33,822	41,709	41,628	47,506
Total comprehensive income	8,370	11,172	17,902	25,970	33,537

As the table above shows, the transfers of properties results in an increase in Operating Surplus in the first year with a reduction in subsequent years as a result of the costs of demolishing 600 properties. Despite this, Operating Margin increases from 14% to 18% over the period as a result of efficiencies. Excluding grant income and the impact of property valuations, as shown in the table below, underlying operating margin increases from 12% in 2021/22 to 16% in 2025/26.

STATEMENT OF COMPREHENSIVE INCOME	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Total Income	206,843	211,019	218,030	224,250	231,763
Operating Expenditure	(181,559)	(182,381)	(182,131)	(185,637)	(194,001)
Operating Surplus	25,283	28,638	35,899	38,613	37,762
Operating Margin	12%	14%	16%	17%	16%

Funding costs are projected to be higher as £67.5m of loans are assumed to transfer in line with the stock transferring. Overall there is therefore a reduction in Total Comprehensive Income compared with the projections excluding the Cube stock. We do however continue to realise an overall surplus each year with this increasing from £8.4m in 2021/22 to £33.5m in 2025/26

GHA Financial Projections# 2021/22

7.2 Statement of Financial Position

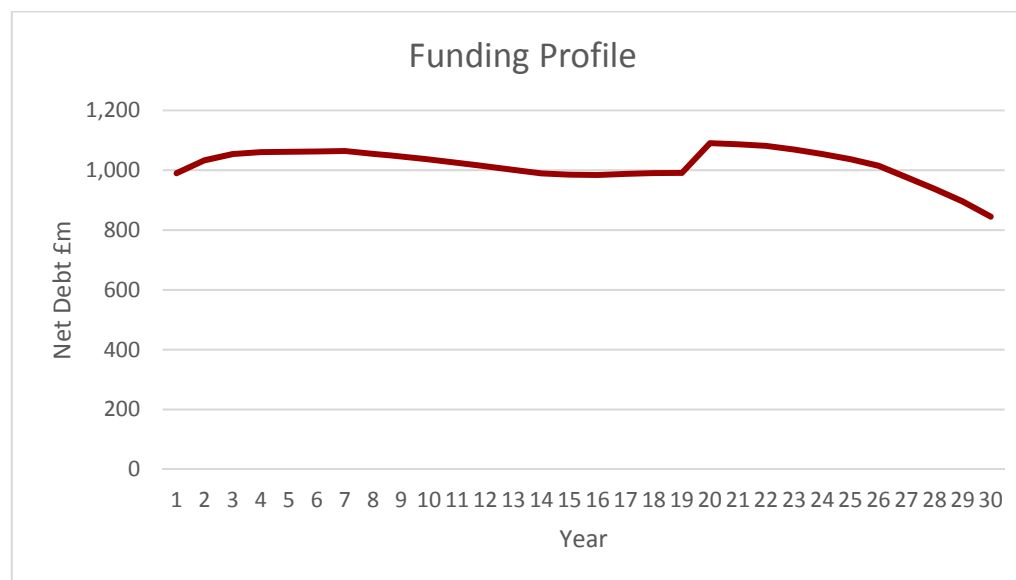
STATEMENT OF FINANCIAL POSITION	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
Housing assets	1,509,799	1,554,728	1,571,847	1,591,637	1,637,970
Other Fixed Assets	66,385	69,023	70,866	70,991	68,888
Investment Properties	66,308	69,225	76,259	83,857	85,834
Lowther Investment	8,387	8,387	8,387	8,387	8,387
Total Fixed Assets	1,650,879	1,701,362	1,727,359	1,754,871	1,801,079
Pension Asset	13,585	13,585	13,585	13,585	13,585
Current Assets	60,169	64,904	70,554	74,313	74,298
Current Liabilities	(69,657)	(67,727)	(57,486)	(52,764)	(61,066)
Net Current (Liabilities)/Assets	(9,488)	(2,823)	13,067	21,549	13,232
Long term liabilities	(1,024,742)	(1,070,717)	(1,094,702)	(1,104,727)	(1,109,081)
Other Provisions	(1,095)	(1,095)	(1,095)	(1,095)	(1,095)
Net Assets	629,140	640,312	658,214	684,184	717,721
Total Reserves	629,140	640,312	658,214	684,184	717,721

It is estimated that the transfer of the Cube stock to GHA will increase Net Assets at the point of transfer by £5.2m, with the increase in Housing and Investment property values of £72m offset by an increase in loans. Over the five -year period, net assets are projected to increase by £97m.

7.3 Funding and Key Financial Parameters

Funding Profile

The graph below shows the revised funding profile for GHA including the transferring properties. This shows a maximum debt requirement of £1,071.2m in 2027/28. This increase is primarily due to loans of £67.5m assumed to transfer with the housing properties.



Cashflow Strength

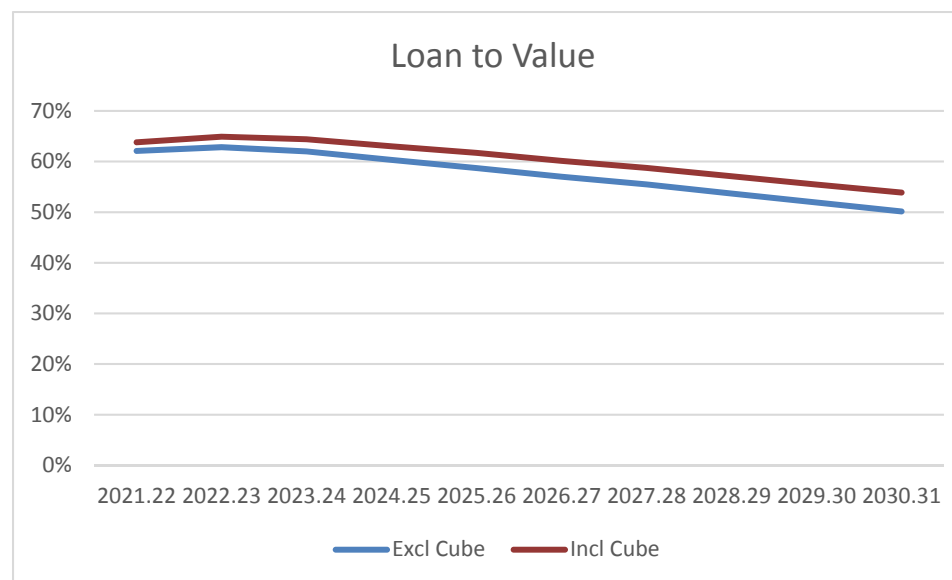
The additional costs associated with the demolition of the Wyndford properties results in a reduction in interest cover as shown in the table below. GHA will however, generate sufficient income to cover investment in existing assets and funding costs from 2023/24 on.

GHA Financial Projections# 2021/22

Cash Flow Strength	Forecast				
	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
	£'000	£'000	£'000	£'000	£'000
EBITDA	94,614	100,425	108,791	114,469	116,931
Less Capital Investment (Existing Properties)	(51,808)	(47,795)	(48,704)	(49,800)	(49,807)
EBITDA MRI	42,806	52,630	60,087	64,669	67,124
Net Finance Costs	(50,286)	(53,217)	(55,994)	(56,961)	(57,501)
EBITDA MRI less Finance Costs	(7,480)	(587)	4,093	7,708	9,623
Interest Cover	0.85x	0.99x	1.07x	1.14x	1.17x

Asset cover

The graph below shows the loan to value, defined as net debt as a percentage of the value of housing and investment properties. This shows an increase in maximum loan to value from 63% to 65%. This demonstrates there is sufficient asset value to support debt.



8. Risk analysis

We have performed sensitivity analysis showing the potential impact on the plan of key risk factors. As well as general risks relating to inflation and the cost base.

No.	Risk Description	Interest Cover			Debt		Mitigation
		Yr1	Yr2	Yr3	Peak debt	Max Loan to Value	
2021/22 Financial Projections		0.85x	0.99x	1.07x	£1,064.2m	65%	
Risks							
1	Cost inflation & rent increases reduce to 1.0% for in years 2 & 3. No growth in asset valuations.	0.85x	0.98x	1.04x	£1,072.9m	70%	Seek operational efficiencies and review service and repairs levels to offset the impact of the reduced rental income.
2	Rent increase reduced to 2.5% for plan duration	0.85x	0.99x	1.06x	£1,077.4m	65%	Rent setting policy review, operational efficiencies and review service and repair levels.
3	New build programme delayed by 6-12 months on 2 major mid market rent developments	0.85x	0.99x	1.07x	£1,064.4m	65%	Performance monitoring and management on a scheme by scheme basis. In addition, the rent setting policy, operational efficiencies and service and repair levels could all be reviewed to mitigate any financial impact of the delays.
4	Staff savings are not achieved	0.91x	1.00x	1.03x	£1,075.6m	65%	Review of procurement, contract negotiation and operational efficiencies as well as service and repairs levels to offset the impact of the additional staff costs.
5	Bad debt increases by 1%	0.81x	0.95x	1.03x	£1,082.6m	65%	Review of rent setting policy, operational efficiencies and service and repair levels to mitigate the financial impact of the additional bad debt costs.



Report

To: GHA Board

By: Jehan Weerasinghe, Managing Director, GHA

Approved by: Martin Armstrong, Group Chief Executive

Subject: Group Homelessness Policy 2021-2026

Date of Meeting: 12 February 2021

1 Purpose

- 1.1 To update the Board on the new Group Homelessness, which supports the ambition in our Group strategy, ***Your Home, Your Community, Your Future*** to lead in the national agenda around rapid rehousing and Housing First, supporting the Scottish Government and local authorities in the delivery of their five year plans. This report sets out the implications and key role we will play in delivering this strategic objective.

2 Authorising context

- 2.1 Under the Group Authorising Framework (GAF) and Intra-Group Agreement (IGA) the GHA 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 GHA will be responsible for operational delivery and the specific targets for its own services in relation to homelessness. Day to day operational work will be delegated to the Group CEO under the Group Standing Orders.

3 Risk Appetite and assessment

- 3.1 The Group's 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.
- 3.2 Shifting the balance of power towards the customer brings some risk as we empower customers to take more decisions around priorities and resources. A robust framework within which we can support customers and use our strategic delivery plan to manage this transformation will help to mitigate any risks.

4 Context

- 4.1 Almost 37,000 homeless applications were received across Scotland in 2019-20. Around half of these households have a support need and many are families. As a result of the numbers, many households spend considerable time in temporary accommodation often with more than one move. Almost 12,000 households were in temporary accommodation in March 2020 across Scotland, most of them either young single men or families.

- 4.2 As the largest city in the country, Glasgow has one of the highest levels of homelessness in the country. More than 5,000 households applied as homeless in the City in 2019/20, representing 16% of all applications in Scotland. The average length of stay in temporary accommodation in Glasgow is just over 200 days (higher than the Scottish average). Glasgow also has some unique issues in Scotland with homeless cases coming from the Asylum Dispersal Contract and with a significant number of former rough sleepers accommodated in hotels during the Covid-19 pandemic.
- 4.3 We have already makes a significant contribution to dealing with homelessness in the City. Since we restarted letting in June, 62% of our lets have been to homeless households. We have also already provided 128 homes to households with some of the most complex needs through Housing First. During the pandemic we have supported Glasgow City Council by providing an additional 368 homes for use as temporary accommodation. We have also led the way in “flipping” these flats to a permanent home wherever this is suitable for the household.
- 4.4 The following table outlines our contribution compared to other (non-Wheatley) RSLs within Glasgow

Table 1

	RSL lets to homeless in Glasgow (excluding WHG RSLs)	GHA lets to homeless in Glasgow
Q3 2020/21	509 lets*	699 lets*
	<i>*Figures were part of the draft Q3 Housing Access performance report provided by GCC but they still require to be fully reconciled and confirmed by RSLs</i>	<i>*This figure excludes young care leavers as they are not housed via section 5 This figures includes housing first cases housed as they are housed via section 5.</i>

- 4.5 The letting of some of the other Glasgow based RSLs is as follows during Q3:
- Tollcross HA (circa 2,200 properties) 36 lets
 - NG Homes (circa 4,500 properties) 25 lets
 - Thenue HA (circa 3,500 properties) 48 lets
 - Govanhill HA (circa 2,800 properties) 26 lets
 - Maryhill HA (circa 3,100 properties) 38 lets
 - Queens Cross HA (circa 4,500 properties) 35 lets
- 4.6 Whilst the numbers tell a story of volume across Glasgow, we boast an 85% tenancy sustainment for even the most complex Housing First cases. This is in large part down to the support and wrap-around services put in place to ensure that unparalleled support is provided to these customers.
- 4.7 People who are homeless are often stigmatised by others, further compounding their sense of isolation. Communities which receive high levels of homeless households are also often stigmatised. Part of the work of this Policy will be to help to change the narrative of homelessness in our communities. We aim to create a more positive sense of how the right home and the right support can help people to become valued contributors to the neighbourhood they live in, whilst recognising the challenge this can sometimes bring.

- 4.8 Supply of affordable housing is a major issue in resolving the level of homelessness. In Glasgow, as with many other areas, there is an overall shortage of affordable housing but there is also generally a mismatch between supply and demand with most homeless households requiring smaller houses.
- 4.9 Analysis done before Covid-19 showed that more than 50% of all RSL and local authority lets in Glasgow and surrounding areas would have to go to homeless households for the next 5 years to address the backlog. Glasgow faces a particular issue with high numbers of households in temporary accommodation. In addition, the covid-19 pandemic has resulted in many people who were rough sleeping and/or had complex needs being brought into hotel accommodation as a safe place to stay. The contact and trust built up through these stays means that there is now a unique opportunity to rehouse some people whose homelessness was previously hidden from official statistics.
- 4.10 However, there are other groups on waiting lists who also acutely require rehousing. These include those who are overcrowded, those with medical needs and separating partners. In many instances, failure to help these households through our waiting list would result in an increase in numbers who are homeless.
- 4.11 The Scottish Government has recognised ending homelessness as a key priority. It commissioned the Homelessness And Rough Sleeping Action Group (HARSAG) to look at ways to end homelessness in 2017. These included the introduction of a rapid rehousing approach and Housing First for the most complex cases. HARSAG recently updated the actions after it was reconvened to consider the actions required in the light of the Covid-19 pandemic. Our Policy takes account of these actions.

5 Group Strategy : “Your Home, Your Community, Your Future”

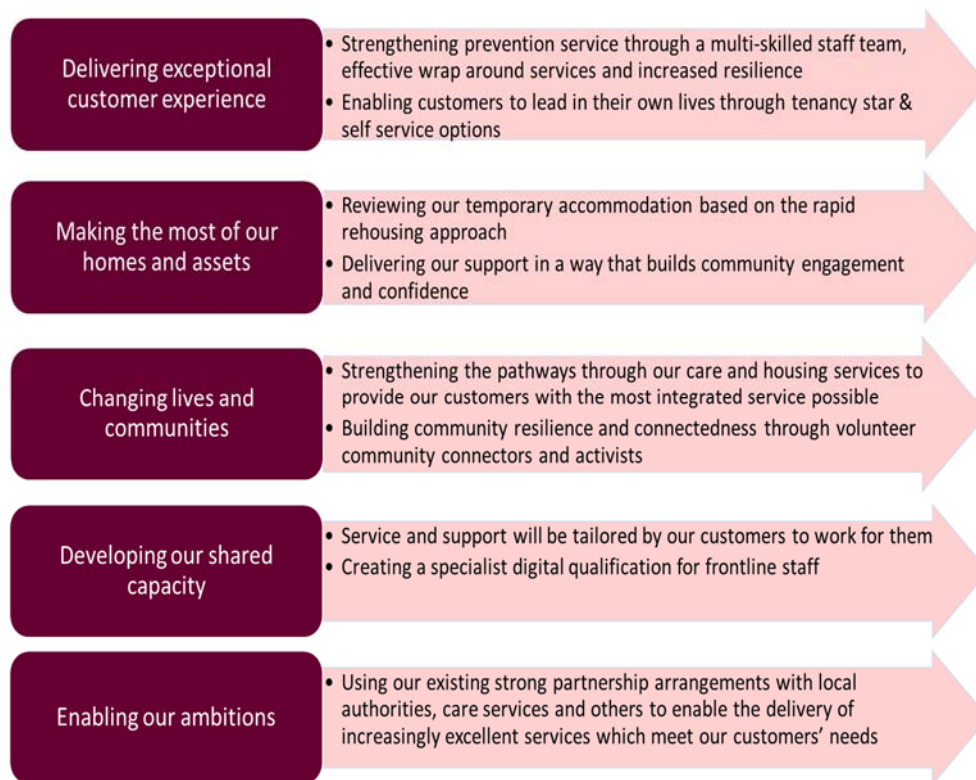
- 5.1 The Group Strategy highlights some key actions that we will take in relation to homelessness:
- Housing 10,000 homeless households by 2026;
 - Strengthening the pathways of services and support for homeless households through working with those who have lived experience;
 - Creating an integrated Group value proposition through our expertise and resources across care, support, housing, advice, training, volunteering and employment.
- 5.2 It emphasizes the work we have done over the past five years with customers and communities to ensure our neighbourhoods are places customers want to live. In the next five years we aim to future-proof this by an increased focus on resilience, skills and confidence. This aim is central to our new policy.
- 5.3 This Policy sets out in more detail how these commitments will be delivered. It builds on our existing strong record. As well as providing temporary and permanent homes to homeless households we have provided the most extensive range of additional support in Scotland including money advice, furniture, access to jobs and training and fire safety measures.
- 5.4 Our Care services are highly regarded across our footprint and we have recently been successful as part of the Glasgow Alliance to end Homelessness (GAEH) which will redesign commissioned services to provide a much faster and more effective support to those who have become homeless.

6 Vision and Aims

Our Homelessness Policy provides a key contribution to our Group strategic vision:

Customers have increased control over their services, their communities and their lives, with new opportunities for building skills and resilience.

- 6.1 It sets out how we will work with our customers and our key partners to reduce homelessness while creating balanced and peaceful neighbourhoods. We are also committed to working towards the UN's sustainable development goals and the Policy will have an important impact on most of these but particularly the goals related to poverty, health and wellbeing, reduced inequalities and sustainable cities and communities.
- 6.2 The key outcomes of the Policy are to:
1. **Create balanced communities** which are peaceful, welcoming and supportive in which people of all backgrounds want to live and can contribute;
 2. **Prevent homelessness** wherever possible so that more households avoid the trauma and stigma of homelessness;
 3. **Co-create** the services in this Policy with customers who have experienced homelessness or the threat of homelessness so that our services and products are directed in the way that works best for the households that need them;
 4. **Provide more homes for homeless households** who have become homeless and supplement this with access to our Lowther mid and private rented homes where these are suitable; and
 5. **Develop a unique multi-skilled expertise** which ensures an understanding of all the impacts which can face those threatened with homelessness so that our staff can provide an empowering and supportive experience for our customers.
- 6.3 The actions within the Policy are aligned to our Group strategic themes. Some of the key actions are outlined in the diagram below:



6.4 We will measure the success of our delivery of these outcomes through the following key targets:

Measure	Target
Number of homes provided to households assessed as homeless by the local authority	10,000
% of lets provided to homeless households	65%
Increase the number of Housing First tenancies across our footprint	500
% of Wheatley households at risk of homelessness who are helped to avoid homelessness	Baseline to be determined in 2021
Increase the % homeless households very satisfied with the process of getting their new home	Baseline to be determined in 2021
Increase the supply of new build homes	5,500 across group and 2,100 in GHA
Maintain tenancy sustainment levels for all households	Above 90%
Maintain tenancy sustainment levels for households who were previously homeless	Above 93%
Number of households whose temporary let is "flipped" to a mainstream SST (new)	500
Increase the percentage of our customers who live in neighbourhoods categorised as peaceful	70%
Number of jobs, training places and apprenticeships given to people affected by homeless	500

7 Our approach

7.1 Our Policy is underpinned by some key principles:

- Those with lived experience will be at the heart of the development and ongoing improvement of our services;
- Our approach will always be “housing first” – providing a home without having to wait until someone is “tenancy ready”;
- Households should have access to effective additional support to build resilience and reduce the risk of homelessness recurring;
- We will use our expertise to co-create new and innovative ways of working; and
- We will work with and influence our partners to deliver the best outcomes for our customers.

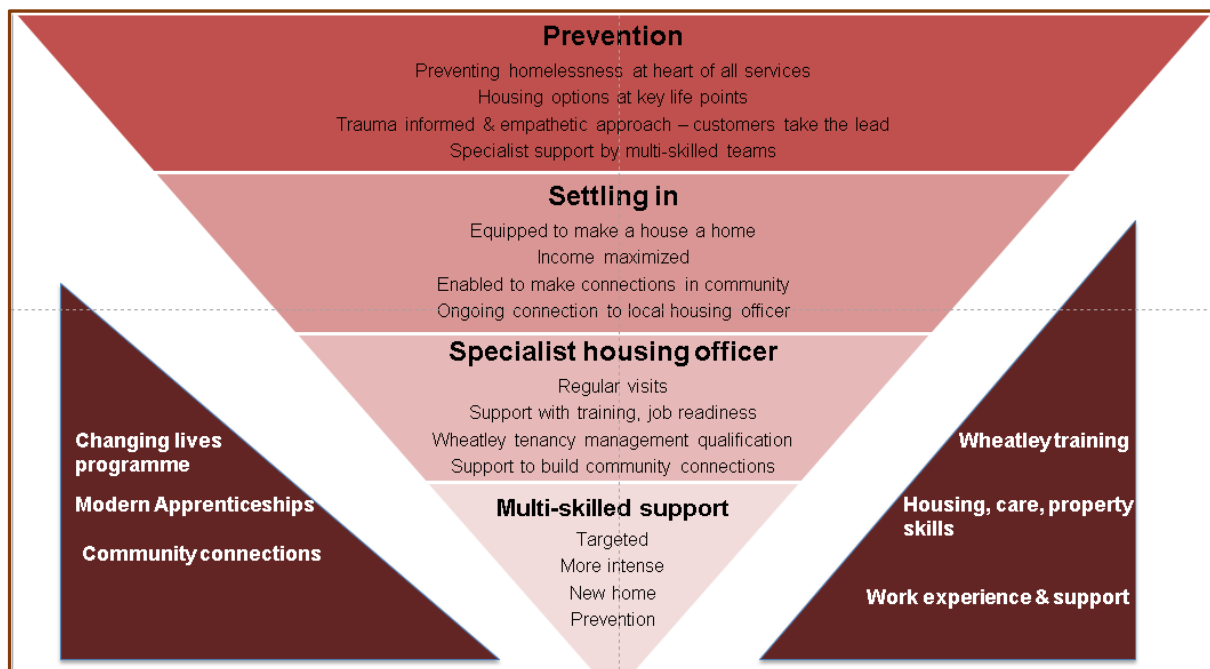
7.2 The Policy sets out a structured approach to addressing homelessness. In line with our Group Strategy, it focuses on ensuring that our customers will be empowered to make their own choices about the services they want, be properly equipped to do things for themselves and involved in the design of products and services from start to finish.

