



**WHEATLEY HOUSING GROUP LIMITED
BOARD MEETING**

**20 June 2024
At 10.30am
Dakota Hotel, Eurocentral**

AGENDA

1. Apologies for absence
2. Declarations of interest
3. Minutes of meetings held on 24 April 2024 and matters arising
4. Group CEO update
5. Chair updates
 - Group RAAG Committee
 - Group Audit Committee
 - Wheatley Developments Scotland

Main Business

6. Group Asset Strategy
7. [redacted]
8. 2023/24 Annual Charter Returns and year-end update
9. People Services annual report
10. Governance update

Other Business

11. Group risk policy and strategic risk register
12. Finance report
13. Contract award – Rope access inspection
14. AOCB

Report

To: Wheatley Housing Group Board

By: Frank McCafferty, Group Director of Repairs and Assets

Approved by: Steven Henderson, Group Chief Executive

Subject: Group Asset Strategy

Date of Meeting: 20 June 2024

1. Purpose

- 1.1 To seek approval for the draft Group Asset Strategy (“Asset Strategy”) at Appendix 1.

2. Authorising and strategic context

- 2.1 The Group Board is responsible for setting our strategic direction. The Asset Strategy provides direction in a key area that is essential to customer satisfaction and in particular satisfaction with their home and meeting statutory and regulatory obligations.
- 2.2 The Asset Strategy is focused on the housing assets owned by our RSL subsidiaries and Lowther Homes, although related assets such as lock-ups, commercial units and digital TV infrastructure are also addressed. Other assets, such as IT and vehicles are managed under separate strategies and plans.

3. Background

- 3.1 *Making the Most of our Homes and Assets* is one of the five strategic themes in *Your Home, Your Community, Your Future*. Setting this strategic theme through our Group Strategy, and our track record in investing in our assets, has ensured that, in general, our homes are:
- Good quality with our latest ARC (Annual Return on Charter) indicating that tenant satisfaction with the quality of their home ranges between 86.32% and 95.03% for Group partners;
 - Safe, through meeting compliance-related asset objectives including routine gas servicing, fixed electrical testing, installing interlinked smoke and heat detectors and meeting the Scottish Government’s Scottish Housing Quality Standard (“SHQS”); and
 - Energy efficient with over 91% of our stock being at, or above, energy performance rating C.

3.2 Our investment plans were disrupted through Covid and by the financial pressure that followed including due to increased demand for repairs, inflationary costs and the cost-of-living crisis. These factors, together with the size of our asset base - with nearly 65,000 homes - and its complexity - with various build ages and types, and current and future investment requirements – make it a timely point to refresh our asset management approach. Our aim in developing this Asset Strategy is to provide a clear, concise and structured Group-wide approach that will:

- Provide clarity on our asset management priorities and what is driving them;
- Create a short (5 years) and longer-term framework for planning, delivering and reporting on asset investment;
- Give confidence that regulatory and other key requirements will be met;
- Build a consistent and transparent approach to asset-related investment decision making;
- Give assurance that asset investment decisions are routed in delivering value for customers and our business; and
- Provide flexibility that will help ensure we continue to manage new investment requirements effectively.

3.3 Developing the Asset Strategy is the first step in defining our future approach to asset investment and management. Following agreement of the Asset Strategy, asset investment and management plans will be developed for each Group RSL and Lowther Homes. These plans will reflect the direction in the Asset Strategy and the priorities for each Group partner. Once agreed, the asset investment and management plan, along with business plan considerations, will inform 5-year investment delivery plans that will be agreed each year by the Group partner Boards.

3.4 As part of these 5-year plans, annual investment outputs will be agreed, along with key metrics over the period that reflect the condition of our properties including customer satisfaction with the quality of their home, energy efficiency, compliance and remaining economic life of component parts. Progress on these outputs and against metrics will be reported to Boards with plans updated accordingly.

