WHEATLEY HOMES GLASGOW
BOARD MEETING

Friday 17 November 2023 at 10.30am
Wheatley House, 25 Cochrane Street, Glasgow

AGENDA

1. Apologies for absence

2. Declarations of interest

3. a) Minute of 15 September 2023 and matters arising
   b) Action list

Main business and approvals

4. 2025 Rent setting

5. Customer insight update

6. [redacted]

7. Income collections and annual rent campaign

8. Performance report

Other Business

9. Governance update

10. Finance report

11. Risk Register

12. [redacted]

13. AOCB

Report

To: Wheatley Homes Glasgow Board

By: Aisling Mylrea, Director of Wheatley Homes Glasgow

Approved by: Steven Henderson, Group Chief Executive

Subject: 2024/25 Rent setting and service charges

Date of Meeting: 17 November 2023

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1. Purpose

1.1 This report:

- seeks agreement from the Board for the 2024/25 rent and general service charge increases for initial focus group discussion; and
- sets out proposals for engagement and consultation with WH Glasgow tenants on rent increase options.

2. Authorising and strategic context

2.1 Under the Group Standing Orders, the Group Board is responsible for the Group rent setting framework. Subsidiary Boards approve their own rent increases within this framework.

2.2 The Group Board agreed that a base increase within the range of 6.9-7.9% should be the basis of our initial focus group discussion with each RSL's tenants. Alongside this, we would discuss two additional options of +0.5% and +1% on the base to fund additional investment in tenants' homes, as we have in previous years.

3. Background

Economic context

3.1. The economic outlook in the UK remains under pressure. Inflation has proved to be more resistant to interest rate increases than expected, with a strong labour market and higher wage settlements helping to maintain higher prices. While the current CPI rate of 6.7% is on a slow downward trend; according to most recent market expectations, inflation is expected to reduce to 5% by the end of this calendar year with a slow unwinding to the long-term Bank of England target of 2% now not likely to be achieved until the first half of 2025.

3.2. Our most recent predicted full-year financial out-turn for this financial year, reflects the impact of revised assumptions for interest rates and inflation and most notably for repairs expenditure which has continued to see an increase in demand with job numbers up 9% in the first half of 2023/24 compared to the same period in 2022/23.

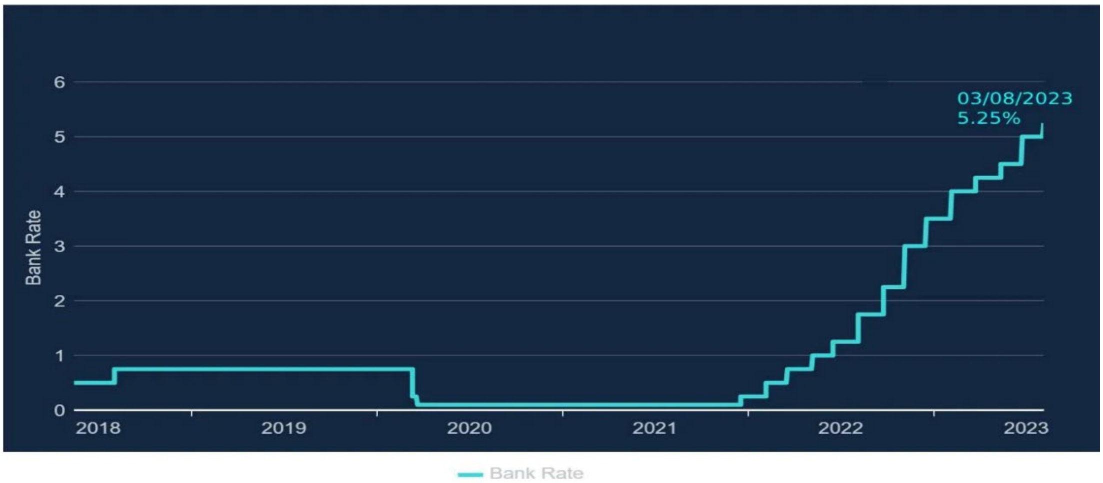
3.3. Our increased focus on addressing issues of dampness and mould in our properties has also been a factor. We have implemented a number of actions to increase the efficiency of the service, but in common with most social landlords in the UK we are seeing a sustained increase in customer demand and expectations for repairs and we have reflected an increased provision in our forward financial projections for this.

UK inflation to September 2023

3.4 Since 2022/23 we have been affected by increases in the cost of fuel, utilities, insurance and building materials. Fuel and utilities costs have stabilised to some extent, however, insurance and building materials are still subject to notable price increases.

3.5 Interest rates have been subject to 14 consecutive increases with rates currently at 5.25% after a pause in the increases at the last two Bank of England monetary policy committee meetings. Markets predict that rates may be subject to one further increase to 5.50%. This is lower than previous predictions over the summer which suggested rates hitting 6.25 to 6.50%, the current view is that while rates will peak at a lower level they will remain there for a longer period only reducing in late 2024/25. A large proportion of our existing funding is at fixed rates (87% at October 2023) which limits our interest rate exposure to the remaining 13% of variable rate borrowings.

UK Base rate – 2020 – 2023



Programme for Government/Housing Bill

3.6 The Scottish Government has extended the remaining provisions within the Cost of Living (Tenant) Protection (Scotland) Act 2022 for a further and final six-month period to 31 March 2024. The extension is on the same basis as currently exists: a 3% cap for private landlords; and the enforcement of evictions continuing to be paused for six months for most tenants other than a small number of specified circumstances.

3.7 Since the last meeting it has been confirmed that the powers for long-term rent controls which will be introduced with the new Housing Bill will not apply to social landlords. This means that there are no limits on RSL rent increases for 2024/25.

4. Discussion

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

- Affordability;
- Comparability;
- Financial viability; and
- Consultation with tenants and service users.

Affordability

4.2 Our average rents for 2023/24 are shown in Table 1 below, alongside the Scottish average and Scottish RSL averages now published for the same year. To allow as "like for like" a comparison as possible these rates are based on the latest available information via the 2022/23 Annual Return on the [Scottish Social Housing] Charter ("the ARC") to the Scottish Housing Regulator ("SHR") with the 2023/24 rent increase (sourced from the SHR) applied.

T*able 1: Average Weekly Rents – March 2023 ARC Return + 23/24 rent increase*

RSL	Average Weekly Rent					Total Units	Overall Average Weekly Rent
	1 Apt	2 Apt	3 Apt	4 Apt	5 Apt		
WH Glasgow	£77.42	£88.97	£94.84	£110.03	£120.51	42718	£96.20
Scottish Average	£82.25	£87.72	£90.68	£98.75	£109.01		£92.06
Scottish RSL Average	£88.50	£95.78	£97.62	£107.70	£119.19		£99.60

4.3 The UK minimum wage **increased by 9.7%-10.9%** in April 2023. In April 2023 the uprating of most benefits, including Universal Credit, was **an increase of 10.1%** which was also the increase for the state pension.

4.4 Our rent increases of **1%** for ex Cube stock (final year of rent commitment) and **3.9%** for the remining stock were significantly below the uplift of the minimum wage, Universal Credit and UK pensions.

4.5 The UK Government announced in October that it will accept the Low Pay Commission recommendations, expected this month, for the increase from April 2024 (https://www.gov.uk/government/news/chancellor-announces-major-increase-to-national-living-wage). Based on the Low Pay Commission's latest forecasts, this would see the National Living Wage increase to over £11 per hour from April 2024 (from the current £10.42 for over 23s).

4.6 Under the triple lock, the UK pension is meant to increase by whichever is highest from the percentage increase in average earnings from May to July the previous year, inflation in September the previous year or 2.5 percent. For the April 2024 pensions increase the highest level under the triple lock is 8.5% based on average earnings, with the relevant inflation indicator of 6.7%. Whilst the 8.5% is not guaranteed and there remains a possibility it is lower, it is not currently expected to be lower than the upper level of our rent increase proposal.

4.7 The Scottish Government increased the Scottish Child Payment from £20 to £25 per week, per eligible child, in November 2022 and this remains in place. As part of this, the criteria for the payment expanded for all eligible children (looked after by a guardian in receipt of a qualifying benefit) under 16, as opposed to the current age of under 6s.

4.8 The expansion of the Scottish Child Payment had a significant impact for those families eligible to receive £1,300 annually for each child over the age of 6. Our analysis at the time of the numbers of children and households across the Group suggested that over 5,300 households may have benefitted from the increase.

4.9 We have used the joint Scottish Federation of Housing Associations ("SFHA") Rent Affordability Tool to assess how affordable our rents are. This tool allows us to calculate the *Rent as a percentage of income* for different customer groups most associated with different property sizes – summarised in Table 2 below.

Table 2: Affordability analysis by property type and household composition

Customer Group	1 Apt	2 Apt	3 Apt	4 Apt
Single Person	24.4%	28%		
Single pensioner	22.2%	25.5%		
Couple 1PT 1FT/ Pensioner couple		18.7%		
Couple 2FT		14%		
Single parent (2 Children)			18.7%	21.7%
Small family (2 Children)			14.2%	16.5%

4.10 The table shows that consistent with previous years **all relevant customer groups and property size combinations are below a 30% rent to income ratio** relative to the national minimum (living) wage. Shelter (2015) cited in the recent Scottish Government literature review of rent affordability has quoted a figure of 35% of net household income[1] as an affordability threshold. A UK Affordable Housing Commission report from 2019 noted that if rent is higher than 40% of net income[2], then serious affordability issues may arise.

[1] https://www.gov.scot/publications/rent-affordability-affordable-housing-sector-literature-review/pages/4/

[2] https://static1.squarespace.com/static/5b9675fc1137a618f278542d/t/5cf55923f41ae70001170311/1559583017920/Defining+and+measuring+housing+affordability.pdf

4.11 We continue to offer a wide range of wraparound services and wider support to our customers who are experiencing financial hardship including the Here For You Fund created in response to the cost of living crisis.

Comparability

4.12 Table 3 below shows the most recent available comparison of RSL rents in Glasgow City from the Scottish Housing Regulator's Annual Return on the Charter ("ARC") published data with the 2023/24 increase applied.

Table 3: Glasgow RSL average rents + service charges at March 2023 with 23/24 increase applied (Source ARC 2022/23)

Glasgow >1000	Average weekly rent by House Size				
Social Landlord	**1 Apt**	**2 Apt**	**3 Apt**	**4 Apt**	**5+ Apt**
Milnbank HA	£61.53	£69.97	£77.95	£89.14	£90.94
Tollcross HA	-	£73.56	£82.59	£100.00	£111.79
Rosehill Housing Co-op	£64.42	£76.52	£86.74	£86.03	£91.53
Govan HA	£76.84	£81.39	£89.41	£100.52	£119.76
Linthouse HA	£73.28	£80.02	£90.00	£93.02	£113.60
Elderpark HA	£75.48	£81.07	£91.43	£107.83	£126.11
Parkhead HA	£59.55	£74.32	£91.82	£101.45	£124.32
Shettleston HA		£83.40	£92.53	£103.74	£129.59
WH Glasgow	£77.42	£88.54	£94.84	£110.03	£120.51
Thenue HA	£73.92	£88.15	£95.04	£108.61	£115.55
Partick HA	£63.95	£85.31	£96.13	£116.19	£128.79
Queens Cross HA	£81.73	£91.97	£96.37	£106.89	£121.41
Glen Oaks HA	-	£92.46	£97.99	£106.51	£131.42
Maryhill HA	£80.27	£92.89	£98.04	£101.93	£112.24
West of Scotland HA	£100.83	£94.25	£99.27	£106.16	£112.20
New Gorbals HA	£65.41	£89.12	£99.56	£110.93	£126.59
Whiteinch and Scotstoun	£85.19	£92.86	£100.12	£111.02	£123.93
North Glasgow HA	£82.96	£92.99	£100.73	£110.28	£122.32
Govanhill HA	£81.80	£94.84	£102.57	£119.64	£142.63
Sanctuary Scotland HA	£71.60	£89.09	£103.15	£113.29	£121.53
Southside HA Ltd	£77.41	£91.33	£108.09	£118.97	£127.93

** ordered by 3 Apt average as the highest WH-G stock number at c50%*

4.13 For 2,3 and 4 apt properties, the vast majority of WH-Glasgow stock, the low rent increases over the last two years have led to WH Glasgow average rents becoming lower than a number of RSLs they were previously higher than in previous years. This is within the context of a wider service offering and the prevalence of multi-story flats ("MSFs") with the associated expense for 24/7 on-site presence (around ¼ of stock).

Financial Viability

4.14 We form part of a borrowing group with other Wheatley RSLs. This means that we assess the key financial indicators of the RSLs aggregated together. Over recent years, the financial capacity within our RSL business plans has been subject to external pressures created by:

- higher inflation peaking at 11.1% and currently at 6.7% compared to our core planning assumption of 2.5%;
- higher variable borrowing costs currently at 5.25% compared to our previous long-term assumption of 5.00%;
- repairs spend which has seen large increases in demand from tenants and has also been subject to inflationary increases in the price of materials (up 17% in 2022/23 and a further 6.9% in 2023/24 to date) driven by post pandemic shortages and the effects of Brexit; and
- increasing legislative compliance and future retrofit requirements.

All of these factors have been consumers of headroom that previously existed in our financial projections.

4.15 Cost efficiencies and rent increases are key areas in improving the financial capacity within the business. We have been able to keep rent increases low by driving overhead efficiencies from our Group structure. These actions combined with efficiencies achieved over the previous five years have provided a real reduction in staff and running costs of approximately £10m (12%) since 2018.

4.16 Our business plan requires us to maintain a balance across keeping our rents affordable, maintaining the standard of our homes and ensuring the organisation remains financially viable. In considering last year's rent increase as well as the staff and running cost efficiencies, we also looked to our capital programme and agreed to defer core investment projects for 2023/24 and 2024/25 into the period beyond 2025/26. This allowed us to limit our April 2023 rent increase at 3.9% and 1% for ex Cube tenants in recognition of the cost of living pressures faced by our customers.

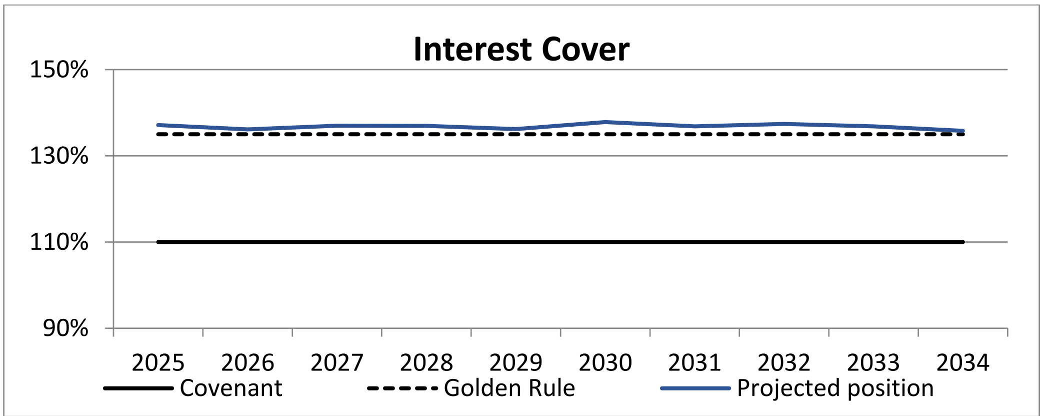
4.17 A large proportion of our capital programme, over 30% of spending every year, relates to building safety and compliance and therefore must be delivered to meet our duties as a landlord. Compliance work includes electrical and fire safety works, TMV installations, heat and smoke heat detector replacements, boiler breakdown replacements and lift replacements. After the deferrals that were agreed upon last year for each RSL, this left a limited core programme before voids, capitalised repairs, capitalised staff and adaptations for the three years from 2023/24.

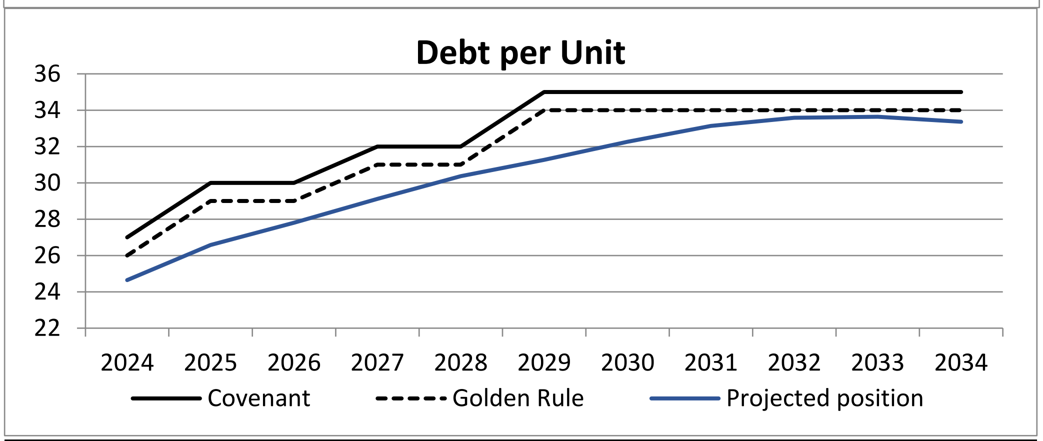
4.18 We have updated our financial projections to consider the effect current economic conditions have on our financial position setting the context for rent discussions. Inflation has remained higher than was previously predicted and we now expect it to remain above the Bank of England's long term 2% target until the first half of 2025 and interest rates have been increased to 5.25% to tackle inflation, a rate which was also beyond the previously forecast peak. These factors combined with an additional 9% increase in demand for repairs have put added demands on the financial capacity that we had in the approved projections.

4.19 Our tenants have previously told us how important the repairs service and the overall quality of their home are to them. This has been confirmed through the feedback gathered from our recent customer insight conversations. As outlined in 4.16 we have already deferred some capital investment projects to deliver the low rent increase in April 2023, and to maintain the existing capital programme, the quality of our homes and meet the needs of our customers for repairs we need to consider a rent increase at the proposed range.

4.20 A baseline rent increase of 6.9% would allow the year 1 (2024/25) capital programme to be maintained at the level agreed in the 2023/24 financial projections but would require some further deferrals from year 2 to year 5. A rent increase above 6.9% would help build back in financial capacity for investment more quickly over the five year period. The effects of high inflation and higher interest rates persisting for a longer period result in a lower level of headroom from year 2 onwards against the interest cover Golden Rule compared to the 2023/24 approved projections. As part of our April 2024 rent proposals we will continue to assist our tenants who struggle to pay their rent and have assumed a provision in the 2024/25 Helping Hand Fund at a Group level of £1m, of which we would contribute a share of £670k.

4.21 We form part of a borrower group with the other Wheatley RSLs and we assess the key financial indicators of our RSLs aggregated together. Our two key indicators of interest cover which measures whether our operating surplus covers our interest costs and debt per unit which relates to our borrowing capacity are both covenant measures in our loan agreements. Taking the rent increase of 6.9% and associated changes to running costs, profile of investment spend and the provision for the 2024/25 Helping Hand Fund, the charts below show that we continue to maintain our minimum headroom in line with our Golden Rules of 25% to the interest cover covenant and £1,000 of debt per unit and remain fully compliant with loan covenants.





4.22 We are continuing to work through discussions with funders on covenant flexibilities. Should we secure the requested changes, this will release financial capacity not previously available for specific investment capital projects around retrofit and improvements in the energy efficiency of our homes. These discussions have not yet concluded and have therefore not been assumed in the update to our financial projections for the purposes of rent setting.

Consultation and approval – timing and approach

4.23 The consultation with tenants has in previous years set out the proposed increase with options for two 0.5% increments launched to initial focus groups followed by writing to all tenants. This year, given the uncertainty regarding the final options it is intended that we engage the focus groups on the proposed range of 6.9%-7.9% with two additional options in 0.5% increments, but with a greater focus on the rent consultation booklet.

4.24 It is proposed that the focus groups would be an independently facilitated discussion on:

- the range of 6.9% and 7.9% for the rent increase and why that is necessary eg legal requirements, compliance based investment, repairs demand and economic climate;
- the planned approach to offering two additional options which will support additional investment focusing on work such as kitchens, bathrooms, and energy efficiency upgrades;
- the draft rent brochure and how well it explains the above.

4.25 The key outcomes we will be seeking from the focus groups would be:

- qualitative feedback on the proposed rent increase range;
- clear messaging in the final brochure on why the level is what it is; and
- feedback on whether the proposed focus on investment activity for additional options, is where tenants would want to see spending prioritised.

4.26 It is intended that we will seek to engage 125-150 tenants in the focus groups, drawn from across the RSLs on a broadly proportionate basis. The focus groups will be a mix of in person, online and daytime and evening to allow more opportunities to participate. The attendees will be drawn from our Customer Voices, with priority given to those who have not previously attended one.

4.27 A draft of the rent consultation booklet is attached at Appendix 1. The key change for this year has been to further reduce the amount of text it contains, whilst retaining the key messages. This is based on tenant feedback which has consistently indicated that long communications diminish their appetite to engage.

4.28 In terms of the formal consultation and when and how we agree where within the 6.9%-7.9% range, with two additional options in 0.5% increments, we consult the proposed approach is as follows:

Key action	Timescale
Group Board approves rent increase range	Complete
Boards approves the rent increase range and delegate authority to the Chair to agree final level (between 6.9%-7.9%)	Today
Independently facilitated rent Focus Groups	w/c 20 & 27/11
Group Board approve final consultation levels – taking into account focus group feedback and available comparability data	20/12
Chair writes to Board members to confirm the planned rent consultation increase options	20/12
Consultation with tenants (subject to mail drops but a minimum of 2 weeks)	8-29 January 2024

4.29 As with previous years we will engage with Civica electoral services to independently administer the consultation process and verify the results. Following the high uptake levels last year we will again offer the option to respond online or via text message as well as by post.

4.30 In order to allow us to ensure the final notification to tenants on the rent increase arrives in time, the Group Board has approved this Board having delegated authority to approve the increase at their February meeting where it is within the agreed range i.e. the Group Board agreed range in December.

4.31 This will mitigate the risk that the letters are delayed awaiting Group board approval and do not arrive in time to give sufficient, including a legal minimum of four weeks, notice to tenants. This will also allow us longer to engage with tenants once they receive the notification, particularly those who are required to update their Universal Credit portal with the 2024/25 rent levels.

5. Customer Engagement

5.1 The rent focus groups will seek customer feedback on the main mechanism for customer engagement, the rent consultation booklet. Thereafter every tenant will be formally consulted as part of the rent setting process.

6. Environmental and sustainability implications

6.1 No implications noted.

7. Digital transformation alignment

7.1 Tenants will once again be able to participate in the consultation through a wide range of means, both in person and digital. Responses will also be able to be emailed to the independent provider Civica. We will use a wide variety of digital and social media approaches to publicise the consultation.

8. Financial and value for money implications

8.1 We consider a rent increase range of between 6.9% and 7.9%, provides an appropriate balance between affordability for our tenants and the preservation of appropriate levels of investment in our homes. This is within the context of our financial projections which already included the identification of substantial cost efficiencies and the deferral of capital investment which were agreed previously and allowed us to keep the April 2023 rent increase as one of the lowest in Scotland.