7.3 We will help people avoid homelessness through actions such as housing options advice. Where people do become homeless, finding a new home quickly is important to avoid further disruption and trauma. We will also ensure people can settle quickly with wrap around services co-created with customers.

7.4 We intend to increase our level of lets to homeless households to approximately 10,000 over the lifetime of the Policy. For us, this means providing approximately 65% of lets to homeless households. This target provides a substantial increase from our previous level of 40%. It reflects the urgent need in Glasgow to move people out of temporary accommodation. Since we remobilised letting in June 2020, we have made homeless households a priority and more than 60% of lets so far have gone to these households. The new matching in process introduced during lockdown has been highly successful and has virtually halved the numbers of refusals from section 5 referrals.

7.5 Increasing lets above this level would limit the amount of prevention work we can do (e.g. enabling those with medical needs, overcrowding and other priorities to obtain a home) and is likely to mean other households also have to go through a homeless route.

7.6 We know that many homeless households will require additional support to settle into a home so we will work with our partners to make sure that support is available. The diagram below summarises how we will do this.



- 7.7 Housing First provides the most extensive support in this spectrum. It helps those who have the most complex needs to take control of their lives and choices. It provides a home as soon as possible, avoiding the approach of waiting until someone is “tenancy ready”.
- 7.8 We have provided for more 128 cases by December 2020, while over Wheatley we have provided homes and/or support for more than 195 cases, representing approximately 50% of the cases in Scotland. A crucial element to the success of Housing First will be the provision of high quality support that is available over the long term. We will use our influence in health and social care partnerships and through the Glasgow Alliance to End Homelessness to help ensure that this is the case.
- 7.9 The Policy recognises that resolving homelessness requires a partnership of many organisations. We will continue to support local authorities in their statutory role and to further strengthen relationships with support providers. Our teams are supported and trained to think innovatively, to think yes together with their customers and to provide leadership in digital transformation. We will use this innovative style to help provide thinking which challenges and encourages a new approach to services internally and with partners.
- 7.10 Effectively supporting homeless people into settled accommodation is a vital part of our creation of sustainable communities. We recognise that other households also face acute challenges, whether they access housing through transfers, mutual exchange, medical priority or other routes. These households will also be able to access the full range of services we provide. We will continue to ensure strong links with other statutory agencies so that referrals can be made wherever appropriate.
- 7.11 Given the importance of this policy the approach will be reviewed annually to assess progress and consider any changes which may be required. The key actions from the policy will be included in our annual Delivery Plan monitoring programme.

8 Key issues and conclusions

- 8.1 The Group Homelessness Policy will be a key part of the delivery of our strategic aims over the next 5 years. It provides clear actions and measures to determine our progress. Given the importance, it will be reviewed annually to ensure it will still deliver our vision and aims.

9 Value for money implications

- 9.1 There will be costs associated with a number of the proposals. As they are developed, they will be considered via business case assessment and reported to Board as appropriate. Most costs will be incorporated within the existing budgets.

10 Impact on financial projections

- 10.1 No implications

11 Legal, regulatory, and charitable implications

- 11.1 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.

12 Partnership implications

- 12.1 Partnership working will be essential to the delivery of this Policy. This will include Scottish Government, local authorities, health and social care partnerships and third sector organisations. Most importantly, customers will help to co-create the services and approach that will work best.

13 Implementation and Deployment

- 13.1 Homelessness is an issue that matters across the Group. Part of this Policy will be to ensure that all our staff understand our approach to preventing and resolving homelessness. The main responsibility for implementation will lie with Wheatley 360 and Wheatley Care.
- 13.2 As part of our deployment, we will work with partners and stakeholders to ensure that they understand our Policy and help to inform the delivery of its aims. Co-creation with customers is a key part of the Policy and mechanisms to allow this will be developed in conjunction with the proposed new Customer Engagement Framework.
- 13.3 Key actions within the Policy will form part of the annual delivery plan which allows the Board to review progress quarterly. A set of targets has been identified as part of the Policy to quantify success in some of the main areas and these will also be reported to Board as part of the Delivery Plan.
- 13.4 The Policy and the Equalities Impact Assessment (EIA) will be subject to review at least annually to consider progress and to identify whether any changes are required.

14 Equalities impact

- 14.1 A full EIA has been carried out for this Policy. This assessment has been undertaken as the first pilot in developing a new approach within the Group. The assessment has been informed by a review of relevant data across each of the protected characteristics, knowledge gained from our partnership working with key local authorities and other stakeholders, and support from an external equalities expert.

- 14.2 The assessment has reviewed the impact of actions in each strategic theme against the nine protected characteristics identified in equalities legislation. This shows that the Homelessness Policy will have a positive or neutral impact on all characteristics because it will improve the supply of housing for homeless households, increase the effectiveness of support and improve prevention of homelessness.

15 Recommendations

- 15.1 The Board is asked to note the Group Homelessness Policy.

LIST OF APPENDICES

Appendix 1: Group Homelessness Policy

Homelessness Policy 2021-2026:

Changing lives and communities

Contents – to be updated

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Foreword

{Insert quote from board member or chair / chief exec / group director }

Introduction

Our Group Strategic vision is that:

Customers have increased control over their services, their communities and their lives, with new opportunities for building skills and resilience.

Our Homelessness Policy is a key contributor to this vision. It sets out how we will work with our customers and our key partners to reduce homelessness while creating balanced and peaceful neighbourhoods. It forms part of our contribution to the UN's sustainable development goals as laid out in our Group Strategy. In particular, it will have a positive impact on poverty, health and wellbeing, reduced inequalities and sustainable cities and communities.

The key outcomes of the Policy are to:

1. **Create balanced communities** which are peaceful, welcoming and supportive in which people of all backgrounds want to live and can contribute;
2. **Prevent homelessness** wherever possible so that more households avoid the trauma and stigma of homelessness;
3. **Co-create** the services in this Policy with customers who have experienced homelessness or the threat of homelessness so that our services and products are directed in the way that works best for the households that need them;
4. **Provide more homes for homeless households** who have become homeless and supplement this with access to our Lowther mid and private rented homes where these are suitable; and
5. **Develop a unique multi-skilled expertise** which ensures an understanding of all the impacts which can face those threatened with homelessness so that our staff can provide an empowering and supportive experience for our customers.

We have set out a range of targets which will help us to assess the impact of the policy in the table below.

Measure	Target
Number of homes provided to households assessed as homeless by the local authority	10,000
% of lets provided to homeless households: <ul style="list-style-type: none">- Glasgow- Edinburgh- Dumfries & Galloway	65% 50% 50%
% of homes let through nomination agreement with local authority: <ul style="list-style-type: none">- West Lothian- West Dunbartonshire	50% 50%
Increase the number of Housing First tenancies across our footprint	500
% of Wheatley households at risk of homelessness who are helped to avoid homelessness	Baseline to be determined in 2021
Increase the % homeless households very satisfied with the process of getting their new home (segmentation of existing indicator)	Baseline to be determined in 2021
Increase the supply of new build homes	5,500
Maintain tenancy sustainment levels for all households	Above 90%

Measure	Target
Maintain tenancy sustainment levels for households who were previously homeless	Above 93%
Number of households whose temporary let is "flipped" to a mainstream SST (new)	500
Increase the percentage of our customers who live in neighbourhoods categorised as peaceful	70%
Number of jobs, training places and apprenticeships given to people affected by homeless (new)	500

Ending homelessness is a key priority for our partners in the Scottish Government, local authorities and Health and Social Care Partnerships who have the statutory responsibilities in this area. We will work closely with them to help prevent homelessness from happening in the first place and to rapidly house people where they do become homeless.

The Wheatley Group (The Group) is Scotland's leading housing, care and property management organisation and one of the UK's best-accredited organisations. It is in a unique position to support these aims through its range of sector leading skills, its size and its geographic range. It owns or factors over 89,000 homes, provides care services to approximately 7,000 individuals each year and delivers award-winning services to over 250,000 people across Central and South Scotland.

Our care services are experts in support services to homeless households, in resettlement from temporary accommodation and in working with households with some of the most challenging support needs. We are able to combine this with our housing expertise where our housing officers have a patch size of 200 and know each of their customers well. They are increasingly skilled in support and trauma needs which they can use to help each of their customers.

Our approach to joint working has allowed our Care services to lead in the creation of a partnership to successfully bid for Glasgow's "alliance to end homelessness". This 10-year partnership will be focused on delivering innovative responses to redesign commissioned services in line with the rapid rehousing approach. Our joined up housing and care expertise places us well in the development of this new approach.

Our work has helped to support and strengthen communities across our geography. The people we house almost always stay in their home and neighbourhood and many go on to make significant contributions in their community or further afield. Some of our customers, including those housed from a homeless route, have gone on to become Board members, members of staff and key volunteers in the community.

Given the importance of this Policy it will be reviewed annually to assess progress and consider any changes which may be required.

Our organisation

Wheatley Group has a unique integrated Group value proposition that gives our customers unrivalled access to expertise and resources across housing, homelessness, care, support, advice, training, volunteering and employment. Our Subsidiaries are:



Wheatley Care provides services to approximately 7,000 customers each year. The majority of these customers are in homelessness related services or have experience of homelessness. Its services cover prevention of homelessness, support through and after homelessness and specialised accommodation.

Wheatley Care is part of the Stirling, Edinburgh and Glasgow Housing First Pathfinders



Glasgow Housing Association, Scotland's largest social landlord, has 40,000 affordable homes in Glasgow, providing more than 3,000 lets to customers each year, 30% of them to households assessed as homeless by the City Council. In addition, GHA provides 1,000 homes to Glasgow City Council for use as temporary accommodation.

GHA was part of the first Housing First project to be piloted in the UK between October 2010 and September 2013. It is a core member of the Glasgow Housing First Pathfinder.



Dunedin Canmore provides over 5,000 homes in Edinburgh, the Lothians and Fife with almost 500 lets each year. Approximately 50% of these go to households assessed as homeless by the relevant local authority. Dunedin Canmore is a Housing First partner in the Edinburgh pathfinder



Cube Housing Association, has more than 3,500 homes across the West of Scotland and more than 500 lets each year. In addition, Cube leases over 100 properties to local authorities for use as temporary accommodation.

Cube is part of Glasgow's Housing First consortium.



Loretto Housing Association has more than 1,300 affordable homes in the central belt. Approximately 30% of lets are provided to households assessed as homeless by the relevant local authority. Loretto is renowned as a specialist in the provision of housing for those with support needs.

Loretto is a member of Glasgow's Housing First Consortium



Homelessness Policy |

West Lothian Housing Partnership, with just over 400 affordable homes provides approximately 50% of all voids as nominations to West Lothian Council

WLHP is expanding with more than 100 new homes completed in the last 2 years.



DGHP joined Wheatley Group in December 2019 with 10,300 affordable homes from Dumfries to Stranraer. It provides the vast majority of the social rented stock in the area, Approximately 40% of its almost 1,000 lets each year are provided to households assessed as homeless by the local authority.

DGHP also provides 24 units of temporary accommodation with support, an out of ours accommodation unit in Dumfries and a specialist project for young people who have experienced care



Lowther Homes manages a growing portfolio of over 1,800 mid and full-market apartments.



Wheatley 360 is our wraparound support division changing lives from every angle. It incorporates Housing Advice and homelessness, Housing Options for Older People, Group Protection, Community Improvement Partnership, Fire Safety and Home Safety teams



Wheatley Foundation invests over £3million annually on improving the life opportunities of disadvantaged people in Wheatley's communities which includes funding our Home Comforts and Eat Well services to customers experiencing poverty.

Our track record

Our Group already has a strong track record in preventing homelessness and in supporting customers when homelessness does happen, working jointly with our partners. Over the last five years we have delivered a range of innovative and successful new services including:

- Development of the MyHousing on line application and allocation system;
- Leading on the Housing Options approach across Glasgow, using this to influence other areas in which we operate;
- Developing innovative protocols to help young care leavers access housing without needing to navigate the homelessness system;
- Taking a leading role in the implementation of Housing First;
- Progressing the development of a virtual home experience for young people in our housing support services;
- The creation of hub and cluster services for some of our vulnerable customers, bringing together housing, care and health services;
- Using our combined expertise in our Flexible Housing Outreach Support Service and Housing Access Team to remove barriers to settled housing for households in temporary accommodation;
- Co-production of the tenancy star approach;
- Creation of a tenancy support service which uses our Care expertise to support housing tenants;
- Development of our locations as hate crime and third party reporting centres; and
- Award winning training in relation to domestic abuse.

Our customers live in high quality, refurbished or new homes, but we also support them to have better lives. Our housing officers have small local patches and are on hand to welcome and support tenants in their homes. They are often the first or only contact in our customers' homes. Our housing management approach already helps to reduce homelessness through our work to reduce anti-social behavior and to mitigate the impacts of poverty.

Drawing on our care expertise, we have developed a Tenancy Support Service which helps customers to settle into a home or to navigate through a crisis. This builds on a long history of expertise and partnership working around housing support, resettlement and supporting those with complex needs.

Tenancy support expertise is increasingly integrated into the frontline of housing services through training, co-working and direct access to advice from care specialists. This means that we can link housing and support issues together in a way few other organisations can.

Our Changing Lives employability programme supports people living in our communities who have multiple barriers to work; including experience of homelessness. It provides a one year practical placement within our Neighbourhood Environmental teams. Trainees are given support by a dedicated Support Officer who works closely with them to build essential work skills and the confidence needed to help make the transition into work. This worker makes a huge difference to job sustainment, with subsequent positive impacts on tenancy sustainment.

Our care and housing expertise is supported by a specialist homelessness team which can liaise across all our services and ensure strong links with each local authority. This team not only works with customers once they are homeless, but has led on the design and implementation of a number of innovations.

The table below shows some of the ways in which we support different groups of homeless customers.

All households	My Great Start (package to assist in setting up a home) Welfare advice Fuel advice Eat Well Home Comforts Suicide and Mental Health support via signposting Fire Safety Referral Jobs and training opportunities including changing lives
Housing First	Specialist support integrated with housing provision Fire protection (LD1/stove guard)/ Fire retardant bedding Furniture package/ Eatwell Training & employment opportunities
Families	Modern apprenticeships for young tenants and children of tenants
Care leavers	Housing options and early intervention to prevent homelessness Additional meetings with SWS to do check-ins to pick up any issues early and address them
Domestic abuse	Access to tailored support, information and guidance from their Housing Officers and our specialist Group Protection Team Referral to MARAC forum where Wheatley are a key strategic partner Home Safety Service Bespoke signposting to Domestic Abuse organisations and agencies where Wheatley have a strategic partnership

We provide a proportion of our stock to local authorities to use as temporary accommodation in a more independent and “homely” environment. We also provide emergency accommodation to provide services and support to our customers at the point of need.

Our Dunedin Harbour Hostel delivers an integrated pathway into housing. The hostel provides 35 bedspaces alongside on site independent flats. Fordneuk supports those with complex needs, commonly with alcohol or other dependencies, who are often excluded from most or all other housing options in Glasgow. We also have temporary accommodation units in Dumfries and Galloway.

These strengths provide a positive basis on which to build our services of the future. Appendix 1 provides a current position statement of our work by local authority while appendix 2 provides some case studies.

Homelessness in Scotland

Homelessness has been a key priority for the Scottish Government and local authorities over many years. As a result, Scotland has some of the most progressive legislation to support those at risk of, or experiencing, homelessness. Appendix 3 outlines the range of statutory changes which have been made in the last 20 years.

The statutory duties for homelessness lie with local authorities. However, a whole system approach has been adopted in Scotland with RSLs at the heart of services. Our RSLs have the largest number of social rented homes in Scotland and Wheatley will continue to be at the forefront of these partnerships.

The number of households applying as homeless remains high and has increased in the last two years. Almost 37,000 homeless applications were received across Scotland in 2019-20. The dislocating effects of homelessness are substantial. These include the impact on health, relationships and educational outcomes. Often, homeless households face stigma across all aspects of their life, including as they move into a new neighbourhood. Similarly, neighbourhoods which receive high numbers of homeless households can also be stigmatised. Changing this narrative is an important part of our approach.

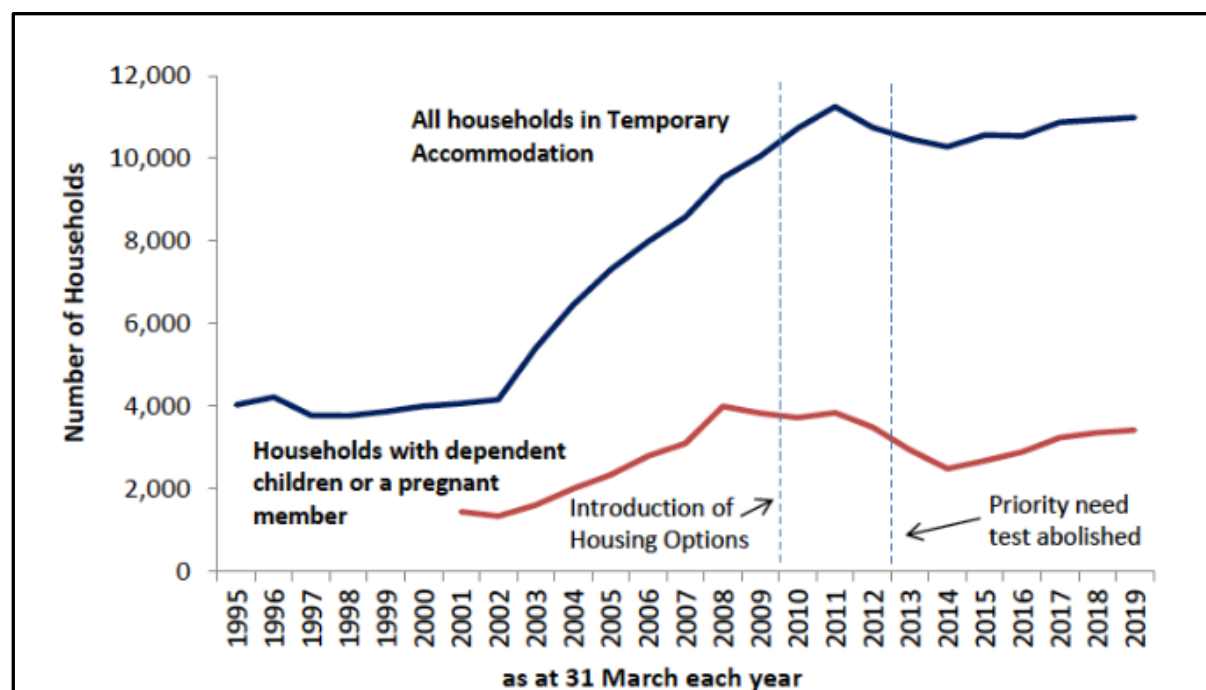
Homelessness can present in a variety of ways. For some households, the provision of a new home in the right place will resolve their issue and allow them to continue their lives. However, the shortage of supply across Scotland means that even the provision of a home in the right place is not always straightforward. In many of the areas in which we operate there is exceptionally high demand for limited numbers of social rented homes, particularly for smaller homes. In rural areas there are often no homes available in the areas of choice.

Families are the second biggest segment of homeless applicants after young single males. Supporting families is at the heart of our Group Strategy and where they have become homeless there is even more need for support. Many of these families have a single female parent and there are often particular issues around safety and/or domestic abuse which may need to be addressed. Support will enable families to settle in an area connecting well to schools, clubs and other networks. It is important that this support is delivered in a way which gives parents more confidence and allows them to parent rather than having things “done to them”.

For others, homelessness is in part a symptom of other issues. Those who experience poverty, childhood trauma, domestic abuse and mental health issues are often more likely to experience homelessness. Drug and alcohol issues can also compound the likelihood and impact of homelessness. For these households, the solution will generally require more than bricks and mortar. They will need additional support to settle into a home and may need more long term services to help avoid homelessness recurring. Creating opportunities such as training, employment and stronger community networks can be key to better life chances.

Almost 12,000 households were in temporary accommodation on 31 March 2020. The number of households in temporary accommodation increased by 6% in 2019/20 but is likely to have increased further in the first quarter of 2020/21 due to the suspension of

letting during the coronavirus lockdown. The chart below shows the trend in numbers in temporary accommodation.



The Scottish Government announced in September 2019 that it would extend the Homeless Persons (Unsuitable Accommodation) (Scotland) Order. This previously required local authorities to limit the time that pregnant women and households with children were placed in unsuitable temporary accommodation. The 2020 Order extends this requirement to all households. The extension of the order is likely to increase pressure on local authorities to move people out of certain types of temporary accommodation more quickly or to avoid the need for its use altogether.

We know that homelessness remains a key priority for the Scottish Government. In September 2017 it announced £50 million of additional expenditure for tackling homelessness over the next 5 years (the Ending Homelessness Together Fund). This was followed with the creation of a shortlife Homelessness and Rough Sleeping Action Group (HARSAG) in October 2017. HARSAG was tasked with identifying both short and long term solutions to end homelessness and rough sleeping in Scotland. The group's recommendations were brought together in "Ending Homelessness: The report on the final recommendations of the Homelessness and Rough Sleeping Action Group" published in June 2018. The report made 70 recommendations.

This resulted in the development of some key changes in the way homelessness is considered. The Government has required all local authorities to deliver **Rapid Rehousing Transition plans**. The aim of the Plans is to take a housing led approach, ensuring people get a settled housing option as soon as possible. This approach will require strong and agile support services that are commissioned and managed in new ways to ensure individual households build resilience and increase sustainment.

Research carried out prior to Covid-19 showed the scale of letting required to clear the backlog. The table below shows the results of this work. The Covid-19 pandemic will have increased the backlog.

Housing Option Hub	Current total lets in year to homeless SRS + PRS	Total annual lets needed for homeless annually for next five years **	Proportional increase in lets to meet annual new demand and backlog	Proportion of all social lets to homeless households IF SR was to meet ALL homeless need
Ayrshire and South	1,531	2,365	54%	40%
Edinburgh, Lothians and Borders	3,850	6,750	75%	84%
North & Islands	2,635	3,572	36%	54%
Tayside, Fife and Central	3,903	5,138	32%	54%
West Hub	5,766	9,485	65%	50%
Total Scotland***	18,871	27,310	45%	52%

An important element of the rapid rehousing initiative is the **Housing First** approach. This is designed to ensure that those who are homeless and have complex needs can also take control of their lives and choices. It ensures that settled accommodation is provided as soon as possible, avoiding the approach of waiting until someone is “tenancy ready”. Instead, customers are provided with the support they need at the same time so that they can successfully maintain that home. New models to deliver Housing First may need some smaller scale housing developments linked to support for those with the most complex needs. Our existing care services give us the experience to build and develop this approach.