4. Discussion

4.1 The Asset Strategy is provided at Appendix 1 for consideration and agreement.

4.2 In developing the Asset Strategy, we engaged the Group Board at a workshop in January 2024 and Group partner Boards, as part of their annual strategy sessions, in May 2024. Feedback through these engagement sessions has helped shape the Asset Strategy including:

- Linking asset investment to neighbourhood priorities by including this as a specific driver in the strategy. Doing this will help ensure that asset investment is closely linked to the needs of customers;

- Having a fifth driver for asset investment relating to particular stock types. This driver is intended to reflect the diversity of stock, and therefore investment challenges, that exist among Group partners and ensure that asset investment plans meet local needs and circumstances; and
 - Clarifying our approach to innovation in areas such as IoT (Internet of Things) and emerging energy efficiency and generation technologies.
- 4.3 The Asset Strategy is built around five drivers for asset investment. These drivers are the ones mentioned above relating to neighbourhoods and particular stock types plus:
- Compliance – investment to ensure statutory and regulatory requirements in areas such as gas servicing and smoke and heat detectors.
 - Component replacement – investment to ensure facilities like kitchens, bathrooms, windows etc in our homes are to a good standard.
 - Energy efficiency – covering fabric efficiency and heating systems.
- 4.4 The Asset Strategy sets out timescales for compliance investment in line with those required in law or regulation. Component investment is informed by knowledge on how long kitchens, bathrooms etc, will typically last. These lifecycle assumptions have been validated by external experts from JLL.
- 4.5 The approach to energy efficiency investment is informed by the Scottish Government’s on-going consultation on its Social Housing Net Zero Standard (“SHNZS”). As part of our proposed approach, under this driver, we indicate that investment in fabric efficiency measures will be informed by the payback these will give tenants through savings on their heating bills, and that we will not spend tenants’ money where it does not deliver sufficient value. If the Board agrees, we will apply this principle in planning fabric-related investment works.
- 4.6 We also look to clarify our approach to replacing gas heating through taking a phased approach that will prioritise fabric improvements initially and hold off on replacing existing gas systems until suitable alternatives are available or it is necessary to meet statutory obligations. Our rationale for this is to ensure that tenants have the most efficient and cost-effective heating possible.
- 4.7 As well, as the points discussed above, there are other areas in the strategy that the Board may want to consider in particular in agreeing the proposed Asset Strategy. These include:
- As part of the neighbourhood investment driver, we propose to develop a ‘Wheatley Standard’. This will be informed by pilot projects to understand costs and the best working methods to improve the external fabric and local environment of tenement blocks in different conditions. Findings from the pilots will inform an assessment of the costs and implication of deploying the ‘Wheatley Standard’ before decisions are made on deploying at scale;
 - Developing ‘approved technologies’ for deployment as part of improving the energy efficiency of our properties. This approach is intended to be cautious, reflecting experience in deploying energy efficiency solutions, such as some forms of cavity wall insulation, that have not delivered as expected or led to longer terms adverse consequences for properties;

- Developing specific approaches to improving the energy efficiency of our poorer performing stock. Our aim in doing this is twofold 1) ensure properties are as energy efficient as the practicable while taking account of the costs involved and 2) ensuring there is necessary focus on improving these properties given the regulatory requirements imposed through the new SHNZS;
- Developing an in-house surveying capability that will further enhance our understanding of our assets and complement the on-going validation of stock condition data undertaken currently by JLL;
- Our ambition to develop initial asset investment plans for each relevant Group partner by Autumn 2024; and
- The intention to pilot emerging technologies and ways of processing data including IoT and AI, to ensure that we strike the right balance between adopting technologies that can support our asset management objectives and focusing available resources on deploying established asset investment solutions for the benefit of customers.

4.8 Subject to the Asset Strategy being approved, we will develop a phased and resourced plan to take forward these, and other aspects of the Strategy.

5. Customer Engagement

5.1 We have engaged Customer Voice panels from each of our Group RSLs around the drivers in the Asset Strategy. These discussions have been constructive with support for each of the drivers and a particular emphasis on improving energy efficiency.