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 will meet our requirement to consult under the Act.

10. Risk Appetite and assessment

10.1 The Group's risk appetite in relation to business planning assumptions such as rent increases is open. This is defined as "*willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward".*

10.2 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".

10.3 The proposed approach to consultation includes writing to all tenants and this mitigates the risk that we do not meet our statutory obligation in relation to consultation.

11. Equalities implications

11.1 Our approach to engagement and consultation is designed to be inclusive and will take into account particular customer needs including, where required, support to attend meetings and documents being provided in an accessible format.

12. Key issues and conclusions

12.1 As we set out rents for 2024/25 we must be cognisant of the economic climate, our future obligations in relation to building compliance and continuing to meet the increased tenant demand for reactive repairs.

12.2 Taking this into account it is proposed that we agree on a range for the rent increase with the ability to finalise where within this range we will consult in December. This will allow us to consult based on the most up to date information on the economic climate and also expected future repairs demand based on a further two months of demand and spend analysis.

12.3 Our analysis shows that our average rents are currently well within the range of affordability and the expectation is that the National Minimum Living Wage and pensions will be increased at a level greater than our rent increase range.

13. Recommendations

13.1 The Board is asked to:

1) Approve a rent and service charges increase range of 6.9%-7.9% for initial consultation with focus groups, with additional options of +0.5% and +1% to be discussed as part of this, on the basis of funding additional investment in tenants' homes;
2) Note that, following the Group Board meeting in December, the Wheatley Homes Glasgow Board will be updated on the final options for the all-tenant consultation (i.e. where in the 6.9%-7.9% range) on 20 December 2023; and
3) Note that the final decision on the rent and service charge increase will made by this Board in February, following feedback from the tenant consultation process.

LIST OF APPENDICES:

Appendix 1 – [redacted]

To:	**Wheatley Homes Glasgow Board**
By:	**Aisling Mylrea, Director of Wheatley Homes Glasgow**
Approved by:	**Steven Henderson, Group Chief Executive**
Subject:	**Customer Insight update**
Date of meeting:	**17 November 2023**

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1. Purpose

1.1 This report provides an update on our learning from customer insight over the first half of the year.

2. Authorising and strategic context

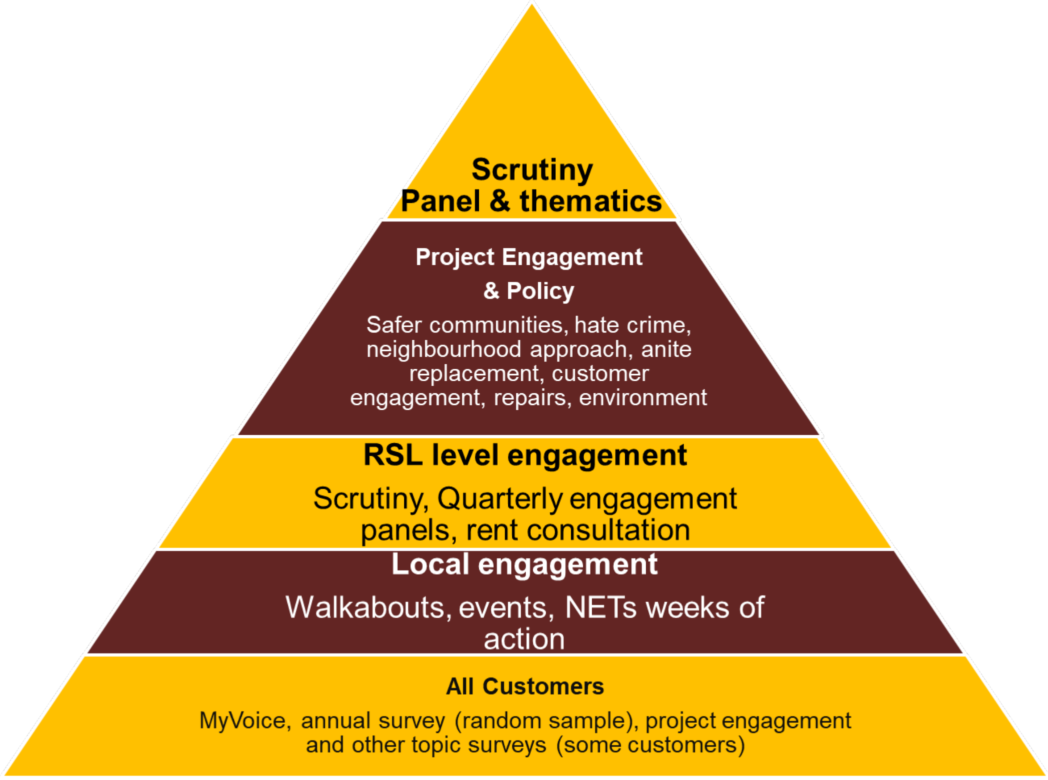
2.1 Under our Terms of Reference our Board is responsible for approving our strategy and for monitoring our performance. Customer engagement and insight is an important part of understanding how we are performing.

2.2 Delivering an exceptional customer experience is one of our core strategic themes. This strategic theme is underpinned by a number of strategic outcomes which focus on ensuring that the way we develop, design and deliver priorities is informed, influenced and co-created with our customers. Listening to our customers supports us to achieve these outcomes.

3. Background

3.1 The Board receives half-yearly updates on customer insight. This report provides information on insight received during the first half of 2022/23. We use our Customer Engagement Framework to gather customer information in a range of ways including:

- Group Scrutiny panel and thematic reviews
- Engagement on strategic projects
- Engagement to inform policy review and equality impact assessments
- Local engagement



3.2 Our Group Scrutiny Panel has been enhanced and now has approximately 40 members, including those on our tenant board pathway programme. The Group Scrutiny Panel, which includes a number of our customers, focuses on performance and supplements with specific thematic reviews in agreed areas. This year a thematic review group has been formed to look at our repairs communication. The thematic group is in the final stages of preparing its report which will be presented to the Board at a future meeting.

3.3 We also engage our Customer Voices in reviewing Group-wide policies and processes. For example, customer voices across the group have been engaged in transforming our Neighbourhood approach in the early part of this year. Our targeted approach to customer engagement means that customers are only asked to engage with us where they have highlighted that they are interested in that service area.

3.4 We have led quarterly performance panels with customer voices at a local level where customers have the opportunity to scrutinise local performance across Glasgow. In Q3, we will be engaging our customer voices through our annual rent consultation.

3.5 We continue to offer the potential for all customers to be involved in a range of other activities including customer satisfaction surveys, local events and our real time feedback through MyVoice and Book it, Track it, Rate it.

4. Discussion

4.1 We gather customer insight in a number of ways from Customer Satisfaction surveys to panel events to the use of sentiment tools like My Voice. The feedback that we collect is key to continuously improving service delivery to customers.

4.2 In the first 2 quarters of this year, we have continued to utilise these avenues and tools to gain feedback on some of our key projects including Book it, track it, rate it and our customer engagement framework.

Customer Satisfaction

4.3 Fieldwork for our Tenant Satisfaction Survey, undertaken on our behalf by independent research organisation Research Resource to the Scottish Housing Regulator's Charter requirements, has now concluded.

4.4 Fieldwork was phased across our three areas (South, North East and North West) between May and October.

4.5 In the context of declining satisfaction trends across the sector post covid, area-based results are very encouraging with strong performance in indicators such as opportunities to participate, neighbourhood management and rent value for money.

4.6 Our combined tenant satisfaction survey results will be finalised and fully reported in the coming months, in advance of being submitted to the Scottish Housing Regulator in May 2024.

4.7 We are currently working with Research Resource on a Factored Owners Satisfaction Survey with fieldwork anticipated late in quarter 4, ensuring we also have updated factored owner satisfaction to submit as part of the Charter 2023/24.

Customer Service Excellence

4.8 Following our Group Customer Service Excellence ("CSE") assessment in October, we have successfully maintained CSE accreditation, achieving 22 areas of 'Compliance Plus' and the only previous 'Partial Compliance' area now achieving 'Full Compliance'.

4.9 The assessor's report was very positive, particularly about our staff and culture, stating:

'…the Group has seen significant improvements this year and continues to provide an excellent level of service, with a strong emphasis on customer focus and continuous improvement. There are 22 elements rated as Compliance Plus, which is an outstanding achievement."

Customer Engagement

4.10 Our customer engagement approach is driven by the Customer Engagement Framework. There are a number of strands to our activity:

- Group Scrutiny Panel and thematic reviews
- Engagement around strategic projects
- Engagement to inform policy review and equality impact assessments
- RSL & local engagement
- Engagement on digital services

Customer Scrutiny

4.11 Our expanded Group Scrutiny Panel (“Panel”) began meeting in May this year. The Panel is a good example of co-creation and how customers are influencing the way we work. It provides an avenue for customers who want to be involved in reviewing our performance and services to do so and meets several times a year.

4.12 The meetings are independently facilitated by TPAS. This ensures that customers are provided with support to consider what topics and issues they wish to raise as well as in formulating their reports. Using TPAS helps to ensure the Panel has access to independent support, thereby mitigating any perceived risk that staff are influencing discussions. TPAS has also run an additional session on the role of scrutiny to support panel members.

4.13 The Panel has identified two areas where they wish to undertake detailed thematic studies. The first is in relation to repairs where they are reviewing communication processes in detail. They have already received a range of presentations and have visited the Customer First Centre and repairs teams. A report on this thematic is expected by the end of the year. The Panel has also agreed that the second thematic review will be in the area of environmental services. This will commence early next year.

4.14 As part of their ongoing performance review, the Panel identified that it would like each meeting to have a ‘spotlight’ on a single area. Spotlight sessions are voted on and so far have been held in relation to allocations with the next session on 14 November being on anti-social behaviour. The allocations session gave the Panel an opportunity to hear from the Allocations Team about our policy and processes and to provide feedback on this. This has resulted in work to review what further information on demand and supply we can include on the MyHousing site to help customers make decisions about bidding. We are also reviewing the content of our welcome packs.

4.15 Through discussions, the Panel have also identified other areas where we can make small improvements that would enhance customer experience, such as to our online complaints/compliments form.

Influencing strategy

4.16 During 2023/24 the main customer engagement in relation to strategic projects has been around repairs, our approach to safer communities, including our hate crime policy, our new neighbourhood approach and the review of the customer engagement framework.

4.17 We undertook two focus groups with 15 participants from minorities to review our **Hate Crime Policy**. Customers were very supportive of the policy and our approach. They asked for specific information to be included on what the process to report hate crime looked like. We have finalised the policy and incorporated this to ensure the process is better understood.

4.18 Customers also highlighted potential nervousness to report crime and antisocial behaviour. Participants at focus groups said they were happy with being able to report anonymously. Our Group Protection team is working with our partners to seek ways in which we can assist this. Customers are also currently involved in focus groups to review our Anti-Social Behaviour Framework.

4.19 We are currently testing a new **neighbourhood approach** in Barmulloch/Red Road which will support the delivery of our vision for our communities. It involves an assessment of the neighbourhood using existing scoring mechanisms such as the Place Standard score and the Keep Scotland Beautiful score. These are combined with other data that we have available such as demand for homes in order to help customers develop their key priorities for the area. In Barmulloch/Red Road, some of the key priorities are local employment, public transport, safe green space and the regeneration of the Red Road site.

4.20 We are now working with a range of strategic partners to ensure our customers' views are heard in relation to these issues. Going forward, this approach will be expanded across Glasgow and look at grouping communities into larger areas given the consistency of themes we are seeing. The first area neighbourhood plan for the Board's consideration in February will be for the North-East of Glasgow.

4.21 We are currently reviewing our **Customer Engagement Framework 2021-2026**, which is now due for its 3-year interim review.

4.22 We have involved customers in the review and have used both surveys and focus groups to get a wide range of views. Many of these customers only joined the programme during 2022/23 so have not yet had a full year of experience. Our approach to feedback and the impact of their suggested changes is just beginning to become apparent to customers.

4.23 Customers have been strongly positive about their engagement experience in the survey:

- Across the Group approximately three-quarters of those involved would encourage others to become involved;
- 70% of Customer Voices identified that they had taken part in engagement events (physical or online sessions) - there may be others that also took part but did not identify these as "engagement" or don't yet fully identify themselves as a "Customer Voice"; and
- Over 70% felt that they were having an impact on our decision-making despite the fact that many projects were only just developing at this point (for example Book it, Track it, Rate it).

4.24 The focus groups and the qualitative responses from the survey allowed us to dig deeper into potential issues that customers had. These confirmed that customers were happy with the processes and keen to continue participating. Suggestions centred around some improvements in the implementation and operational processes. Many of these are already done or are now in progress:

Suggestion	Resolution
Continue the mix of online and in person events	Already underway
Look at additional options for the middle of the day/early evening	Now taken into account in planning sessions
Strengthen advertising	Now undertaking increased use of patch newsletters, social media and other advertising
Provide feedback on the outcome of events	We now provide a follow up letter with thanks for participation and initial feedback on the main issues raised. Further updates will be included in our Customer Voices newsletter, issued approximately 3 times a year and where appropriate in patch newsletters
Provide customer newsletters	WH-Glasgow wide newsletters were issued in August and local patch newsletters are currently being issued. The first Customer Voice newsletter will be issued later this year
Provide questions or themes in advance to help customers prepare for discussions	This is now standard practice for our events

4.25 We are now building this feedback into the revised framework and our implementation processes. We are currently carrying out an Equalities Impact Assessment with customer input from our customers.

RSL Customer Voice Panels

4.26 The first round of our own specific Customer Voice panels (‘CV panels’) for this year were held in September and October with a primary focus on performance. In total 100 customers attended across four CV panels.

4.27 Our customers highlighted that they had enjoyed hearing about performance and about the review of the engagement framework. They also highlighted some queries around letting, tenancy sustainment and complaints which we are following up.

Local events

4.28 In addition to these events, we continue to run a range of activities at local level including gala days, drop ins and walkabouts. We have recently trialled some drop-in sessions with the Locality Housing Director. These are designed to increase senior officer visibility and accountability in our communities. They have proved popular and will be carried out in other locations through the remainder of the year.

4.29 Many of our first wave of patch newsletters have been distributed. These help to introduce the local housing officer and provide news on local events. The next wave will be issued early in the new year. Customers provided very positive feedback to the Customer Service Excellence Assessor on these.

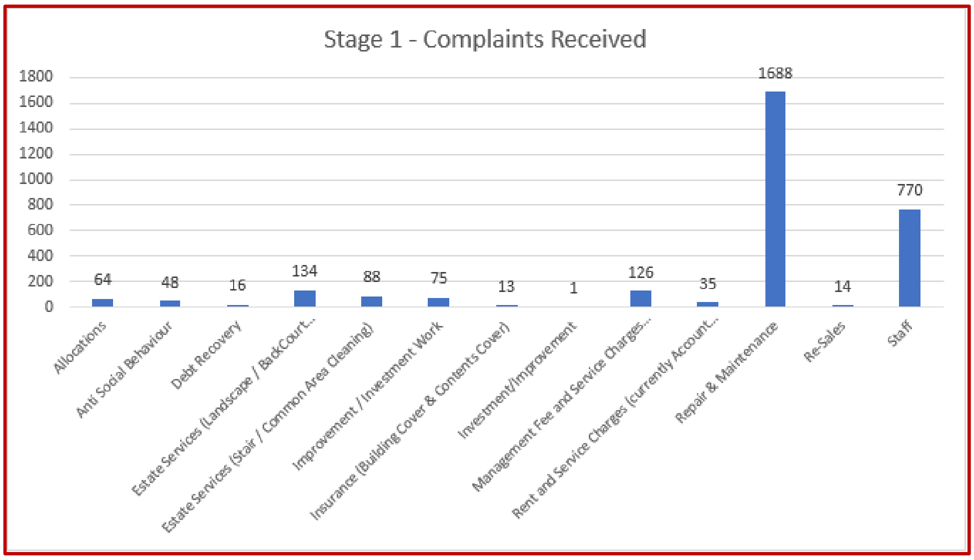
Complaints

4.30 Complaints are an important part of customer engagement giving us clear insight into some of the issues that concern customers the most. This learning is vital in identifying how our services are working and the Business Improvement Team reviews this regularly with all parts of the business so that we can continuously improve our service for customers.

4.31 We continue to work through the complaints improvement programme. This has resulted in significant improvements in performance which are outlined in the performance report.

4.32 A key aim of the work has been to reduce the proportion of stage 2 repairs complaints, particularly through the introduction of ‘book it, track it, rate it’, the creation of the Housing Repairs Specialist Team in the West and analysis of complaints. In addition to this the feedback has shown us that a significant proportion of complaints and dissatisfaction are the result of programmed repairs. We are now undertaking an end to end review of programme complaints.

4.33 Across Group, we have seen a reduction in the proportion of stage 2 repairs complaints from 12% in April to 10% in September. The percentage of all complaints that relate to repairs has also reduced for us.



4.34 Repairs continues to be a key focus of learning from complaints. The vast majority of our complaints are about repairs – which would be expected as it tends to be the most common interaction with customers. These complaints still only represent around 1% of all repairs.

4.35 During the last six months we have undertaken extensive case study review at ET, DMT and team level. An in-depth manual analysis of complaints has also been undertaken in order to identify trends which are not clear from our system categorisation. Actions that are being taken as a result of this are:

- Some complaints are the result of an inability to track multiple issues and visits – we are currently reviewing how this can be strengthened in west
- Some work orders were being closed down prior to completion. This resulted in a loss of visibility of the repair meaning the customer had to chase up any delays. It could also result in the loss of relevant information (eg measurements). This practice is now being ended. It will likely result in some slight impact to repairs timescales measures but will give better satisfaction.
- A number of complaints related to appointments which had been cancelled or rescheduled without the customer being informed. Book it, track it, rate it will help with this but an instruction has also been issued across our repairs services that no appointment should be changed prior to informing the customer.
- Due to complaints relating to incorrect or lost door measurements, City Building are now developing a specialist door team to deal with these requests. This will also reduce the use of external contractors.
- A theme had emerged of dissatisfaction in resolving repairs which had arisen as defects in new build homes. As a result the end-to-end process for handling new build repairs has been reviewed, with clearer escalation and ownership for the development team in engaging with the new build contractor and the customer to ensure quick resolution. The creation of a Head of Quality and Construction within the development team is helping to drive forward the improvements in this respect.

4.36 We have also undertaken some more detailed analysis on complaints related to anti-social behaviour. This revealed that the majority of complaints and issues in this regard are reported either directly through the complaints process or via elected members. This is different from other complaints where customers largely raise them through the CFC. It is likely that this is partly because of the sensitive nature of the issues customers are raising. The vast majority of our complaints are not upheld – generally because we have followed our procedures appropriately.

4.37 Key issues that arise from ASB complaints are around the level of information we provide and in relation to whether noise is normal living noise as opposed to ASB. The Group Protection Team are working with colleagues to improve the phrasing of our letters in relation to ASB although this remains challenging because we cannot tell victims what we have done in terms of action against perpetrators. We are able to provide this information to the SPSO in confidence where complaints are raised there and this allows them to confirm and uphold our decisions. Group Protection are working with CFC and housing officers to establish whether we can provide more consistent messaging.

MyVoice and Book it, track it, rate it

4.38 MyVoice is currently being developed and piloted at the CFC. This system allows us to get real time feedback and sentiment analysis through a short survey straight after contact with our services. It provides an opportunity for customers to rate their interaction with us and provide comments as required. We are still building up comment responses to a level which will enable analysis of themes. These themes will be fed back to CFC and other team meetings to enable improvements to be considered.

4.39 Book it, track it, rate it was launched in the West in April. Satisfaction is currently tracking at 4.5/5 for the west. This is based on responses from nearly 9,000 customers – a feedback rate of 20% of those contacted in West. The system currently does not allow us to split this between WHG, Loretto and Lowther, however the majority of the responses will be for WHG. Responses are expected to rise further as the system becomes more established.

4.40 Customers can request a call back as part of the process. These are generally requested to check when follow up works are to take place. Many are also to give positive feedback on the service or tradesperson. These are fed back to the teams involved.

4.41 Based on the initial themes from the feedback we are reviewing programmed repairs with a view to:

- Reducing unnecessary inspections/visits
- Reducing repair timescales
- Further improving planning and communications on repairs and next steps.

4.42 We aim to complete this review by the end of the calendar year.

Engagement on digital services

4.43 Based on customer insight we are currently prioritising areas which support repairs improvement. Our survey of web self-service customers showed that they most commonly identified online repairs reporting as needing improvement, web chat was highlighted as part of this. Reporting repairs was highlighted as the most common task the respondents undertook online. As a result we are working to make modifications to the online repairs reporting tool and upgrade to web self-service. We are also strengthening the functionality of our webchat services.

5. Customer Engagement

5.1 This report outlines our customer engagement through the first half of the year and the impact of that in changing and developing services.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

7.1 This report shows how we are involving our customers in shaping services. On some occasions this will directly influence our digital approach. The engagement undertaken in the last 6 months supports the development of existing programmes and there are no additional changes or requirements.

8. Financial and value for money implications

8.1 Our customer engagement and insight ensures that we are improving and amending services in the ways that best meet customer needs. This helps to ensure that we are delivering value for money. The proposals and changes outlined in this report are all being delivered within current service or project budgets.

9. Legal, regulatory and charitable implications

9.1 The Scottish Housing Regulator requires that we consult and engage with tenants and can demonstrate how we do this. Our Customer Engagement Framework and the ongoing monitoring of this demonstrates that we are delivering this requirement.

10. Risk Appetite and assessment

10.1 Our risk appetite for enabling customers to lead is open, where we aim to create a cultural shift for customers, shifting the balance of power and control to the customer and ensuring the service they experience is aligned to their personal priorities.

10.2 Our engagement and insight approach provides the structure to ensure that we mitigate the risk that our services are not aligned with customers' priorities.

11. Equalities implications

11.1 There are no equalities implications from the information provided in this report. We have undertaken a survey of equalities and diversities with our Customer Voices and this shows a reasonable match with our current tenant group. The Framework has also enabled a wider range of participation, particularly from younger people and those with disabilities. An Equalities Impact Assessment will be done as part of the review of the Framework to ensure that we continue to strengthen our approach.

12. Key issues and conclusions

12.1 This report outlines our engagement with customers over the last six months through scrutiny panels, customer panels, in relation to specific project work and at local level. It outlines some of the feedback we have received from customers and the ways in which these are changing our services.

13. Recommendations

13.1 Board is asked to note the contents of the report and provide feedback.

LIST OF APPENDICES:

None

Report

To: Wheatley Homes Glasgow Board

By: Aisling Mylrea, Director, Wheatley Homes Glasgow

Approved by: Steven Henderson, Group Chief Executive

Subject: Income Collection Update

Date of meeting: 17 November 2023

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1. Purpose

1.1 This report provides the Board with an update on our arrears performance to period 8 and sets out our action plan to achieve target by year-end. It also provides details of our annual rent campaign and our approach to the latest rollout of Universal Credit Managed Migration.