As a consequence of the transition to rapid rehousing, the proportion of temporary accommodation required from our stock should reduce. Positively, this will increase the number of homes available permanently. However, it is likely to affect demand in some of our multi-storey stock where there tends to be more temporary accommodation.

Covid-19

Letting was suspended during lockdown but in many areas applications from homeless households have continued at a significant rate. This means the numbers awaiting housing have risen, particularly in Edinburgh and Glasgow. Many of these households are currently in temporary accommodation. Wheatley has assisted local authorities in meeting this challenge by providing more than 400 additional homes for temporary lets. Where possible we are now working with local authorities and customers to “flip” these to permanent lets where they are suitable.

Some of those in hotel accommodation were previously rough sleeping or had significant other issues. It is likely that enabling move on for some of these households may require a process similar to that used when decommissioning the large scale hostels.

In response to the Covid-19 pandemic the Scottish Government reconvened HARSAG to consider further recommendations. Their report was issued in June 2020 and contained 105 recommendations, followed by an action plan published in October 2020. The recommendations include:

- Increased new build supply;

- Increased use of the private rented sector;
- Extension of the emergency legislation delaying eviction processes; and
- That 80-90% of social housing lets should be made to homeless households.

These recommendations have been agreed in principle by the Scottish Government.

Our key areas

Although in total we have services in 18 local authorities, our care services and homes are focused in 5 key areas – Glasgow, Edinburgh, Dumfries and Galloway, West Lothian and West Dunbartonshire. We have strong relationships with the local authorities in each of these areas although the nature of the relationship varies.

In Dumfries and Galloway, DGHP was created from the transfer of all local authority housing stock and as a result we are the main provider of social housing in the area. In Glasgow we are the largest landlord in the city and have specific arrangements in relation to homelessness. These situations result in a unique partnership with the relevant local authorities. In other areas our homelessness services and homes provide part of a range of services in the area.

The table below shows some of the statistics across our key local authority areas. Unsurprisingly, Scotland's two largest cities have the highest levels of applications. The data also shows that approximately half of customers in most areas have at least one support need. This level has risen over recent years. The length of stay in temporary accommodation is also high, with the shortest average stay in our key local authorities still over 100 days.

	Scottish Figure	Glasgow	City of Edinburgh	Dumfries and Galloway	West Dunbartonshire	West Lothian
Total applications	36,465	5,679	3,229	910	1,037	1,516
Applications accepted	29,894	4,660	3,077	716	930	1,110
% assessed with at least one support need	14,506 (49%)	2,099 (45%)	1,286 (42%)	587 (82%)	475 (51%)	458 (41%)
Average length of days in temporary accommodation	180 days	204 days	268 days	107 days	159 days	179 days

The diagram below summarises some of the key issues in each authority.

Local authority

Challenges

Glasgow

- Access to temporary and settled accommodation
- Speed of process from application through to settled home
- Impact of Asylum Dispersal contract on homelessness and house size
- Large scale resettlement from hotels required post Covid-19

City of Edinburgh

- Cannot deliver rapid rehousing over 5 years as demand exceeds supply
- Long average time in temporary accommodation
- Propose major reduction in emergency accommodation and move to temporary furnished flats including homeshare and private sector leasing

Dumfries and Galloway

- High levels of support needs identified in homeless population
- Challenge of meeting housing need across a rural area with many individual towns and villages
- Support services & temporary accommodation concentrated in main towns

West
Dumbartonshire

- Highest rate of homelessness per 1,000 of the population
- High rate of youth homelessness
- High support needs

West Lothian

- High levels of youth homelessness
- Lack of supply of affordable housing
- Local authority nominates a lower proportion of homeless households to our stock

Our Wheatley Strategy

Our Strategy for 2021 -2026 sets out our vision for Wheatley, our customers and communities.

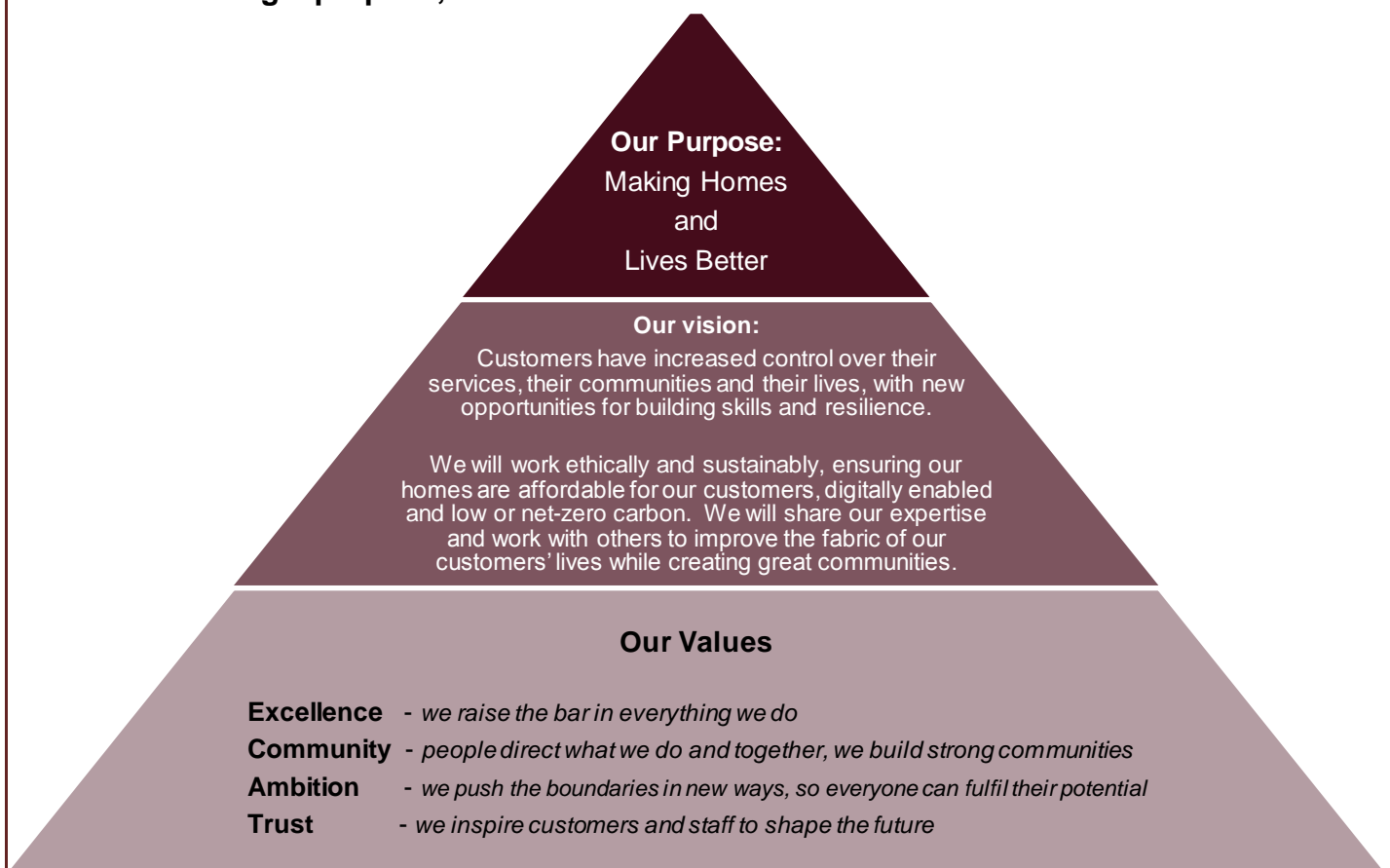
Wheatley in 2026

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

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

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

Our strategic purpose, vision and values



Our Approach

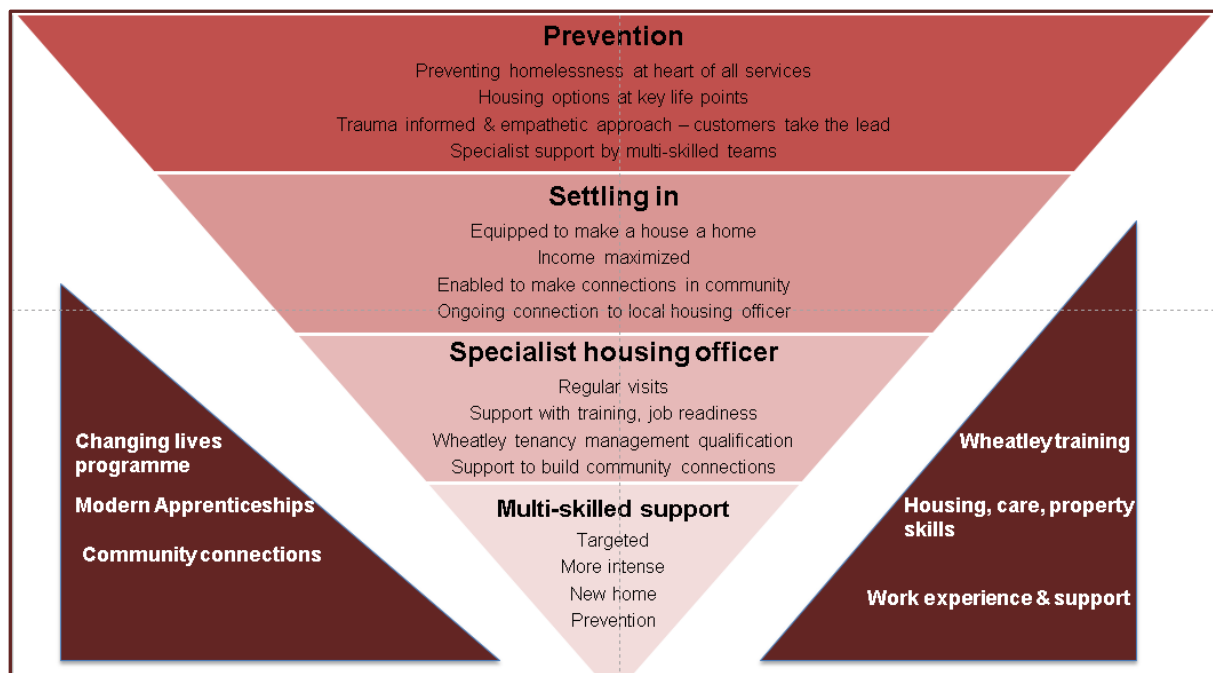
Our approach is to reduce homelessness by creating balanced, strong and peaceful communities. It will be shaped and developed by our customers who know best what they need and will help to build resilient, strong households and communities. Where people do become homeless our approach will help them to return to a home of their own as quickly as possible with the support and services they may need to help them stay in that home.

This approach is underpinned by some key principles:

- Those with lived experience will be at the heart of the development and ongoing improvement of our services;
- Our approach will always be “Housing First” – providing a home without having to wait until someone is “tenancy ready”;
- Households should have access to effective additional support to build resilience and reduce the risk of homelessness recurring;
- We will use our expertise to co-create new and innovative ways of working; and
- We will work with and influence our partners to deliver the best outcomes for our customers.

Our Policy sets out a structured approach to addressing homelessness. In line with our Group Strategy, it focuses on ensuring that our customers will be empowered to make their own choices about the services they want, be properly equipped to do things for themselves and involved in the design of products and services from start to finish. It will support digital provision of services where these are appropriate, recognising that it is important that “no-one is left behind”. In particular, we recognise that those who are homeless may have particular challenges in gaining access to or using digital services. Our communities will be key to the success of this Policy by providing safe, resilient and engaged places which people want to stay in or move too.

The benefit of having a home as soon as possible, irrespective of support requirements, is well evidenced. For that reason, we will always seek to provide a home as soon as possible. We also recognise that many homeless households will require additional support to settle into a home, to resolve or manage other issues and we will work with our partners to ensure the support required by the household is also in place at the right time and for the right length of time. The diagram below summarises how we will do this.



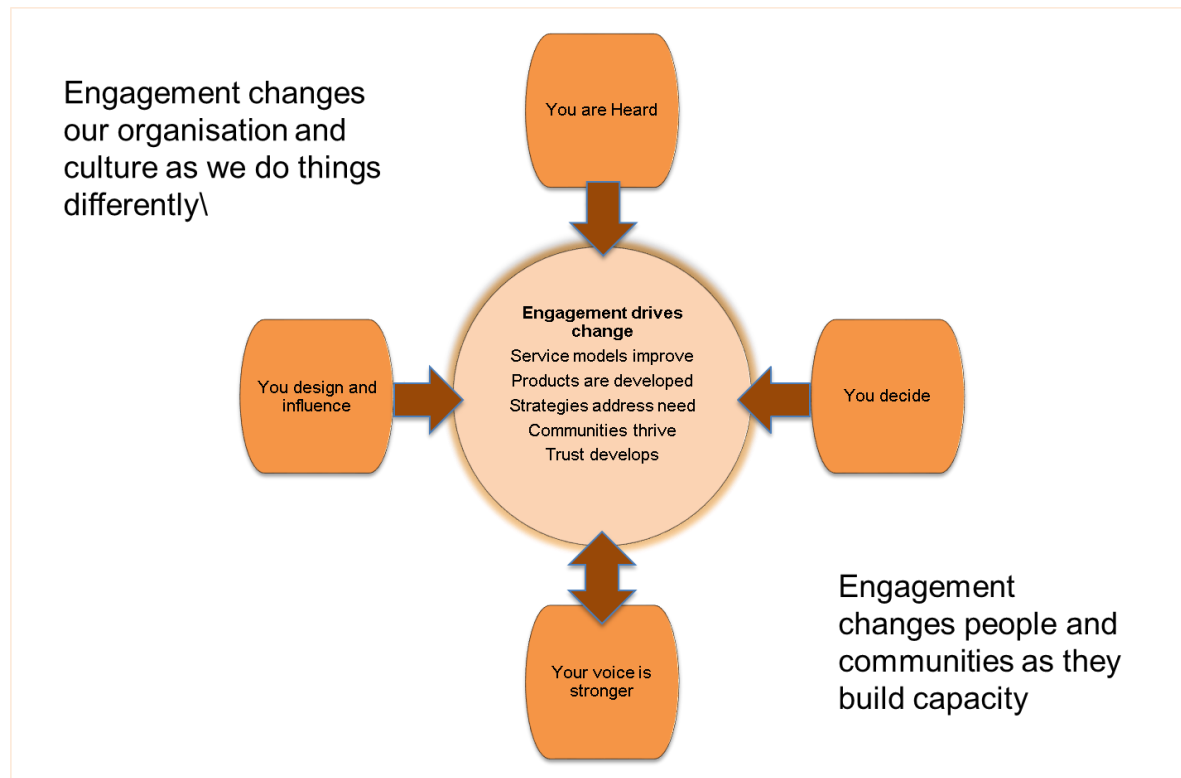
Excellence is embedded in the Wheatley DNA, so we will build on the innovative approaches that we have used to date. We will continue to push towards outstanding service, challenging our performance and outcomes in each area. As part of our new relationship with customers, we will measure this in different and more stretching ways, looking to further improve the aspects of service which matter most to customers.

Homelessness is a vital part of our creation of sustainable communities but it is not the only part. Other households with acute needs will receive our services through different routes including transfers, mutual exchange and medical priority. These households will also be able to access the full range of services we provide. They can also be linked to other agencies for specialist support and care where this is required. This will help to increase the resilience within wider communities.

This Policy recognises that ending homelessness requires a partnership of many organisations. We will continue to support local authorities in their statutory role and to further strengthen relationships with support providers. Our people are supported and trained to think innovatively, to think yes together with their customers and to provide leadership in digital transformation. We will use this innovative style to help provide thinking which challenges and encourages a new approach to services. We will work with partners across the country to share innovation and best practice to deliver our aims.

Voice of the customer

In line with our Group Strategy, the process of refining and developing our services in relation to homelessness will be led by our customers. Wheatley customers already influence services through a wide range of engagement processes. Our new Engagement Framework “Stronger Voices, Stronger Communities” puts customers at the heart of decision making as shown in the chart below.



This Policy will take engagement to a new level for those customers who have experienced or are experiencing homelessness. A key part of this process will be mapping lived experience through the customers' journey in a range of areas. We recognize that our prospective and potential customers may have many issues in their lives and will ensure that our engagement approach makes it as easy as possible for people to talk to us and to become involved in directing service decisions. Our partners will also be working to engage with customers so we will work with them to ensure maximum joint benefit from each engagement. The diagram below sets out the key pillars of our approach.



Our engagement will look at a range of issues which will be directed by our customers but are likely to include:

- What do you need at the start of your new tenancy to help make your house a home?
- How can Wheatley help you to make the connections you want to make in your community?
- What are the key things your housing officer can do to help you?
- What have you learned from your journey that could be helpful for others who face the same situation?
- For those transferring to avoid homelessness – what are the key things that you need to know and the services you require to make that work?
- What else could we do to help you fully understand your housing options?

Some key items are shown in the chart below.



In addition to specific engagement related to homelessness, our customers can become involved in a range of Wheatley wide engagement forums which provide the opportunity

to come together around specific topics to help shape our products and services. They include:

- Becoming a tenant inspector to help improve the environment where they live;
- taking part in focus groups and surveys;
- one-to-one customer conversations in their home;
- sharing their views at engagement events;
- through social media, compliments and complaints; and
- Care engagement processes

Our key actions

The actions within the Policy are structured around the key outcomes from our Group Strategy as shown in the diagram below. All of these are relevant to the Policy, for example without funding and digital platforms we will not be able to progress the ground breaking services we aspire to achieve. However, those highlighted are those most relevant.

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

The following sections summarise the key actions we will undertake through this Policy.

Delivering exceptional customer experience	<p>Progressing from excellent to outstanding: our new models of service will be faster and more effective. We will:</p> <ul style="list-style-type: none"> Enhance our existing excellent prevention service through:
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- Developing a multi-skilled team to support those at acute risk of homelessness.
- Further strengthening the focus and effectiveness of our wraparound services
- Increasing resilience through community involvement skills, training and job opportunities
- Defining our contribution and approach to prevention at key life points where homelessness is an identified risk – for example when leaving prison, care or the armed forces)
- Using priority transfers for existing customers in immediate need who might otherwise become homeless (for example rehousing perpetrators of domestic abuse linked to the proposed new legislation from the Scottish Government, finding transfer arrangements for those whose relationships have broken down)
- Housing options advice and support for young family members in our tenant households include experience using our virtual home
- Identifying pathways of support for those at risk of repeated homelessness through anti-social behaviour
- Ensure a rapid rehousing model for all our customers by undertaking a customer led review of processes to minimise the time between application and housing, both in our own services and by influencing our partner local authorities.
- Provide at least 10,000 homes to homeless households
- Piloting a joint research approach with our partners to further enhance our understanding of the causes and prevalence of homelessness amongst particular groups
- Use our experience in award winning Housing Options development to benefit customers in other local authority partner areas.
- Further developing our Tenancy Support Service to help people settle in their home or stay in their home using early assessment of issues. TSS will also link customers to their community; expanding a virtual service where that will work for our customers
- Continue to enhance and evolve our commissioned support services to enable the rapid transition of homeless households from temporary accommodation into permanent accommodation

Enabling customers to lead: Customers will be at the forefront of the development of our new services.