6. Environmental and sustainability implications

6.1 This aspect is covered through the energy efficiency driver in the Asset Strategy.

7. Digital transformation alignment

7.1 The Asset Strategy includes the proposal to explore, through developing appropriate pilot projects, how digital techniques including AI can support asset management. This will build on our already extensive use of data to support asset investment and management through our PIMSS asset management system.

8. Financial and value for money implications

8.1 As part of engaging the Group and partner Boards on the development of the asset strategy, the financial implications of the proposals were outlined. In summary, our approved 2024/25 financial projections include sufficient financial provision for component replacement and compliance requirements. In common with other housing providers in the sector our projections do not yet include provision for the required investment to deliver the proposed SHNZS.

8.2 We have now quantified likely expenditure for the fabric element of this standard at around £60 million for our Group RSLs in the period to April 2033. This is based on the proposed criteria for defining exemptions noted in para 4.5 above. As part of the next update to the financial projections we will incorporate this investment requirement to inform discussions on funding options. We have also recently agreed amendments to our financial covenants to provide more flexibility the funding options for capital investment. In updating the financial projections we will include an assessment of how this can best be utilised.

8.3 The financial implications of the investment related to the neighbourhood plan approach has yet to be quantified and will be informed by the pilots we are proposing.

9. Legal, regulatory and charitable implications

9.1 Our Asset Strategy will help ensure that asset-related legal and regulatory compliance requirements are met through having this as a driver of asset investment.

10. Risk Appetite and assessment

10.1 Appendix 2 to this report provides our risk appetite for making the most of our homes and assets. The Asset Strategy aligns with our risk appetite in the areas discussed. In addition, a new risk was recently added to the group risk register – Risk 004 '*Delayed investment in existing homes and environments*'. The description of this risk states '*there is a risk that the combined impact of several years of high inflation and increasing regulatory / statutory compliance requirements results in assets which require significant investment in order to meet required standards and expectations.*' The Asset Strategy and related asset investment plans for each Group partner will help mitigate this risk.

11. Equalities implications

11.1 Equalities implications will be assessed as part of investment delivery related to the proposed Asset Strategy.

12. Key issues and conclusions

12.1 The Asset Strategy is provided to the Board for approval. This Asset Strategy has been developed following Board, staff and customer engagement. If approved, the Asset Strategy will, along with supporting asset investment and management plans, that will be developed for each Group Partner, focus our investment on five key drivers:

- Meeting compliance obligations;
- Component replacement;
- Delivering warm, energy-efficient homes in line with required standards;
- Asset improvement priorities from neighbourhood planning; and
- Meeting challenges associated with particular stock types.

13. Recommendations

13.1 The Board is asked to approve the draft Group Asset Strategy.

LIST OF APPENDICES:

Appendix 1: Draft Group Asset Strategy.