2. Authorising and strategic context

2.1 Under our Terms of Reference, the Board is responsible for monitoring our performance against targets and for implementing our agreed strategy. This report supports the Board to do this.

2.2 Income collection supports us to manage financial risk; it also helps us to ensure we have the money we require to invest in our tenants' homes and deliver excellent services. As such, it is critical to achieving our strategy. A key consideration for income collection is ensuring our customers receive the support they require. This aligns to our strategic theme of *Changing lives and communities* and the outcome of *supporting economic resilience in our communities.*

3. Background

3.1 Our Gross Rent Arrears (GRA) target over the life of our strategy is to achieve less than 5% (2026). Our target for 2023/24 is 5.63%.

3.2 Changes related to Universal Credit (UC) and the Managed Migration process of moving customers from legacy benefits to UC potentially impact on our ability to achieve target.

3.3 Since its introduction in 2013, Universal Credit has been a significant challenge for our sector and our customers. Positively, we are now in a position where we are able to manage these cases in a similar way to other payment types. Nevertheless, the final round of Managed Migration will present further challenges and will see all but those claiming Employment Support Allowance moved over to Universal Credit by 2024.

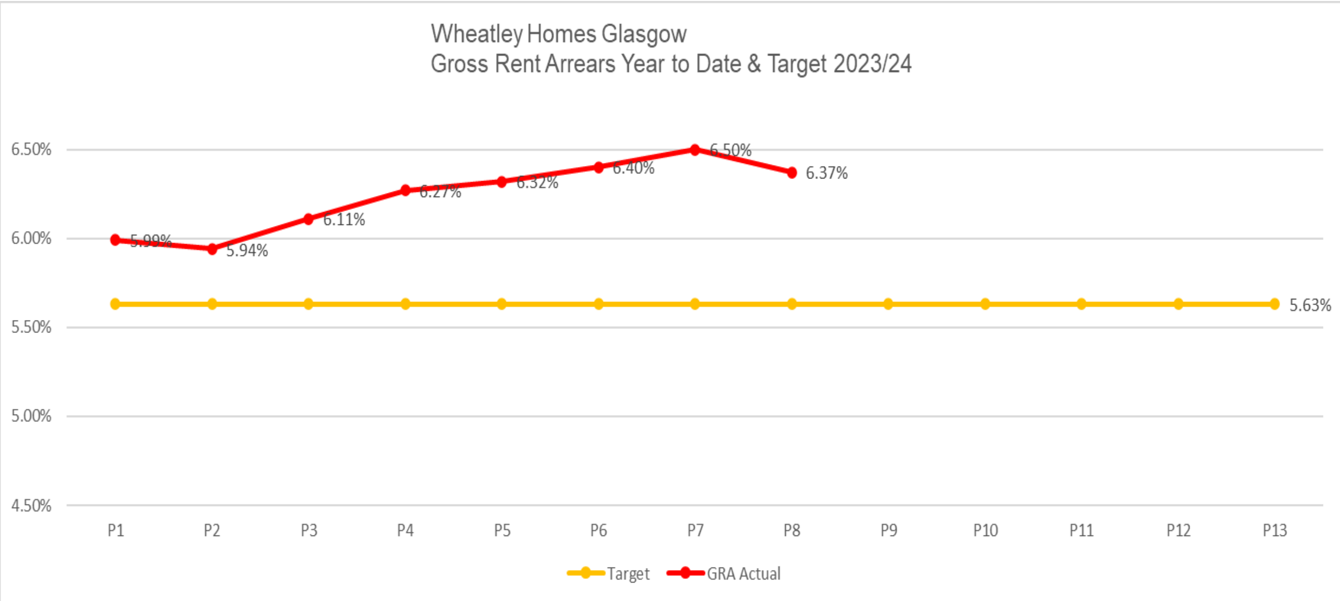
3.4 Those customers that will be moving are likely to be more vulnerable and could require additional support to make and sustain valid UC claims that are not subject to sanctions. We have developed a planned approach for deployment that should minimise any negative impact of these benefits changes.

3.5 We are also undertaking our annual rent campaign. As in previous years, our campaign for 2023 will be focused primarily on reducing the traditional arrears spike we tend to experience around the festive period. However, it will also share a more robust campaign message and focus, highlighting that customers must pay their rent to keep their home.

4. Discussion

Gross Rent Arrears

4.1 Gross Rent Arrears performance in Period 8 saw a reduction in GRA to 6.37%. A reduction this period was anticipated based on previous years' trends and analysis. This is also positive given that there has been a major change in staffing, patches and a recalibration of patch targets for arrears. It is especially important to note that these changes were implemented from 1st September 2023, with Period 8 starting on 23 September 2023.



4.2 To ensure we meet our year-end target and to drive the necessary performance improvements, the immediate focus is on performance management, with targets set down to patch level for each Housing Officer and a focus on key activity metrics that impact the overall GRA performance.

4.3 We are targeting local patches and utilising our rent framework to drive performance going forward and have developed an action plan for each locality, focused around early intervention, escalation and referring to wraparound support services as quickly as possible where required.

4.4 Our staff teams meet regularly to focus specifically on arrears. The teams all have "protected rents time" where they are together in the local hubs, working on rents and undertaking peer-to-peer work for additional support. Arrears case reviews are being undertaken to identify opportunities for improvement.

4.5 Performance is monitored at locality level and by the Senior Management team, which includes regular performance meetings with the Customer First Centre on the Group Debt Recovery Team (GDRT), and effective Former Tenant arrears management, ensuring cases are being escalated and managed promptly.

4.6 The Rent and Income Community Of Excellence (COE) continues to share what is working in other RSLs across Group to foster the sharing of best practice, as do the UC Champions' meetings taking place. Peer reviews are also being conducted with learning and experience actively shared across teams as a result. The Rent and Income COE have also reviewed the Rent Matters Toolkit to ensure that Housing Officers have the knowledge and tools to assist them with maximising rental income.

4.7 External benchmarking also takes place, with our Period 8 performance of 6.37% comparing favourably against the sector average of 6.9% for 2022/23.

4.8 In-person 'Rent Refresh, Thinking Yes Together' sessions are taking place in Q3 with all Housing Officers, to reinforce the fundamentals of rent collection, focusing on good case management, good legal case preparation and Universal Credit, the revised Rent Matters toolkit is also being launched at these sessions.

4.9 In the second half of this year, we will continue to work on the activities noted above as we work towards achieving year end targets. We will also ensure that we are fully focused on maximising rental income and good case management in quarters 3 and 4. We will continue to utilise the benefits of staff support services such as Housing Specialists and Group Debt Recovery Team, particularly in relation to out of hours contact attempts, and have a focus on minimising any new tenant arrears. All of this will be underpinned by the strong focus on achieving payment in full from customers in arrears wherever possible. The Senior Management Team will continue to review performance against target to ensure focus is given to the localities and patches where we can make the biggest improvements through the rest of the year.

Universal Credit Managed Migration

4.10 The final phases of the Universal Credit roll out, termed Managed Migration by the Department for Work and Pensions (DWP), will move the final tranches of legacy benefit claimants over to UC. This is due to be complete for most claimants by the end of 2024. The DWP have categorised this move into three separate methods of transfer:

- **Natural Migration** – where the customer moves to UC following a change in their circumstances
- **Voluntary Migration** – where the customer chooses to move to UC as they think they will be better off financially
- **Managed Migration** – where the customer moves to UC following receipt of a Managed Migration notice

4.11 Managed Migration recommenced on 19 May 2022 as the next and final phase of DWP's Move to UC approach, having been paused due to the pandemic. Following the Chancellor's Autumn Statement in November 2022, Neil Couling, Change Director General and Senior Responsible Owner Universal Credit, confirmed the DWP plans to increase the volume of people moving to UC from 2023 and this will be by benefit type rather than by geography. The Move to UC was extended into parts of Scotland in August 2023, with it reaching Glasgow in October 2023. The roll out of Universal Credit by benefit type will be as follows:

- **2023/24** – Working and/or Child Tax Credits claimants only
- **2024/25** – Tax Credit cases who also receive other DWP benefits; Income Support, Job Seekers Allowance, Housing Benefit
- **2028/29** – Employment Support Allowance claimants

4.12 A robust approach to minimise and mitigate the impact of these changes on our customers and our business has been developed with the overarching aim of ensuring our arrears and tenancy sustainment targets are achieved by effective identification of affected groups and the delivery of targeted support. This will ensure we remain sector leading in our approach.

4.13 Our approach is based on five key threads, each of which supports delivery of our key strategic theme of protecting the financial resilience of our customers and our business. These are:

- Reviewing our demographics and customer information to identify those most likely to be impacted by each tranche and target working with these customers.

- Utilising wraparound services to provide end to end support, Thinking Yes Together, reflecting customers' needs using technology to support contact and incorporating our Employability services provided via Wheatley Foundation as part of our approach.

- Building on our external links with DWP to align support for our customers, linking with Local Authorities and exploring further partnerships with Citizens' Advice Scotland and other third sector organisations, as well as increasing customers' digital capability through such links.

- Ensuring customers are at the centre of our approach, co-creating the design of it and developing consistent messaging for both staff and customers through the provision of high quality, accurate information and tools for customer facing staff.

- Minimising the financial impact of these changes, working with customers we know are most likely to struggle with the transition and helping ensure their rent payments are maintained during the migration period and beyond; analysing any potential impact on income, reviewing previous 'lessons learned' and sharing best practice, particularly through our staff Universal Credit Champions' Group.

4.14 The impact of Managed Migration will be wide ranging and will touch many areas within our organisation. A clear, structured approach is vital to ensure all staff and customers are informed and supported throughout the migration period. We have developed a project plan with key timelines and activities relating to Managed Migration, ensuring that our UC Champions and Locality Housing Directors are fully involved in the design of the approach, Thinking Yes Together. We are aware that the current operating environment is more challenging given the current economic situation, therefore we will also explore innovative ways to support our customers, ensuring that it is dynamic enough to reflect their changing needs. We will also maximise our customer engagement around the support being provided to ensure it remains relevant and appropriate as the roll out evolves.

4.15 We have reviewed and mapped out the potential risks and impacts for the organisation and customers, as well as identifying potential mitigations for these, developing them into an action plan that looks at each year of the Managed Migration roll out. Some of the key activities already undertaken include:

- Briefings for housing and support teams, such as housing specialists, Group Debt Recovery Team and Legal Team.

- Development of briefings and other information such as bulletins and customer information leaflets.

- Universal Credit Team attending and feeding into the UK and Scottish DWP Stakeholder Engagement Forums, representing Wheatley Group and its' customers' interests.

- Participation by invitation to national discussion forums with DWP, involving smaller practitioner groups working with DWP to help shape certain aspects of the roll out, giving us the opportunity to shape national policy and practice on UC.

- Starting to prepare for the next tranches via the Rent and Income COE and UC Champions' sub-group of the COE.

Rent Campaign 2023

4.16 We launched our annual rent campaign in October, which will support our ongoing work around income collection and mitigation of the impact of Managed Migration. Each year, we undertake our annual rent campaign from October to December, focusing on minimising a traditional spike in arrears around the Christmas period. For the 2023 campaign, we are focusing on a stronger message around rent being priority while maintaining elements of support for those who need it, encouraging customers to get in touch with us.

4.17 Our campaign message of "Pay Your Rent. Keep Your Home" is more robust this year, reminding customers of the importance of prioritising rent payments and ensuring they do so on time. However, the sub-heading of "Get in touch today. We're here for you 24/7" also reminds customers that we are still here to support and want to help them.

4.18 Key elements of the campaign are focused on customers who are currently in arrears and those who missed their rent payment last Christmas. Staff will also spend more time making in-person contact with customers focused on income collection and arrears reduction during this campaign period through house visits and local events in their communities. As well as those customers who are currently in arrears, we will again undertake messaging specifically for those who do make their rent payments and keep their accounts up to date but who may still benefit from wraparound support. These customers will receive an email highlighting support available and containing links to key parts of our website where they can find out more about the help available.

4.19 As in previous years, our campaign will be digitally based, utilising our own channels to promote our campaign message. As well as more traditional approaches such as direct mail, house visits, local events and emails, we will also fully utilise our social media reach, maximise our campaign messaging on our website and use inbound texts, WhatsApp, GIFs and QR codes to encourage customers to connect with us in a way and at a time that suits them best.

4.20 Key measures of success for our rent campaign will be demonstrated through maximised income over the Christmas period, increased use of wraparound services, an increase in the number of customers contacted over the course of the campaign, more customers signed up for Direct Debit and a reduction in the number of customers in arrears at financial year end. Currently, we have 31.89% of customers in arrears and 10,046 customers paying by Direct Debit.

5. Customer Engagement

5.1 Our approach to driving performance improvements in arrears and income collection, mitigating the impact of Managed Migration to Universal Credit and our annual rent campaign are all clearly focused on customer engagement. Success for each of these will only be possible with high levels of customer engagement and indeed, the rent campaign itself is a customer engagement campaign.

5.2 We are currently working with Unity Research on a project to understand the impact of the two child limit on our customers who are affected by this particular welfare reform. This builds on an important piece of research that we undertook last year with Unity, highlighting the impact that Universal Credit has had on our customers and their families. Both projects are significantly driven by customer engagement approaches and highlight the lived experiences of our customers.

6. Environmental and sustainability implications

6.1 The digital focus of our annual rent campaign ensures that the environmental and sustainability impacts of this work are positive with regard to our commitments in these areas.

7. Digital transformation alignment

7.1 The digital focus of our approaches outlined here, in terms of utilising GoMobile to undertake rent collection activity fits with our digital transformation agenda.

8. Financial and value for money implications

8.1 The digital nature of our activities as outlined in this report help to ensure that our commitments to delivering value for money are achieved. Work to increase income to the business and reduce arrears due also has a positive financial impact for us.

9. Legal, regulatory and charitable implications

9.1 There are no legal, regulatory or charitable implications related to the work outlined in this report.

10. Risk Appetite and assessment

10.1 Our risk appetite related to income collection is **cautious**, defined as wanting to maintain our strong credit rating and manage our financial risk. Therefore, we prefer to take safe delivery options which will protect our current position.

10.2 The risks identified within this report relate to our potential to collect rental income. However, it also outlines significant mitigations that address in large part the risks identified.

11. Equalities implications

11.1 There are no equalities implications for the work outlined in this report.

11.2 We have translation services, including, providing information in alternative languages and large print where these are required.

11.3 Our wealth of wraparound services available provides tailored support for customers who are having difficulty in paying their rent. For example, our Welfare Benefits Advisors provide support and assistance to customers with disabilities to ensure they are accessing the benefits they are entitled to. We also hold a digital directory of external support organisations that we can signpost customers to.

12. Key issues and conclusions

12.1 Our gross rent arrears at Period 8, 2023/24 is 6.37%. A number of actions are currently underway or planned to ensure performance is on course to achieve the target of 5.63% by year-end.

12.2 Managed Migration to Universal Credit has recommenced, with a significant shift in pace of this movement from summer 2023. There is the potential for this to negatively impact our customers and our organisation. However, we have worked on a number of mitigations and have a robust action plan in place, spanning multiple years, to minimise any negative impact this may have on our customers or our business.

12.3 Our annual rent campaign will play a part both in minimising the negative impact of the Move to UC and in the success of the work to bring GRA performance in on target by year end. It will do this by providing clear messaging to our customers that they must ***"Pay your rent. Keep your home."*** A variety of media options will be utilised to share this message, both traditional and digital, with a focus on local and in person contact with customers to ensure our key measures of success for the campaign are achieved. These include minimising any increase in arrears around Christmas time, increasing contact with customers and also reducing the number of customers in arrears at year end.

13. Recommendations

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

LIST OF APPENDICES:

None

Wheatley Homes Glasgow

Report

To: Wheatley Homes Glasgow Board

By: Aisling Mylrea, Director of Wheatley Homes Glasgow

Approved by: Steven Henderson, Group Chief Executive

Subject: Performance Report

Date of Meeting: 17 November 2023

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1. Purpose

1.1 This report presents an update on performance delivery against targets and strategic projects for 2023/24 as of the end of quarter two. It also provides sector comparisons for Annual Return on the Charter indicators following the publication of 2022/23 sector-wide data by the Scottish Housing Regulator.

2. Authorising and strategic context

2.1 Under our Terms of Reference, the Board is responsible for monitoring performance against agreed targets.

2.2 The Group Board agreed an updated programme of strategic projects and performance measures and targets for 2022/23 at its meeting in April 2023. Our Board subsequently agreed its specific performance measures and targets at its meeting on 19 May 2023.

3. Background

3.1 This report outlines our performance against targets and strategic projects for 2023/24. Unless specified otherwise, results for all measures are based on year-to-date figures.

3.2 This includes progress with those measures that will be reportable to the Scottish Housing Regulator as part of the Annual Return on the Charter 2023/24.

3.3 This report also now includes the new Customer First Centre ("CFC") measure based on customer satisfaction with calls. The CFC Customer Satisfaction ("CSAT") score asks customers to score the CFC on a 1-5 scale.

3.4 To reflect our differing rent billing cycles, financial rent-based measures in Appendix 2 continue to report legacy properties as "WHG A" and former Cube properties that transferred in April 2021 as "WHG B". The main body of the report uses combined "WHG C" figures.

4. Discussion

Charter 2022/23 Sector Comparison

4.1 The SHR published sector-wide ARC data for 22/23 on 31 August 2023. A main finding from the accompanying National Report on the Charter for 2022/23[1] is that 'Social landlords continue to perform well against the standards and outcomes of the Scottish Social Housing Charter, despite the impact of ongoing challenges facing them and their tenants'.

4.2 Appendix 1 provides a matrix of our 2022/23 Charter performance indicator results compared to the Scottish average. We have excluded tenant satisfaction indicators that were last updated in 2019/20 and indicators considered as contextual by the SHR.

4.3 Overall, Appendix 1 provides a positive picture of our 2022/23 performance, with 80% of indicators (16 of 20) better than the Scottish average (highlighted green). Some headlines include:

- SHR reported that gross rent arrears across the sector have risen to the highest level since the introduction of the Charter in 2013/14, with the Scottish average of 6.9% in 2022/23 up from 6.3% in 2021/22. We were better than the 2022/23 Scottish average and remain so in Q2;
- The Scottish average for letting times increased from 51.6 days in 2021/22 to 55.6 days in 2022/23. At 20.61 days in 2022/23, we outperformed this, and our letting times have further improved to 15.99 days for the current year-to-date;
- We outperformed the Scottish average of 4.2 hours to complete emergency repairs and 87.8% for repairs completed right first time in 2022/23. We remain better than the Scottish average for the current year-to-date, at 2.37 hours and 91.47%. There is however room for improvement for our time to complete non-emergency repairs;
- We performed better than the Scottish averages of 5.8 and 19.3 days respectively for the time to respond to Stage 1 and Stage 2 complaints in 2022/23 and continue to do so current year to date; and
- The Scottish average for properties meeting SHQS is 79%, we were better than this in 2022/23 at 99.29%, with an improving position into 2023/24 for EICR at 99.84% in quarter two (up from 99.79% in 2022/23).

4.4 Our position across the 20 Charter performance indicators considered is summarised as follows:

Table 1

No. ARC indicators above Scottish average (Green)	% above Scottish average
16	80%

4.5 These Scottish Average 2022/23 comparisons are referenced through this paper for the relevant Charter indicators, alongside an update to quarter 2.

4.6 The following sections present a summary of key measures and strategic projects. Strategic measures can be found in Appendix 2 and Strategic projects are found in Appendix 3.

[1] https://www.housingregulator.gov.scot/about-us/news/social-landlords-are-performing-well-despite-the-impact-of-challenges-they-face-regulator-reports

Delivering Exceptional Customer Experience

Customer First Centre

4.7 The CFC is now firmly established as a core part of our operating model, with the key measure for the CFC recognised as the newly introduced CSAT score.

4.8 In addition to the voice channel, the CFC now have a dedicated Digital Team to increase our capacity to handle digital interactions including Webchat, encourage sign-up and improve customer experience, determining whether more efficient and effective use of digital channels reduces telephony demand.

4.9 Since the team was introduced, we have significantly improved the response time to customer emails, online messages and the availability of Webchat. All emails are responded to within 48 hours and first contact resolution for Webchat is at 100%. For all emails received, an advisor in the CFC digital team reviews each of these within 48 hours of receipt to resolve at this point. Where they are unable to fully resolve the enquiry, they email the customer setting out the steps they are taking and what will happen next. All webchats that have been handled have been resolved at first contact by the advisor on the chat with no need to raise any case for other teams to respond to.

4.10 Year-to-date results as at the end of Quarter 2 including CSAT, Webchat and other performance measures still monitored are presented in Table 2:

Table 2

Measure	2023/24		
	Value YTD	Target	Status
WHG - CSAT score (customer satisfaction)	4.3	4.5	
WHG - % calls answered <30 seconds (Grade of Service)	65.59%	Contextual	N/A
WHG - Average waiting time (seconds)	66.53	Contextual	N/A
WHG - Call abandonment rate	5.81%	5%	
Group - % first contact resolution at CFC (Customer Service Advisors)	85.49%	90%	
Group – Percentage of CFC customer interactions that are passed to Housing and Lowther staff for resolution	7.57%	<10%	
Group - Email % responded to within 48 hours	100%	100%	
Group - Webchat % first contact resolution	100%	Contextual	N/A

4.11 Our overall CFC CSAT score was 4.3 at the end of quarter 2, a slight reduction from the score of 4.4 at the end of quarter 1. The CFC has been refining the framework for analysing feedback and implementing initiatives to address any areas that may require improvement, informing progress towards the CSAT target of 4.5/5.

4.12 At the end of quarter 2, while there has been a decrease in performance for call abandonment, average wait time and Grade of Service from quarter 1, over 65% of our customers still wait less than 30 seconds to have their call answered.

4.13 Housemark results in their recent pulse report show that on average RSL contact centres are taking 240 seconds to answer calls. The Group CFC average wait time year to date is at 66.38 seconds, and for our customers very similar at 66.53 seconds. It is important to note that while we can experience an increase in our average wait time during significant weather events such as the recent storms, the Group CFC peak average wait time during Storm Agnes was 88 seconds and during Storm Babet was 139 seconds. These are both still significantly lower than the benchmark but do impact the overall average.

4.14 The Group resolved 85.49% of calls handled at first contact for the year to date, with performance at over 90% for September. The My Repairs Team continues to be a valuable asset for the CFC in dealing with more complex repairs calls and, while this means CSAs do not resolve these at first contact, customers experience an improved end-to-end service. In addition, the CFC continue to support Housing and Lowther staff with only 7.57% of customer interactions passed to them for resolution.

4.15 CFC performance is monitored and reviewed daily by the resource planning and operations leads. Key areas of focus remain on ensuring our call handling times balance resolution and efficiency and increasing the amount of 'call handling' hours available.

Complaints Handling

4.16 The biannual update to the Board drawing together our customer insight activity, including complaints analysis and associated learning and improvements, is scheduled for the December meeting. In advance of this a high-level summary of our year-to-date Charter and SPSO performance is set out below:

4.17 Our performance on the Charter measure average time for a full response to complaints, at Stage 1 and Stage 2, is achieving our 5 day and 20-day targets respectively. We also continue to better the Scottish averages of 5.8 days for Stage 1 and 19.3 days for Stage 2.