- Our customers will drive the continued strengthening of our services through:
 - Detailed customer journey analysis by those who have lived experience of homelessness to improve our rapid rehousing approach and further increase the effectiveness of our sector leading support and advice services

	<ul style="list-style-type: none"> ○ Ongoing digital customer engagement across the range of our services from instant feedback to full scale review. • Customers will lead in their own lives through: <ul style="list-style-type: none"> ○ Using our innovative tenancy star to lead their discussions with our staff and direct their support resources to where they are most needed ○ Their involvement in the creation of a sector leading self-service model which allows them to draw down additional support and services through quick and slick digital options. These will include the use of our virtual home, virtual shop front and technology enabled living. Face to face discussions will still be used to support those who need them. ○ Developing the connections in their community which allow the level of active participation each household wants, enabling the increase in resilience and confidence which comes from linking with and helping others. ○ Having an organisation and its staff who understand their story and needs – equipped to ensure the story only needs to be told once through our digital care platform and other developments • Our communities will be supported to direct the future of their neighbourhood through informed co-creation of plans and the building of community connections, <p>Differentiating Lowther from its customers Lowther mid-market and full market rent homes will be an easy and quick option for some working households. We will:</p> <ul style="list-style-type: none"> • Use our housing options approach to maximise the potential use of our mid-market and full rent homes where these are appropriate • Creating an easy online tool to review full and mid-market housing rent options immediately at point of homeless application, housing options interview or before. • Creating rapid pathways to move into a selected home with advice and support available to help navigate any challenges and settle into the neighbourhood.
<p>Making the most of our homes and assets</p>	<p>Increasing the supply of new homes: Homeless households will have direct access to our high quality new build. New build will increase the supply of homes available but we will also use our existing stock to increase supply where we can. We will:</p> <ul style="list-style-type: none"> • Deliver 5,500 new build homes to provide one of the biggest contributions to social housing supply in the country • Ensure customer led design input to our new build including input in relation to the cultural needs of New Scots

	<ul style="list-style-type: none"> • Explore options to increase the availability of flexible, larger family homes and downsizing options through our new build and acquisition programme. • Explore the options for new types of temporary provision in partnership with HSCPs and other partners <p>Investing in existing homes and environments: We will make the best use of our existing assets by:</p> <ul style="list-style-type: none"> • Using the rapid rehousing approach to allow us to review our current temporary accommodation provision and develop a managed transition plan to move this into permanent accommodation where appropriate • Flip temporary accommodation leases into permanent lets where this is appropriate for the occupying household to minimise disruption • Deliver homes for 500 Housing First customers <p>Building community voice, engagement and resilience: Our customers will be supported to overcome challenges and create better lives for themselves and their families.</p> <ul style="list-style-type: none"> • Through our Alliance partnership in Glasgow, and our influence in other areas, ensuring that commissioned support services have a strong focus on building customers' community connections • Providing training in tenancy management for customers who want this • Using our customer engagement and housing officers to promote community networks for those customers who do not receive additional support • Working with our partners to develop options to end the repeat cycle of anti-social behaviour, eviction and homelessness that occurs in a small number of cases.
<p>Changing lives and communities</p>	<p>Shaping care services for the future: Services will be completely transformed to support the delivery of outcomes that matter most to our customers by:</p> <ul style="list-style-type: none"> • Ensuring our alliancing approach in Glasgow leads in innovation and new ways of working to provide the best outcomes for customers and is an exemplar for other areas • Reviewing the options to strengthen the pathways through our care and housing services to provide our customers with the most integrated service possible • Developing a DGHP specific proposal for Housing First using our own housing and care services • Developing a Group Housing First Action Plan • Working with partners to develop clear pathways to the right support services for all our customers

	<p>Developing peaceful and connected neighbourhoods: Settling in a welcoming neighbourhood will be a key element to sustaining a home and successfully ending homelessness:</p> <ul style="list-style-type: none"> • Our better lives focus will include connecting households to their neighbourhoods through support which encourages engagement including group activities, volunteering and other actions. • We will review the options to build community resilience and connectedness through volunteer community connectors and activists, building on the experience of others in the community who may once have been homeless or faced trauma, supporting communities where high turnover might result in a rapid change in demographics. • We will use our virtual spaces to create room for community discussion to help grow the understanding and support for newcomers but also to address the impacts or concerns existing tenants may have. • We will provide specific support to families to ensure that they are settled in new schools and activities • Using our expertise across Community Improvement and fire safety to ensure people can live in peaceful environments, safe in their own homes. <p>Supporting economic resilience in our communities: Jobs, skills and income are at the heart of sustaining a home and achieving the ambitions people have. We will help those who are in our most vulnerable communities and those who have been or are at risk of homelessness through:</p> <ul style="list-style-type: none"> • Using our changing lives and other Wheatley Foundation services to increase employment opportunities for those who have been homeless or threatened with homelessness. • Reviewing our Wheatley Foundation and other wider services to maximise the employment, training and skill building opportunities available to customers who have been homeless or are at risk of homelessness. • Using our expanded Wheatley Benefit to harness our size and buying power to get the best deals possible for our customers, providing them with a growing range of opportunities to save money and reduce the cost of running their home.
<p>Developing our shared capability</p>	<p>W.E. Think – creating our “Thinking Yes Together” culture:</p> <ul style="list-style-type: none"> • Our customers will tailor the service and support that works for them using sector leading self-service models to draw down what they need and innovative online engagement tools to shape the services of the future. <p>W.E. Create – driving innovation:</p>

	<ul style="list-style-type: none"> • We will examine the use of predictive analytics to target our tiered levels of prevention support to achieve the best results. • Testing, delivering and evaluating new service options will be core to the Policy. • Working with local authorities to find a more efficient way to deliver fast outcomes for our customers. • Working with our partners to examine options for integrated commissioning of support across homelessness, addictions, mental health, criminal justice and general health budgets in order to achieve a comprehensive and effective service for our customers • Enabling customers to access online learning to build up Wheatley Credits for housing, care and property management that will be a recognised part of Wheatley's Pathways into Work programme. <p>W.E. Work – strengthening the skills and agility of our staff:</p> <ul style="list-style-type: none"> • All our staff will be trained in our approach to preventing homelessness and building community resilience • Our staff will be trained in supporting community connections across all our services. • We will create a specialist digital qualification for frontline housing, care and other staff which develops an empowering approach to support and the skills to support customers through trauma and disruption. This will be complementary to the Scottish Government's national trauma training programme led by NHS Education for Scotland.
<p>Enabling our ambitions</p>	<p>Influencing locally and nationally to benefit our communities:</p> <ul style="list-style-type: none"> • We will use our existing strong partnership arrangements with local authorities, care services and others to enable the delivery of increasingly excellent services which meet our customers' needs. • Influencing our neighbourhood organisations to support new residents

How we will measure our progress

We will measure our progress using the following key measures

Measure	Target
Number of homes provided to households assessed as homeless by the local authority	10,000
% of lets provided to homeless households: <ul style="list-style-type: none"> - Glasgow - Edinburgh - Dumfries & Galloway 	65% 50% 50%
% of homes let through nomination agreement with local authority: <ul style="list-style-type: none"> - West Lothian - West Dunbartonshire 	50% 50%
Increase the number of Housing First tenancies across our footprint	500
% of Wheatley households at risk of homelessness who are helped to avoid homelessness	Baseline to be determined in 2021
Increase the % homeless households very satisfied with the process of getting their new home (segmentation of existing indicator)	Baseline to be determined in 2021
Increase the supply of new build homes	5,500
Maintain tenancy sustainment levels for all households	Above 90%
Maintain tenancy sustainment levels for households who were previously homeless	Above 93%
Number of households whose temporary let is "flipped" to a mainstream SST (new)	500
Increase the percentage of our customers who live in neighbourhoods categorised as peaceful	70%
Number of jobs, training places and apprenticeships given to people affected by homeless (new)	500

Innovation

Innovation is at the heart of our Group Strategy. It is no less important to this Homelessness Policy. Achieving our vision will require a completely new approach to each facet of what we do. Through our shared capability theme we have developed three key outcomes which will support our future innovation: W.E. Think, W.E. Create and W.E. work.

W.E. Think sets our organisation the challenge to “Think Yes together” with our customers as we consider the services that are needed and how we design them. It will support our people to work together with our customers and communities to design the outcomes that will work best for them as individuals and groups.

W.E. Create is our approach to stimulating innovation across our people and our communities. We will do this with new partnerships with academic and other institutions to inform our new Community Academy. Our training and skills development will be increasingly customer driven. It will include increasing use of community technology and crowdsourcing style approaches to inform our progress.

W.E. Work will develop new more agile work roles within a redesigned authorising environment. It will focus on rewarding talent and innovation from within our workplace and from our communities.

Legislation, planning and guidance

This Policy has been developed taking into account relevant legislation, strategic drivers and guidance:

Legislation

- Housing (Scotland) Act 2001;
- Homelessness etc (Scotland) Act 2003;
- Housing (Scotland) Act 2010;
- Housing (Scotland) Act 2014;
- Regulation of Care Act 2001;
- General Data Protection Regulation (Regulation (EU) 2016/679);
- The Data Protection Act 2018;
- Equalities Act 2010

Plans and Guidance

- Rapid Rehousing Transition Plan Guidance (June 2018)
- Local Authority Rapid Rehousing Transition Plans 2018/19 – 2023/24
- Social Allocations in Scotland: A Practice Guide (February 2019)
- Code of Guidance (interim update November 2019)

Complaints

Our aim is to get it right first time, however, where there is dissatisfaction with this Policy or its operation, customers can make a complaint.

A summary of our Complaints Policy and Procedure is available on our website and in local offices.

Appendix 1: Current position statement

Across all of our subsidiaries there is a commitment in everything we do to improve the fabric of customers' lives while creating great communities. Since 2015 the Group has continually evolved and improved its services with actions including:

- Creation of a centralised homelessness team to coordinate our operational response to homelessness;
- Commitment to provide 300 tenancies for Housing First customers over 2 years, participating in 3 Housing First partnerships in relation to housing and/or care;
- Leading Glasgow's award winning development of Housing Options across 55 RSLs covering 72% of the social rented stock;
- Increased supply of affordable housing of national significance with almost 3,000 new homes delivered in the last 5 years
- Launch of MyHousing – our Group online housing information, advice and letting service – to improve accessibility for customers;
- Allocations targets that prioritise homeless prevention and homeless applicants;
- Creation of Wheatley 360, our wraparound support division;
- Loretto Care's creation of the Flexible Homeless Outreach Support Service (FHOSS);
- Creation of Loretto Care's tenancy support service and more recently Tenancy Support Plus which provide short term reablement and support to tenants to help tenants through a crisis or to settle in a new tenancy; and
- Close working with City of Edinburgh Council to ensure that our Dunedin Harbour Hostel supports their objectives of prevention of homelessness and efficient move on to permanent accommodation

Across our 18 local authority areas we provide high quality social rented homes to our customers alongside the biggest programme of additional support and opportunities in the country. Our housing officers have an average patch size of 200 and are therefore able to be familiar with all their customers. As part of the approach to moving into a Wheatley house, we work with tenants to identify any support they may need. Using our Wheatley 360 division, we are able to provide support with access to specialist support to start a tenancy (My Great Start), benefits advice, financial inclusion services, fuel advice and specialist support in relation to Universal Credit. Where customers need it we can explore options for carpets, white goods, furniture and food vouchers. Our Eat Well package provides support with food packages in crises where tenants have no income to ensure they can at least have food on the table.

Where our housing officers identify a customer as needing extra support extra visits and calls can be arranged in addition to our standard new tenancy visits. Customers are also provided with access to our 24 hour call centre and encouraged to call at any point they might need to. Call centre staff are equipped with knowledge about our wrap around services and can also link effectively to housing officers.

Our specialist Tenancy Support Service provides support for tenants who are struggling with aspects of maintaining their tenancy. It works for 6-8 weeks to help tenants get back

on their feet and ensures the transition to other longer term services where these are required. The Tenancy Support Service Plus is designed specifically to support tenants through their transition onto Universal Credit. Housing officers are able to draw on home fire safety visits to ensure tenants are as safe as possible in their property.

Housing officers' expertise in the services we offer and their knowledge of their customers means they can quickly link tenants to support services they might need at any point. Housing Officers are often "first through the door" and can use this to identify early signs of crisis before it will impact the tenancy. Our staff have training in housing options, allocations systems, domestic abuse and hate crime which can all be used to support customers. They use this knowledge to work closely with our partners in social work, police and fire to link tenants to the services they may require from these agencies.

In addition to wrap around services, being a tenant of the Wheatley Group provides a range of opportunities. Over 2,500 jobs, training places or apprenticeships have been created either within the organization or through our work since 2015/16. More than two thirds of these go to our customers. A further 50 customers each year are supported with bursaries for further education. We also run programmes to support child literacy, tenant internet skills and sports and cultural engagement.

Our co-ordinated support to provide both better homes and better lives ensures that across Group more than 90% of our tenants who have been homeless sustain their tenancy for at least a year.

We provide specialist care services across our priority areas through Loretto Care and Barony. Almost 1,000 people are provided with housing related support at any one time. These services include outreach housing support in Glasgow, Stirling, South Lanarkshire, Falkirk and Fife, some of which specialize in services for young people. We provide a specialist alcohol and accommodation unit in Glasgow, together with a related outreach service. We also deliver the care and support element of Housing First in some of the earliest projects in the country in Edinburgh and Stirling.

Glasgow City

Our housing provision in Glasgow City Council is led by GHA and supported through Cube and Loretto Housing Associations. Together they provide almost 43,000 social rented homes. A significant proportion of our care services are located in Glasgow, managed by Wheatley Care. These support approximately 1,000 customers at a time through tenancy support, outreach housing support and building based services. Through Wheatley Care we have been successful as part of the partnership to deliver the Council's "Alliance to end homelessness" which will take the lead in the City's move to rapid rehousing. Much of our new build programme is contained within Glasgow and since 2015/16 this has added 1,700 new homes in the local authority area.

Glasgow City Council receives the largest number of homeless applications in the country, with over 5,500 each year (16% of the total). It faces particular challenges in providing temporary and permanent accommodation for the scale of applicants it receives. Glasgow City's draft Rapid Rehousing Transition Plan states that resources will be focused on:

- The fastest possible journey through temporary accommodation to settled housing; and
- The provision of flexible, person-centred support that follows the household from temporary to settled housing to enable successful sustainment.

The City Council expects this to result in a systemic change to the current systems. This will include a focus on person centred rather than accommodation-based services and a strong focus on partnership working. This will include partnership working with people with lived experience of homelessness in the development of new services.

Wheatley receives 70% of all homeless referrals in the City (although many will also be referred to other housing associations) and it housed 46% of all section 5 lets in 2018/19. It already provides a person centred approach to those it houses with extensive wrap around services and tenancy support.

A key area of focus will be the 63% of refusals which are the result of multiple referrals being made and another RSL then housing the applicant and the referral therefore being withdrawn. These referrals will already have generated work within the system and possibly even offers of accommodation. There is significant scope to reduce this wastage and use the resources to better meet the needs of homeless households.

Wheatley currently provides a range of services to help homeless households and support GCC in its statutory obligations. These include:

- 30% of all lets provided to homeless households, and homeless households given priority through Covid-19 pandemic period.
- Housed 46% of all section 5 lets in GCC in 2018/19.
- An assisted bidding process through MyHousing for those who need it on behalf of the GCC section 5 team.
- A new matching process to help homeless households quickly move to a suitable home following the Covid-19 pandemic.
- Additional support to customers where English is not their first language.
- A choice based letting system for applicants in Glasgow providing access to a much wider range of homes by allowing them to bid for homes across GHA, Loretto and Cube irrespective of which RSL they may have been referred to.
- Integration with GCC to allow MyHousing system for GCC to allow instant access to our MyHousing system to use online housing options and application forms and to directly upload the section 5 referral.
- Leasing over 1,000 homes to Glasgow City Council for temporary accommodation and flipping these to permanent lets for households where this is suitable as part of our Covid-19 support;
- Support to over 400 customers at any time through our specialist Wheatley Care services at the Flexible Homelessness Outreach Housing Support Service and Wheatley Accommodation and Alcohol Support Services (Fordneuk).
- Provision of housing options advice as an integrated part of the application system
- Provision of 120 homes for Housing First by October 2020.
- Development of the MyHousing system to allow customers to use a digital application and allocation process.
- Provision of robust performance information to support policy development and decision making, enhanced by the development of MyHousing.

- Participation in key GCC partnership arrangements including the Housing Access Board, Strategic Homelessness Group and Housing First consortium
- Participation in the Council's Housing Access Board.
- Participation in a range of working groups including the Council's operational, temporary accommodation, prevention/tenancy sustainment and review and development homelessness working groups.
- Monthly liaison meetings with the Council's Homelessness Management Team, Temporary Accommodation Management Team and MAPPA processes.

City of Edinburgh

Our provision in Edinburgh is led by Dunedin Canmore Housing Association. This amounts to just over 4,500 houses in the City. Our new build programme has added over 400 homes in the City since 2015/16.

As Scotland's capital, Edinburgh faces high pressure on affordable housing. Demand and costs for the private rented sector are also high. The Council receives a large number of homelessness applications (just over 3,000 in 2018-19). The Edindex partnership made a commitment to let an additional 275 homes to statutory homeless households during 2018/19. This target was met and exceeded with an additional 305 lets to homeless households during this period. The current Edindex business plan is committed to increase the proportion of lets to homeless households. The rapid rehousing transition plan commits the Council to looking at a range of innovative options for accommodation including shared housing and supported lodgings.

Wheatley Group currently provides a range of services for homeless households and supports City of Edinburgh Council in the delivery of its homelessness duties through:

- Participation in the Edindex choice based letting system and Edindex Board.
- Participation in Housing First in Edinburgh with 38 tenancies already provided by October 2020.
- Providing approximately 50% of all lets to homeless households (including first lets of new build homes).
- A 25 room/35 bedspace hostel providing temporary accommodation and support in helping homeless applicants to move on to permanent accommodation.
- Dunedin Hostel Resettlement Flats providing supported accommodation to customers including veterans experiencing homelessness, with a pathway to permanent housing.
- Leasing of properties to City of Edinburgh and West Lothian Council for use as temporary accommodation.
- Provision of tenancies for the Syrian Vulnerable Persons Resettlement Scheme.
- Training Flat project with Four Square – provision of 18 flats for young people age 16-21 experiencing homeless to move in to supported accommodation with a pathway to permanent housing.
- Membership of the Edinburgh Affordable Housing Partnership

Dumfries and Galloway

Dumfries and Galloway Housing Partnership is the largest provider in the Council area with 10,300 units. The Partnership joined the Wheatley Housing Group in December 2020 and will in future be able to draw on new build development to extend supply in the area.

There are particular challenges in Dumfries and Galloway in relation to the rural nature of the area. More than 100 miles separate one end of the local authority area from the other. Providing temporary and permanent accommodation in the locality of choice for homeless applicants is more difficult than it would be in a more urban area. The level of repeat homelessness is relatively high. Applicants in Dumfries and Galloway are also much more likely to have one or more identified support need than in many other areas and this has implications for the additional services required by customers.

Wheatley Group supports Dumfries and Galloway Council through:

- Providing approximately 40% of all lets to homeless households (almost 500 lets in 2018/19)
- 24 units of temporary accommodation with support
- 73 units leased back to the Council for temporary accommodation
- Out of hours accommodation to support DGC in provision of its statutory obligations.
- Support to Dumfries and Galloway Council in delivering improvements in their homelessness service.
- Reducing the level of tenancy failure through the use of the DGHP Housing Support Team before any court actions are undertaken to ensure all options are explored to maintain the tenancy.
- Support to those housed through the refugee resettlement programme in DGHP homes and those of other RSLs.
- Management of a specialist project that supports care experienced young people to transition into main-stream accommodation (linked to prevention of homeless of a vulnerable group).
- DGHP leads the Common Housing Register including monthly liaison with the lead officers for Strategic Housing & Homelessness, covering performance policy and the un-met need list for the region (this has been a success story).

West Dunbartonshire

Cube is our main provider in West Dunbartonshire with Loretto Housing Association providing a small number of homes. Together they have just under 550 homes in the area.

West Dunbartonshire received approximately 1,000 homelessness applications last year. This is the highest rate per 1,000 in the country. The rapid rehousing transition plan for the area identifies youth homelessness as a particular issue together with rising numbers of applicants with multiple and complex needs. The transition plan identifies four key priorities which are to:

- Deliver a whole systems approach to the prevention of homelessness;
- Enable service users with no or low support needs to access settled housing quickly;

- To develop interim housing options which enable independent living and housing sustainment; and
- Implement a Housing First model which enables the most excluded users to achieve housing sustainment.

The Wheatley Group currently provides the following services for homeless households in West Dunbartonshire:

- Review of referred homeless households against all void properties as soon as they are available for letting, with a secondary check to local authority staff if no suitable household is found to ensure any newly homeless households are also considered.
- Participation in the Council's quarterly section 5 meeting and housing providers forum

West Lothian

Wheatley provides almost 1,000 social rented houses within the West Lothian Council area through West Lothian Housing Partnership, Dunedin Canmore Housing Association and Barony Housing Association.

The West Lothian RRTP identifies that applicants are largely in low need of support, tend to be homeless as a result of being asked to leave existing accommodation and are mostly younger people. Sofa surfing is more common than rough sleeping. The level of demand for social housing is high across the area.

Wheatley Group supports West Lothian Council through:

- Providing more than 30% of all lets to homeless households (including first time lets of new build homes).
- Nomination arrangement with West Lothian Council for 50% of all lets.
- Development of 140 new homes in the area in 2018-19 and 2019-20.
- Partnership working with the Council to deliver housing support & temporary accommodation, Housing Options and homeless prevention.

Appendix 2: Case Studies

Case Study 1: Building resilience to create independence

The **Sandyhills** multi-storey flats were constructed in the late sixties and comprise of more than 500 flats, the majority of which are 2 apartment. Given the size of many of the properties we have a significant number of properties being allocated to single people, including those who have come to GHA via a section 5 referral.

There are a substantial number of the customers in the Sandyhills area where financial literacy is likely to be poor and households are struggling on relatively low incomes as well

struggling with debt. Many households are also struggling with social isolation and feel they have no-one to turn to in a crisis. These customers are particularly vulnerable and more susceptible to lack the ability to manage a tenancy. They may also require significant support to sustain their recovery from addictions or deal with multiple issue such as poor mental health and addictions .

The Welfare Reform Act 2012 has introduced a raft of changes to the benefit system which has had an adverse effect on our customers' income; in particular Universal Credit. The ethos underpinning this benefit is that recipients should take more responsibility for their finances including paying their rent. In theory this position is sound however in reality we have many customers who have very poor budgeting skills and have never had the responsibility of paying their rent in the past. A prerequisite to claiming this benefit is a bank account as this is the only method of payment that the DWP will consider. This is a particular barrier for many of our customers and many have encountered various challenges when trying to open an account. The closure of local branches has exacerbated their difficulty in accessing banking services.

Our approach at Sandyhills is to see the individual and discuss with them using the tenancy star how they see themselves ensuring we have a full overview of the customers' circumstances. This includes any named support organisations or individuals that we can start to build relationship with as this is essential to ensure everyone is clear about their role and expectations.

We use our bespoke Tenancy star to work with customers to track their progress in a range of areas. The customer agrees the support they want and this is provided at the right time and right pace for the customer. This helps households become more confident and less dependent on our services.

Within Sandyhills, the housing team have developed strong partnerships with a number of agencies including DWP and Barclays Bank who were involved in regular sessions within the community facilities. These included advice, information on bank accounts that are easy to set up and options for volunteering, further education and employment.

By assessing and agreeing with customer what support they want and offering this at the right time and at pace that is suitable to the Customer. Our aim is that the customer becomes more confident and less dependent on our services .

Case Study 2: Building resilience to create independence

M moved into one of our furnished flats in 2016 as a young single parent with a new baby. She had no real support from any other family members or the baby's father. Initially she had support issues and accrued arrears.

When she initially moved in she became quite low when she realised she did not have the resources to make the house into the home she wanted. GHA staff helped her by getting a decorating team in through community payback and through assistance from the concierge. Local staff helped out with some baby equipment and clothes and ensured she was well linked in to local groups.

Her confidence built as she established her home and local connections and she became determined to create a better life for herself and her daughter. She was able to repay her

arrears, go into training and learn to drive. Ultimately she obtained a job in a nursery with an aspiration to go on to become a social worker.

Case Study 3: Building resilience to create independence

This customer moved into one of our temporary accommodation units have suffered repeat homelessness and with pending charges for threatening behaviour in another property. The erratic and threatening behaviours continued on moving in and were heightened by the influence of alcohol. Although there appeared to be mental health issues no diagnosis had been made and therefore no mental health support was available. Ongoing support was provided to our customer to help her to understand that the occasions she was struggling were linked to alcohol. She continued to be derogatory and verbally aggressive to staff and others and this meant it took some time to build up a productive relationship. Initially, the majority of support was to de-escalate behaviours to prevent the need for intervention from police or other emergency services; to help our customer remain housed and safe and to ensure the safety of others in the same accommodation and neighbourhood. Social Work became involved quickly after moving in and also assisted with de-escalation. During her stay the covid-19 lockdown was put in place and this exacerbated the situation. She would frequently call emergency services, often reporting covid symptoms when these were not present, and was a frequent attender at hospital emergency services.

An interim ASBO was sought and obtained while the customer was in temporary accommodation to continue once permanent accommodation was found. This was in order to help her see that their behaviours were putting her accommodation at risk and affecting others significantly and also to ensure others in the surrounding area could be protected.

A partnership approach between Wheatley Group, the local authority homeless team and social work was put in place to ensure that the customer could maintain the accommodation and successfully move into a tenancy. A core group of officers was put in place and maintained close contact throughout the process. This approach improved the ability to support the customer to move on successfully and to ensure that everyone was updated at all points of the process.