Table 3

Charter - average time for a full response to complaints (working days)				
	2022/23		2023/24 – YTD	
	Stage 1 (5 day)	**Stage 2** (20 day)	**Stage 1** (5 day)	**Stage 2** (20 day)
WHG	4.23	18.24	4.28	16.03

4.18 We continue to focus on improving stage 1 performance against the Scottish Public Services Ombudsman ("SPSO") measure % of complaints that were fully closed within the timescale of 5 days, with our performance at 87.86%.

4.19 We closed 88.5% of complaints that went directly to stage 2 within the 20-day timescale and 97.46% of complaints escalated to stage 2.

Table 4

SPSO Indicator 2 - number and % of complaints at each stage that were fully closed within timescales – YTD 2023/24			
Subsidiary	**Stage 1 - responded to within 5 working days**	**Stage 2 - responded to within 20 working days**	**Escalated complaints - responded to within 20 working days**
WHG	87.86%	88.50%	97.46%

4.20 A range of work has been done to ensure that timescale performance is improved. This includes earlier reminder triggers and quicker resolution timescales for stage 2 complaints within the organisation. As a result, the year-to-date performance has been significantly improved by Quarter 2 results. In Quarter 2, we achieved 98% of stage 2 responses within timescale, an improvement from 93.2% in Quarter 1.

4.21 Year-to-date Stage 1 performance remains broadly static from last year. However, there has been steady improvement in Quarter 2 with in-month performance exceeding the 95% target in September. This improvement has been maintained in October, the first month of quarter three.

<u>Tenancy Sustainment</u>

4.22 Tenancy Sustainment is a measure of new tenancies commenced in the previous reporting year where the customer remains in their home for more than a year. As well as new customers benefiting from remaining in their tenancy for longer, improvement in this measure reduces lost rent and resources required for re-letting.

4.23 We continue to support our new customers to sustain their tenancies and to deliver strong performance in both the Scottish Housing Regulator's Charter measure and our revised indicator, the revised measure excludes deaths and transfers to other homes in the Group.

4.24 We have improved sustainment for both indicators in the second quarter, with the revised measure continuing above target and the Charter measure now better than the target. We are currently just below the Scottish average of 91.2% published for the Charter 2022/23.

Table 5

Tenancy Sustainment	Charter YTD	2023/24 Target	Revised YTD	2023/24 Target
WHG	90.96%	90%	92.44%	91%

Making the Most of Our Homes and Assets

<u>New Build Programme</u>

4.25 Our target is to deliver a total of 55 new MMR homes in 2023/24. Year to date to the end of quarter 2 we have completed 36 new homes, 16 more than planned by quarter 2.

Table 6

Sites	Handovers (YTD)	Target (YTD)	Difference in handovers to 30 September
Sighthill Ph 1 (MMR)	**36**	**20**	**16**

4.26 Progress on site at Shawbridge Street remains positive and the anticipated date for handover of 35 units for mid-market rent is February 2024.

4.27 [redacted]

4.28 The tender has been returned for Shawbridge Arcade in accordance with the pre-construction programme. The anticipated site start date for this project is February 2024.

4.29 Planning applications are being considered by GCC for a number of 2023/24 sites including Shawbridge Arcade, Spoutmouth, Abbotshall/Antonine Primary School and South Annadale Street. The timing of progress is tethered to the timing of the planning application being considered.

Volume of Emergency Repairs

4.30 The table below shows our position against the strategic result to reduce the volume of emergency repairs by 10% by 2026 compared to the updated baseline year of 2022/23. The target for 2023/24 is a reduction of 3.34%.

4.31 Emergency repair numbers are 1,642 less than the same point in 2022/23, a variance of -4.94%. This is above target and an improvement on -2.05% in Q1.

Table 7

Completed emergency repairs	YTD 22/23	YTD 23/24	Variance
WHG	33,049	31,407	-4.94%

4.32 While customer demand continues to have an impact on this measure, work is ongoing with the CFC to ensure emergency repairs are diagnosed appropriately. It is useful to also note that complete emergency repairs YTD 2023/24 are 30.18% of all our completed repairs (emergency and non-emergency). This is an improvement on 35.36% at the same point last year.

Repairs Timescales

4.33 Our average time taken for emergency repairs is 2.37 hours at the end of Q2, well within the 3-hour target. This is a slight improvement on 2.39 in Q1 and compares favourably to our average of 3.36 hours in 2022/23 and the Scottish average of 4.2 hours.

4.34 The below table (Table 8) also shows the average time taken for non-emergency repairs at 8.31 days, above this year's target of 7 days. This is an improvement on 8.4 days in Q1 and better than our 2022/23 average of 8.88 days and the Scottish average of 8.7 days.

4.35 In the context of our repairs policy, we aim to complete non-emergency repair works within 15 working days. These are classed operationally as 'appointed repairs' which we expect to be appointed directly to the relevant trade and completed in one visit.

4.36 There are however some repair works that are more complex in nature or require materials to be ordered and which therefore will require longer to complete. The length of time required to complete these more complex appointed repairs will vary depending on the volume and type of work required but generally, we would expect to complete these types of repairs within 30 working days under our policy. These repairs are classed operationally as 'programmed repairs'.

4.37 Analysis of repairs data over recent years, taking account of the Covid period, shows a growth in the proportion of programmed repairs relative to appointed repairs. This therefore impacts the overall average adversely as a greater proportion of jobs require longer to complete.

Table 8

Repairs completion timescales (Charter)	Emergency (hours)		Non-emergency (days)	
	Target	YTD Value	Target	YTD Value
WHG	3.00	2.37	7.0	8.31

4.38 Our average time for an appointed repair was 4.23 days in quarter 2, compared to 18.64 days for programmed repairs. The combination of the higher volume of repairs and the proportion that are more complex (i.e. that take longer) does mean that our overall average is unlikely to come within target by the year end. We do however still expect to see an improvement by the end of the year.

4.39 We have identified that some of the larger, more complex repairs currently being handled as 'programmed repairs', could be better dealt with as part of our capital programme or through repair rather than complete replacement. We have instituted a range of measures, including revised training for staff and splitting of the previous "repair/renewal" ordering codes to make clearer where full component replacement should be undertaken and where these works should form part of a managed capital investment programme project.

4.40 For the period through to the end of October, our renewal works have seen a reduction of 36% for fencing, 27% for kitchen renewals and 85% for floor covering replacements. We will continue to monitor the effectiveness of actions taken and adjust/reinforce these where necessary.

4.41 We have also streamlined the diagnosis process which should reduce the number of programmed repairs defaulting to an inspection. We expect these measures should support reducing the average time for programmed repairs and towards the end of Q4 have an impact on our overall non-emergency average.

Repairs Right First Time

4.42 Right first-time performance to the end of quarter 2 is meeting the 90% target at 91.72%, consistent with the position reported last quarter (91.7%) and an improvement on last year (91.47%). We remain better than the Scottish average of 87.8% for repairs right first time.

Table 9

Percentage of repairs right first time (Charter)	2022/23	2023/24 YTD	Target	
WHG	91.47%	91.72%	90%	

Repairs Satisfaction

4.43 To the end of September, we are on target at 91.19%. This is an improvement from the 2022/23 year end figure of 89.76%. This measure is based on 3,508 survey responses in the 12 months to the end of September, returned via whitemail.

Table 10

Repairs Satisfaction	Current value	2023/24 Target	
WHG	91.19%	90%	

4.44 2022/23 Charter comparisons show that we have a higher satisfaction than the Scottish average of 88%.

Rate It

4.45 Our 'Book It, Track It, Rate It' app aims to improve visibility and communication during the repair journey. The Rate It element was launched in the West on the 1 June, providing an opportunity for customer feedback on repair appointments.

4.46 Year to date following launch, the Rate It score is 4.5/5 (90%) from over 8,500 customer responses, representing 14.7% of the completed appointed repairs undertaken by City Building Glasgow.

Mould Repairs

4.47 We continue to monitor repairs related to mould, with updates provided to help facilitate greater scrutiny over these types of repairs. The CFC is now raising every job related to damp, mould, condensation or rot as a mould inspection line. The number of mould inspections in the West in September is provided below:

Table 11

Area	Total cases in-month	No mould found	Category		
			3 (mild)	2 (moderate)	1 (severe)
West	676	128	498	49	1

4.48 Our strategic measure is to complete mould repairs in 15 days. We have completed 98% of mould repairs in 15 days during September, against a target of 90%.

Table 12

Subsidiary	Number of completed mould repairs	% of mould repairs completed in 15 days – in month, Sept
WHG	660	98%

Medical Adaptations

4.49 Time to complete medical adaptations has further improved in the year, with the average days to complete year to date at 18.01 compared to 18.71 for the same quarter last year. We have completed 759 adaptations, an increase on the 457 in the first quarter, and currently have 69 households waiting.

4.50 In 2022/23 we were significantly better than the Scottish average for the time taken to complete medical adaptations of 46.8 calendar days

Table 13

Medical Adaptations (Charter)	Current Households Waiting	Number Completed YTD	Average Days to Complete YTD	Target
WHG	69	759	18.01	25

Gas Safety

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

Compliance

4.52 We have made good progress in the second quarter of the year. All of our 230 relevant properties are compliant with Legionella assessment requirements. At the end of Q2 we had carried out safety inspections on all but 2 passenger lifts. One of these is now back up and running and the inspection was completed following a repair to damage covered under an insurance claim. The other at Crow Road remains out of service (and isolated from being used) while a new contractor and lift consultant work to agree the necessary maintenance and costs to bring it back into service as soon as possible.

4.53 At the end of Q2, we have reduced to 68 the number of properties without a valid EICR from 74 last quarter and 96 at the end of 2022/23. In addition, we are making excellent progress with the inspection of the EICRs due to expire before 31st March 2024 with 72.6% complete at the mid-year point.

Changing Lives and Communities

Peaceful Neighbourhoods

4.54 Our Group strategic measure is for over 70% of our customers to live in neighbourhoods categorised as peaceful by the end of the strategy period.

4.55 Peaceful communities are defined as communities where customer reported incidents of antisocial behaviour to Police Scotland are reducing and social deprivation indicators in the associated data zone are improving.

4.56 As a result of system improvements at Police Scotland, there has been a change in the way their data is produced and reported for antisocial behaviour incidents. These improvements were implemented in September and impacted our “Peaceful Communities” measure due to erroneous reporting, such as domestic abuse being classified as ASB.

4.57 The data from Police Scotland for the “Peaceful Communities” measure has therefore been recalibrated, with domestic abuse incidents removed for the current month, year, and previous year, and missing antisocial behaviour included.

4.58 The table below shows the results for April – August based on both the original and updated figures from Police Scotland. Original figures for September are not available.

Table 14

Month	April	May	June	July	August
Updated figures	76.0%	74.0%	79.0%	75.0%	75.0%
Original figures	70.1%	70.5%	70%	69.3%	66.8%

4.59 This indicates that the percentage of communities classed as Peaceful is higher with the new figures compared to the original figures. Using the updated Police Scotland methodology, the number of communities categorised as Peaceful in September increased slightly to 75.66%, from 75.0% in August.

4.60 Consideration will be given to the strategic target in light of the new Police Scotland methodology and resultant positive change to current performance during the 2024/25 measure and target review.

Accidental Dwelling Fires

4.61 We set a Strategic Result to reduce accidental dwelling fires (ADFs) by 10% by 2025/26, this is against the baseline of 152 ADFs in 2020/21. We achieved this target in Year 1 of the strategy with 121 ADFs in 2021/22. This was further reduced to 113 in 2022/23. This year we have had 49 accidental dwelling fires to the end of quarter two.

Table 15

Number of recorded accidental dwelling fires	2023/24 YTD	2022/23
WHG	49	113

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

Table 16

Fire Risk Assessments	2023/24 YTD	Target
The percentage of relevant premises - HMOs that have a current fire risk assessment in place	100%	100%

Reducing Homelessness

4.63 We continue to be a key contributor to providing homes for homeless households in Glasgow. With the recent publication of Charter 2022/23 data by the Regulator, we alone contributed 14% (1,318) of the total lets made to homeless applicants (9,466) last year across 137 Scottish social landlords.

4.64 In the current year-to-date, we have made 849 lets to homeless households, a significant proportion of the 1,000-let target set for Wheatley RSLs to the end of September. Our percentage of relevant lets made to homeless applicants in the first six months is high at 60% (relevant lets exclude mutual exchange, transfers and LivingWell lets for which we are limited to let to homeless applicants).

Table 17

RSL	2023/24 Number of lets to homeless applicants (ARC) - YTD	2022/23 Number of lets to homeless applicants (ARC) – full year
WHG	849	1,318

Jobs and Opportunities

4.65 Over 270 children within our households have now been supported through Foundation programmes in the first half of this financial year. The WEE Bursary project for Glasgow was recently approved by the Foundation Board and will start in Q3. This will increase the reported number of children involved in our programmes.

4.66 The Wheatley Works team has supported 152 jobs, training and apprenticeship opportunities within WHG households in the first half of this financial year. Mentors have been working with staff to improve customer referrals. Across Q3 and Q4, the teams will work together using a targeted approach to identify and encourage tenants to take up the jobs and training opportunities available to them. This approach will be supported by Stronger Voices Officers and community events.

Table 18

Indicator	Target (YTD)	Current Performance (YTD)	2022/23
WHG - Number of vulnerable children benefiting from targeted Foundation programmes	377	271	798
WHG - Total number of jobs, training places or apprenticeships created by Wheatley Group including Wheatley Pledge	200	152	298

Developing our Shared Capability

Sickness Absence

4.67 Year-to-date, we are currently better than the 3% sickness target at 2.07%. This is an improvement from the position at the end of Q1 (3.16%).

Table 19

Sickness Rate	Target	2023/24 YTD	2022/23
WHG	3%	2.07%	2.74%

4.68 There was no clear trend in terms of reasons for absence in Q2. July saw Stress/Anxiety being the only reason for absence accounting for 100% of absences, Minor Illnesses accounted for 86% of total absence in August, and Mental Ill Health (27%) being main reason for absence across WHG in September.

4.69 Ongoing support to help staff employees with a range of issues was provided in Q2 via several Academy e-learning modules (Stress Awareness, Personal Resilience, Mental Health Awareness).

4.70 Employee Relations and Employee Wellbeing are reviewing trends in sickness absence related to stress and anxiety cases to inform wellbeing training offerings for both managers and staff.

4.71 Training proposals have been sought by different providers to offer greater support to line managers to refresh the Wellbeing culture in their teams. Manager workshops will start before the end of 2023 with a wider rollout of sessions in 2024. Staff workshops will also be on offer which will complement the ongoing individual support services for stress and anxiety offered through our EAP and bespoke counselling services.

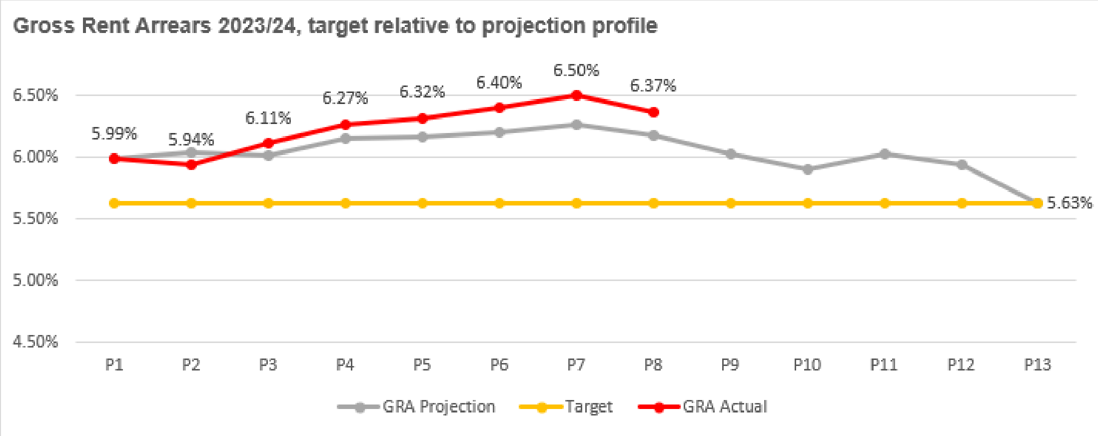
Enabling our Ambitions

Gross Rent Arrears

4.72 The SHR's published ARC 2022/23 shows the national average for social landlord Gross Rent Arrears ("GRA") was 6.9%, the highest level since the introduction of the Charter in 2013/14. We continue to outperform this benchmark.

4.73 The following chart provides our GRA levels for each period this year, at 6.5% at Period 7/end of quarter two. While we remain above where we had hoped to be at the end of quarter two and arrears management remains a priority, as the chart also indicates, we expect to see an improvement over the next quarter. Importantly, our Period 8 performance has improved with a reduction of £231k and GRA of 6.37%, as shown below.

Chart 1



4.74 To ensure we meet our year-end target and to drive the necessary performance improvements, the immediate focus is on performance management, with targets set to patch level for each Housing Officer and a focus on key activity metrics that impact the overall GRA performance. There has been a major change in Housing Officer staffing and patches throughout the summer to facilitate the creation of the My Repairs team – and the new patches were implemented on 1 September.

4.75 Our Locality Directors have focused on rolling out our new rent performance framework across the new patches which has resulted in a reduction in sitting tenant arrears in Period 8. The framework focuses on early intervention and escalation, utilising support services as required. In-person "Rent Refresh, Thinking Yes Together" sessions are taking place in Q3 with all Housing Officers – reinforcing the principles of the framework and the role of support services.

4.76 Our customers are facing increasing challenges with the cost-of-living crisis and so our teams are optimising the Here for You fund to support those customers needing it the most. We have also set up a sub-group with a targeted approach on arrears cases to facilitate meeting the target.

4.77 Managed Migration to Universal Credit has recommenced, with a significant shift in the pace of this migration from summer 2023. There is the potential for this to negatively impact our customers and our business. We have worked on a number of migrations, which include:

- Using demographics and customer information to target those most affected;
- Using all of our wraparound services to provide additional support and minimise the financial impact of the changes by supporting the most vulnerable customers; and
- Building on our links with the DWP and third sector organisations to help increase customers' digital capability.

4.78 The range of customer information we hold and our detailed action planning, together with our staff training programme should minimise any negative impact on our customers or business.

4.79 Our annual rent campaign will play a part both in minimising the impact of the move to universal credit and in the success of the work to bring our GRA performance in on target by year end.

4.80 It will do this by providing clear messaging to our customers that they must ***"Pay your rent. Keep Your Home***". A variety of media options will be utilised to share this message, both traditional and digital, with a focus on local and in person contact with customers to ensure our key measures of success for the campaign are achieved. These include minimising any increase in arrears around Christmas time, increasing contact with customers, and reducing the number of customers in debt at year end.

<u>Average Days to Re-Let (Charter)</u>

4.81 The Scottish average for Charter re-letting times in 2022/23 was 55.6 days. We are significantly better than this at 15.99 days for the current year-to-date.

Table 20

Average days to re-let (Charter)	2023/24 YTD		2023/24 Target	2022/23 Results
WHG	15.99		16	20.61

Summary of Strategic Project Delivery

4.82 A full update on progress with strategic projects is attached at Appendix 2. The following table summarises the current status of projects.

Table 21

Complete	On track	Slippage	Overdue
1	5	1	1

4.83 One project has been completed: *Implementation of WHG Roll out Book it, Track it, Rate it.*

4.84 The following project is currently slipping: *Wyndford Regeneration.*

4.85 The following project is currently overdue: *Interest cover covenant revision* - Delayed due to external interdependencies, which were highlighted as a risk when agreeing the project.

5. Customer engagement

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

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

9.1 The Scottish Housing Regulator requires an Annual Return on the Charter from each RSL. Key indicators within this return are also included in quarterly performance reporting.

9.2 We are also required to involve tenants in the scrutiny of performance, which we do through the Group Scrutiny Panel, and to report to tenants on performance by the end of October each year, which we have done.

10. Risk appetite and assessment

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

11. Equalities implications

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

12. Key issues and conclusions

12.1 Our 2022/23 results, and position to quarter two, compare very favourable to the confirmed Scottish averages for a number of key Charter indicators such as days to let, arrears and time to complete emergency repairs.

12.2 We have strong performance against our targets for 2023/24 in several key areas: days to let, lets to homeless, tenancy sustainment, new build handovers, emergency repairs, adaptation completion timescales and sickness absence.