An Adult Support and Protection assessment was carried out. This identified new support and allowed for a smooth transition through good communication. Our customer was able to be involved in the meetings. A referral to our welfare benefits advisor enabled full benefit income to be restored.

With the support and joint working our customer was able to move into a home with a Scottish Short Secured Tenancy. Properties were assessed to ensure that the home chosen maximised the chances of a successful tenancy. A full ASBO was now in place to help to prevent and address any further issues. The property was fully furnished through funding from the Scottish Welfare Fund and support from a local homelessness charity. Ongoing support has been provided from social work and the local authority homeless team. The customer continues to do well in her new home.

Case Study 4: Building resilience to create independence

A is a middle aged male who has been in the homeless system for 15 years, including nights spent sleeping rough on the streets. He is alcohol dependent, has mental health issues which deteriorate during times of non-engagement with services and has a history of reoffending. In October 2019, A was required to move on from the latest in a series of supported accommodation placements due to his erratic behaviours and fire raising. By this time he was excluded from almost all support services in the area. After intensive multi-disciplinary reviews it was agreed to move him into a temporary furnished flat with support from our Glasgow Flexible Homeless Outreach Support Service with 2 weekly reviews and updates as he was at high risk of eviction. His choice with support is to enable him to live independently in his home, improving confidence, supporting re-enablement and therefore reducing reliance on paid services.

The Outcome Star Assessment tool, Homelessness Star was used as a baseline for A's outcome plan. This measures the distance travelled within the outcome plan, using strength based approach to recognise skills, and see results, building leadership in making positive choices, improving self-awareness, therefore confidence and resilience.

After 15 years of being in the homeless system A has settled into the temporary accommodation which is his first independent tenancy in over 15 years. He has continued to engage with other agencies including mental health agencies and is no longer required to attend the challenging behaviour medical clinic as he is no longer classed as a risk to others as he has built trust with services. He has now been in the temporary accommodation for 1 year and is preparing to be discharged from homeless services once the process has been completed for temporary accommodation to now become a secure tenancy. Over the last 12 months with the support and innovation A has been able to challenge his own history and remove the barriers to become independent and live in his own home.

A talking points approach was used with A, which resulted in conversation around the benefits of independent living. He expressed a desire to live in his own home after years of living in supported accommodation and many long stays on mental health hospital wards. The benefits of independent living in his own home are:

- Reduced direct supports
- More independence
- More regular contact with close family
- Pride and sense of achievement for himself
- Being able to cook his own meals
- Make his own choices

Appendix 2: Legislative changes in relation to homelessness

The Housing (Scotland) Act 1987	As amended, sets out the powers and duties of local authorities in dealing with applications from people seeking help on the grounds that they are homeless or threatened with homelessness. Since the 1987 Act, there have been a number of changes to legislation, some of which are described in legislation referred to below
The Housing (Scotland) Act 2001	Established the right to review a homelessness decision and amended other aspects of homeless applicants rights and definitions. It also introduced a duty on registered social landlords (RSLs) to assist local authorities in rehousing homeless people.
The Homeless Persons Advice and Assistance (Scotland) Regulations 2002	Prescribed the types of advice and assistance that local authorities must provide under Section 31(3)(b) and 32(3) of the Housing (Scotland) Act 1987 to homeless applicants and applicants threatened with homelessness
The Homelessness etc. (Scotland) Act 2003	Amended the Housing (Scotland) Act 1987 and the Housing (Scotland) Act 2001 and primarily affects how local authorities carry out their homelessness functions, strengthening people's rights to support when they are facing homelessness. The 2003 Act also improved the housing rights of people experiencing domestic abuse and provided a mechanism for the abolition of priority need. It also placed a duty on mortgage lenders and landlords to notify local authorities when they raise repossession proceedings
Housing Scotland Act 2010	Introduced a duty on local authorities to conduct a housing support assessment for applicants who are unintentionally homeless or threatened with homelessness and who they have 'reason to believe' need housing support services as prescribed in the regulations.
Equalities Act 2010	Prohibits discrimination (whether direct or indirect) against people who possess one of the protected characteristics
Welfare Reform Act 2012	Introduced changes to the UK benefits system, including under occupancy charges for social rented sector and Universal Credit.
The Housing Support Services (Homelessness)(Scotland) Regulations 2012	Makes provision in relation to the duty of Local Authorities to assess whether some persons found to be unintentionally homeless or threatened with homelessness need housing support services.

The Homelessness (Abolition of Priority Need Test) (Scotland) Order 2012	Abolished the priority need test for homeless households so that all unintentionally homeless households are entitled to settled accommodation.
The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014	Revoked The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2004 and prescribes accommodation which may not be used to fulfil the duty on local authorities to provide interim accommodation under Section 29(1) of the Housing (Scotland) Act 1987 in relation to applicants who are pregnant, or whose household includes either a pregnant woman or children. Article 7 of the 2014 Order provides two particular circumstances where such accommodation may be used and this was time limited to 14 days.
Housing (Scotland) Act 2014	Introduced the abolition of right to buy, and changes to social rented sector tenancy rights including changes to assignments and successions.
Private Housing (Tenancies) (Scotland) Act 2016	Introduced a new private residential tenancy for the private rented sector in Scotland to replace the short assured tenancy and assured tenancy for all future lets.
The Homeless Persons (Unsuitable Accommodation) (Scotland) Amendment Order 2017	For families with children or pregnant women, amends the time limit in article 7 of the 2014 Order from 14 days to 7 days
The Homelessness etc. (Scotland) Act 2003 (Commencement No. 4) Order 2019	Commenced on 7 November 2019, brings into force sections 4 and 8 of the Homelessness etc. (Scotland) Act 2003 ("the 2003 Act") <ul style="list-style-type: none"> • Commencing the provisions in Section 4 gives local authorities the discretion to investigate for intentionality rather than it being a duty as previously. • Commencing the provisions in Section 8 allows Scottish Ministers by order made by statutory instrument to modify the operation of Section 33 of the 1987 Act, which allows local connection referral of a homeless applicant to another local authority in certain circumstances. Within 12 months of commencing the Section 8 provisions, Scottish Ministers must publish a statement setting out the general criteria by reference to which modifications would take place, and are obliged to consult before making or modifying this statement. Following the Ministerial Statement, the statutory



Report

To: - GHA Board

By: - Jehan Weerasinghe, Managing Director, GHA

Approved by: - Martin Armstrong, Group Chief Executive

Subject: Transforming our rent payment methods

Date of Meeting: 12 February 2021

1. Purpose

- 1.1 This report seeks approval to modernise our approach to rent payment methods as we fully harness the opportunities presented by technology for the benefit of both customers and our business as part of our vision for 2026.
- 1.2 The report also outlines how this modernisation is the first phase of a wider review of our approach to income and collection of rents and related service charges.

2. Authorising context

- 2.1 Under the terms of the Group Authorising Framework and Group Authorise / Manage / Monitor Matrix, the Board is responsible for monitoring operational performance and implementing the Board's strategy.
- 2.2 The Executive Team is responsible for ensuring that operations are well managed including approving how services are organised and delivered, such as payment methods. The Board is responsible for approving the overarching operating model and key elements within the model.

3. Risk appetite and assessment

- 3.1 Our risk appetite related to both digital (including channel shift) and Welfare Reform is Open, defined as willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward.
- 3.2 A detailed project risk matrix has been developed and outlines the key risks that require to be managed and mitigated as part of this project. A comprehensive Implementation and Deployment Plan has also been developed.

4. Background

- 4.1 **Our 2026 vision is to enable our customers to reach their potential for a brighter future for themselves and their families.** Our strategy for making this real will see us deliver an unprecedented shift in the balance of power and control towards our customers. Our customers will feel empowered, make choices about services and ways in which they want to engage with us. Our success will depend on our ability to make digital feel effortless, personal and on building customer capacity to do more for themselves. Our performance will move from excellent to outstanding, as defined by our customers.
- 4.2 Our vision will be delivered against a backdrop of significant external challenges, not least the impact of Coronavirus and lockdown restrictions, Welfare Reform including Universal Credit, digital disruption and rising levels of in-work poverty. Just over 60% of our customers qualify for Housing Benefit or Universal Credit, with significant numbers having to manage on low incomes.
- 4.3 We therefore, want to make it as easy as possible for customers to pay their rent. Most recent advances, delivered as part of our Digital Transformation Strategy, include:
- The launch of GHA's Self-Service, MyGHA, in 2015, enabling customers to access their account anytime, and not just for paying rent. Our customers can check their account, see when their rent is due, raise a service request, book a repair and report a neighbourhood issue.
 - MyHousing, launched in 2018, providing customers with an online housing, advice and letting service including advice on the total cost of running a home, budgeting tools and benefit advice to help them maximise their income and build financial resilience. Once registered, the customer account seamlessly moves with them providing access to their new online rent account and wider services once they become a tenant with us.
- 4.4 We currently offer 9 ways to pay rent with customers choosing to pay weekly, fortnightly, four weekly or monthly. Many of these options pre-date modern technological advances. A breakdown of transactions and income from each payment method can be found at Appendix 1. The most convenient and cost effective methods, apart from Housing Benefit and DWP payments are Direct Debit and Online Self Service (MyGHA) followed by CSC Touchtone telephone.

- 4.5 Up-rating rents at the beginning of each year will be much more easily controlled and automated the more customers we have on Direct Debit. It also reduces the impact of DWP up-rating issues as we can ensure the correct amount is paid to us for those customers paying by Direct Debit and encourage them to inform DWP at the same time. These are huge business benefits that protect our income streams and support effective rent collection.
- 4.6 We have a track record of successfully transitioning customers to alternative payment types, most recently when we removed cash collection and closed our shop in Glasgow with no detrimental impact on income collection.
- 4.7 There is an opportunity to learn from wider customer service organisations and the banking sectors who have introduced recurring debit or credit card payments. This option offers same or next day payments at the start of a payment plan and provides another digital payment option for customers who wish to pay us in this way, which has become increasingly important during the Coronavirus crisis.
- 4.8 Our preference is for payment methods that will allow us and customers to manage a rent account in real time - no delay in the payment reaching a customer account such as the time it currently takes for a payment made through the Post Office to show on a rent account and where customers are able to self-serve and view their accounts as well as access additional services themselves. Payments will be digital, automated and will not rely on customers having to proactively remember or physically do something to pay their rent every month.
- 4.9 Bulk text messaging of rent reminders and overdue reminders where a payment is missed have been successfully introduced during the Coronavirus lockdown. Work is ongoing to automate this process as a result of the positive impact it has had in generating both contact from customers and also payments, which Housing Officers themselves have been able to take over the phone since March 2020. Over £1m million in payments has been taken to date, with these payments showing in the customer's account the next day, demonstrating the impact of methods which deliver real time payments and evidencing our preference for them as described above.
- 4.10 A measured and managed approach to modernising our options will:
- use data intelligence to help us predict the most successful payment method based on customer characteristics to ensure ongoing payment success
 - ensure just in time and transparency of payments
 - increase control for customers, facilitating easier access to services and deliver exceptional customer convenience
 - prioritise efficient and effective payment methods to drive value for money, and
 - ensure no customers are left behind with services appropriately tailored to meet their specific needs.

5. Discussion

- 5.1 Our proposed payment channel shift will strengthen prevention capacity through Direct Debits, support more digitally enabled income collection methods and help to mitigate the impact of Coronavirus and Universal Credit while protecting our top quartile performance in the most cost efficient way. It will also enhance customers feeling in control and having the information and access they want and need at their fingertips wherever they are.
- 5.2 We are proposing to retain the top three most effective and convenient payment methods and to phase out all other existing options. These are Direct Debit, Wheatley Online Self Service (MyGHA) and a modernised telephone payment system. We propose to introduce secure payment links and Recurring Card Payments (new) due to the minimum effort required by customers to make payments and deliver value for money.
- 5.3 Direct Debit will be our preferred default payment method and where this is not right for the customer we will use data intelligence to predict which of the other acceptable methods will be the most successful payment method based on customer characteristics to ensure ongoing payment success. We also need to gauge how easy customers feel it is for them to make a payment and their satisfaction with available services using our new approach to customer engagement.
- 5.4 The value of scheduled Housing Benefit payments will continue to reduce over time as customers move onto Universal Credit and we expect to see a corresponding increase in the value of DWP payments. We continue to work closely with DWP to put in place daily payment schedules and improve information sharing to better track payments and customer outcomes. This approach was implemented in GHA in Autumn 2020.
- 5.5 The crisis surrounding Coronavirus has already changed the way some of our customers are making their payments, with traditional face to face payment methods reducing.
- 5.6 **Measures of success and outcomes** from moving to a new streamlined approach include:

Measure of Success	Baseline	Outcome	Timeline
% increase in customers paying by more efficient methods	28% (DD)	Year on year % increase in usage of modernised payment methods All new tenancies signed up to Direct Debit	From 2020 From 2020
% increase in the no. of customers, in arrears, paying by DD and recurring card payment (new) to mitigate the impact of UC	19%	Payment Plans secured with 80% of customers paying by DD/recurring cards	From 2020
Modernised payments approach delivered	9 ways to pay	Phasing out of proposed payment options completed	By 2022
Reduced average transactional payment costs	£0.98 to £3.93	To less than £0.50 per transaction for customer facing methods	By 2022
<i>**based on average rent payment of £425</i>	£2.28 to £6.80	To less than £2.00 per transaction for back office methods	By 2022
The ways in which to pay rent perceived as easy to use by customers	Not currently measured	90% customer satisfaction	By 2023
Build financial resilience by increasing % customers paying by one month's rent in advance	20% one month in advance; *70% of customers with credit/zero balance	10% year on year increase of credit rent accounts with **50% of customers having a credit balance <i>**From our learning journeys, we know that Gentoo, for example, aim to have 50% of customers in credit.</i>	By 2026
Support improved income collection performance to deliver 2021/26 strategic targets	4.99%	% of gross debit at <4%	By 2026
Keeping UC customers debt free	58%	80% of ALL UC customers paying by DD and/or APA	By 2026

5.7 The pros and cons of existing, new payment methods and those we propose to keep and remove are shown in the following tables.

Table1. Proposed Customer Facing Payment Methods

Payment Method	Pros	Cons
Direct Debit 8,973 customers £0.16 cost per transaction	<ul style="list-style-type: none"> Regular, automatic agreed payments with minimal input and reduced payment failures; Customers less likely to be in arrears, lower arrears where they exist and paid back more quickly including those on UC; Customer can self-serve to set up own DD via WSS and fee free bank accounts no longer have costs associated with returned DDs; Huge potential to maximise the ability to amend DD payments to collect arrears and rent in advance; Annual rent increases are easier to collect as we increase the payment rather than relying on customer to; Building financial resilience for customers and the business; Payment date set to coincide with date customer receives wages/UC/Pension/other income; Opportunity to automate proactive communications to remind customers to ensure they have sufficient funds in their account 1 week prior to payment due and to make contact within 24 hours of any missed Direct Debit to maximise chance of recovery. 	<ul style="list-style-type: none"> Direct Debit guarantee allows customers to reclaim payments where they feel payment has been made in error despite rent being due. Process for addressing this is being developed; Some customers do not have access to a bank account or one that can facilitate Direct Debits although we can support them to set one up; Some customers are reluctant to set up Direct Debit as worried about returned fees; Time lag between set up and first payment date due to the need to give notice and cooling off period in line with DD guarantee; Customer bank charges if DD is rejected.
GHA Self Service (WSS) 5,507 customers 0.328% to 1.1% cost of transaction value	<ul style="list-style-type: none"> Customer actively engaging with GHA on our digital platform; More holistic services with access to MyAccount, advice, support and services, including transaction history, raise repairs, benefit from MySavings, make service requests, set up Direct Debit, explore job & training opportunities and obtain information needed to make a UC claim; Informing data intelligence. 	<ul style="list-style-type: none"> Payment reliant on customer actively logging in to online account.
CSC Touchtone Telephone 1,672 customers 0.328% to 1.37% cost of transaction value	<ul style="list-style-type: none"> Quicker for customer to get through to make payment; No call handler required to take payment; Can change messaging on IVR (Instant Voice Recording) to suit campaign messaging etc; Value for money service; Free phone service. 	<ul style="list-style-type: none"> Payment reliant on customer actively calling in to payment line each time it is to be made; Anonymised interaction preventing customer from accessing additional info available via call handler or WSS; Requires significant amount of guidance and discussion (at least 2-3 times) to nudge customer towards this

Payment Method	Pros	Cons
		method and keep them there.
Recurring Card Payments (new) We currently have 20% of customers paying by debit card £0.20 + 3% of transaction value	<ul style="list-style-type: none"> • Allow regular/repeat card payments to be set up without repeat contact; • No bank charges for customers if payment is declined; • Same day set up and payment; less risk around guarantee – 120 days max rather than for life of mandate as for Direct Debit; • More reliable than customer phoning or going online to make payment; • Can add alternative cards to try automatically where first one fails, so less work to recover initially failed payments. 	<ul style="list-style-type: none"> • Potential for higher failure rates due to cards being lost/stolen, reaching card spending limit for the day; • Admin costs to keep card details up to date (potential additional system to administer); • Need to develop automatic text reminder that payment is due.
Secure Payment Links (new) £0.25 per link	<ul style="list-style-type: none"> • Secure e-mail or text link sent to customer to make payment by card • Payment confirmed there and then • Staff member is able to provide support to customer to make payment with improved PCI compliance • Progress of transaction including confirmation of success or otherwise provided for staff and customer at time; opportunity to find alternative card/method while still in contact with customer reducing missed opportunities • Payment shows next day in account in line with other card payments 	<ul style="list-style-type: none"> • Need to have customer on phone/engaged with service • Only able to send out links individually or in small batches of 30 and specific amount to be paid must be provided

5.8 Table 2. Proposed payment methods to be phased out. These will no longer be promoted or offered to new customers and existing customers will be encouraged to migrate to one of our four preferred/acceptable methods of payment by 2022. We will carry out periodic reviews during this two-year period with a view to switching off these less effective and efficient methods on a phased basis.

Payment Method	Pros	Cons	If DD is not the default payment method. Customers are likely to channel shift to:
Paypoint (via local shops and including Post Office) 4,558 customers £0.41 per transaction + £30 rent card	<ul style="list-style-type: none"> Local and convenient for customers; Allows cash payments to be made; Retained as residual payment method for customers who are unable to open any other kind of account (diminishing numbers); Has remained popular with some customers during Coronavirus crisis Prevent reputational damage for organisation. 	<ul style="list-style-type: none"> Rent card required to make payment; Takes around 5 working days for payment to reach rent account; Third party payment handler involved; Rent cards are expensive; Transaction limit of £200 – typically 2 transactions per monthly rent payment. 	Recurring card payments or Secure Payment Link by 2021
Ad hoc Internet 1,406 customers 0.328% to 1.37% of cost of transaction value	<ul style="list-style-type: none"> Quick payment method; May encourage disengaged customers to still make payment as no need to interact with staff member to do so; Only available for GHA, Cube and YP currently and was scheduled for phasing out in new financial year. 	<ul style="list-style-type: none"> Limited interaction with customer; No ongoing relationship with customer built on the transaction; Limits data availability for data intelligence; Possible missed opportunity for service personalisation; Campaign required to quickly move customers to alternative payment methods. 	It is anticipated that Cube, GHA & YP customers will move to Wheatley Online Self Service in line with the experience of other RSLs by March 2021; <i>propose it is kept as residual payment type while we are dealing with ongoing restrictions</i>
CSC Telephone Payments 4,492 customers 0.328% to 1.37% of cost of transaction value	<ul style="list-style-type: none"> Customer can speak to advisor; Payments taken 24/7; Customer can make multiple payments for different things at same time e.g. rent and council tax (in Glasgow) at same time. 	<ul style="list-style-type: none"> Takes longer than CSC Touchtone to process payment; Comparatively expensive – staff; Freephone number costs; High demand on Customer Service Centre lines can lead to missed opportunities to collect payments if customer does not wait. 	Migrated to Direct Debit or Wheatley Online Self Service

Bank Payments 2,584 customers £0.22 - £0.40 per £100 transaction value	<ul style="list-style-type: none"> Convenient way for individual customers to make ad hoc payment at their bank. <p><i>** Within the 4,500 accounts paid by bank, a significant number are HB scheduled payments that we receive as a manual payment from smaller Local Authorities.</i></p>	<ul style="list-style-type: none"> Manual reconciliation of exception payments to individual rent accounts. 	Direct Debit in the first instance from November 2020 or recurring card payment by 2021 <i>** Income Team will continue to manually process HB payments. It is anticipated this will diminish over time as customers move onto UC</i>
Chip & Pin** 0 customers 0.328% to 1.2% of transaction value	<ul style="list-style-type: none"> Allow card payments to be taken in local offices; Allow safe payment of large amounts. <p><i>**It was proposed that Chip & Pin be retained as a back office facility only for one-off rent payments and primarily for rent arrears management. This method has been effectively phased out as offices have been closed since March due to the pandemic.</i></p>	<ul style="list-style-type: none"> Only available during working hours, predominantly in GHA offices only; Numbers reducing over time – no payments from Chip & Pin since offices closed at end of March 2020 	Direct Debit in the first instance from November 2020 or recurring card payment by 2021

5.9 As an illustration of the potential impact these changes could have, if all of these customers currently using the payment methods we are proposing to phase out were to be moved to our most efficient and preferred payment method of Direct Debit, we could potentially save almost £240,000 per year in transaction costs alone across the wider Group. This could be used to deliver more in terms of our current suite of wraparound services or assist in bringing in some new ones relating to debt advice for example or providing funding for an additional 6,000 Eatwell parcels/vouchers.

5.10 The next stage of our change programme is to transform our service model to offer unrivalled customer experience, identifying digital and tailored services.

To support this, we will:

- a) complete a review of our approach to income and arrears collection, exploring data intelligence to help us tailor our engagement and communication through preventative support and help customers stay debt free. Improvements in management information and the use of technology will also enable us to strengthen income collection through proactive automated alerts reminding customers to ensure that they have funds in their account to pay their Direct Debit. Payment history will be used to progress proactive interventions; and

- b) shift the balance of power and increase customer choice, exploring the benefits of a Customer App to facilitate easier access to services, deliver exceptional customer convenience and capture just in time feedback. Improvements will include customer alerts and push notifications regarding forthcoming payments.

6. Proposals

- 6.1 In order to protect our income stream, a cautious approach is recommended with movement towards our proposed payment methods being facilitated in a controlled and phased basis. The first step will be to begin to phase out the least effective and costliest customer facing payment methods, namely Paypoint (including Post Office) and Chip and Pin. Chip and Pin has effectively been phased out already as all customer facing offices are currently closed. Paypoint individual transaction limits of £200 demonstrate the fact that Paypoint was set up at a time when monthly rent levels were below this amount.
- 6.2 Building on the work done during lockdown we will launch a major campaign to increase the number of customers paying by Direct Debit and drive down the use of telephone payments via CSC Advisors and ad-hoc online payments. However, it is proposed that this payment method remains for these customers in light of the pandemic but that we will continue to actively encourage them to move to our acceptable payment methods. Since December 2019, customers have also had the facility to set up a Direct Debit using their WSS account with no need for Housing Officer involvement with many customers taking up this option. We have introduced secure payment links which provide customers with the ability to make payment using their debit or credit card quickly and conveniently via a secure link sent to them via text or email and completed in the same way as many other online payments are made.
- 6.3 Table 1 above discusses the benefits of Direct Debit including the uprating of rents at the beginning of each year. Customers who pay using this method are also less likely to be in arrears and have lower levels of arrears as they are paid back more quickly through a Direct Debit including those customers claiming UC, payment dates can be set to coincide with the date the customer receives wages/UC/Pension/other income providing consistency and certainty of payment. Research, learning journeys and data analysis demonstrates Direct Debit as being the most effective payment option with around 80% of customers maintaining their arrangements.
- 6.4 Recurring Credit & Debit Card Payments are proposed to be introduced in 2021 and also promoted to existing Paypoint, Post Office and ad-hoc Debit & Credit card telephone payment customers as part of our Implementation and Deployment Plan where Direct Debit is not the default payment method. It is expected that a significant proportion of customers will easily move to our preferred or acceptable payment methods following some discussion with their Housing Officer around the benefits of moving. However, there will be a smaller group who will be more difficult to persuade and their movement will take a longer time, meaning we have given a more cautious time frame of two years for the full implementation of this project.

- 6.5 The modernisation of CSC Touchtone and agent payments is also currently being considered as part of our wider Digital Delivery Plan from 2021 to 2026.

7. Key issues and conclusions

- 7.1 While we do not want any customer to be left behind, failure to modernise our payment methods means we risk failing those customers who would currently benefit from interacting and transacting with us in the digital arena. Payment options are changing at a phenomenal pace and we need to keep up with this, to improve customer satisfaction and to ensure we are able to collect payments from individual customers as more and more move onto Universal Credit. This is even more important in light of Coronavirus making face to face visits more challenging in terms of restrictions and time needed to carry these out.

8. Value for money implications

- 8.1 More efficient methods of payments relate to the aim within our VFM Framework of improving flexibility and responsiveness and improving the life chances of our customers.

9. Impact on financial projections

- 9.1 There is no adverse impact on the financial projections, however a move to more efficient payment methods will help us to manage arrears balances and maximise rental income collected. Savings in the transactional costs of administering payments and the production of rent cards will go towards achieving running cost efficiency targets built into the financial projections.
- 9.2 It is envisaged that there will be a cost associated with the introduction of recurring card payments however this will be offset against savings expected from the withdrawal of rent cards. Any variance will be met from existing budgets.

10. Legal, regulatory and charitable implications

- 10.1 There are no direct legal, regulatory and charitable implications.

11. Partnership implications

- 11.1 There are no partnership implications arising from this report apart from Council Tax collection from Glasgow City Council, which is provided free through our CSC.

12. Implementation and deployment

- 12.1 Specific project ownership will be allocated for our payment methods approach and driving the delivery of the Implementation and Deployment Plan.

13. Equalities impact

- 13.1 We will undertake an equalities impact assessment as part of this proposal with a focus on customer characteristics and in particular accessibility.

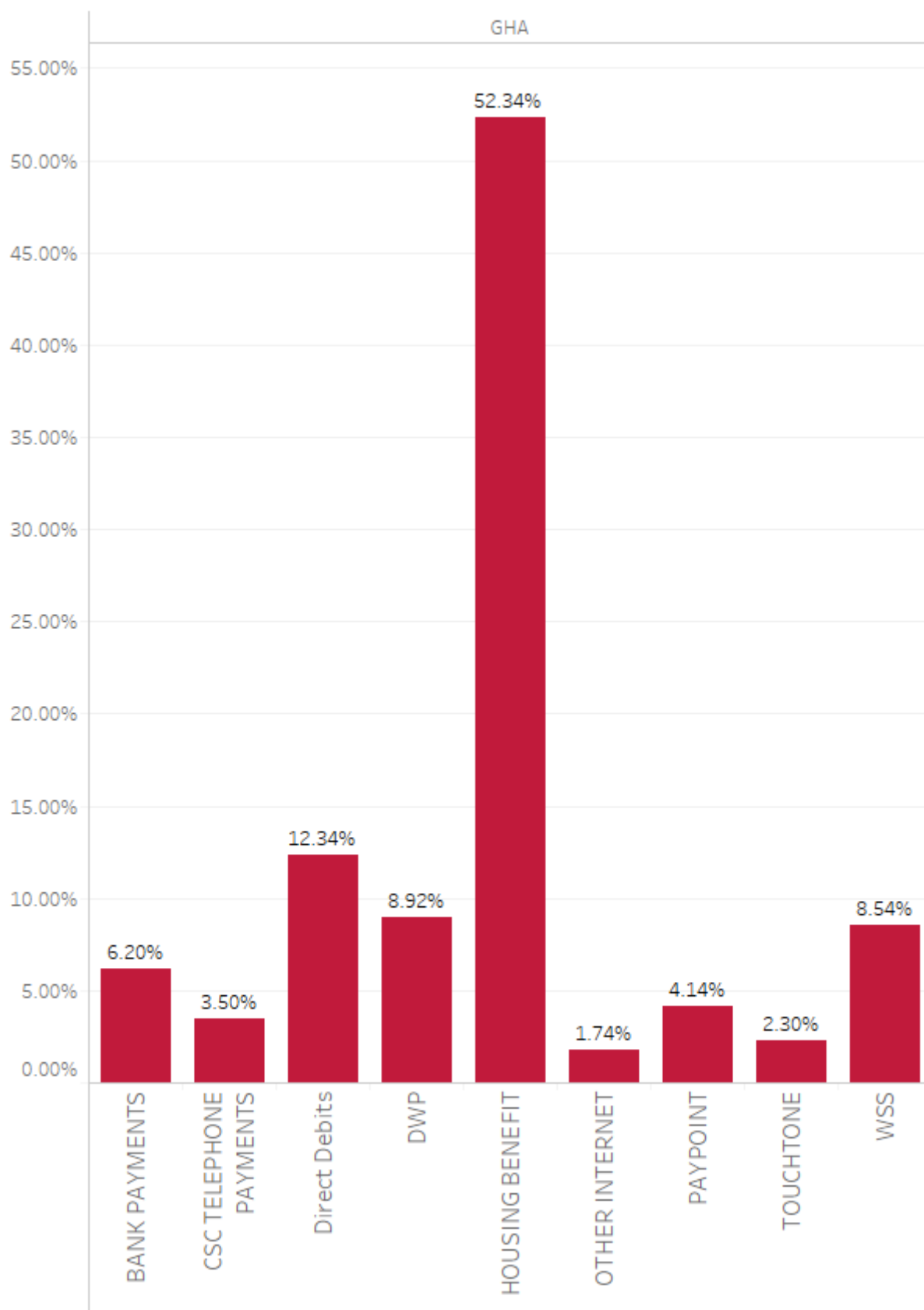
14. Recommendations

14.1 The Board is asked to:

- 1) approve modernising our approach to rent payment methods as we fully harness the opportunities presented by technology for the benefit of both customers and our business,
 - Including the exploration and introduction of recurring card payments
- 2) agree a wider review of the GHA's approach to rent and income collection, with a progress report to be provided in 2021;
- 3) note that our current WSS offering requires to be reviewed in the longer term and in the context of delivering a customer App to facilitate easier access to services, deliver exceptional customer convenience and capture just in time feedback. Our new approach to customer engagement will need to gauge how easy it is for customers to make a payment and their satisfaction with available services. Improvements will include customer alerts and push notifications regarding forthcoming payments.

Appendix 1

% of Payment Method by RSL of Payments Made between April 2020 and August 2020





Report

To: GHA Board

By: Jehan Weerasinghe, Managing Director, GHA

Approved by: Martin Armstrong, Group Chief Executive

Subject: Scottish Child Payment

Date of Meeting: 12 February 2020

1. Purpose

- 1.1 This report provides information on the Scottish Government's new Scottish Child Payment, launched from 15 February 2021 and an outline of GHA's approach to supporting customers' take up of this new benefit.

2. Authorising Context

- 2.1 Under the terms of the Group Authorising Framework and Group Authorise / Manage / Monitor Matrix, the Board is responsible for monitoring operational performance and implementing the Board's strategy.
- 2.2 The Board's role is to scrutinise performance. This paper sets out one of the means by which we are seeking to both support customers to maximise their income and support performance, particularly with regard to rent arrears and income collection.

3. Risk appetite and assessment

- 3.1 The Group risk appetite related to rent arrears including Universal Credit is Cautious, defined as preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.
- 3.2 In the current challenging economic climate, there is a risk that rental income could be impacted. A means by which we are seeking to mitigate this risk is by supporting customers to maximise their income, including ensuring they are aware of and claim all their entitlements.

4. Background

- 4.1 The Scottish Child Payment was announced by the Scottish Government on 26 June 2019. This was a key commitment of their Tackling Child Poverty Plan 2018 – 2022 which made a commitment to 'work towards introducing an income supplement within the lifetime of the plan' for low income families.

- 4.2 The overall aim of the plan is to lift children living in Scotland out of poverty and reduce the relative child poverty rate by 3% by 2022, with the Scottish Child Payment being viewed as a key way to do this.
- 4.3 Following an 18 month process reviewing various options for this income supplement, the Scottish Child Payment was launched formally on 3 November 2020 by the Cabinet Secretary for Scottish Social Security and Older People. It was announced that applications would be opened from 9 November 2020 with the benefit starting from 15 February 2021.

5. Discussion

- 5.1 The new Scottish Child Payment will be delivered by Social Security Scotland and will be paid to eligible low income families with children under 6. The payment is £10 per week for each child within an eligible household (where Universal Credit, Tax Credits, Job Seekers' Allowance or Employment Support Allowance is being paid). It is in addition to any other benefits in payment to the household and does not affect eligibility for any other benefits. There is no cap on the number of children it can be applied for within a household as long as the other eligibility criteria are met.
- 5.2 Entitlement will begin from 15 February 2021 and for those who have applied before this date, payments will begin from the end of February 2021. Applications were opened so far in advance in November 2020 due to the Scottish Government expecting a high demand for this payment and can be made online, by telephone and post. The Scottish Government have written to all families they believe may be eligible to apply to encourage take up of the benefit. While initially it will stop once a child turns 6, Social Security Scotland plan to extend this to include all children under the age of 16 from 2022
- 5.3 Using our customer data intelligence and insight we know that across Group, in December 2020 there were around 4,800 households with a total of 5,465 children who could potentially be eligible for this additional payment, giving an additional income of £520 per child per year for these families. This is broken down across the individual RSLs as follows:

RSL	No. Children Potentially Eligible
GHA	3,286
DGHP	1,331
Dunedin Canmore	304
Cube	328
Loretto	112
WLHP	104
Wheatley Group	5,465

- 5.4 Refreshed figures for January 2021 show a slight reduction in the number of children eligible for the payment across Group. For GHA, however, the figure has increased slightly and is now 2,817 households with 3,491 children potentially eligible for the payment.

Encouraging Uptake Among GHA Customers

- 5.5 The Whole Family Approach within our 2021-26 Strategy will be focused on improving outcomes for our families and we are working proactively to maximise our families' incomes through promotion of the Scottish Child Payment. We are doing this by building on the success of previous proactive campaigns, not least of which when we contacted every customer personally at the beginning of the pandemic to offer support and our furlough campaign where we reached out to provide practical help and advice to all customers who we knew had been furloughed over the summer last year.
- 5.6 To support and encourage our customers to apply for this additional benefit, we used the annual rent campaign to get in touch with customers we knew might be eligible. We have proactively contacted them via their Housing Officer and our Welfare Benefits Advisors, as well as harnessing the power of digital communication to raise awareness across our websites and social media platforms, utilising Facebook, Twitter and Instagram for GHA to push the take up campaign in conjunction with Social Security Scotland.
- 5.7 Now in January 2021, we have reviewed and refined our list of all customers who may potentially be eligible to apply for the Scottish Child Payment. We are following up on our initial phase of contact with a further proactive campaign to contact all customers who might be eligible to ensure they have applied and support those who need assistance to do so ahead of the launch date of 15 February 2021. We are using this target date in order to make sure customers get the payments from the day they are first entitled to receive it.
- 5.8 As part of this second phase, we will continue to highlight the new benefit on our social media channels as described in 5.6 and websites too. We will also utilise our new methods of communication that have been successful in previous campaigns including bulk text messaging and GIFs.
- 5.9 Our campaign is in addition to the Scottish Government and Social Security Scotland continuing to raise awareness of the benefit, including through their social media platforms, health visitor packs, information in baby boxes and guidance in schools and nurseries. Promotional materials are also available for organisations to access if required.
- 5.10 Customers who have already applied will receive an acknowledgment letter from Social Security Scotland four weeks after application. They will then receive a confirmation letter when a decision on their application has been made. This will provide details of any award, how much will be paid and when.

6 Key Issues and Conclusions

- 6.1 The Scottish Child Payment is a step forward to helping to reduce child poverty as part of the Scottish Government's Tackling Child Poverty Plan. Our take up campaign supports this and will ensure our eligible customers are financially better off. This is in line with our strategic aim of taking a whole family approach and wanting to support customers to maximise their income wherever possible, particularly in the midst of the global pandemic.

- 6.2 We have approached the take up aspect in two separate phases, more generally in the first phase as part of our annual rent campaign and will provide more targeted contact as part of the second phase in the run up to the launch of the benefit across Scotland in February 2021. We will use our customer data intelligence and insight data to focus on supporting those customers most likely to be eligible and will provide advice and support to apply where a customer needs this. We will also harness the power of digital communication to raise awareness across our websites and social media platforms in order to reach as many people who may benefit from this new payment as possible.

7 Consultation

- 7.1 Consultation has taken place with subsidiary leads and their representatives including discussion to refine the approach presented here.

8 Finance implications

- 8.1 There are no financial implications for this campaign. A significant number of our customers will receive increased income as a result of applying for and receiving this benefit.

9 Legal Implications

- 9.1 None

10 Equalities Impact

- 10.1 We will continue to provide support to vulnerable customers who engage with us.

11 Recommendations

- 11.1 The Board is asked to note our take up campaign for the new Scottish Child Payment, launching on 15 February 2021 and administered on behalf of the Scottish Government by Social Security Scotland.



Report

To: GHA Board

By: Steven Henderson, Group Director of Finance

Approved by: Martin Armstrong, Group Chief Executive

Subject: Finance Report

Date of meeting: 12 February 2021

1. Purpose

- 1.1 The purpose of this report is to provide the GHA Board with an overview of the financial performance for the nine-month period to 31 December 2020; including the latest forecast for 2020/21.

2. Authorising context

- 2.1 Under the terms of the Intra-Group Agreement between GHA and the Wheatley Group, as well as the Group Authorise, Manage, Monitor Matrix, the GHA Board is responsible for the ongoing monitoring of performance against agreed targets. This includes the ongoing performance of its finances.

3. Risk appetite and assessment

- 3.1 The Board's agreed risk appetite for business planning and budgeting assumptions is "open". This level of risk tolerance is defined as "prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level".
- 3.2 Delivery of financial results within approved budgetary limits is a key element in delivering our strategy and maintaining the confidence of investors.

4. Discussion – Period

- 4.1 This report outlines performance against budget for the period to 31 December 2020, with the appendix providing more detail on the financial results.

Period to 31 December 2020

GHA has reported a statutory surplus of £10.1m for the period to 31 December 2020, which is £4.3m favourable to budget.

The main drivers of the variance are lower grant income due to the delay in GHA completions from March and lower levels of expenditure resulting from the changes to the business in response to the pandemic.

Key points to note:

- Net rental income of £136.2m is reported for December which is £1.1m adverse to budget. Void losses are £0.6m higher than budget as the letting of properties was placed on hold during the earlier months of the year and ongoing letting requiring to be conducted under social distancing measures. The trend of void loss % has been improving since we recommenced letting in August. Net rental income also includes the impact of delays in new build completions following site closures in the first quarter and additional health and safety measures being required since work has restarted.
- Grant income of £15.5m has been recognised for 234 units across the GHA sites for delayed March 2020 completions. Properties have now been completed at Inglefield, Linkwood, Bellrock, Auchinlea and Scaraway developments.
- Operating expenditure is £13.2m favourable to budget, although this is due to one-off or temporary underspends due to the pandemic. ERVR spend reflects the implementation of the new operating model agreed by the Board in November. The repairs service has been subject to varying levels of restriction throughout the year to date and reports spend £7.5m favourable to budget. Bad debt costs remain within budget allocations.

4.2 GHA has reported net capital expenditure of £36.8m for the period to 31 December 2020, which is £26.7m lower than budget. This variance is mainly driven by the low spend levels incurred in the investment and new build programmes compared to budget. Key points to note:

- The investment programme is £17.9m lower than budget, driven by restrictions to the programme associated with the pandemic. Spend of £18.7m includes costs for repairs on central heating, kitchens, bathrooms, lifts, external fabric, internal common works, environmental and compliance work.
- New build spend is £13.9m lower as a result of the initial suspension of new build activity at the start of the financial year. Construction recommenced in July with enhanced health and safety requirements, and spend to date includes work at Scaraway (£2.5m), Auchinlea (£1.1m), Linkwood (£0.7m), Sighthill (£3.4m), Inglefield (£1.1m), Kennishead (£1.4m) and Baillieston (£2.3m). Spend in the month of December was back in line with budget.

5. Q3 2020/21 Full year forecast

5.1 The forecast operating surplus for the full year is expected to be £54.5m, £4.5m lower than budget, and a statutory surplus of £9.0m, £0.6m lower than budget. The variance is driven by lower levels of grant income on completion of new build units recognised in the 2020/21 financial year. This is offset by lower staff, running cost and repairs costs. Included in the forecast is an additional provision of £9.3m for ER/VR as part of the new operating model.

5.2 The forecast reflects the following key changes:

- Grant income for the year is forecast at £24.0m, a reduction of £10.3m from budget reflecting the revised profile of new build completions.

- Net rental income forecast out-turn reflects the delayed handover of properties. Void losses reflect the year to date position and the continuation of a lower level of voids in line with more recent levels in the fourth quarter.
- The core investment programme is forecast to be £19.8m lower with a revised programme of work in place prioritising external investment work and compliance safety works, with any indoor work deferred until April 2021.
- New build spend is expected to be £13.7m lower than budget and is based on the re-profiled development plan with budgeted costs deferred into 2021/22. The original budget assumed 478 units would be completed in 2020/21, this has now been revised to 311 units with properties in Auchinlea, Baillieston, Sighthill and Watson Street now forecast to complete in 2021/22.

6. Value for Money implications

- 6.1 No further implications.

7. Impact on financial projections

- 7.1 The 2020/21 Business Plan was approved by the Board at the February 2020 meeting and forms the basis for the 2020/21 budget. The quarter 3 forecast outturn highlights the expected variances from the approved budget. The emergence of COVID -19 and the varying restrictions imposed throughout the financial year have required us to make significant changes to the way we deliver services to our customers and the operation of the business. The financial projections have been updated and the quarter 3 forecast reflects the most recent expectation of the full year financial out-turn.

8. Legal, regulatory and charitable implications

- 8.1 No implications.

9. Equalities impact

- 9.1 Not applicable.

10. Recommendation

- 10.1 The Board is requested to note the management accounts for the period to 31 December 2020 at Appendix 1 and the full year forecast outturn to 31 March 2021.

Appendix 1: Period 9 – 31 December 2020 Finance Report.