13. Recommendations

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

LIST OF APPENDICES:
Appendix 1 – Charter 2022/23 Matrix with Scottish Averages
Appendix 2 – Strategic Results Dashboard
Appendix 3 – Strategic Projects Dashboard

	Appendix 1 - Charter 2022/23 Matrix, including Scottish Averages Excludes annual survey results and contextual performance indicators Green - at or better than the Scottish average Amber - within 10% of the Scottish average	Wheatley Homes Glasgow	SHR Scottish Average
	Charter Performance Indicator	2022/23 Results	2022/23
03a	Percentage of all complaints responded to in full Stage 1	94.83%	95.3%
03b	Percentage of all complaints responded to in full Stage 2	93.12%	92.5%
04a	Average time in working days for a full response to complaints at Stage 1	4.23	5.8
04b	Average time in working days for a full response to complaints at Stage 2	18.24	19.3
06	Percentage of stock meeting the Scottish Housing Quality Standard (SHQS)	99.29%	79.0%
08	Average time to complete emergency repairs (hours)	3.36	4.2
09	Average time to complete non-emergency repairs (working days)	8.88	8.7
10	Percentage of reactive repairs completed right first time	91.47%	87.8%
12	Percentage of tenants satisfied with repairs or maintenance carried out in last 12 months	89.76%	88.0%
14	Percentage of tenancy offers refused during the year	19.89%	30.9%
15	Percentage of anti-social behaviour cases reported in the last year which were resolved	100%	94.2%
16	Percentage of new tenancies sustained for more than a year - overall	89.13%	91.2%
17	Percentage of lettable houses that became vacant	6.92%	7.4%
18	Percentage of rent due lost through properties being empty	0.49%	1.4%
21	Average time to complete approved applications for medical adaptations (calendar days)	23.06	46.8
23a	Percentage of referrals under Section 5, and other referrals for homeless households made by the local authority, that resulted in an offer	94.28%	37.8%
23b	Percentage of offers made to LA Section 5 and other referrals for homeless households that result in a let	84.22%	82.5%
26	Rent collected as % of total rent due	97.45%	99.0%
27	Gross rent arrears (%)	5.84%	6.9%
30	Average length of time taken to re-let properties (calendar days)	20.61	55.6

Appendix 2 - WHG Board - Delivery Plan 23/24 - Strategic Measures

1. Delivering Exceptional Customer Experience

Measure	2022/23	YTD 2023/24		
	2022	2023		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - overall	5.79	5.5		
Average time for full response to all complaints (working days) - Stage 1	4.23	4.28	5	
Average time for full response to all complaints (working days) - Stage 2	18.24	16.03	20	
% new tenancies sustained for more than a year - overall (ARC)	89.13%	90.96%	90%	
Group - % of first contact resolution at CFC	88.99%	85.49%	90%	
Group - Call abandonment rate	4.72%	5.86%	5%	
Group - % calls answered <30 seconds (Grade of Service)	76.79%	66.43%		
Group - Average waiting time (seconds)	57.64	66.38		
Group - Percentage of CFC customer interactions that are passed to Housing and Lowther staff for resolution	6.15%	7.57%	10%	
WHG - CFC Abandonment Rate	4.12%	5.81%	5%	
WHG - CFC Grade of Service	76.04%	65.59%		
WHG - Average Wait Time (seconds)	52.66	66.53		

2. Making the Most of Our Homes and Assets

	2022/23	YTD 2023/24		
Measure	2022	2023		
	Value	Value	Target	Status
New build completions - Social Housing	26	0	0	
[redacted]				
Reduce the volume of emergency repairs by 10% by 2025/26 (target -3.34% for 2023/24)	Apr-Sep 22/23 33,049	Apr-Sep 23/24 31,417	-4.94%	
Average time taken to complete emergency repairs (hours) – make safe	3.36	2.37	3	
Average time taken to complete non-emergency repairs (working days)	8.88	8.31	7	
% reactive repairs completed right first time	91.45%	91.72%	90%	
Number of gas safety checks not met	0	0	0	
% of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the R&M service	89.76%	91.19%	90%	
Average time to complete approved applications for medical adaptations (calendar days)	23.06	18.01	25	
% Planned repair spending	48.36%	41.18%	60%	
% Reactive repair spending	51.64%	58.82%	40%	
Number of HSE or LA environmental team interventions	0	0	0	
Number of accidental fires in workplace	0	0	0	
Group - Number of open employee liability claims	13	16		
Group - Number of days lost due to work related accidents	464	234.5		
Number of new employee liability claims received	0	0	0	

3. Changing Lives and Communities

Measure	2022/23	YTD 2023/24		
	2022	2023		
	Value	Value	Target	Status
% ASB resolved	100%	98.94%	98%	
% Lets Homeless Applicants - overall (ARC)	50.19%	58.55%		
% Relevant lets to Homeless Applicants	51.88%	60.01%		
Total number of jobs, training places or apprenticeships created including Wheatley Pledge	298	152	200	
Group - % of Communities Classified as Peaceful in period	69.4%	75.98%	70%	
Group - 100% of relevant properties have a current fire risk assessment in place	100%	100%	100%	
Number of accidental dwelling fires recorded by Scottish Fire and Rescue	113	49		

4. Developing Our Shared Capacity

Measure	2022/23	YTD 2023/24		
	2022	2023		
	Value	Value	Target	Status
% Sickness rate	2.74%	2.07%	3%	

5. Enabling Our Ambitions

Measure	2022/23	YTD 2023/24		
	2022	2023		
	Value	Value	Target	Status
% lettable houses that became vacant	6.92%	6.99%	8%	
% court actions initiated which resulted in eviction - overall	27.84%	36.67%		
Average time to re-let properties	20.61	15.99	16	
WHG C - Gross rent arrears (all tenants) as a % of rent due	5.84%	6.5%	5.63%	
WHG A - Gross rent arrears (all tenants) as a % of rent due	5.87%	6.55%		
WHG B - Gross rent arrears (all tenants) as a % of rent due	5.47%	5.55%		

Appendix 3 - WHG Board - Delivery Plan 23/24 - Strategic Projects

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Repairs technical enhancement programme (b)	31-Mar-2024		60%	01. Programme of research and engagement with customers on online repairs service to further refine functionality and usability	30-Sep-2023	Yes	A date of mid-November has been agreed for the implementation start of JV Boxi, following engagement with Civica and CBG IT on project delivery dates. The CBG DRS upgrade has been delayed due to capacity constraints with the vendors supply chain.
				02. CBG IT integration – Boxi reporting system implementation	31-Oct-2023	Yes	
				03. WHS DRS upgrade	31-Oct-2023	Yes	
				04. CBG DRS upgrade	31-Oct-2023	No	
				05. Servitor and DRS fully implemented in WHE	31-Mar-2024	No	
Implementation of WHG Roll out Book it, Track it, Rate it (b)	31-Aug-2023		100%	01. Pilot finalised in with City Building delivered repairs	31-May-2023	Yes	The Board were provided with a repairs update in August, including progress with Book it, Track it, Rate it. This project is now complete.
				02. Pilot evaluation, including customer feedback, and agreement to go live - City Building	30-Jun-2023	Yes	
				03. Progress update to the Board	31-Aug-2023	Yes	
My Voice – real time customer feedback reporting (b)	31-Mar-2024		60%	01. MY Voice CFC pilot concluded	30-Apr-2023	Yes	Allocations pillar launched in August, surveying customers who moved into their home in September.
				02. CFC customer insight operational framework implemented	31-May-2023	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				03. Implementation plan for key service pillars developed and approved by ET	31-May-2023	Yes	NETs pillar has also been launched; surveying customers who had Ad-Hoc requests completed in September. Preparations are underway for the launch of the repairs and ASB pillars.
				04. On-board key service pillars to MY Voice customer insight platform	30-Nov-2023	No	
				05. Implement operational frameworks	31-Mar-2024	No	
Migration to new cloud telephony platform (b)	31-Mar-2024		60%	01. Group Board approval of contract award	30-Apr-2023	Yes	IT Helpdesk went live with STORM at the start of October. We have now gone live for Wheatley Homes South ahead of schedule. The planned go live for Wheatley Homes Glasgow is 28th November.
				02. Vendor Contract Award	31-May-2023	Yes	
				03. Full project delivery plan developed and commenced	31-Jul-2023	Yes	
				04. Phase 1 launch	31-Dec-2023	No	
				05. Phase 2 launch	31-Mar-2024	No	
[redacted]							
Implement Group sustainability framework (b)	31-Dec-2023		80%	01. Sustainability delivery workshop with nominated group leads	30-Apr-2023	Yes	Update on sustainability provided to all group partner Boards and Group Board at their last meeting-
				02. Refine sustainability performance monitoring framework	31-May-2023	Yes	
				03. Develop sustainability delivery plan	30-Jun-2023	Yes	
				04. Quarterly sustainability updates to ET	30-Jun-2023	Yes	
				05. Annual sustainability progress report via PNAG to Group Board	31-Dec-2023	No	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Develop a new, integrated Neighbourhood Planning Approach (b)	28-Feb-2024		83%	01. Deliver workshop with key people involved in Neighbourhood tools and scoring mechanisms to map out roles and remit	31-May-2023	Yes	On 15/09/2023 WHG Board approved approach to neighbourhood for WHG. Five of the Six milestones now complete. Project on track.
				02. Develop a technical guidance document around application of tools and the scoring mechanisms within the neighbourhood assessment	30-Jun-2023	Yes	
				03. Trial and test the neighbourhood assessment, including customer engagement, in one neighbourhood within WHG	31-Jul-2023	Yes	
				04. Based on the neighbourhood assessment, propose an example neighbourhood plan	30-Sep-2023	Yes	
				05. Provide worked example to WHG Board to review and agree as a model going forward	30-Sep-2023	Yes	
				06. Draft Neighbourhood approach for wider group to RSL Boards	28-Feb-2024	No	
[redacted]							

Report

To: Wheatley Homes Glasgow Board

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

Approved by: Steven Henderson, Group Chief Executive

Subject: Governance update

Date of Meeting: 17 November 2023

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1. Purpose

1.1 To update the Board, seeking approval where appropriate, on the following governance-related matters:
- Board appraisal process and succession plan;
- Appointment of a vice-chair; and
- Scottish Housing Regulator ("SHR") consultation on its Regulatory Framework.

2. Authorising and strategic context

2.1 Under the Group Standing Orders, the Group Board is responsible for agreeing the overall Governance Framework for the Group including approval of any related frameworks, policies and plans.

2.2 Under our Terms of Reference, our Board is responsible for:
- Overseeing the implementation of relevant Group frameworks, policies and plans;
- Undertaking an annual Board self-assessment based on the approach agreed by the Group Remuneration, Appointments, Appraisal and Governance Committee (RAAG); and
- Not less than annually, reviewing and approve our succession plan.

2.3 Under our Rules (59.14) unless otherwise agreed by the Board, where the Chairperson is not a tenant board member then the vice chairperson shall be.

2.4 The SHR is our primary regulator and the framework under which the SHR does this helps to define the parameters for how we govern the Group.

3. Background

3.1 Our Group Board and Committee Effectiveness Review and Governing Body Member Individual Appraisal Policy sets out how we shall keep the effectiveness of Boards, Committees and the governing body members under review.

3.2 Our succession planning arrangements are developed in line with the Group Succession Planning Policy. The Policy sets the parameters under which our succession plan has been developed including the core skills and experience each member contributes to the Board, in line with the agreed skills matrix and our expected future recruitment requirements.

3.3 Following the Group Board's consideration of a discussion paper issued by the SHR in June 2023, the SHR has now issued its consultation on the regulation of social housing in Scotland.

4. Discussion

Annual Board Appraisal Process

4.1 Our appraisal process allows each Board member the opportunity to reflect on their role and contribution to the wider operation of the Board over the year. Given the change to our Chair, it was agreed that this year the Board appraisals would be undertaken by the incoming Chair. This also provided a good opportunity for the Chair to meet with Board members on a 1-2-1 basis and set out in more detail her vision to each member.

4.2 The appraisals were undertaken during October 2023 and focused on the following areas:

- Board effectiveness;
- Personal effectiveness;
- Individual skills and succession planning;
- Continuous Professional Development (“CPD”); and
- Areas for refinement

4.3 The key themes, areas for refinement/actions have informed the update to our Board 3-year Succession Plan.

Board effectiveness

4.4 All Board members considered that the Board had been effective during the year and in particular wished to record their thanks to Bernadette. Board members felt that there was a good range of complementary skills and experience on the Board and particularly welcomed the strength of the tenant voice.

Personal Effectiveness

4.5 The Chair agreed that all Board members have been effective over the year and this was reflected in the overall board effectiveness.

Individual skills; succession planning

4.6 Consistent with the first two topics, Board members acknowledged their own skills and experience as well as from each other. It was acknowledged that a vacancy for an individual with finance and business skills had recently arisen and that we were working to recruit to fill this. In addition, Board members acknowledged the importance of recruiting and creating a pipeline of future tenant Board members and welcomed the introduction of our pathway programme.

4.7 Board members provided feedback on their own future tenure plans and these have been related in an updated succession plan which is attached at Appendix 1. This highlights that in addition to the current independent and tenant vacancy, a further tenant vacancy will arise at next year's AGM when Robert Keir retires from the Board. Our focus is on ensuring one of our pathway programme members is in a position to succeed Robert.

CPD

4.8 Board members were pleased to note the proposal to reintroduce our CPD programme, considering feedback from this round of appraisals. The consistent feedback from Board members was that we should focus on a single Group wide event, in addition to the Christmas social event, each year which focussed on external issues which impact the wider Group.

Areas for refinement

4.9 No specific areas of that needed refinement were identified by Board members, consistent with the Board being effective overall.

Appointment of Vice Chair

4.10 Our Rules state that "*Where the Chairperson is not a Tenant Board Member, the Vice Chairperson elected under Rule 59.13 shall be elected from among the Tenant Board Members, unless the Board determines otherwise"*.

4.11 Following the retirement of Bernadette, we now wish to elect a vice-chairperson who is also a tenant Board member. Following a discussion with each tenant Board member, Cathy McGrath has been identified as a suitable candidate for this role. Cathy has significant Board and Committee experience and as well as sitting on our Board, also serves on the Board of the Wheatley Foundation.

Appointment to Group Audit Committee

4.12 The Group Audit Committee supports the full Group with its responsibilities for issues of risk, internal controls and governance and associated assurance. Following the annual appointments process our Chair has joined the Group Audit Committee following Bernadette Hewitt's retirement from the Committee.

Scottish Housing Regulator - consultation

4.13 Following its discussion paper in June 2023 the SHR has now issued its consultation on the regulation of social housing in Scotland. This includes specific updates to the Regulatory Framework and associated Statutory Guidance.

4.14 The proposed changes reflect the future priorities set out by the SHR in its initial discussion paper, which will focus on ensuring RSLs:

- Listen and respond effectively to tenants and service users;
- Provide good quality and safe homes;
- Keep homes as affordable as possible; and
- Do all they can to reduce the number of people who are experiencing homelessness.

A copy of the consultation, including a track-changed copy of the Regulatory Framework, is attached at Appendix 2.

4.15 We have reviewed the consultation documents and agree that the SHR's proposed priority areas reflect the areas we already consider to be priorities and which we had taken steps to further refine during the past year.

4.16 A more detailed update on the key elements of the consultation and proposed changes are set out below. In addition, a copy of the response approved by the Group Board is attached at appendix 3. The consultation response reflects that the proposed changes are largely incremental and also serve to increase clarity.

Annual Assurance Statement (AAS)

4.17 The SHR intends to add a provision to the Statutory Guidance enabling it to require landlords to include explicit assurance on specific issues, from time to time. This allows the AAS process to respond to emerging topics, such as damp and mould. This formalises what has already been a recent practice from the SHR.

Annual Return on Charter (ARC)

4.18 The SHR initially set out in its discussion paper plans to introduce new indicators on tenants and resident safety as well as specific measures in relation to damp and mould. It is now proposing to undertake a comprehensive review of the Annual Return on the Charter ("ARC") which would in turn capture any new indicators for tenant and resident safety and damp and mould. It would also allow the Scottish Government EESSH Review Group to conclude its work.

4.19 It is intended that a working group be established with a view to a revised set of ARC indicators being issued for consultation in 2024/25 with a view to taking effect from 2025/26. We support the approach, which will allow sufficient time for the measures to be well-defined and the necessary arrangements for data collection and validation to be completed. We will seek to participate in any cross-sector working Group which is established.

Regulatory requirements

4.20 The SHR has always had a strong focus on ensuring that landlords listen to tenants and service users. One of the proposed enhancements to the Regulatory Framework is to include a specific requirement for landlords to ensure tenants, residents and service users have an easy and effective way to provide feedback and raise concerns. This should also allow the RSL to provide quick and effective responses.

4.21 We already have a very strong range of mechanisms in place which would evidence our compliance with such a requirement. Our strong focus on our engagement framework and Customer Voices programme together with real-time feedback tools such as Book it, Track it, Rate and My Voice affirm that this is an area we have a strong focus on.

4.22 Our approach to customer contact, which includes a multi-channel offering of telephone, email, webform and direct meetings with housing officers. The SHR's proposed additional emphasis on listening to and responding to tenants is consistent with our own.

Regulatory Status

4.23 The SHR proposes retaining the three-category approach but making the language more direct to confirm 'working towards compliance' is a non-compliant status. We are, and will remain, in the compliant category and therefore will not be impacted by this change. There is no change proposed to the compliant category.

Significant Performance Failures

4.24 The SHR is also consulting on updating the framework to make clear how tenants should raise concerns about their landlord. We have an open and well-publicised complaints process and our experience is that the vast majority of customers use this process to raise concerns.

4.25 However, we do agree that there is an opportunity for the SHR to improve clarity and it does seek to do this. This includes clearly defining the criteria by which the SHR will consider an issue, in particular that it must impact a group of tenants, and a clear statement about the routes for tenants which should be through their landlord's process and then SPSO, rather than direct to the SHR. This will ensure that landlords will always have the opportunity to respond to and address any issues before escalation to the SPSO or the SHR.

Statutory Guidance

4.26 As part of its review of the Regulatory Framework, the SHR is also consulting on updates to its Statutory Guidance. A number of changes are being made to the guidance on group structures. The changes are being made to reflect the SHR's experience with the development of more complex governance structures and the SHR is seeking to reinforce the principle of ensuring that group structures comply with the regulatory standards, for example in relation to delivering benefits for tenants and financial viability.

4.27 Although there are a number of fellow subsidiaries in the Group, the overall structure is kept under regular review to ensure it is fit for purpose. In addition, our governance arrangements are clear and have been developed with input from our legal and our governance advisors. As such, we have clear lines of responsibility and accountability as set out in our constitution and through the Group Standing Orders which were updated last year.

5. Customer engagement

5.1 As a governance related matter there are no customer engagement implications associated with this report.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

7.1 There are not digital transformation implications arising from this report.

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

9.1 The Scottish Housing Regulator's (SHR's) Regulatory Framework includes Regulatory Standards of Governance and Financial Management ("the Standards") which RSLs are required to comply with.

9.2 This report provides an update on proposed SHR changes to this Framework. As set out in our recent Annual Assurance Statement, we are materially compliant with the Framework. None of the proposed changes will impact on this.

9.3 Under the Framework, the Board has a regulatory duty to have in place a formal succession plan and an annual performance review process for governing body members.

9.4 The proposals in the report seek to support us in our compliance with the Standards.

10. Risk appetite and assessment

10.1 There is no single risk appetite covering the matters in this report; however across our related strategic outcomes/risk categories, our risk tolerance for legal/compliance ranges from cautious to averse; reflecting our preference of low inherent risk with limited potential for reward vs avoidance of risk and uncertainty with a priority for tight management controls and oversight.

10.2 Our approach to board effectiveness helps us to ensure that our skills and experience mix, individual performance and succession plans are reviewed annually as well as informing our Board Member continuous professional development.

10.3 The proposals set out in the report seek to support us in assessing risk that could impact on our compliance with the SHR's Standards of Governance and Financial Management.

11. Equalities implications

11.1 The diversity of the Board is a specific consideration in succession planning and in turn Board recruitment.

12. Key issues and conclusions

12.1 Our appraisal process allows each Board member the opportunity to reflect on their role and contribution to the wider operation of the Board over the year.

12.2 Our 3-year Board succession plan provides assurance that the Board can continue to function within the composition requirements of the Board as outlined in our Rules.

12.3 We are supportive of the SHR's proposed changes and consider that these will enhance the Regulatory Framework for the benefit of the sector.

13. Recommendations

13.1 The Board is invited to:

1) approve the appointment of Cathy McGrath as vice-chair; and
2) note the outcome of our Board appraisal process and approve our updated succession plan; and
3) note the Group response to the SHR consultation.

LIST OF APPENDICIES:

Appendix 1: Board 3-year Succession Plan 2023-2026
Appendix 2: [redacted] available here
Appendix 3: [redacted] available here

Wheatley Homes
Glasgow

Wheatley Group

Board 3-year Succession Plan

Better homes, better lives

1. Introduction

The Board are committed to succession planning as part of its overall approach to effective governance.

We recognise the importance of succession planning in having an effective Board, which has the appropriate balance of skills and experience. Succession planning plays a key role in achieving an appropriate level of renewal and refreshment on the Board, supporting the Board maintaining and developing the skills and experience it needs to discharge its duties and protect the interests of tenants.

The Board recognise our regulatory duty, under the Scottish Housing Regulator's Regulatory Framework, to have a formal succession plan in place.

2. Background and context

Our succession planning arrangements are developed in line with the Group Succession Planning Policy. The Policy sets the parameters under which our succession plan has been developed, in particular the core requirements of the succession plan in relation to:

- Maintaining an up-to-date record of directors & office holders' length of service and retiral due dates;
- Details of the core skills and experience each member contributes to the Board, in line with the agreed skills matrix and with regard to the diversity of the Board; and
- Having an understanding of expected future recruitment requirements.

All appointments and reappointments assumed in the plan are subject to:

- Tenure restrictions in place from time to time; and
- The requirements of our Rules, including Parent rights with regards to appointment.

3. Current Board tenure and skills

The current tenure stages of each Board member, projected retirement dates and details of the core skills and experience they bring (relative to our agreed skills matrix) are set out below.

Any reappointments beyond the span of this plan will be subject to previous tenure restrictions and Parent reapproval.

Board member	Core skills and experience	9 Years	3-year position
Maureen Dowden **(Parent Appointee)**	▪ Corporate Governance ▪ MMR and FMR housing policy in Scotland and the wider UK ▪ Performance management, value for money and continuous improvement	2027	2026
Councillor Kenny McLean **(GCC nominee)**	▪ Social and housing policy in Scotland and the wider UK Working with local authorities, or other government and statutory bodies ▪ Funding, planning and development for housing and regeneration	2023	2024*
Robert Kier **(Tenant)**	▪ Knowledge of the areas, clients, tenants and communities served ▪ Community engagement - scrutiny and service delivery ▪ Being involved in the restructuring or transformation of an organisation	2024	2024
Cathy McGrath **(Tenant)**	▪ Knowledge of the areas, clients, tenants and communities served ▪ Community engagement - scrutiny and service delivery ▪ Housing management and maintenance of social housing	2026	2026
Councillor Frank McAveety **(GCC nominee)**	▪ Working with local authorities, or other government and statutory bodies ▪ Social and housing policy in Scotland and the wider UK ▪ Knowledge of other relevant sectors	2026	2026
Paddy Gray OBE **(Parent Appointee)**	▪ Social and housing policy in Scotland and the wider UK ▪ Organisational strategy and policy development ▪ Involvement in planning/delivery of a Value for Money strategy, in a housing or similar organisation	2026	2026
Andrew Clark **(Independent)**	▪ Property, asset management, development, regeneration, surveying etc. ▪ Funding, planning and development for housing and regeneration ▪ General commercial business, financial & management skills	2028	2026
Carol Ballingall **(Tenant)**	▪ Knowledge of the areas, clients, tenants and communities served ▪ Community engagement - scrutiny and service delivery	2032	2026

* After 9 years appointments are reviewed annually based on continued effectiveness

4. Succession Plan 2023-26

We are actively recruiting a Board member with finance and accounting experience to fill an unplanned vacancy that has arisen during the year 2022/23.

As agreed by the Board, we are carrying a vacancy for a tenant Board member which we anticipate being in a position to fill on or before the 2024 AGM.

The Annual General Meetings are the key stages in the plan, marking where Board members will ordinarily retire and any new members will ordinarily be appointed. Planned retirements and recruitment for the next 3 AGMs will be as follows:

<u>2024</u>

Robert Keir is due to retire having reached the maximum tenure limit of 9 years. A tenant Board member and new member, who will be a Wheatley appointee, with skills and experience in finance shall be recruited to fill existing vacancies. The tenant members shall be recruited from the pathway programme.

Councillor Kenny McLean will have served an additional year beyond our 9 year tenure limit. Councillor McLean is a Glasgow City Council ("GCC") nomination and his appointment shall be subject to annual review in advance of the AGM with regards to the application of tenure limits at that time.

<u>2025</u>

There are no planned retirements this year.

<u>2026</u>

Three planned retirements of Councillor Frank McAveety (GCC nominee), Paddy Gray (Wheatley appointee) and Cathy McGrath (tenant Board member). Replacement Board members will be identified during 2025/26, including through our tenant pathway programme. Council appointments will continue subject to any change proposed on their behalf and the relevant tenure exemption shall be sought where necessary.

5. Review

The succession plan shall be subject to annual refreshment as part of the Board Appraisal Process.

Wheatley Homes Glasgow

Report

To: **Wheatley Homes Glasgow Board**

By: **Pauline Turnock, Group Director of Finance**

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

Subject: **Finance Report to 30 September 2023**

Date of Meeting: **17 November 2023**

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1. Purpose

1.1 The purpose of this paper is to provide Wheatley Homes Glasgow Board:

- An overview of the Finance Report for the period to 30 September 2023 and Q2 forecast; and
- Seek approval for amendments to our WFL1 loan arrangements.