Period 9 – December 2020/21 Finance Report

Better homes, better lives

Classified as Internal

Period 9 – 2020/21 Finance Board Report



SUMMARY FINANCIAL PERFORMANCE

1. Operating Statement:

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4. Q3 Forecast	7
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1. Operating statement P9 – December 2020



	Year To December 2020			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
INCOME				
Rental Income	£137,759	£138,296	(£537)	£183,732
Void Losses	(£1,550)	(£960)	(£590)	(£1,275)
Net Rental Income	£136,209	£137,336	(£1,127)	£182,457
Other Income	£6,544	£6,287	£257	£8,648
Grant Income	£15,520	£26,486	(£10,966)	£34,259
Total Income	£158,273	£170,109	(£11,836)	£225,364
EXPENDITURE				
Employee Costs - Direct	£23,275	£25,654	£2,378	£34,112
Employee Costs - Group Services	£8,480	£9,266	£786	£12,037
ER / VR	£1,186	£579	(£607)	£773
Direct Running Costs	£8,023	£8,350	£327	£11,223
Running Costs - Group Services	£4,489	£5,972	£1,483	£7,696
Revenue Repairs and Maintenance	£15,130	£22,593	£7,464	£27,511
Irrecoverable VAT and bad debts	£6,903	£7,771	£868	£10,362
Depreciation	£46,224	£46,224	£0	£61,632
Demolition and Tenants Compensation	£182	£697	£515	£930
TOTAL EXPENDITURE	£113,892	£127,107	£13,215	£166,273
NET OPERATING SURPLUS / (DEFICIT)	£44,381	£43,002	£1,379	£59,091
<i>Net operating margin</i>	28.0%	25.3%	2.8%	
RTB Income	£0	£0	£0	£0
Interest payable & similar charges	(£34,257)	(£37,226)	£2,969	(£49,553)
STATUTORY SURPLUS / (DEFICIT)	£10,124	£5,776	£4,348	£9,538
INVESTMENT				
	Actual £ks	Budget £ks	Variance £ks	Full Year Budget £ks
Total Capital Investment Income	£5,072	£10,619	(£5,546)	£17,700
Total Expenditure on Core Programme	£18,695	£36,618	£17,923	£47,600
New Build & Other Investment Expenditure	£21,083	£35,015	£13,932	£45,104
Other Capital Expenditure	£2,056	£2,443	£387	£3,257
TOTAL CAPITAL EXPENDITURE	£41,834	£74,076	£32,242	£95,961
NET CAPITAL EXPENDITURE	£36,762	£63,457	£26,695	£78,261

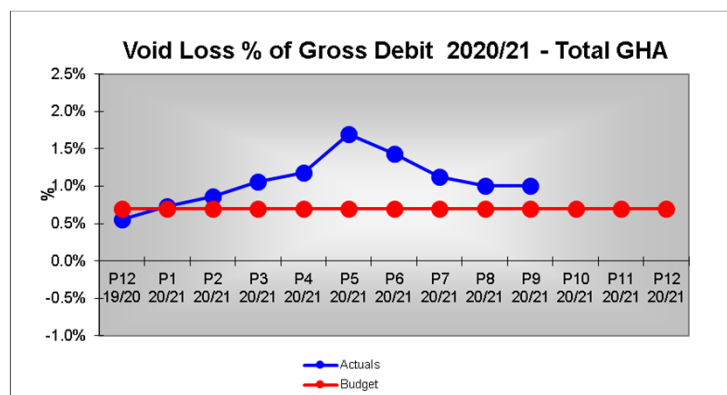
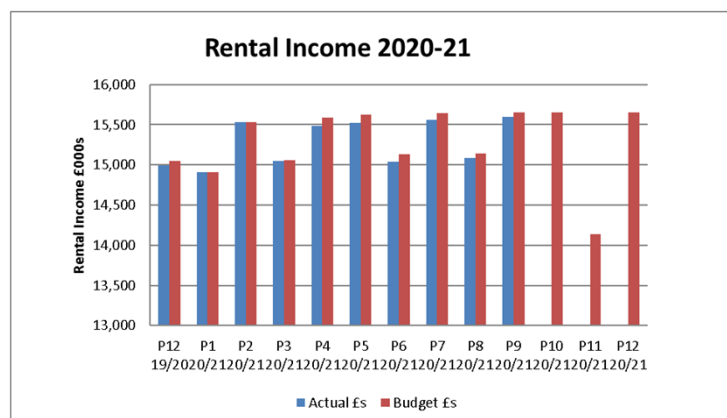
• Key highlights year to date:

- Net operating surplus of £44,381k is £1,379k favourable to budget. Statutory surplus of £10,124k is £4,348k favourable to budget. The key drivers for the variance are lower rental and grant income due to the delay in GHA completions from March and lower levels of expenditure resulting from the changes to the business in response to the pandemic.
- Net rental income is £1,127k adverse to budget; showing the rental income impact of the delays in new build completions and a higher level of void losses on existing properties. Void losses are £590k higher than budget, representing a year to date void loss rate of 1.12% compared to budget of 0.7%, as normal re-letting activities have been impacted by restrictions earlier in the year and the ongoing requirement for social distancing measures. During this period, GHA have provided properties to GCC for use as temporary homeless accommodation, which has assisted in mitigating void losses.
- Grant income recognised in the year to date relates to the total of 234 units completed at Inglefield, Linkwood, Bellrock, Auchinlea and Scaraway developments.
- ERVR spend includes costs for leavers linked to the new staff operating model, with a number of staff due to take up ERVR in the last quarter.
- Total running costs are £1,810k favourable to budget with the variance largely linked to the change in the operation of the business which has resulted in lower costs in a number of areas against budget. Unbudgeted PPE costs of £298k are included.
- Revenue repairs and maintenance expenditure is £7,464k favourable to budget. The service has been impacted by the revised Scottish Government restrictions since September, with continued favourable variances to budget seen across most areas of repairs.
- Core capital investment programme spend on existing stock is £17,923k lower than budget driven by the postponement of new internal works during the pandemic restrictions.
- New build spend is £13,932k lower than budget following the initial closure all construction sites and remobilisation with enhanced health and safety measures. Activity is accelerating with spend in the month of December £214k higher than budget.

2. Income – Rental Income & Void Losses



	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s
Rental Income	137,759	138,296	(537)
Void Losses	(1,550)	(960)	(590)
Net Rental Income	136,209	137,336	(1,127)



Comments:

Net rental Income is £1,127k lower than budget. The variance has been driven by a delay to the assumed completion date of social rent units at Bellrock, Linkwood, Auchinlea and Scaraway, and higher level s of voids.

- The Rental Income graph shows the actual and budgeted rental income for the financial year. The budget fluctuates each month as a result of the number of days in the month, any expected new build handovers, and assumed acquisitions. The actual rent has been lower than budget for in P9 following the delay in new build unit handovers. There were 185 units completed against 260 originally budgeted for.
- Void losses are £590k higher than budget, with re-letting of empty properties impacted by the Covid-19 restrictions. A number of properties have being allocated to Glasgow City Council to help with homelessness during pandemic.

Year to date void rental performance measure is 1.12% compared to a budgeted void loss of 0.7%, measure for the month is 1.01%. The void loss % graph shows lost rental income performance against the gross rental debit.

3. Balance Sheet



	Current Month As at 31 December 2020 £000's	Previous yr end As at 31 March 2020 £000's
Fixed Assets		
Social Housing Properties	1,311,895	1,339,820
Properties under construction	78,037	57,089
Other tangible fixed assets	48,922	39,926
Investment properties	41,153	41,153
Investments - other	8,387	8,387
Fixed Assets	1,488,394	1,486,375
Debtors Due More Than One Year		
Development Agreement	16,656	20,478
Inter Company Loan	27,730	27,730
Pension Asset	13,585	13,585
Current Assets		
Trade debtors	773	0
Rent & Service charge arrears	6,582	6,760
less: Provision for rent arrears	(4,998)	(4,823)
Prepayments and accrued income	7,666	7,507
Intercompany debtors	11,136	10,664
Other debtors	5,580	7,890
	26,739	27,998
Bank & Cash	13,011	3,796
Current Assets	39,750	31,794
Current Liabilities		
Trade Liabilities	(5,077)	(1,458)
Accruals	(14,454)	(15,200)
Deferred income	(31,827)	(42,226)
Rents & service charges in advance	(8,084)	(7,313)
Intercompany creditors	(4,792)	(3,472)
Other creditors	(5,491)	(8,204)
	(69,725)	(77,873)
Net Current Assets	(29,975)	(46,079)
Long Term Liabilities		
Contingent efficiencies grant	(36,693)	(36,693)
Bank finance	(858,027)	(850,028)
Development Agreement	(16,656)	(20,478)
Provisions	(1,094)	(1,094)
Other creditors	0	0
Long Term Liabilities	(912,471)	(908,293)
Net Assets	603,920	593,796
Funding Employed		
Capital & Reserves		
Retained Income b/fwd	252,434	252,434
Income & Expenditure	10,124	0
Revaluation Reserves	341,362	341,362
Funding Employed	603,920	593,796

Comments:

- The balance sheet reported reflects the 31 March 2020 year end statutory accounts position after completion of the audit. Year end adjustments applied include the revaluation of housing properties and actuarial valuation of the defined benefit pension scheme.
- 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.
- Debtors due after more than one year:** The intercompany loan debtor relates to the £30m of convertible debt with Lowther Homes Limited. This is revalued on an annual basis.
- No change in the pension asset is assumed during the year for management accounts purposes, as the valuation is carried out annually.
- Current Assets (excluding cash) are £1.3m lower than the yearend balance mainly due to a reduction in other debtors offset by increased intercompany balances as at December. Arrears net of rent provision are broadly in line with the March position.
- Short-Term Creditors** – Amounts due within one year of £69.7m is £8.1m lower to the March position and include £14.5m in accruals and £31.8m in deferred income. The deferred income primarily relates to housing association grant received for the construction of new build properties which is released on property completion. The remaining balance includes rent received in advance from our tenants, trade and other creditors and balances owed to other Wheatley entities.
- Loans** of £858.0m relate to funding drawn down from WFL1. Additional borrowings of £8.0m have been drawn in the financial year to date.

4. Q3 Forecast



Full Year Forecast	Budget £'000	Qtr 3 Forecast £'000	Variance £'000
INCOME			
Net Rental Income	182,457	180,985	(1,472)
Grant Income	34,259	23,993	(10,266)
Other Income	8,648	9,033	385
Total Income	225,364	214,011	(11,353)
EXPENDITURE			
Employee Costs	46,149	42,535	3,614
ER/VR	773	10,077	(9,304)
Running Costs	18,919	17,459	1,460
Repairs & Maintenance	27,511	19,159	8,352
Irrecoverable VAT & bad debt costs	10,362	9,294	1,068
Depreciation	61,632	60,432	1,201
Demolition	930	515	416
Total Expenditure	166,276	159,468	6,808
NET OPERATING SURPLUS	59,088	54,543	(4,545)
Interest Payable	(49,553)	(45,584)	3,969
STATUTORY SURPLUS/(DEFICIT)	9,535	8,959	(576)
INVESTMENT			
Total Capital Investment Income	17,668	13,000	(4,668)
Total Expenditure on Core Programme	47,045	27,204	19,841
New Build & other investment expenditure	44,959	31,226	13,733
Other Capital Expenditure	3,257	3,257	-
TOTAL CAPITAL EXPENDITURE	95,261	61,687	33,574
NET CAPITAL EXPENDITURE	77,593	48,687	28,906

Comments:

- The forecast operating surplus out-turn of £54.5m is £4.5m adverse to budget. After taking account of financing costs, the statutory surplus of £9.0m is adverse to budget by £0.6m. The key drivers of this variance are the lower levels of grant income recognised in the year, following the reforecast of new build completions, lower costs as a result of the COVID restrictions and additional provision for ERVR costs linked to the earlier implementation of the new operating model.
- Net rental income is forecast to be £1.5m adverse to budget as a result of the delay in the completion of new build properties and higher levels of voids from the restrictions on re-lets earlier in the year. The forecast assumes the reducing trend on void losses continues at current levels in Q4.
- Total expenditure is expected to be £6.8m favourable to budget. This includes a higher level of expenditure being set aside for ERVR bringing forward staff changes linked to the accelerated implementation of the new operating model, with efficiencies achieved through increased levels of mobile working and the use of digital technology to transform working practices.
- A forecast reduction of £8.4m has been included for repairs costs representing the year end projection in light of current restrictions on service delivery.
- Running costs are forecast to be £1.5m lower than budget and include additional running costs for unbudgeted PPE costs and vehicle costs.
- An additional £0.6m provision for bad debt costs has been included in the forecast, increasing the charge for the year to £11.0m. This reflects amounts linked to the increase in numbers of tenants moving onto Universal Credit. This is offset by a forecast reduction to the irrecoverable VAT charges of £1.7m.
- Interest payments are forecast to be £3.9m lower than budget as a result of borrowing requirements linked to the investment and new build expenditure profile.
- New build grant receipts are expected to be £4.5m lower than budget following the changes to the profile of claims linked to the suspension of work on new build sites.
- The core investment programme is expected to be £19.8m lower with a revised programme in place prioritising external investment and compliance/safety works, with any indoor work deferred assuming access is limited. As a result, spend of £27.2m is forecast.
- The new build investment is expected to be £13.7m lower than budget, deferring an element of these costs into 2021/22. The original budget assumed 478 units would be completed in 2020/21, this has now been revised to 311 units. With properties at Baillieston, Sighthill and Watson Street now forecast to complete in 2021/22, with additional 55 units across Auchinlea and Cranhill expected in 2020/21.
- Other capital expenditure is expected to be in line with budget for the remainder of the year.

GHA



Report

To: GHA Board

By: Jehan Weerasinghe, Managing Director, GHA

Approved by: Martin Armstrong, Group Chief Executive

Subject: Delivery Plan 2020/21 and Quarter 3 performance

Date of Meeting: 12 February 2021

1 Purpose

- 1.1 To update the Board on performance for the year to date.

2 Authorising Context

- 2.1 Under the terms of the Group Authorising Framework, the Board is responsible for setting the overall Performance Framework and approving the delivery plan for each year. Under the Group Authorise/Manage/Monitor Matrix, the Board has an ongoing role monitoring performance against the key indicators agreed under the performance framework.
- 2.2 This year's Delivery Plan has been heavily impacted by the pandemic and on this basis the Board agreed a different approach to target setting, including the use of phasing.

3 Risk Appetite and assessment

- 3.1 Our agreed risk appetite in relation to Board Governance is "cautious". This level of risk tolerance is defined as *"Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential reward"*.

4 Background

- 4.1 Our strategy has been recast (included under separate agenda item), which will now cover the period 2021-26. Given the impact of Covid 19, the Board have previously recognised that 2020/21 will be a transitional/exceptional year and necessitate an interim set of performance measures and targets. These do recognise a number of the themes of our original draft 2020-25 strategy, while also recognising that normal performance has not been possible due to government restrictions.
- 4.2 As previously reported to the Board, Covid-19 has had a significant effect on business operations across the Group which has impacted on the delivery of the overall Group strategy. Updates on operational performance, and the risks associated with working in this environment, have been reported through the "Service Mobilisation Update" report included under a separate agenda item.
- 4.3 We continue to review performance and key operational indicators are reported monthly to the Scottish Housing Regulator ("SHR") to understand the impact of Covid-19.

5 2020-21 Measures and Targets

- 5.1 Prior to lockdown, we had already developed a draft set of measures and targets based on the first year of our then 2020-25 strategy. The Board have subsequently reviewed these to evaluate the likely impact of Covid-19 on what is achievable this year and what is most important in light of some of the changes to the strategy currently under discussion.
- 5.2 The full set of the then agreed measures and targets for 2020/21 is included in the Appendix 1. Key points are set out below:
- 5.3 **Customer satisfaction:** The Scottish Housing Regulator requires satisfaction surveys to be completed every 3 years. Our last survey was completed in late 2019. As there is no statutory requirement to complete full surveys in 2020/21, we do not intend to complete full surveys this year.
- 5.4 **Phased targets:** to reflect the challenging environment we have been operating in so far, the Group Board agreed in August that we introduce phased targets for a small number of performance indicators based on the following phases.

Phase	Timescale	Commentary
<i>Lockdown/ phase 1</i>	April – June	Targets adjusted to reflect the changes in our services – e.g. restricted repairs service.
<i>Remobilisation – phase 2</i>	July – December	Targets adjusted to reflect the remobilisation of services.
<i>Business as usual</i>	January – March	Originally assumed that all services are fully operational by early 2021 – this has had to be paused following the most recent restrictions.

- 5.5 These phases have been applied to the following areas and proposed targets were developed for each phase. It is worth noting that these phased targets of return to BAU in January have not been possible under the latest restrictions introduced on the 5th January. Under these circumstances we revert to Phase 2 targets. *Tenant satisfaction with repairs and maintenance:* We anticipate in-month satisfaction to decline initially as more complex repairs usually result in lower satisfaction and there are more of these as we remobilise. “Phase 2” target is 87% and then the business as usual target was set to increase to 93%. Similarly, we have been unable to return to BAU in 2021 due to the additional restrictions introduced by the Scottish Government.

Days to let: As we worked through the completion of any repairs required to the backlog of vacant properties the time taken to let properties would be longer in July – December (“phase 2”). Thereafter we expected to come back to normal levels in January. However, we have been unable to return to BAU in 2021.

	Lockdown/ Phase 1	Remobilisation/ Phase 2
GHA	N/A – no letting	28

Medical adaptations (number of calendar days to carry out): There are a number of outstanding adaptation referrals from the beginning of lockdown. These will have a substantial length of time accrued by the time adaptations restart, which we commenced in November.

	Phases 1 and 2
GHA	N/A

Number of expired gas safety certificates: There were no expired gas safety certificates by September 2020.

	Lockdown/ Phase 1	Remobilisation/ Phase 2
GHA	1,536	0

- 5.6 Gross rent arrears: have been reviewed to reflect the economic impact Covid-19 has had on our customers; which has seen a significant increase in the number of people claiming Universal Credit. As a result, revised targets are detailed below:

	2019/20	30 June 2020	2020/21 Target
GHA	4.81%	5.21%	5.60%

- 5.7 Lets to homelessness: to reflect the importance of this area, it was proposed that the initial target of 33% was increased to a GHA target of 65%
- 5.8 Fire Risk Assessments: These recommenced from October 2020. The target was for 24 Multi Storey Flats and 6 Living Well properties to be completed. Over the next 2 years, 56 Multi Story Flats and 16 Living Well properties will be assessed to meet our 3 year targets.
- 5.9 Accidental Dwelling Fires: our target to reduce Accidental Dwelling Fires (“ADFs”) by 10% over the 5-year strategy remains. It was proposed we align the reduction with the 5-year period of the new strategy (i.e. profiled at 2% per annum from 2021-2026).
- 5.10 Social Housing and Mid-Market New Build: figures have been reviewed in light of Covid-19. The following table summarised this year’s assumed activity:

RSL	Social rent	Mid-market	Total units
GHA	311	49	360

- 5.11 Gas safety: the target remains at zero, as we have a legal obligation to carry out this service within timescales. These numbers cannot be reduced because the indicator measures how many times the deadline has been missed. Phased targets were set to monitor the position to bring the number of gas safety checks not being completed within time to zero.

6 Quarter 3 Performance

- 6.1 An update on performance relative to the key measures and other relevant measures is detailed below. Overall performance has remained strong during quarter three.
- 6.2 The effect of lockdown and phased remobilisation has presented some challenges through the remainder of the financial year with the anticipated return to business as usual not occurring due to the additional restrictions being introduced on the 5th January by the Scottish Government.
- 6.3 The strategic measures dashboard details performance according to individual measures and if they have met targets (see [Appendix 1](#)). Performance targets have been met or exceeded across majority of the measures detailed in the dashboard. The following four outline the measures where the target was not met.

Number of gas safety checks not met - Since September we have continued with the 100% compliance record in terms of gas safety. 1,536 expired CP12s occurred during lockdown. This principally occurred during the early part of lockdown where there was considerable uncertainty of customers about the risks of allowing trades persons into their homes. Since then there has been a monumental effort across GHA to reassure our customers about our approach to keeping customers safe whilst carrying out compliance works. We have returned to 100% compliance as of September, but the expired certificates will sit on our ARC return.

% new tenancies sustained for more than a year – Performance remains good with a sustainment figure of 89.3%. The figure is only 0.7% shy of the target of 90%. The figure still includes deaths and also positive reasons for moving on such as securing a larger home which might be more suitable for household.

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

New build completions - Social Housing -We are on course to complete 263 homes by the end of the financial year. The Primary delay was caused by sites being closed for 11 weeks during lockdown.

Gross Rent Arrears

- 6.4 We aim to maintain strong gross rent arrears performance below 5.6% by the end of the year. For Q3 this figure was 4.94%. As reported last quarter, there was an unprecedented level of Universal Credit claims during lockdown. GHA now has a case load of 9,402 customers on Universal Credit.
- 6.5 UC customers continue to have a five week wait to receive their benefit, which impacts on their ability to pay their rent. Many of these people have required individual support from housing officers and welfare benefit advisors. Close to 240,000 outgoing calls have been made by Housing Officers across Group

7 Accidental Dwelling Fires and Fire Risk Assessments

- 7.1 In the year to date, from April through December there have been 126 Accidental Dwelling Fires (ADFs) in GHA. The current ADF performance is now 20% fewer fires compared to 2019/20 and this builds on our already outstanding performance of a 21% reduction in ADFs over the last two years.
- 7.2 As we went into the first lockdown there was an initial spike in ADFs and, with customers spending more time at home, this was not unexpected. This is a trend that was reflected nationally with SFRS reporting a significant increase in serious injury and death this year.

RSL	April – September 2019	April – December 2020	Difference	Percentage change
GHA	157	126	-32	-20%

- 7.3 Due to ongoing lockdown restrictions and associated Scottish Government guidance we are unable to visit customers in their homes. Despite this we continued to deliver a number of extremely important fire prevention activities. For example, our daily MSF block inspections continued to be carried out by our MSF Environmental Operatives and all stock types and areas were patrolled on a daily basis to remove items of bulk which may have posed a fire risk.
- 7.4 Our Fire Safety Team continue to work closely with Housing Officers in identifying vulnerable customers. Due to Lockdown restrictions many of our interventions are initially conducted over the telephone with fire safety products thereafter being delivered to customers whilst adhering to social distancing guidelines.
- 7.5 Our three-year Fire Risk Assessment programme for all MSF and Living Well complexes recommenced at the end of October. The first 16 MSF sites have already received a Fire Risk Assessment.

8 Repairs

- 8.1 GHA has carried out both emergency and non-emergency repairs within the target times. Emergency repairs were carried out on average within 2.92 hours against the target of 3 hours.
- 8.2 We were gearing up towards full remobilisation of the repairs service prior to the most recent restrictions being in place. We have now had to revert to a Safety-First repairs service from the 5th January onwards. An inevitable consequence of being unable to provide a full service safely in the first half of the year, is that there is backlog of works such as roofing, drainage and customer requests. These have been project managed in a co-ordinated way, similar to the approach used in addressing the void backlog.

Strategic projects – progress at Quarter 3

- 8.3 Appendix 2 outlines progress on the strategic projects in the Delivery Plan at the end of Quarter 2

- Develop Group Homelessness Framework, including rapid rehousing – The Group Homelessness Policy has been agreed and is included under a separate agenda item.
- Develop pre-1919 strategic overview -The strategy for our pre-1919 stock in Glasgow is to work with other strategic partners such as GCC to identify and implement options to help us deliver much needed common repairs to ensure the longer term viability of this cultural important stock type. The next phase of our improvement programme is focussed in the High Street area of the city centre and forms a key part of GCC's High Street Area Plan which incorporates a wider regeneration strategy for this historic locality. We aim to deliver this work by seeking grant support from Glasgow City Heritage Trust to assist owners with the cost of participating in our investment proposals and by strengthening our ownership within mixed tenure blocks through targeted acquisitions. Progress has been impacted by the on-going pandemic however we anticipate submitting an application for heritage funding before the end of the financial year with an aim to commence with repair works in early summer 2021

Work with Police Scotland to develop a Group-wide Antisocial Behaviour and Crime Prevention and Mitigation Framework -The development of the Group Antisocial Behaviour and Crime Prevention and Mitigation Framework is in final draft and will be presented to board during 2021.

- Create a new digitally enabled engagement framework - A new customer engagement framework is included under separate agenda item.

9 Key issues and conclusions

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

10 Value for money implications

- 10.1 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.

11 Impact on financial projections

- 11.1 No implications

12 Legal, regulatory, and charitable implications

- 12.1 Registered Social Landlords are required to provide an Annual Return on the Charter to the Scottish Housing Regulator. The key indicators within this return are included in monthly performance reporting. The GHA Board approves the final return and this information is included in the year end performance report to the Group Board. GHA is also required to involve tenants in the scrutiny of performance and to report to tenants annually.

13 Partnership implications

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

14 Implementation and deployment

- 14.1 Not required

15 Equalities impact

- 15.1 There is no direct equalities impact from this report.

16 Recommendation

- 16.1 The GHA Board is asked to note performance for the year to date and the extension of the phase 2 targets reflecting the current operating context restrictions.