2. Authorising and strategic context

2.1 Under the terms of the Intra-Group Agreement between Wheatley Homes Glasgow and the Wheatley Group and this Board's Terms of Reference, the WH Glasgow Board is responsible for the on-going monitoring of performance against agreed targets. This includes the performance of its finances.

2.2 Under the Group Standing Orders and the Terms of Reference contained therein, the Board is required to approve loan agreements, covenant returns and granting of security.

2.3 Raising additional funding and ensuring our existing financing arrangements are fit for purpose ensure we have the financial resources to enable our ambitions to deliver new energy-efficient affordable homes.

3. Background

3.1 Financial performance

The results for the period to 30 September are summarised in the table below:

	Year to Date (Period 6)		
	Actual £000	**Budget £000**	**Variance £000**
Turnover	114,678	111,926	2,752
Operating expenditure	(103,626)	(101,343)	(2,283)
Operating surplus	**11,052**	**10,583**	**469**
Operating margin	*9.6%*	*9.5%*	*0.2%*
Net interest payable	(23,625)	(23,451)	(174)
Deficit	**(12,573)**	**(12,868)**	**295**
Net Capital Expenditure	**38,868**	**44,448**	**5,580**

4. Discussion

4.1 Period to 30 September 2023

A deficit of £12,573k has been reported for the period to 30 September 2023, which is £295k favourable to budget. The key driver of the variance is unbudgeted grant income for adaptations to existing properties and additional new build grant. This has been offset by higher repairs spend linked to higher demand.

Key points to note:

4.2 Within income, void performance continues to be strong with a year to date void rate of 1.15% compared to the budgeted rate of 1.27% and net rental income reporting a favourable variance of £120k compared to budget at 30 September 2023. New build grant income of £1,850k includes amounts recognised for an additional 16 properties at Sighthill which were delayed from the previous financial year. We have also recognised an additional £1,439k for grant claimed for adaptations and works funded through the Scottish Housing Net Zero (SHNZ) fund.

4.3 In operating expenditure, total costs are £2,283k unfavourable to budget, with the key point of note being higher spend on revenue repairs and maintenance. Overall revenue repairs and maintenance spend is £4,138k higher than budget with demand for repairs works running higher than anticipated when the budget was set and 9% higher than in the first half of the comparable period last year. Employee costs are £1,096k less than budget, mainly due to the funding of W-360 CIP and Group Protection services through the Wheatley Foundation.

4.4 Net capital expenditure is £5,580k lower than budget. Investment programme spend is £1,070k unfavourable to budget with higher spend in capitalised voids, repairs and overhead, partially offset by reduced core programme spend and unbudgeted grant income for adaptations.

A reprofiled investment programme has been put in place for the remainder of the year with action taken by the My Repairs team around void and capitalised repair spend to manage spend within the full year forecast spend.

4.5 New build spend is £4,328k lower than budget following delays on Calton Village Phase B and the works at Kelvin Wynd. New build grant income was £1,051k unfavourable to budget due to delays at the Calton Village Phase B and timing of Shawbridge St grant claims (the full grant award was claimed in 2022/23).

4.6 Q2 Forecast out-turn

The forecast reports a statutory deficit of £28,809k for the full year out-turn to March 2024, which is £3,329k unfavourable to budget.

The Q2 forecast has been prepared on a prudent basis and allows for an £7.7m increase in the repairs spend in recognition of repairs demand remaining high. A repairs improvement plan has been put in place with actions to increase the efficiency of the service, reduce costs and improve customer satisfaction.

4.7 Other key variances to budget include:

Total income is forecast to be £1,650k favourable to budget. As reported in the year to date results this includes new build grant income received for the 2022/23 delayed completions at Sighthill and unbudgeted funding for adaptations to existing properties.

4.8 Total expenditure is forecast to be £4,253k unfavourable to budget:

- Employee costs and direct running costs are forecast to be £1,562k and £312k lower than budget, following the provision of funding for Community Improvement Partnership and Group Protection activities by the Wheatley Foundation;
- Additional running cost savings of £293k have been identified including lower spend in Wheatley Solutions;
- As noted above, repair costs have been forecasted at £7,741k higher than budget linked to the higher levels of customer demand experienced; and
- Bad debt costs have been forecast £1,321k lower, while still maintaining a conservative approach.

4.9 A number of cost saving measures have been put in place across the repairs service to drive efficiencies in the delivery of work. Early indications show that the average cost of repairs jobs is starting to reduce whilst continuing to meet customer demand. The full year forecast out turn for repairs has been prepared on a prudent basis and does not make any assumptions on cost efficiencies arising from these actions.

4.10 Net capital expenditure is forecast to be £5,624k lower than budget, with the investment programme being £2,258k lower than budget, due to a reprofiling of the core programme.

4.11 The forecast variations to budget are managed within the overall parameters of the RSL Borrower Group budget for 2023/24 of which WH Glasgow is part. The RSL borrower group continues to remain within the overall 2023/24 budgetary provision and financial Golden Rules.

<u>Funding Update</u>

4.12 We have been in discussions with our funders to make some amendments to our lending arrangements. [redacted]

4.13 This change will provide us with more flexibility around the planning of our investment programme. In line with our existing approach to covenant compliance and financial planning, we will continue to operate prudently and work within our financial golden rules which provide an agreed level of financial headroom above the minimum covenant level.

4.14 We are working with funders to finalise these changes; the majority have already confirmed with the final funder consent due by Christmas 2023. A draft Board minute for approval by the respective members of the WFL1 Borrower Group, of which Wheatley Homes Glasgow is one, is provided at Appendix 2. Updated final drafts of loan agreements can be found on Admincontrol and these have been reviewed by our legal advisors Pinsent Mason. The Group Board and WFL1 Board have approved these changes and this Board is asked to approve a delegation of authority to any WFL1 director to agree the final form of the lender documentation on our behalf.

5. Customer Engagement

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

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8. Financial and value for money implications

8.1 The statutory deficit for the period to 30 September 2023 is £295k favourable to budget. Our cost efficiency targets are built into the budget and delivery of these is a key element of continuing to demonstrate value for money. After adjusting the net operating surplus for new build grant income, depreciation, one off payments not related to underlying surplus and including capital expenditure in our properties, an underlying deficit of £2,732k is reported which is £1,629k unfavourable to budget.

8.2 While an underlying deficit is reported for WH Glasgow, within the context of the RSL Borrower Group, an overall RSL underlying surplus is reported for the financial year to date with financial performance managed within the overall budget parameters and covenants for the RSL Borrowers. An interest cover covenant of 135% is forecast meeting our Golden Rule to provide 25% headroom above the covenant of 110%.

9. Legal, regulatory and charitable implications

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

10. Risk Appetite and assessment

10.1 The Group's risk appetite in respect of development is "open", which is defined as willing to choose the option "*most likely to result in successful delivery while also providing an acceptable level of reward*". The Group's risk appetite in respect of governance is "cautious" which is defined as "*preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward*".

10.2 Raising funding to support our ambitions is a Strategic Outcome under the Theme of Enabling our Ambitions. Our agreed risk appetite for the operational delivery of raising funding is cautious, preferring safe delivery options that have a low degree of inherent risk. The previous track record of dealing with Allia, the associated pricing and the unsecured nature of the loan meets this risk criteria. The facility will be arranged at the Group treasury vehicle level (WFL1) which means it can be on-lent to any of the Wheatley RSLs, with all parties benefitting from the strong negotiating power of the wider Group for pricing and other terms and conditions.

11. Equalities implications

11.1 There are no equalities implications arising from this report.

12. Key issues and conclusions

12.1 This paper presents the financial performance for the period to 30 September 2023 and the Q2 forecast for 2023/24.

13. Recommendations

13.1 The Board is requested to:

1) Note the Finance Report for the period ended 30 September 2023 and Q2 forecast at Appendix 1:
2) Approve the amendments to the borrowing arrangements through the approval of the formal legal minute appended to this report: and
3) Approve delegation of authority to any WFL1 director to make non-material changes and to agree the final form of the lender documentation on behalf of Wheatley Homes Glasgow.

LIST OF APPENDICES:

Appendix 1: Period 6 – 30 September 2023 Finance Report
Appendix 2: [redacted]

Period to 30 September 2023
Finance Report

1.a Operating statement – Period to 30 September 2023

Wheatley Homes Glasgow

	Period to 30 September 2023			Full Year
	YTD Actual	YTD Budget	YTD Variance	Budget
	£k	£k	£k	£k
INCOME				
Rental Income	105,169	105,171	(2)	£210,343
Void Losses	(1,211)	(1,333)	122	(£2,666)
Net Rental Income	**103,958**	**103,838**	**120**	£207,677
Grant Income New Build	1,850	996	854	£4,109
Grant Income Other	3,399	1,960	1,439	£5,044
Other Income	5,471	5,132	339	£11,504
Total Income	**114,678**	**111,926**	**2,752**	**£228,334**
EXPENDITURE				
Employee Costs - Direct	16,715	17,854	1,139	£35,362
Employee Costs - Group Services	8,662	8,619	(43)	£17,237
ER / VR	757	757	0	£4,820
Direct Running Costs	6,660	6,645	(15)	£11,687
Running Costs - Group Services	4,254	4,447	193	£8,895
Revenue Repairs and Maintenance	26,987	22,849	(4,138)	£45,386
Bad debts	1,190	1,887	697	£3,774
Depreciation	38,285	38,285	0	£76,569
Demolition and Tenants Compensation	116	0	(116)	£0
TOTAL EXPENDITURE	**103,626**	**101,343**	**(2,283)**	**£203,730**
NET OPERATING SURPLUS / (DEFICIT)	**11,052**	**10,583**	**469**	**£24,604**
Net operating margin	*0*	*0*	*0*	*10.8%*
Net Interest payable & similar charges	(23,625)	(23,451)	(174)	(£50,084)
STATUTORY SURPLUS / (DEFICIT)	**(12,573)**	**(12,868)**	**295**	**(£25,480)**

Key highlights:

Net operating surplus of £11,052k is £469k favourable to budget. Statutory deficit for the period to 30 September is £12,573k, which is £295k favourable to budget. The main driver of the variance is higher than budgeted repairs spend linked to a higher demand offset in part by a favourable income position.

- Gross rental income is £2k unfavourable to budget and net rental income is £120k favourable to budget. Void losses are £122k lower than budget and represent a 1.15% void loss rate compared to the budgeted rate of 1.27%.
- New build grant income is £854k higher than budget, with 36 MMR units completing at Sighthill between June and August, including 16 units delayed from 2022/23. All units at Sighthill are now complete.
- Other grant income is £1,439k higher than budget with grant being confirmed for a proportion of 2023/24 medical adaptations.
- Other income is £339k favourable to budget linked to Wayleave income and receipt of L&A damages in relation to the Sighthill new build, which is partially offset by a reduction in MMR income due to the Sighthill delay.
- Total employee costs (direct and group services) are £1,096k favourable to budget, mainly due to W-360 CIP and Group Protection services having funding provided through the Wheatley Foundation.
- Total running costs (direct and group services) are £178k favourable to budget with Group recharges £193k favourable to budget due to several departments reporting lower costs across Wheatley Solutions.
- Revenue repairs and maintenance spend is £4,138k unfavourable to budget with spend across responsive repairs £4,466k higher than budget, and cyclical and compliance spend £594k lower than budget, due to the reprofiling of the programme. The spend on reactive repairs is linked to higher demand for repairs (8.6% ytd increase in job numbers vs ytd 2022/23). An improvement plan has been put in place to monitor the drivers of repairs costs, improve efficiency and to manage repairs spend within the forecast spend.
- Net Interest payable is £174k unfavourable to budget linked to a higher floating rate than assumed in the business plan at this point in the year.

1a. Operating statement (2) – Period to 30 September 2023

INVESTMENT	Period To September 2023 Actual £ks	Budget £ks	Variance £ks	Full Year Budget £ks
Total Capital Investment Income	**5,859**	**5,470**	**389**	**15,557**
Investment Programme Expenditure	26,594	25,524	(1,070)	55,281
New Build Programme	15,338	19,666	4,328	46,447
Other Capital Expenditure	2,795	4,728	1,933	9,506
TOTAL CAPITAL EXPENDITURE	**44,727**	**49,918**	**5,191**	**111,234**
NET CAPITAL EXPENDITURE	**38,868**	**44,448**	**5,580**	**95,677**

Key highlights year to date:

Net capital expenditure of £38,868k is £5,580k lower than budget.

- Investment programme spend is £1,070k unfavourable to budget with higher spend in capitalised voids, repairs and overhead, partially offset by reduced core programme spend and unbudgeted grant income for adaptations. A reprofiled investment programme has been put in place for the remainder of the year with action taken by the My Repairs team around void and capitalised repair spend to manage spend within the full year forecast spend.
- New build spend is £4,328k lower than budget following delays on Calton Village Phase B. New build grant income was £1,051k unfavourable to budget due to delays at the Calton Village Phase B and timing of Shawbridge St grant claims (the full grant award was claimed in 2022/23).
- Other capital expenditure of £2,795k is £1,933k lower than budget mainly driven by a reprofiling of planned works on corporate offices including Nets depots and concierge stations and IT projects.

1b. Underlying surplus

- The Operating Statement (Income and Expenditure Account) on page 2 is prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2014).
- However, the inclusion of grant income on new build developments creates volatility in the results and does not reflect the underlying cash surplus/deficit on our letting activity.
- The chart below therefore shows a measure of underlying surplus which adjusts our net operating surplus by excluding the accounting adjustments for the recognition of grant income and depreciation but including capital expenditure on our existing properties.
- At September, an underlying deficit of £2,732k has been generated using this measure which is £1,629k unfavourable to budget. The variance is driven by higher customer demand for responsive repairs and higher capital investment spend, partially offset by higher other grant income.

Underlying Surplus - September 2023				
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks	FY Budget £ks
Net Operating surplus	11,052	10,583	469	24,604
add back:				
Depreciation	38,285	38,285	0	76,569
less:				
Grant income	(1,850)	(996)	(854)	(4,109)
Net interest payable	(23,625)	(23,451)	(174)	(50,084)
Total expenditure on Core Programme	(26,594)	(25,524)	(1,070)	(55,281)
Underlying surplus	(2,732)	(1,103)	(1,629)	(8,301)

2a. Repairs & Investment Programme

Repairs	YTD P6 Actual £ks	Budget £ks	Variance £ks	FY budget £ks
Responsive Repairs	15,801	11,415	(4,386)	22,983
Cyclical (local)	295	482	187	1,022
CBG credit/JV Share of profits	(2,244)	(2,244)	0	(7,067)
Compliance/Overhead	13,135	13,195	60	28,448
Total Repairs	**26,987**	**22,848**	**(4,138)**	**45,386**

Investment Programme Grant Income	YTD P6 Actual £ks	Budget £ks	Variance £ks	FY budget £ks
SHNZ	1,747	1,747	0	4,617
Medical Adaptation	1,459	0	1,459	0
Total	**3,206**	**1,747**	**1,459**	**4,617**
Investment Programme	**Actual**	**Budget**	**Variance**	**FY Budget**
Core programme	7,191	8,886	1,695	21,149
SHNZ	1,747	1,747	0	4,317
Capitalised Voids	5,938	5,547	(391)	10,552
Adaptations	1,459	1,387	(72)	2,773
Capitalised staff	3,134	2,859	(275)	5,718
City Building ovh allocated	3,866	3,388	(478)	6,795
Capitalised Repairs	3,259	1,710	(1,549)	3,977
Total	**26,594**	**25,524**	**(1,070)**	**55,281**

Net Investment Spend	**23,388**	**23,777**	**389**	**50,664**

Repairs & maintenance:

- Repairs and maintenance costs are £4,138k over budget at the end of September.
- Responsive repairs are higher than budget by £4,386k, due to an ongoing increase in customer demand, with a 9% increase in completed jobs YTD compared to the same period in 2022/23.
- Cyclical repairs are £187k under budget following a re-profile of the programme.
- Overall compliance expenditure is £60k favourable to budget driven by lower communal utilities and compliance costs. The underspend on compliance costs is linked to the timing of the programme.

Investment programme:

- Net investment in our existing homes, after taking account of funded SHNZ energy efficiency works and adaptations, was £23,388k which was £389k lower than budget.
- Core programme expenditure of £7,191k is £1,695k favourable to budget, following the reprofiling of several programmes.
- Spend of £1,747k on SHNZ projects is reported by end of P6, which is fully funded by grant from Scottish Government.
- Void costs, which include the cost of the Nets void squad, are capitalised in line with Group policy.
- Adaptations spend of £1,459k has been reported at the end of September, against a budget of £1,387k. YTD spend is fully covered by grant income recognised.
- To address the increase in spend in capitalised repairs and voids a number of mitigating actions and business rules have been put in place by the My Repairs team to manage capitalised investment spend within the forecast spend.

2b. New Build Programme Spend

	*Status	Contractor	YTD P6 Actual	YTD P6 Budget	YTD P6 Variance	Full Year Budget
Springfield Rd			0	0	0	221
Abbotshall Avenue	Feasibility	McTaggart	167	0	(167)	310
99 Main St Baillieston			0	0	0	5
Damshot	Complete	CCG	40	70	30	70
Auchinlea	Complete	ENGIE	3	129	126	129
Shandwick St	Due on site	CCG	263	0	(263)	0
Kelvin Wynd	Feasibility		642	2,867	2,225	6,260
Total Social rent			**1,115**	**3,066**	**1,951**	**6,995**
[redacted]						
Development fund			0	0	0	353
Property Acqusitions			0	2,600	2,600	6,500
Capitalised Insurance			16	0	(16)	0
Capitalised Interest			0	0	0	714
Capitalised staff			1,639	1,669	29	3,334
Total New Build Investment			**15,338**	**19,666**	**4,328**	**46,447**
Grant Income			**2,653**	**3,704**	**(1,051)**	**10,900**
Net New Build Cost			**12,685**	**15,962**	**3,276**	**35,547**
Grant Income completions			**1,850**	**996**	**854**	**4,109**

Net spend on new build properties of £12.7m has been incurred by end of September. This is £3.3m lower than budget.

Social Rent:

- **Abbotshall Avenue (SR/70):** Site investigation carried out in August and planning submitted September 2023. Anticipated board approval February 2024.
- **Shandwick St (SR/47)**: The site was fully acquired March 2023 and the acquisition offer of grant was accepted and drawn down in 2022/23. The tender was returned in April 2023 and cost approved by GCC, followed by Board acceptance in June 2023. Started on site in September.
- **Kelvin Wynd:** The delayed start will result in an underspend to budget for the year.

Mid Market Rent:

- **[redacted]**

3. Balance Sheet

	30 September 2023 £ks	31 March 2023 £ks
Fixed Assets		
Social Housing Properties	1,592,758	1,583,777
Other tangible fixed assets	55,686	58,227
Investment properties	71,940	71,940
Investments - other	12,073	12,073
Fixed Assets	**1,732,457**	**1,726,017**
Debtors Due More Than One Year		
Inter Company Loan	18,325	18,325
Pension Asset	2,505	2,505
Current Assets		
Trade debtors	1,149	1,108
Rent & Service charge arrears	9,964	12,167
less: Provision for rent arrears	(8,316)	(7,619)
Prepayments and accrued income	6,507	2,851
Intercompany debtors	15,094	11,266
Other debtors	5,095	5,760
	29,493	**25,533**
Bank & Cash	4,546	4,270
Current Assets	**34,039**	**29,803**
Current Liabilities		
Trade liabilities	(2,719)	(3,671)
Accruals	(20,176)	(29,664)
Deferred income	(12,106)	(10,864)
Rents & service charges in advance	(11,143)	(10,794)
Intercompany creditors	(30,381)	(34,232)
Other creditors	(13,367)	(12,683)
	(89,892)	**(101,908)**
Net Current Assets	**(55,853)**	**(72,105)**
Long Term Liabilities		
Contingent efficiencies grant	(47,914)	(47,914)
Bank finance	(1,007,703)	(972,703)
Provisions	(1,825)	(1,872)
Deferred income	(14,431)	(14,431)
Long Term Liabilities	**(1,071,873)**	**(1,036,920)**
Net Assets	**625,561**	**637,822**
Capital & Reserves		
Retained Income b/fwd	200,235	207,150
Income & Expenditure	(12,261)	(6,915)
Revaluation Reserves	437,587	437,587
Funding Employed	**625,561**	**637,822**

Key Commentary:

The balance sheet reported reflects the 31 March 2023 year end statutory adjustments, including the revaluation of both housing and investment properties, actuarial valuation of the defined benefit pension scheme and the fair value of the Scottish Government loan.

- **Fixed assets:** movements from the year end reflects investment in existing properties, the new build programme, and any other fixed asset additions, less depreciation to date.
- **Current Assets (excluding cash)** are £4.0m higher than the March 2023 position, due to the timing of intercompany settlements and offset by the timing of receipt of housing benefit.
- **Debtors due after more than one year:** The intercompany loan debtor relates to the convertible debt with Lowther Homes Limited and is revalued on an annual basis as part of the statutory accounts.
- **Short-Term Creditors:** Amounts due within one year are £12.0m lower than the March 2023 position mainly due to reduction in accruals and timing of intercompany settlements.
- **Long term bank finance loans** net of amortised fees are £1,007.7m and relate to funding drawn down from WFL1.

4. Q2 Forecast

	Full Year 2023/24		
	Forecast £k	Budget £k	Variance £k
INCOME			
Rental Income	210,343	210,343	0
Void Losses	(2,446)	(2,666)	220
Net Rental Income	**207,897**	**207,677**	**220**
Grant Income New Build	**4,963**	**4,109**	**854**
Grant Income Other	**5,442**	**5,044**	**398**
Other Income	**11,683**	**11,505**	**178**
Total Income	**229,985**	**228,335**	**1,650**
EXPENDITURE			
Employee Costs - Direct	33,801	35,363	1,562
Employee Costs - Group Services	17,237	17,237	0
ER / VR	4,820	4,820	0
Direct Running Costs	11,375	11,687	312
Running Costs - Group Services	8,602	8,895	293
Revenue Repairs and Maintenance	53,127	45,386	(7,741)
Bad debts	2,453	3,774	1,321
Depreciation	76,569	76,569	0
Demolition	120	0	(120)
TOTAL EXPENDITURE	**208,104**	**203,731**	**(4,253)**
OPERATING SURPLUS / (DEFICIT)	**21,881**	**24,604**	**(2,723)**
Interest Payable	(50,690)	(50,084)	(606)
STATUTORY SURPLUS / (DEFICIT)	**(28,809)**	**(25,480)**	**(3,329)**

	Full Year 2023/24		
	Forecast £k	Budget £k	Variance £k
INVESTMENT			
Total Capital Investment Income	**17,930**	**15,557**	**2,373**
Investment Programme	53,023	55,281	2,258
New Build	46,518	46,447	(71)
Other Capital Expenditure	8,442	9,506	1,064
TOTAL CAPITAL EXPENDITURE	**107,983**	**111,234**	**3,251**
NET CAPITAL EXPENDITURE	**90,053**	**95,677**	**5,624**

Key Commentary:

The forecast operating surplus of £21,881k is £2,723k unfavourable to budget. After taking account of financing costs, the statutory deficit of £28,809k is £3,329k unfavourable to budget.

Total income forecast of £229,985k is £1,650k higher than budget:

- Void losses are forecast to be £220k lower than budget with the forecast taking a conservative approach to future performance.
- New build grant income is forecast at £854k higher than budget with grant income for the delayed 16 units at Sighthill from 2022/23 being recognised in 2023/24.
- Other grant income is £398k higher than budget following the confirmation of unbudgeted adaptations funding of £1,500k from GCC, partially offset by a reduction in SHNZ grant income, following a re-profile of the programme.
- Other income is £178k higher than budget mainly driven by the additional L & D damages and wayleave income received to P6, reduced by a decrease in gift aid income from Wheatley Developments Scotland, linked to the lower forecast new build spend.

Total Expenditure of £208,104k is £4,253k higher than budget:

- Direct employee costs and direct running costs are expected to be £1,562k and £312k favourable to budget, respectively, mainly driven by the funding of W-360 CIP and Group Protection services by Wheatley Foundation, with the savings in running costs partly offset by an increase in insurance costs.
- Group services running costs is forecast a saving of £293k in group services running costs, following the targeting of additional running cost efficiencies.
- The forecast out-turn for repairs and maintenance costs has been prepared on a prudent basis and provision has been made for a £7,741k increase linked to the higher levels of customer demand experienced YTD, noting that this is partially offset by a deferral of the core investment programme.
- Bad debts are £1,321k lower than budget with the forecast taking a conservative approach to future performance.
- Interest is forecast to be £606k higher than budget linked to timing of balances drawn than assumed in the budget and a higher floating rate than assumed in the business plan.

Net capital expenditure is forecast at £90,053k and is £5,624k lower than budget.

- Investment programme is forecast to be £2,258k lower than budget, with an increase in costs for voids and capitalised repairs being offset by a deferral of the core programme.
- New build expenditure is forecast to be £71k higher than budget. This is largely due to delays at Calton Village Phase B and Shawbridge Arcade, offset by an earlier than anticipated site start at Shandwick Street.
- Capital investment income is forecast £2,373k higher than budget following receipt of £1,500k of adaptations grant funding and earlier than budgeted grant receipts at Shandwick, partially offset by lower receipts for Shawbridge Arcade.
- Other fixed assets planned spend on corporate offices and IT projects have been reprofiled resulting in an overall reduction in spend of £1,064k.

Wheatley Homes

Glasgow

Report

To: Wheatley Homes Glasgow Board

By: Stuart Darroch, Director of Communications and Marketing

Approved by: Steven Henderson, Group Chief Executive

Subject: Group Social Media Policy

Date of meeting: 17 November 2023

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1. Purpose

1.1 To note the revised Group Social Media Policy, approved as a Group Policy by the Group Board on 27 September 2023 and which applies to us.

2. Authorising and strategic context

2.1 Under the Group Standing Orders, the Group Board is responsible for the approval of Group policies and frameworks. We are responsible for ensuring such policies and frameworks are implemented within our business. The Group Social Media Policy has been designated as a Group policy and therefore applies to our staff and Board members.

2.2 Customer engagement and digital innovation are key themes in our 2021-2026 strategy; the use of social media is an enabler for this.

3. Background

3.1 The Group Social Media Policy was last reviewed in late 2017. Since then, the use of social media worldwide has expanded, including for business use. The launch of our 2021-2026 strategy 'Your Home, Your Community, Your Future' sets out our digital ambitions and a renewed focus on driving engagement through new digital channels.

3.2 Across the Group, we have 16 social media accounts including Facebook, Twitter, Instagram and LinkedIn; we also have almost 55,000 followers. For us specifically, more than 290,000 people used the Wheatley Homes Glasgow website over the 22/23 year and our number of followers on our social media was 25,959, an increase of 3,264 from the year before. The growth in smartphone use and of new channels such as TikTok means it is increasingly important that we have a policy in place to safeguard the organisation by identifying who is permitted to represent us online and provide guidance to those who have their own personal social networking accounts.

3.3 The policy has also been updated to include staff using W.E. Connect, our internal staff intranet site. As an internal policy, the draft reviewed policy was shared with our Trade Union partners and includes their feedback.

3.4 The updated policy was considered by the RAAG Committee during summer, which agreed to recommend the policy for adoption by the Group Board. The Group Board considered and approved this on 27 September 2023.

4. Discussion

4.1 Social media is the broad term used for online platforms that enable users to communicate instantly with each other through sharing information, opinions, knowledge and interests. We recognise our social media presence is valuable in engaging with customers and other stakeholders.

4.2 For social media to be effective, it is vital it is used as part of our communications to provide up-to-date information about us, our subsidiaries, our communities, the services we provide and our engagement activities.

4.3 However, we need to ensure our use of social media channels does not expose us to security risk or reputational damage. This policy and appended staff guidance (Appendix 1 to the policy) sets out how we will manage and regulate our use of social media.

4.4 The updated policy reflects changes and growth in social media channels, including the launch of popular sites such as TikTok and includes a new Appendix (Appendix 2 to the policy: guidelines for using our social media sites). This sets out the guidelines users should adhere to when engaging with us on our social media channels. We also publish 'house rules' on our sites.

4.5 The revised policy applies to all staff, Board Members and other workers, including placements, agency workers, secondees and any other contractors. For Board members, the key issue is that they should not purport to communicate on behalf of the Group or Wheatley Homes Glasgow in their social media activity.

4.6 We have published the updated policy on our websites and internal Policy Hub and are developing a high-profile launch of the policy to all staff across the Group through:

- Video material for staff;
- Use of TalkTogether and manager briefings;
- Refresh and promotion of focused e-learning, under MyCompliance on our staff learning platform; and
- Internal communications to raise awareness including through a blog.

5. Customer engagement

5.1 As an internal policy, there has been no customer engagement in relation to this review.

5.2 Social media is an opportunity for us to connect with communities, gather feedback and engage in two-way conversations. It can empower residents to have a voice about their needs and influence decision-making, building trust and stronger communities.

5.3 We also use social media to promote engagement opportunities to customers as well as consultations or campaigns, such as the fire safety campaign. Social media is an effective way of relaying important information quickly to customers for example, if we were to have a disruption to services.

5.4 Last year, we posted 6006 updates across Group our social media channels throughout the year; 4,892,287 people/accounts saw the updates – up by 1.7 million from 2021. For us specifically over the last year, we have had 968 social media posts with a reach of 6,288,329 and 13,993 messages/comments received.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

7.1 A key focus in our 'Your Home, Your Community, Your Future' strategy up to 2026 is our Digital Transformation programme around our approach to engagement. Our strategy specifies that engagement will increasingly be digital and online, broadening our reach and providing customers with ease of access at a time and in a way that suits them.

7.2 Social media plays an increasingly important role in how we engage with customers and stakeholders. In the calendar year 2022, we received 10,320 messages on our Group social media channels. This figure includes people who sent us a direct message, commented on our posts and tagged us.

7.3 On the staff intranet site, W.E. Connect, in 2022 there were 285,458 page views with high levels of engagement: 4979 likes and 1594 comments on stories and content pages.

8. Financial and value for money implications

8.1 There are no financial implications associated with the updated policy.

9. Legal, regulatory and charitable implications

9.1 Anyone who uses social media and holds, shares, refers to or uses, for example processes personal information, must comply with the Data Protection Act 2018.

10. Risk appetite and assessment

10.1 The policy outlines the risks associated with online activity and how we mitigate this through our approach to social media use. The improper use of social media by staff or Board members could lead to reputational or credibility damage to the Group. Our risk appetite towards this is 'minimal' which is defined as *'tolerance for risk taking limited to those events where there is no chance of significant repercussion'.*

10.2 Communication of the reviewed Group Social Media Policy and appended guidelines, as well as the mandatory social media awareness e-learning course, helps mitigate this risk by ensuring staff are clear on how they should interact on social media. This policy is included in induction for new employees, and the training on our employee learning platform MyAcademy. Board members will have access to this policy through the AdminControl reading rooms.

11. Equalities implications

11.1 A key focus of our equality, diversity and inclusion (EDI) goals is diversifying our engagement. Social media offers an alternative, flexible form of communication with customers in which we can use various methods to suit different needs such as audio, subtitled video and imagery.

11.2 We are always considerate of EDI in our communications, imagery and branding. We can use social media to raise awareness in terms of equalities, for example through promoting celebration or awareness days to celebrate our diverse communities. We also use social media to promote our services such as our wraparound support.

11.3 Social media helps us reach a wide demographic audience, and in particular can be a useful tool to communicate with our younger customer groups. However, we understand many customers may not use social media or their first language may not be English, so it is important we retain varied, accessible communication and engagement, including face-to-face and translation/interpretation services, to ensure no-one is left behind.

12. Key issues and conclusions

12.1 This policy has been updated to reflect our new channels, larger social media presence, increase in followers, higher levels of customer engagement and reflect the importance placed on digital communications in the current five-year strategy.

13. Recommendations

13.1 The Board is asked to note the updated Group Social Media Policy which is designated as a group policy and therefore applicable to us.

LIST OF APPENDICES:

Appendix 1: [redacted] available here

Wheatley Homes Glasgow

Report

To: Wheatley Homes Glasgow Board

By: Aisling Mylrea, Director, Director of Wheatley Homes Glasgow

Approved By: Steven Henderson, Group Chief Executive

Subject: Risk Register

Date of Meeting: 17 November 2023

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1. Purpose

1.1 This report asks the Board to consider and approve the proposed changes to the Risk Register.

2. Authorising and strategic context

2.1 Under its Terms of Reference the Board is responsible for managing and monitoring our own risk register. The Group Board is responsible for managing and monitoring the Group Risk Management Framework.

3. Background

3.1 This report gives an overview of our current risk position for consideration by the Board. As set out in the Group Risk Management approach, this update focuses on risks we wish to bring to the attention of the Board. This includes risks in the following categories:

- Risks outwith risk appetite;
- Risks with a residual risk score of 12 of more or an inherent risk score of 20 or more, for which the Board has not received an update on the operation of the controls in the last 6 months; and
- Risks highlighted for consideration. This will include new risks, risks to be removed from the Strategic Risk Register, or risks with a significant change in scoring. It also includes brief details of any significant changes to the external environment that may impact on the Board's risk profile ("horizon-scanning").

4. Discussion

4.1 The chart below shows all risks within the Corporate Risk Register. These are colour-coded as follows:

- Red font – risks highlighted for Member consideration and discussed further below;
- Purple font – risks with a high residual risk or inherent risk score where Boards have received an update on the operation of the controls in the last 6 months;
- Black font – lower scoring risks that have remained stable within the current period.

Impact		Likelihood 1	Likelihood 2 / 3	Likelihood 4	Likelihood 5
5					
4			• Failure to recruit, develop, retain and succession plan • Supply chain disruption • Damp and Mould (A)	• [redacted] • Impact on our customers of the Cost-of-Living crisis • Reduced availability of financial support from SGov't/Local Govt	
3		• Fire Safety (C) • Business Continuity • Rent arrears management • Commercial Operations (C)	• New operating model implementation (C) • Financial Impact of rent control legislation • Future waves of pandemic (C) • Compliance with funders • Customer Satisfaction • Governance Structure • Securing new fundings and adverse market changes • Political and Policy changes • Contract failure • Contract Mgt • Group Credit Rating (A) • Fire Event (A) • Non-achievement of sustainability targets (C)	• Climate change impact on Group assets and services (C)	
2		• WHG Stock Profile and Demand (C)		• Laws and Regulations	
1					

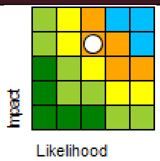
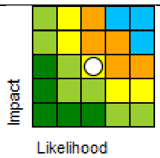
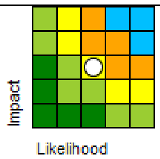
Likelihood

4.2 The remainder of this section provides additional commentary on those risks highlighted in red font. A full description of each of these risks, and associated controls, is set out in Appendix 2.

<u>Section A - Risks outwith risk appetite</u>

4.3 There are five risks with a residual risk score that is greater than the approved risk appetite. This is set out in the table below.

Risk	Residual Risk Score	Risk Appetite Level	Commentary
[redacted]			

Risk	Residual Risk Score	Risk Appetite Level	Commentary
RISK 053: Damp and Mould		Minimal	The residual risk scoring for this risk was increased to 12 in August 2023. The proactive approach to the identification of damp and mould issues within customers' homes will reduce the likelihood of any homes having damp or mould present and not being actioned as a result of the customer not reporting it. This is supported by the development and implementation of the new procedures for dealing with reports of damp/mould, the treatment works that have been carried out over the course of the last year and the support / information / guidance that has been made available to customers and frontline staff should in turn reduce the risk associated with damp/mould over the winter period.
NEW RISK: RISK 089 – Fire Event		Minimal	This risk has been separated from the existing 'Fire Safety' risk to focus on the risk of a fire event within a customer property. It is outwith risk appetite due to the limited control the Group has over the actions of third parties to minimise fire risk.
RISK010 – Group Credit Rating		Minimal	The residual risk score remains above risk appetite due to the uncertainty within the external economic and policy environment. We will continue to monitor the potential impact on business plans and keep the scoring of this risk under review.

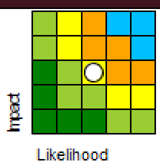
4.4 The implementation of any identified actions will be monitored and residual risk scores will be reviewed as part of the scheduled quarterly review of all risks.

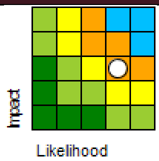
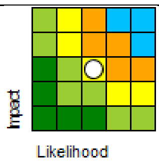
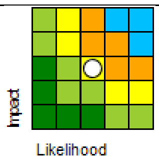
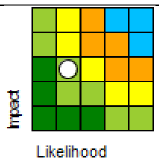
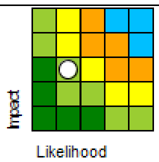
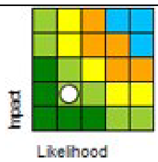
Section B – High scoring risks with controls due for review.

4.5 There are no risks with a residual risk score that is greater than the 12, or an inherent risk score of 20 or more, for which the Board has not received an update on the operation of the controls in the last 6 months.

Section C- Horizon Scanning

4.6 The table below summarises nine risks highlighted for the Board's attention, including any key changes to the risks in the Risk Register.

Risk	Residual Risk Score	Risk Appetite Level	Commentary
PROPOSED FOR DELETION: RISK004 – New operating model implementation		Hungry	It is proposed that this risk is deleted from the Corporate Risk Register as the new operating model is now embedded.

Risk	Residual Risk Score	Risk Appetite Level	Commentary
AMENDED RISK: RISK023 – Climate change impact on Group customers, assets and services		Open	Following discussion at the Solutions Board risk workshop, this risk has been split within the Group SRR. (See Risk 137 below) This original risk is focused on the potential that climate change consequences on Group assets and services are not anticipated, resulting in damage to the value of our assets and our ability to deliver services.
NEW RISK: RISK137 – Non-achievement of sustainability targets		Open	As above, propose this new risk is added (in line with agreed change to SRR) to focus on the risk that the Group is unable to demonstrate how it is contributing to climate change mitigation activities, due to non-achievement of targets within its Sustainability Framework.
PROPOSED FOR REMOVAL: RISK002 – Ongoing threat of future waves of COVID-19 and / or another pandemic		Hungry	It is proposed that this risk is removed from the Corporate Risk Register and monitored at a local level.
AMENDED RISK: RISK003 – Fire Safety		Minimal	In line with a change made to the SRR, this risk has been split and a new 'Fire Event' risk has been added to the Group Risk Profile. This amended risk is now focused on the risk of non-compliance with legislation.
PROPOSED FOR REMOVAL: RISK 013- Commercial Operations		Open	This risk has relatively low inherent and residual risk scores. As no subsidiary specific risk is captured, this risk could be removed from the Corporate Risk Register and monitored at a DMT level.
PROPOSED FOR REMOVAL: RISK 176 – WHG Stock Profile and Demand		Open	This risk has relatively low inherent and residual risk scores. The risk is also being monitored at a Group level within a wider Group Development Programme risk.

4.7 The Board is asked to consider whether any matters discussed elsewhere during the Board meeting result in additional risks to be captured in the risk register.

5. Customer Engagement

5.1 No customer engagement implications arise directly from this report.

6. Environmental and sustainability implications

6.1 No environmental or sustainability implications arise directly from this report.

7. Digital transformation alignment

7.1 No digital transformation alignment implications arise directly from this report.

8. Financial and value for money implications

8.1 No financial or value for money implications arise directly from this report.

9. Legal, regulatory and charitable implications

9.1 No legal, regulatory or charitable implications arise directly from this report.

10. Risk Appetite and assessment

10.1 There is no single risk appetite associated with this paper. Instead, the review of risks within the Corporate Risk Register, as outlined in this paper is designed to provide assurance on the controls in place to manage risks such that the residual risk score is within risk appetite and to identify additional actions planned to reduce residual risk further, where required.

11. Equalities implications

11.1 This report does not require an equalities impact assessment.

12. Key issues and conclusions

12.1 The review of the Corporate Risk Register has identified five risks that are outwith risk appetite, no risks with high inherent or residual risk scores that have not been reviewed; and a further nine risks highlighted for Board consideration.

13. Recommendations

13.1 The Board is asked to:

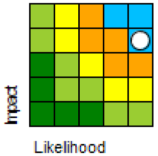
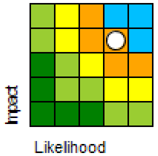
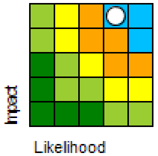
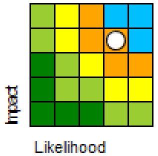
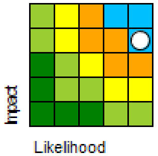
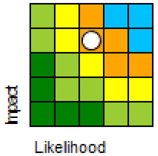
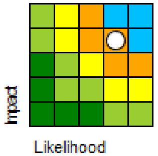
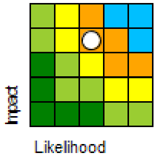
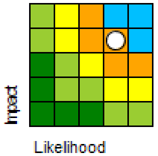
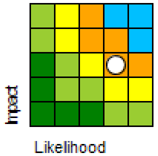
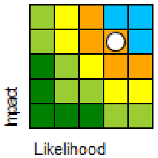
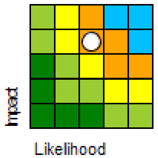
1) Approve the updates in this report; and
2) Identify any further changes required to the Corporate Risk Register.

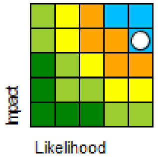
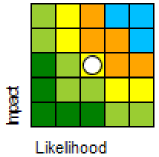
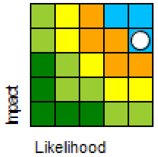
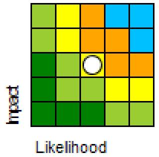
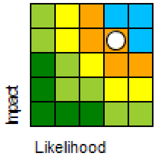
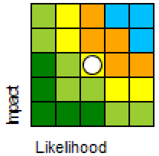
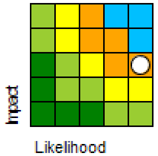
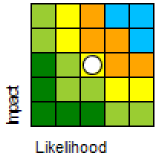
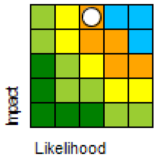
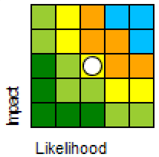
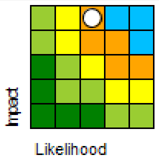
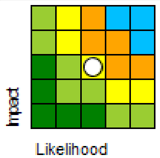
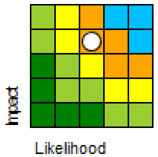
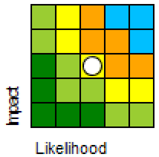
LIST OF APPENDICES:

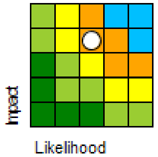
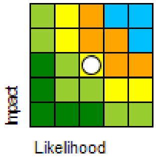
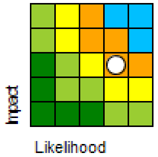
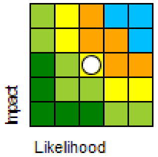
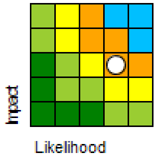
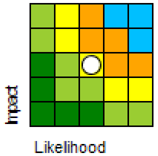
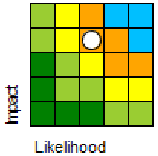
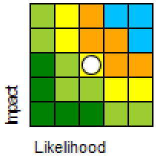
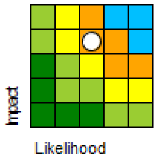
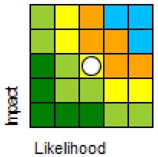
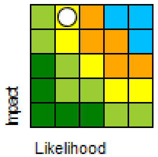
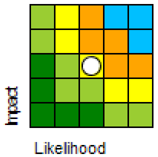
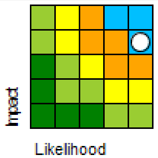
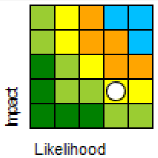
Appendix 1 – Summary status of Wheatley Homes Glasgow Corporate Risk Register

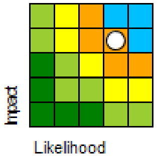
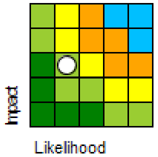
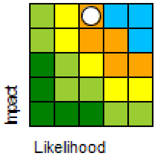
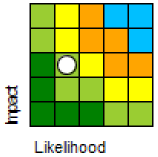
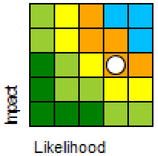
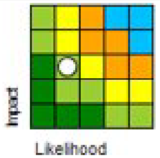
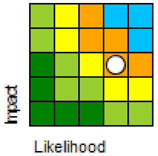
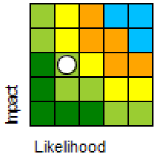
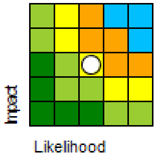
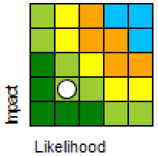
Appendix 2 – Wheatley Homes Glasgow Detailed Highlighted Risks

Appendix 1 – Summary status of Wheatley Homes Glasgow Risk Profile

Code	Title	Original Score	Risk Appetite	Current Risk Score	Owner	Strategic Outcome	Ref to Appendix 2
[redacted]							
RISK 001	Impact on our customers of the cost of living crisis		Risk Appetite is **OPEN** (Orange)		Group Director of Communities	Supporting economic resilience in our communities	N/A
RISK 021	Reduced availability of financial support from Scottish Government and / or local government		Risk Appetite is **OPEN** (Orange)		Group Director of Finance	Raising the funding to support our ambitions	N/A
RISK 018	Supply chain disruption		Risk Appetite is **OPEN** (Orange)		Group Director of Governance & Business Solutions	Increasing the supply of new homes	N/A
RISK 015	Failure to recruit, develop, retain and succession plan		Risk Appetite is **HUNGRY** (Blue)		Group Director of Finance	W.E. Work – strengthening the skills and agility of our staff	N/A
RISK 023	Climate change impact on Group customers, assets and services		Risk Appetite is **OPEN** (Orange)		Group Director of Repairs and Assets	Setting the benchmark for sustainability and reducing carbon footprint	P13 C– Amended risk
RISK 053	Damp and Mould		Risk appetite is **MINIMAL** (Light Green)		Group Director of Repairs and Assets	Investing in existing homes and environments	P14 A – outwith risk appetite