LIST OF APPENDICES

Appendix 1: Targets for 2020/21

Appendix 2: Measures dashboard

Appendix 3: Strategic projects dashboard
















Appendix 1





Targets for 2020/21

	GHA Charter Indicators	18/19 Result	19/20 Target	20/21 Target
1	Percentage annual tenants satisfied with the overall service	88%	90%	Not Applicable
2	Percentage annual tenants who feel their landlord is good at keeping them informed about their services and decisions	88%	93%	Not Applicable
3	Percentage complaints responded to in full at Stage 1 and the % complaints responded to in full at Stage 2 - Overall	97.13%	Baseline Year	96%
4	Average time in working days for a full response at Stage 1 and the average time in working days for a full response at Stage 2 - Overall	5.09	Baseline Year	8
5	Percentage annual tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes	80%	87%	Not Applicable
6	Percentage stock meeting the Scottish Housing Quality Standard (SHQS).	99.36%	98.3%	99.4%
7	Percentage annual existing tenants satisfied with the quality of their home	87%	89%	Not Applicable
8	Average time to complete emergency repairs (hours)	2.88	3	3
9	Average time to complete non-emergency repairs (working days)	5.48	5.5	5.5 days
10	Percentage reactive repairs completed right first time	96.31%	97.50%	97.50%
11	Number of times in the reporting year that you did not meet your statutory obligation to complete a gas safety check within 12 months of a gas appliance being fitted or its last check.	0	0	0
12	Percentage tenants satisfied with repairs or maintenance carried out in last 12 months	94%	94%	87% to end of December 93% to end of March. Annual target is 90%
13	Percentage annual tenants satisfied with the landlord's contribution to the management of the neighbourhood they live in.	82%	Baseline Year	Not Applicable
14	Percentage of tenancy offers refused during the year	32%	21%	Contextual
15	Percentage of anti-social behaviour cases reported in the last year which were resolved.	100%	Baseline Year	98%





	GHA Charter Indicators	18/19 Result	19/20 Target	20/21 Target
16	Percentage of new tenancies sustained for more than a year - overall	90.35%	93%	90%
17	Percentage of lettable houses that became vacant	8.38%	8.50%	8.50%
18	Percentage of rent due lost through properties being empty	0.43%	0.50%	0.50%
19	Number of households currently waiting for adaptations to their home.	93	Contextual	Contextual
20	Total cost of adaptations completed in the year by source of funding (£).	£1,74m	Contextual	Contextual
21	Average time to complete approved applications for medical adaptations (calendar days) *	17.60	25	72 *
22	Percentage of court actions initiated which resulted in eviction - overall	29.70%	25%	25%
23	Percentage of referrals under Section 5, and other referrals for homeless households made by the local authority, that resulted in an offer	49.47%	Baseline Year	Contextual
24	Percentage of offers made to LA Section 5 and other referrals for homeless households that result in a let. (ARC indicator only for Local Authorities)	68.54%	Baseline Year	Contextual
25	Percentage of annual tenants who feel that the rent for their property represents good value for money	79%	83%	Not Applicable
26	Rent collected as % of total rent due	98.34%	99.70%	99.70%
27	Percentage gross rent arrears	4.8%	3.99%	5.60%
28	Average annual management fee per factored property.	£184.53	Contextual	Contextual
29	Percentage of annual owners satisfied with the factoring service	60%	72%	Not Applicable
30	Average length of time taken to re-let properties (calendar days) *	15.44	14	26

Appendix 2 - GHA Board - Delivery Plan 20/21 - Strategic Measures

Measure	2019/20	YTD 2020/21		
	2019	2020		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - overall	4.94	5.49	8	
Average time taken to complete emergency repairs (hours) – make safe	2.88	2.92	3	
Average time taken to complete non-emergency repairs (working days)	5.48	3.74	5.5	
% reactive repairs completed right first time	96.31%	98.09%	97.5%	
Number of gas safety checks not met	0	1,536	0	
% of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the R&M service	94.34%	92.88%	87%	
% tenancy offers refused during the year	32.28%	18.45%		
% new tenancies sustained for more than a year - overall	90.35%	89.3%	90%	
% lettable houses that became vacant	8.38%	7.35%	8.5%	
Average days to re-let properties (ARC) – excluding lockdown days		30.4	26	
Average time to re-let properties (ARC)	15.44	44.92		
Average time to complete approved applications for medical adaptations (calendar days)	17.6	53.57	72	
Gross rent arrears (all tenants) as a % of rent due	4.81%	4.94%	5.6%	
% avoidable contact	6.73%	6.26%	18%	
% of payments made within the reporting period which were paid in 30 days or fewer (from the date the business receives a valid invoice)	92.65%	93.91%	96%	

	2019/20	YTD 2020/21		
Measure	2019	2020		
	Value	Value	Target	Status
GHA - Total number of jobs, training places or apprenticeships created including Wheatley Pledge	457	0	0	
New build completions - Social Housing	59	185	269	
New build completions - Mid-market	119	49	0	
% Sickness rate	3.03%	0.89%	3%	

Appendix 2 - GHA Board - Delivery Plan 20/21 - Strategic Projects

Strategic Project	Delivery Date	Status	% Progress
Develop Group Homelessness Framework, including rapid rehousing	31-Dec-2020		<div><div>100%</div></div>
Develop pre-1919 strategic overview	31-Dec-2020		<div><div>90%</div></div>
Work with Police Scotland to develop a Group-wide Antisocial Behaviour and Crime Prevention and Mitigation Framework	28-Feb-2021		<div><div>40%</div></div>
Develop a new framework for customer engagement (incorporating customer inspection process)	31-Mar-2021		<div><div>70%</div></div>



Report

To: GHA Board

By: Anthony Allison, Director of Governance

Approved by: Martin Armstrong, Group Chief Executive

Subject: Governance update

Date of Meeting: 12 February 2021

1. Purpose

- 1.1 To update the Board on the following governance related matters:
- Board recruitment and succession planning; and
 - Board reporting template

2. Authorising context

- 2.1 The Board is responsible for agreeing its respective Board recruitment and succession planning arrangements, which is thereafter subject to agreement by the Group Remuneration Appointments, Appraisal and Governance Committee.
- 2.2 The Group reporting template is a formal element of our Group governance framework. On this basis, the template, and any additions thereto are subject to Group Board approval.

3. Risk Appetite and assessment

- 3.1 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”.
- 3.2 We mitigate this risk through having clearly defined roles and responsibilities across our governance framework and regularly updating the Board on governance related matters.

4. Background

- 4.1 All elements of our operational group governance framework, including Board succession planning, remains under review on an ongoing basis to take account of factors such as unplanned retirements and material changes in circumstances. At its last meeting the Board approved the appointments of two new Board members - John Bannon MBE and Lara Lasisi.

- 4.2 In addition to this, we routinely undertaken strategic governance reviews at Group level to consider our governance arrangements as a whole and taking into account our strategic direction and independent expert advice.

5. Discussion

Board recruitment and succession planning

- 5.1 Since the last Board meeting an unplanned retirement occurred when Michael McNamara stepped down due to personal circumstances on 13 January. This created a vacancy for a tenant Board member, the only vacancy on the Board at this time following the appointments of John Bannon and Lara Lasisi.
- 5.2 In considering the approach to filling this vacancy as part of our wide succession plan, a relevant consideration is the confirmation of a successful ballot of Cube Glasgow tenants on transferring landlord to GHA. A specific commitment in the proposal, agreed by both the GHA and Cube Boards, of:

“A stronger tenant voice through up to three Cube tenants on the Board of the combined GHA and Cube”

- 5.3 If we were to fill the current vacancy, as well as add the full 3 former Cube tenants it would require the Board to expand to 9 tenant members and overall size of 15. It is anticipated that one of the former Cube tenants who will join the Board will be an existing Cube Board member
- 5.4 It is therefore proposed that we hold this vacancy to allow for that appointment to be made. We would then thereafter require to agree a recruitment process to identify up to two further former Cube tenants to join the Board. As this will also require a formal Rule change, it is intended that a more detailed report be brought back post transfer to consider this.

Board reporting template

- 5.5 The Group Board have agreed updates to our reporting template, which fall into the two categories below:
- 1. Strategy alignment*
- 5.6 Our new Group and individual strategy will come into effect from April 2021. A key role for the Board will be understanding how we are progressing with implementation and where appropriate making decisions.
- 5.7 The authorising context will therefore be extended to include strategic context. This section will briefly set out how the content of the report relates to our agreed strategic themes and outcomes. This will give greater context up-front for the contents of the report.
- 5.8 This section will also highlight whether the content of the report has strategic implications in relation to external partner organisations. For example, a project may support a Local Authority partner in delivering their strategic objectives as well as our own (such as in relation to homelessness or new affordable housing supply). This allows us to set out in a more strategic

context what was previously included at the end of the report template in the Partnership Implications section.

- 5.9 Two themes which underpin our strategy are increasing customer engagement (particularly how this influences our decision making) and digital transformation. These are areas which will require to be factored into a wide range of our future deliberations and decision making.
- 5.10 Taking this into account, two new sections are incorporated into the template to set out clearly how the content is informed by and takes into account these two key strategic areas.

2. Integration

- 5.11 We have reviewed previous reports and identified areas which are, in practice, so closely aligned that having separate sections can lead to duplication. We therefore propose to merge the following:
- Discussion, key issues and conclusions, and implementation and deployment
 - Financial and value for money implications
 - Authorising context and partnership implications (as noted above)
- 5.12 A clean and tracked change version of the proposed template is attached at Appendix 1A and 1B respectively. The revised template will support implementation of our new strategy. It will also retain core governance elements which allow the Boards to make informed decisions, such as risk assessments, financial implications and legal/regulatory/charitable issues. The template itself also provides guidance for staff on the content which should be included in all sections.
- 5.13 It is proposed that the template will come into effect in May 2021 following the launch of our new strategy. The additional sections will allow us to reinforce how reporting should be linked to our strategy.

6. Key issues and conclusions

- 6.1 The proposals in the report allow the Board to continue to exercise its strong oversight and decision making in relation to governance related matters. This is consistent with our agreed risk appetite in this area.

7. Value for money implications

- 7.1 There are no value for money implications arising from this report.

8. Impact on financial projections

- 8.1 There is no impact on our financial projections arising from this report.

9. Legal, regulatory and charitable implications

- 9.1 As indicated in the body of the report, the future Board composition will require to be considered within the context of a Rule change. Any future Rule change will require to go through the formal process set out in our existing

Rules, as well as be registered with the Financial Conduct authority and notified to the SHR.

9.2 SHR Regulatory Standards of Governance, Standard 4 requires that:

The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose

9.3 Our report template sets a structure which seeks to facilitate this type of information being provided to the Board.

10. Partnership implications

10.1 There are no partnership implications associated with this report.

11. Implementation and deployment

11.1 The implementation and deployment of the process is set out in the body of the report.

12. Equalities impact

12.1 There are no equalities impact arising from this report. Equalities implications will remain a specific section in our future Board reporting template.

13. Recommendations

13.1 The Board is asked to:

- 1) Note the retirement of Michael McNamara;
- 2) Agree that the existing vacancy be held for a potential tenant Board member from Cube;
- 3) Note that a further report will be brought to the May meeting on plans for future recruitment; and
- 4) Note the revised Board reporting template and that it will take effect from April 2021

List of Appendices

Appendix 1A – Clean revised Board reporting template

Appendix 1B – Track changed revised Board reporting template



Report

To:

By:

Approved by:

Subject:

Date of Meeting:

1. Purpose

1.1 This should very clearly set out what is being asked of the Board such as:-

- Seek approval of [xxxx];
- Provide the Board with an update on [xxxxx].

This section **should not** stray into the content of the report and should mirror the recommendations. This should be a **maximum** of 1-2 paragraphs.

2. Authorising and strategic context

2.1 This section should specifically set out in what authorising context the Board/Committee is being asked to act. This must include a direct reference to at least one of the following:

- Intra-Group Agreement (IGA);
- Group Standing Orders (GSOs);
- Group Authorising Framework (GAF);
- Authorise/Monitor/Manage Matrix (AAMM);
- Scheme of Financial Delegation.

2.2 This section should also clearly identify the links to the Group/Partner strategy, setting out:

- Which strategic theme(s) the report relates to
- What strategic outcome(s) the report contributes to achieving
- Any associated strategic results
- Any specific strategy commitment the report relates to and/or will be met

It should also set out any other relevant strategic context, for example links to strategic objectives of partners or key stakeholders.

3. Risk Appetite and assessment

- 3.1 The report should make a **specific reference** to the Board's approved risk appetite level in relation to the subject matter e.g.:-

Our agreed risk appetite in [insert risk area] is [insert tolerance level]. This level of risk tolerance is defined as "[insert the definition for risk rating]".

Where there is no defined existing or linked risk appetite level, consider proposing a new risk appetite for approval.

- 3.2 It should then go on to identify the key risks / overall level of risk associated with the proposals.

4. Background

- 4.1 Any **pertinent** issues which provide the context for the report e.g.:-

- Previously agreed decisions or actions;
- Recap of pertinent information previously communicated;
- Information which provides the strategic context for the thread and content of the report.

5. Customer Engagement

- 5.1 Our strategy has a very clear focus on enhancing our customer engagement and a significant element of co-development and co-design with our customers. This section should include details of:

- How we have engaged customers on development of any proposals in the report; and/or
- how we plan to engage customers on the proposals in the report

6. Discussion

Part 1

- 6.1 This is the main body of the report and should set out clearly and fully cover what is set out in the purpose of the report and further detail the influence of the customer engagement.. For reports to partner Boards this should have a **clear focus** on what is relevant and applicable to the particular partner. For example where the report relates to a Group Policy or similar, it should not be a boiler plate replica of the Group Board report.

Part 2

- 6.2 This should act as a brief summary and recap of the main points developed.

7. Digital transformation alignment

- 7.1 Our Group Strategy sets a clear direction and is underpinned by digital transformation. This section should set out which digital transformation theme the proposals are contained within and/or will be contributing to delivering. It should also confirm whether the proposals are contained within the Digital Transformation Programme.
- 7.2 Where the proposals are not already included within the Digital Transformation Programme this section must:
- detail why it is not in the existing plan
 - detail how it will be resourced within the proposed timescale

8. Financial and value for money implications

- 8.1 The financial implications or analysis associated with the report should be clearly identified and where possible quantified. This should be linked to how any proposals or courses of actions will be funded and will, as appropriate, cover areas such as:
- Source of funding (including relevant group entity, partnership or other available funding e.g. Government / Local Authority pots and funds);
 - Impact on budget;
 - Business plan implications, including impact on surplus;
 - Key milestones;
- 8.2 This section should also confirm how the proposal provides value for money, for the business and for tenants/customers/people we work for.
- 8.3 Where there are no implications, such as scrutiny / update reports (e.g. Finance report or performance report) the section should expressly state that this is the case.

9. Legal, regulatory and charitable implications

- 9.1 This section should clearly outline the relevant legislation and regulation which applies to the subject matter. It should set out the implications of the legislation, including how these have been incorporated in any proposals or reference where such information is already contained within the body of the report.
- 9.2 It should include:-
- an assurance that the necessary checks have taken place to ensure that there is no risk to legal compliance and provide details of any legal advice received;
 - details of any consents required with the proposals e.g. SHR or funder; details of any legal or regulatory consultation requirements with tenants.

[GUIDANCE / INPUT SHOULD BE SOUGHT FROM LEGAL / GOVERNANCE AND FINANCE]

10. Equalities implications

- 10.1 This section should set out how any proposals made ensure we continue to comply with equalities legislation, where applicable.

11. Recommendations

- 11.1 This section should clearly set out what the governing body is being asked to do, eg specific approvals and decisions that are being sought. This should reflect the purpose section.

WHERE THERE IS A CONSENT REQUIREMENT, THE RECOMENDATIONS SHOULD CLEARLY STATE THE RECOMMENDATION IS SUBJECT TO RECEIVING SUCH CONSENT

LIST OF APPENDICES:-

All appendices within the document should be identified. All attached documents outwith the report should be identified as an Appendix and appropriately numbered, not referred to as 'attached' or 'enclosed' etc.



Report

To:

By:

Approved by:

Subject:

Date of Meeting:

1. Purpose

1.1 This should very clearly set out what is being asked of the Board such as:-

- Seek approval of [xxxx];
- Provide the Board with an update on [xxxxx].

This section **should not** stray into the content of the report and should mirror the recommendations. This should be a **maximum** of 1-2 paragraphs.

2. Authorising and strategic context

2.1 This section should specifically set out in what authorising context the Board/Committee is being asked to act. This must include a direct reference to at least one of the following:-

- Intra-Group Agreement (IGA);
- Group Standing Orders (GSOs);
- Group Authorising Framework (GAF);
- Authorise/Monitor/Manage Matrix (AAMM);
- Scheme of Financial Delegation.

2.2 This section should also clearly identify the links to the Group/Partner strategy, setting out:

- Which strategic theme(s) the report relates to
- What strategic outcome(s) the report contributes to achieving
- Any associated strategic results
- Any specific strategy commitment the report relates to and/or will be met

It should also set out any other relevant strategic context, for example links to strategic objectives of partners or key stakeholders.

3. Risk Appetite and assessment

- 3.1 The report should make a **specific reference** to the Board's approved risk appetite level in relation to the subject matter e.g.:-

Our agreed risk appetite in [insert risk area] is [insert tolerance level]. This level of risk tolerance is defined as "[insert the definition for risk rating]".

Where there is no defined existing or linked risk appetite level, consider proposing a new risk appetite for approval.

- 3.2 It should then go on to identify the key risks / overall level of risk associated with the proposals.

4. Background

- 4.1 Any **pertinent** issues which provide the context for the report e.g.:-

- Previously agreed decisions or actions;
- Recap of pertinent information previously communicated;
- Information which provides the strategic context for the thread and content of the report.

5. Customer Engagement

Commented [AA1]: New section

- 5.1 Our strategy has a very clear focus on enhancing our customer engagement and a significant element of co-development and co-design with our customers. This section should include details of:

- How we have engaged customers on development of any proposals in the report; and/or
- how we plan to engage customers on the proposals in the report

6. Discussion

Part 1

- 6.1 This is the main body of the report and should set out clearly and fully cover what is set out in the purpose of the report and further detail the influence of the customer engagement. For reports to ~~subsidiary partner~~ Boards this should have a **clear focus** on what is relevant and applicable to the particular ~~subsidiary partner~~. For example where the report relates to a Group Policy or similar, it should not be a boiler plate replica of the Group Board report.

Part 2

- 6.2 This should act as a brief summary and recap of the main points developed.

5.1

6. Key issues and conclusions

Commented [AA2]: To be consolidated into discussion section

~~6.1 This should act as a brief summary and recap of the main points developed in the discussion section and the conclusions being drawn from the key points e.g.:-~~

- ~~• A course of action that should be taken;~~
- ~~• A decision or judgement that requires to be made;~~
- ~~• The approval process (in particular in relation to other Group members);~~
- ~~• Next steps / actions being taken as a result of the key issues and conclusions.~~

~~6.2 This section must also include some analysis of how the proposals within the report (e.g. mitigations identified) got us to a position risk exposure is consistent with our appetite or set out recommendations as to why we should be accepting risk beyond our agreed appetite~~

7. Digital transformation alignment

7.1 Our Group Strategy sets a clear direction and is underpinned by digital transformation. This section should set out which digital transformation theme the proposals are contained within and/or will be contributing to delivering. It should also confirm whether the proposals are contained within the Digital Transformation Programme.

7.2 Where the proposals are not already included within the Digital Transformation Programme this section must:
- detail why ~~it is~~ they are not in the existing plan
- detail how ~~they~~ it will be resourced within the proposed timescale

7. Value for money implications

~~7.1 This section should consider how the proposals relate to the Group's Value for Money ("VFM") Framework. The VFM Framework should be directly consulted and referenced in this section for example:-~~

~~7.2 The [subject matter] relates to the x key value driver identified within our VFM Framework. It is anticipated that this will impact this driver by [insert analysis / projection] e.g. potentially improving satisfaction with X.~~

~~7.3 The [subject matter] relates to key VFM Objective x and will support the actions under this objective by [insert relevant details].~~

8. Financial and value for money implications~~Impact on financial projections~~

8.1 The financial implications or analysis associated with the report should be clearly identified and where possible quantified. This should be linked to how any proposals or courses of actions will be funded and will, as appropriate, cover areas such as:-

Commented [AA3]: New section to more clearly articulate the link to digital transformation programme

Commented [AA4]: Consolidated into finance section

- Source of funding (including relevant group entity, partnership or other available funding e.g. Government / Local Authority pots and funds);
- Impact on budget;
- Business plan implications, including impact on surplus;
- Key milestones;
- ~~Link to strategy.~~

8.2 ~~This section should also confirm how the proposal provides value for money, for the business and for tenants/customers/people we work for. This section should clearly identify if / how the proposals impact our assumed surplus in approved financial projections.~~

8.3 Where there are no implications, such as scrutiny / update reports (e.g. Finance report or performance report) the section should expressly state that this is the case.

9. Legal, regulatory and charitable implications

9.1 This section should clearly outline the relevant legislation and regulation which applies to the subject matter. It should set out the implications of the legislation, including how these have been incorporated in any proposals or reference where such information is already contained within the body of the report.

9.2 It should include:-

- an assurance that the necessary checks have taken place to ensure that there is no risk to legal compliance and provide details of any legal advice received;
- ~~details of any consents required with the proposals e.g. SHR or funder;~~
- details of any legal or regulatory consultation requirements with tenants or people we work for.

[GUIDANCE / INPUT SHOULD BE SOUGHT FROM LEGAL / GOVERNANCE AND FINANCE]

10. ~~Partnership Equalities~~ implications

~~10.1 This section should set out how the proposals impact and fit with our approach to partnerships, such as:-~~

- ~~Potential to deliver in partnership with others;~~
- ~~Interdependency on the work of partners;~~
- ~~Key partners approach strategic / operational.~~

10.1 This section should set out how any proposals made ensure we continue to comply with equalities legislation, where applicable.

11. ~~Implementation and deployment~~

Commented [AA5]: Partnership now included within Authorising and strategic context

Commented [AA6]: To be covered in main discussion section

~~11.1 This section should clearly set out any arrangement to implement and deploy any proposals, including:-~~

- ~~• Which business area(s) will lead the implementation and deployment;~~
- ~~• The timescale/key milestones for implementation;~~
- ~~• Monitoring and reporting arrangements for reporting progress with implementation.~~

~~12. Equalities impact~~

Commented [AA7]: Repositioned

~~12.1 This section should detail any equalities impact which has been considered or shall be considered. Details of the results of any Equality Impact Assessment should be provided.~~

~~13~~10. Recommendations

~~13~~10.1 This section should clearly set out what the ~~recipient governing body~~ is being asked to do, ~~eg~~ specific approvals and decisions that are being sought. This should reflect the purpose section.

WHERE THERE IS A CONSENT REQUIREMENT, THE RECOMMENDATIONS SHOULD CLEARLY STATE THE RECOMMENDATION IS SUBJECT TO RECEIVING SUCH CONSENT

LIST OF APPENDICES:-

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