Code	Title	Original Score	Risk Appetite	Current Risk Score	Owner	Strategic Outcome	Ref to Appendix 2
RISK 004	New operating model implementation		Risk Appetite is **HUNGRY** (Blue)		Group Director of Finance; Group CEO	W.E. Create– driving innovation	P15 C – proposed for deletion
RISK 022	Financial impact of rent control legislation		Risk Appetite is **CAUTIOUS** (Yellow)		Group Director of Finance	Progressing from Excellent to Outstanding	N/A
RISK 137	Non-achievement of sustainability targets		Risk Appetite is **OPEN** (Orange)		Group Director of Repairs and Assets	Setting the benchmark for sustainability and reducing carbon footprint	P16 C – Proposed new risk
RISK 002	Ongoing threat of future waves of COVID-19 and / or another pandemic		Risk Appetite is **HUNGRY** (Blue)		Group Director of Repairs and Assets; Group CEO	W.E. Create– driving innovation	P17 C – proposed for removal
RISK 008	Compliance with funders' requirements		Risk Appetite is **OPEN** (Orange)		Group Director of Finance	Raising the funding to support our ambitions	N/A
RISK 089	Fire Event		Risk Appetite is MINIMAL (Light Green)		Group Director of Repairs and Assets	Developing peaceful and connected neighbourhoods	P18 A – outwith risk appetite
RISK 006	Customer Satisfaction		Risk Appetite is **OPEN** (Orange)		Group Director of Housing & Property Management	Enabling customers to lead	N/A

Code	Title	Original Score	Risk Appetite	Current Risk Score	Owner	Strategic Outcome	Ref to Appendix 2
RISK 009	Governance Structure		Risk Appetite is <u>CAUTIOUS</u> (Yellow)		Group Director of Governance & Business Solutions; Group CEO	W.E. Work– strengthening the skills and agility of our staff	N/A
RISK 011	Securing new funding and adverse market changes		Risk Appetite is <u>OPEN</u> (Orange)		Group Director of Finance	Raising the funding to support our ambitions	N/A
RISK 014	Political and Policy changes		Risk Appetite is <u>OPEN</u> (Orange)		Group Director of Governance & Business Solutions; Group CEO	Influencing locally and nationally to benefit our communities	N/A
RISK 040	Contract failure		Risk Appetite is <u>CAUTIOUS</u> (Yellow)		Group Director of Governance & Business Solutions	Maintaining a strong credit rating and managing financial risks	N/A
RISK 041	Contract management		Risk Appetite is <u>OPEN</u> (Orange)		Group Director of Governance & Business Solutions	W.E.Work – maintaining the skills and agility of staff	N/A
RISK 010	Group Credit Rating		Risk Appetite is <u>MINIMAL</u> (Light Green)		Group Director of Finance	Maintaining a strong credit rating and managing financial risks	P22 A – outwith risk appetite
RISK 016	Laws and Regulations		Risk Appetite is <u>CAUTIOUS</u> (Yellow)		Group Director of Governance & Business Solutions	Progressing from Excellent to Outstanding	N/A

Code	Title	Original Score	Risk Appetite	Current Risk Score	Owner	Strategic Outcome	Ref to Appendix 2
RISK 012	Business Continuity		Risk Appetite is OPEN (Orange)		Group Director of Repairs and Assets	Progressing from Excellent to Outstanding	N/A
RISK 003	Fire Safety		Risk Appetite is MINIMAL (Light Green)		Group Director of Repairs and Assets	Investing in existing homes and environments	P23 C- Amended risk
RISK 007	Rent Arrears Management		Risk Appetite is OPEN (Orange)		Group Director of Housing & Property Management	Enabling customers to lead	N/A
RISK 013	Commercial Operations		Risk Appetite is OPEN (Orange)		Group Director of Housing & Property Management	Supporting economic resilience in our communities	P24 C- proposed for deletion
RISK 176	WHG Stock Profile and Demand		Risk Appetite is OPEN (Orange)		Group Director of Repairs and Assets	Investing in existing homes and environments	P25 C- proposed for deletion

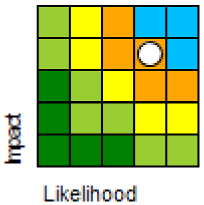
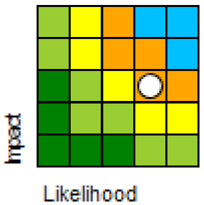
Appendix 2 – Detailed risks highlighted for Board consideration

[redacted]

RISK 023 Climate change impact on Group customers, assets and services – *C: Amended risk*

Strategic Outcome	Setting the benchmark for sustainability and reducing carbon footprint	Risk type	Financial or VFM	Risk owner	Group Director of Repairs and Assets

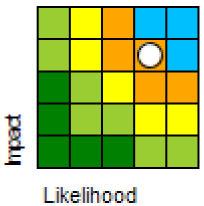
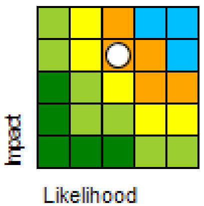
Description	***Controls***
There is a risk that the impact of climate change consequences on Group customers, assets and services are not anticipated resulting in damage to the value of our assets and our ability to deliver services to our customers.	Business continuity plans (both at Group and local level) provide for operational responses to extreme weather events such as flooding and severe winter snow (e.g. “Beast from the East” type events). Climate Impact Assessment report commissioned from external consultants (Foresight report).

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
		Risk Appetite is **OPEN** (Orange)	All Boards – business plan including detailed 5 year capital investment plan and climate impact (Feb 23) Annual Sustainability Report (August 23) All Boards provided an update on the Action Plan and work undertaken through the CoE (Sept 23)

RISK 053 Damp and Mould - *A: Outwith risk appetite*

Strategic Outcome	Investing in existing homes and environments	Risk type	Compliance - Legal / Regulatory	Risk owner	Group Director of Repairs and Assets

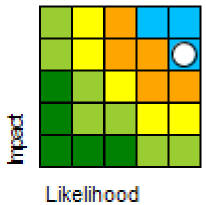
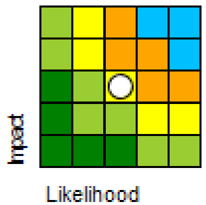
Description	***Controls***
There is a risk that housing stock is in a poor-quality condition as a result of damp and mould, resulting in harm to tenants' health.	***Existing Controls*** The Group has a Damp and Mould Policy, which is supported by detailed procedures. Mould and damp are recorded as specific work order descriptions, with agreed timescales for completion of the works. Timescales for completion of mould works have been reduced from 30 to 15 days and all jobs include a full inspection within 2 working days. Additional staff, to specialise in mould and damp, have been recruited to provide additional resource to the existing team. Arrangements are also in place for specialist external support to this Service. A process in in place to contact tenants with completed mould and damp jobs to determine whether the reported issue has been resolved. Trades staff are made aware of condensation and its causes, as well as being trained in application of products used to manage it. There are annual visits to all properties as part of technical compliance programme, with those in attendance advised to report any issues noted while in a property, including damp and mould. Housing Officers also access properties at least once per annum (usually more frequently). Housing Officers have access to information about current mould and damp jobs, factsheets to provide to tenants and are able to direct tenants to videos on how to manage issues. These are also available on Group websites. Training has been developed for all frontline staff who work with tenants including housing, wraparound services, CFC and care staff. CFC staff have specific script for probing when someone raises concern about damp or mould, so we understand clearly the extent of concern at the outset. A No Access Policy to cover the Group's approach to forced access, including in instances where repeated issues of damp and mould are raised but access is refused, has been rolled out. ***Planned controls*** All staff with reason to visit customer homes are currently being trained to recognise signs of damp and mould as part of a See It, Report It campaign. This also includes CBG trades operatives. A pilot exercise to test environmental sensors in a small number of properties is underway and the findings of this will be used to inform any further roll out. Technological solutions to treat mould are also being engaged wherever they are required e.g. misting machines.

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
		Risk appetite is **MINIMAL** (Light Green)	Group paper on approach to Damp and Mould at the December 2022 Group Board. Repairs Service and Damp and Mould update provided to Group Board in March 2023. Update on winter preparation, including damp and mould related actions, was submitted to RSL Boards as part of the Winter Resilience Planning papers in September 2023.

RISK 004 New operating model implementation – *C: Proposed for deletion*

Strategic Outcome	W.E. Create- driving innovation	Risk type	Operational Delivery	Risk owner	Group Director of Finance; Group CEO

Description	***Controls***
The implementation of a new operating model, including changing staff patterns/places of work, reducing the number of offices and placing greater reliance on technology could be poorly implemented and communicated, leading to staff disengagement and lack of support from our trade union partners.	The results of the completed customer consultation were reported to Boards for consideration. The implementation of the Customer First Centre has now been delivered and will continue to be regularly reviewed to ensure this model meets business need. Executive team receives regular reporting of plans and has oversight of plans, including for the Customer First Centre, rollout of the Centres of Excellence and delivery of the Digital Programme. Continued roll-out of the new operating model has been incorporated into the 2023-24 Delivery Plan and progress against the Plan will be reported to Boards at regular intervals throughout the year.

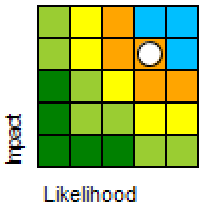
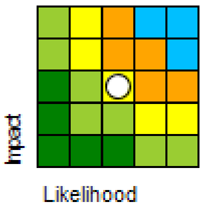
Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
		Risk Appetite is **HUNGRY** (Blue)	Quarterly performance reports with CFC KPIs as a standing item (Ongoing) Group Board CFC one-year review (Summer 23)

RISK 137 Non-achievement of sustainability targets - *C: Proposed new risk*

<table>
<tr><td>Strategic Outcome</td><td colspan="2">Setting the benchmark for sustainability and reducing carbon footprint</td><td>Risk type</td><td>Reputation and Credibility</td><td>Risk owner</td><td>Group Director of Repairs and Assets</td></tr>
<tr><td colspan="3">Description</td><td colspan="4">Controls</td></tr>
<tr><td colspan="3">There is a risk that the Group is not able to demonstrate how it is contributing to climate-change mitigation activities, due to non-achievement of targets within its Sustainability Framework, resulting in reputational damage with key stakeholders, including investors, government and customers.</td><td colspan="4">Our strategy includes an objective to reduce emissions from our corporate activities to be carbon neutral by 2026. We have detailed asset information and baseline data, an EESSH 2 plan is under development, and we are in discussions with the Scottish Government about funding to accelerate investment in our properties through a bid to the SHNZ (Social Housing Net Zero Fund). The Group's ethos is that demolition is not a preferred option.

We produce an annual ESG report for investors setting out our progress on the environmental agenda and have produced a sustainability framework for investors to support the raising of sustainability-linked finance.

In addition to ESG reporting, increased public messaging around our work in relation to climate change is ongoing and we are in the process of developing a group sustainability strategy.

This risk has been further mitigated by the production of an Action plan which ensures each area of commitment across the group is being progressed and that progress is regularly monitored and reviewed through the CoE</td></tr>
<tr><td>Inherent risk</td><td>Residual risk</td><td>Risk Appetite level:</td><td colspan="4">Previous / Next detailed Board update on operation of controls listed above:</td></tr>
<tr><td></td><td></td><td>Risk Appetite is <u>OPEN</u> (Orange)</td><td colspan="4">All Boards – business plan including detailed 5 year capital investment plan and climate impact (Feb 23)

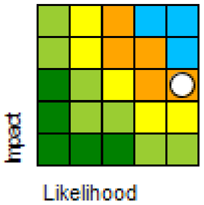
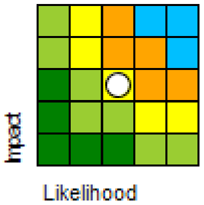
Annual Sustainability Report (August 23)

All Boards updated on the Sustainability Action Plan (Sept 2023)</td></tr>
</table>

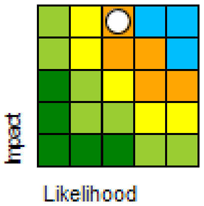
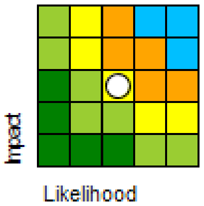
RISK 002 Ongoing threat of future waves of COVID-19 and / or another pandemic - *C: Proposed for removal*

Strategic Outcome	W.E. Create- driving innovation	Risk type	Operational Delivery	Risk owner	Group Director of Repairs and Assets; Group CEO

Description	***Controls***
The risk of future waves of Covid-19 and / or another pandemic along with the risk of further periods of lockdown (either Scotland wide or by geographical area) may result in previously remobilised services being paused.	Through lessons learnt from previous lockdown and remobilisation, services now have contingency plans (both Group wide and at a local level in place) for future waves and / or another pandemic. These include protocols for different grades of service model depending on the level of government restrictions (according with the levels system), Operational Safety Manual amendments which can be reinstated at short notice depending on the situation and 12-week PPE forward supply stocks being maintained at all times. We have a clear set of links with Scottish Government and other stakeholders through our standing place on the sector resilience group which allows us to quickly input to and understand Scottish Government responses and guidance. Revised approach to Business Continuity Management implemented and introduction of Business Continuity Co-ordinators and Response Teams established in all Business Areas. Comprehensive Training provided to Business Continuity Co-ordinators.

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
		Risk Appetite is **HUNGRY** (Blue)	Business updates have been standing Board agenda items through the last year and have set out any changes to service levels as the pandemic has progressed. This will continue to be the case through 2022. (Ongoing)

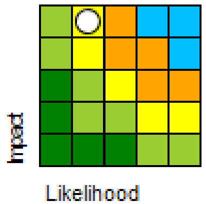
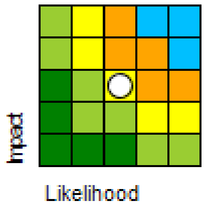
RISK 089 Fire Event – *A: Outwith Risk Appetite*

Strategic Outcome	Developing peaceful and connected neighbourhoods		Risk type	Compliance: Legal/Regulatory	Risk owner	Group Director of Repairs and Assets
Description			***Controls***			
Actions and behaviours of customers or third parties which are outwith the Group's control lead to a fire within our buildings, resulting in the injury or fatality of individuals, damage to Group property, and reputational damage.			Fire Prevention and Mitigation Framework, including our approach to high rise block inspections and Livingwell. Fire Risk Assessments are completed on a rolling cycle and include assessment of Wilful Fire Raising. Person Centred Risk Assessments (Home Fire Safety Visits) undertaken by Fire Safety Officers where vulnerable customers identified. Daily, weekly and monthly inspections of high-rise domestic premises maintained by Environmental Teams in between Fire Risk Assessments being completed. Statutory maintenance of Domestic Properties undertaken to include Gas Safety Installations, Electrical Installations and the provision of Heat and Smoke Detection. New Build properties from 2022 onward will be built with Water Suppression Systems as per new Building Standards requirements. Extensive compliance and investment regime to achieve compliance with building safety regulations (as required) and best practice guidance. Fire Working Group attended by Snr Mgt Teams every 2 months that feeds into a Group Executive Fire Liaison Meeting chaired by Executive Lead and attended by Leadership Directors to review performance, emerging issues and escalate matters as required. Compliance Steering Group established to monitor and review compliance events that could contribute to risk of fire e.g. Gas Safety, Electrical Safety etc.			
Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**			
		Risk Appetite is **MINIMAL** (Light Green)	Standing item at Group Audit Committee meetings. (Ongoing) Annual report to RSL Boards on Fire Prevention and Mitigation Framework. (May 23) Group, RSL and Lowther Boards - Fire safety performance related KPIs (ADFs and FRAs) as part of standing performance updates. (Ongoing) Board updates due prior to the end of Dec 2023.			

RISK 010 Group Credit Rating - ***A: Outwith risk appetite***

Strategic Outcome	Maintaining a strong credit rating and managing financial risks	Risk type	Financial or VFM	Risk owner	Group Director of Finance

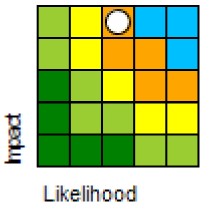
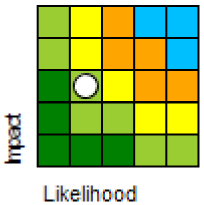
Description	***Controls***
There is a risk that external factors such as a downgrade of the UK's credit rating or a default by another organisation within the social housing sector results in a downgrading of the Group's credit rating to BBB+ or below, resulting in a potential requirement to repay our European Investment Bank loans, a reduction in the availability of future borrowing, and/ or an increase in the cost of current debt.	The Group's business plan is designed to maintain a strong standalone credit rating, for example excluding build for sale. Our financial Golden Rules include maintaining strong levels of liquidity to mitigate refinance risks. Ongoing dialogue is maintained with relevant credit rating agencies in order to mitigate the risk of unexpected rating changes which are controllable. Mitigation drafting used in legal clauses - in the event the rating fell to BBB+, the legal clauses are specific that this is not an event of default (thereby avoiding cross-default). Negotiation period – the legal clauses provide for a period to negotiate with EIB on mitigating measures, such as revisions to covenants or posting of increased security/collateral. Standby funders to replace EIB if necessary - A strong relationship is maintained with EIB to mitigate future risk from external factors causing a credit rating downgrade. Strong investor/lender relationships are maintained with a number of other organisations at all times in case of unanticipated funding need. Annual review (April) and quarterly meetings held with the S&P ratings team to enable pre-emptive actions where required.

Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:
		Risk Appetite is **MINIMAL** (Light Green)	Business plan projections for all Boards set out how we will maintain financial position (February 2023) The Group and WFL1 Boards receive quarterly treasury reports on the current credit market conditions and any credit rating updates. (Quarterly 2023)

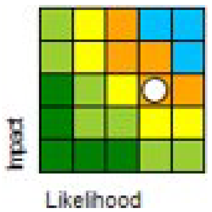
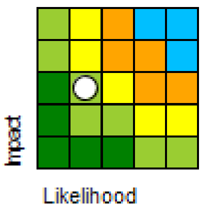
RISK 003 Fire Safety - *C: Amended risk*

Strategic Outcome	Investing in existing homes and environments	Risk type	Compliance: Legal/Regulatory	Risk owner	Group Director of Repairs and Assets

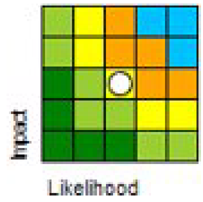
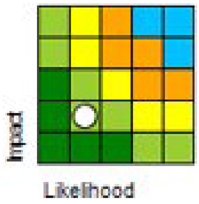
Description	***Controls***
There is a risk that a failure to comply with relevant fire safety standards for our buildings results in harm to the health or safety of our customers and/or staff, leading to injuries or fatalities, enforcement action and reputational damage	Group Fire Safety Team focuses on identification of fire preventions actions for implementation by MDs. Fire Working Group attended by Snr Mgt teams every 2 months feeds into a Group Executive Fire Liaison Meeting chaired by Executive Lead and attended by Directors to review performance, emerging issues and escalate matters as required. Quarterly Bi-annual reporting of implementation of actions to Group Audit Committee. Outwith relevant premises, Fire Prevention and Mitigation Framework, including our approach to high rise block inspections and Livingwell, and Fire Risk Assessments are completed on a rolling cycle. Daily, weekly and monthly inspections of high-rise domestic premises maintained by Environmental Teams in between Fire Risk Assessments being completed. Extensive compliance and investment regime to achieve compliance with building safety regulations (as required) and best practice guidance.

Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**
		Risk Appetite is **MINIMAL** (Light Green)	Standing biannual item at Group Audit Committee meetings. (May / November) Annual Report to RSL and Lowther Boards on Fire Prevention and Mitigation Framework Group, RSL and Lowther Boards - Fire safety performance related KPIs (ADFs and FRAs) as part of standing performance updates. (Ongoing)

RISK 013 Commercial Operations - *C: Proposed for removal*

<table>
<tr><td>Strategic Outcome</td><td colspan="2">Supporting economic resilience in our communities</td><td>Risk type</td><td>Financial or VFM</td><td>Risk owner</td><td>Group Director of Housing & Property Management</td></tr>
<tr><td colspan="3">Description</td><td colspan="4">Controls</td></tr>
<tr><td colspan="3">Failure to achieve financial growth returns in our commercial operations. This results in reduced surpluses available to support the Group's charitable activity, in particular through the Wheatley Foundation.</td><td colspan="4">Robust monitoring arrangements in place to appraise the operational performance and delivery of strategic objectives.
Levels of performance are monitored by Divisional Management Teams (DMTs), Executive Team (ET) and the relevant Boards as well as Group Board.
Monthly meetings held between MD & finance and Exec Lead and finance to review financial performance.</td></tr>
<tr><td>Inherent risk</td><td>Residual risk</td><td>Risk Appetite level:</td><td colspan="4">Previous / Next detailed Board update on operation of controls listed above:</td></tr>
<tr><td></td><td></td><td>Risk Appetite is <u>OPEN</u> (Orange)</td><td colspan="4">Lowther business plan report. (Feb 23)
Finance reports are a standing item at all Board meetings, which highlight any variances against projected financial growth to allow necessary intervention. (Ongoing)</td></tr>
</table>

RISK 176 WHG Stock Profile and Demand - *C: Proposed for removal*

<table>
<tr><td>Strategic Outcome</td><td colspan="2">Investing in existing homes and environments</td><td>Risk type</td><td>Operational Delivery</td><td>Risk owner</td><td>Group Director of Repairs & Assets</td></tr>
<tr><td colspan="3">Description</td><td colspan="4">Controls</td></tr>
<tr><td colspan="3">A lack of customer insight, or functionality within housing systems to identify current and future stock requirements, leads to WHG holding and building assets which do not meet our customers’ needs. This could result in falling demand for existing and new stock, with increased voids and poor tenancy sustainment.</td><td colspan="4">MSF framework for WHG; Multi Storey Flat Project Board; Group Supported Living Monitoring new-build and the impact on existing stock; Development have created a formal approach to informing future new build stock types. E.g. large family accommodation which is incorporated into the Housing to 2040 Strategy; Subsidiary strategies and Location Plans consider the impact of new build and adjust services accordingly.</td></tr>
<tr><td>Inherent risk</td><td>Residual risk</td><td>Risk Appetite level:</td><td colspan="4">Previous / Next detailed Board update on operation of controls listed above:</td></tr>
<tr><td></td><td></td><td>Risk Appetite is <u>OPEN</u> (Orange)</td><td colspan="4">WH-G 5 Year Development Plan presented to Board annually (January / February)</td></tr>
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