Appendix 2: Risk Appetite: Making the most of our homes and assets

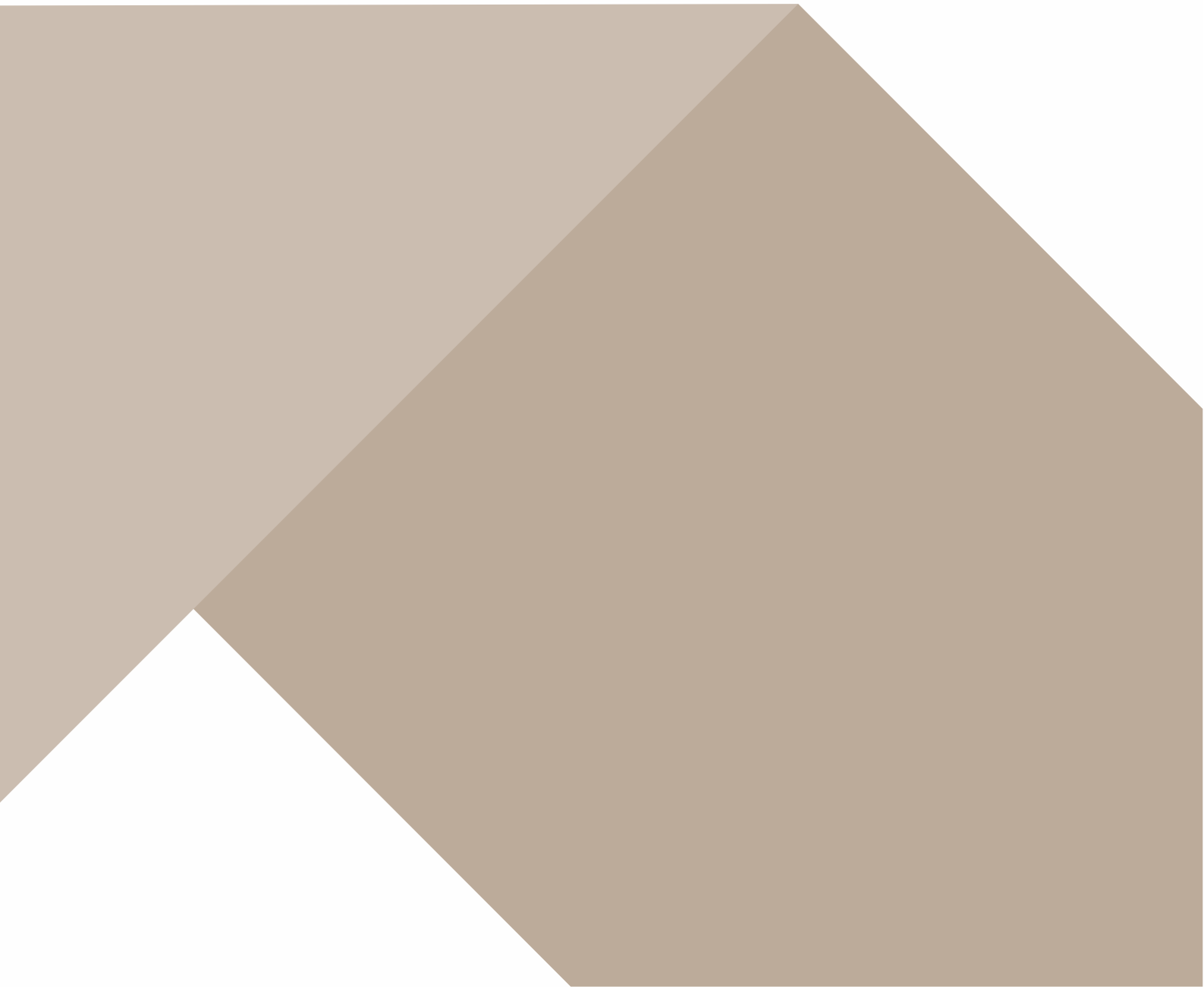
Risk Appetite: Making the most of our homes and assets

Strategic outcomes	Financial / VfM	Reputation and Credibility	Operational delivery	Compliance: legal/regulatory
Investing in existing homes and environments	<p>Cautious: Ongoing financial strength is crucial to enable us to continue to improve, modernise and maintain homes across the Group. We will revise our well-established investment processes to include more focus on what creates most value for our customers. Value for money will still be the key factor in our decision making, but wider benefits, such as reducing levels of emergency and reactive repairs and customer satisfaction, will also be considered</p>	<p>Open: Improvements to Locality Planning and engagement approaches will allow us to better understand what investment activity creates the most value for our customers. However, this increased customer engagement may also raise expectations and invite scrutiny. We must ensure that the outcomes of Locality Planning and customer engagement are fully considered in our decision making and that we can explain the reasons for actions taken.</p>	<p>Open: We are eager to exploit technological innovations to enhance the efficiency and convenience of our investment and maintenance services. We will deliver ‘innovation at the point of investment’ in our existing homes and explore the use of cutting-edge predictive analytics to inform a more intelligence-led repairs and maintenance service. We are prepared to choose options that are most likely to result in successful delivery, while also providing an acceptable level of reward.</p>	<p>Minimal: Keeping customers and staff safe is a key priority and we must be able to demonstrate that we comply with Health and Safety legislation in relation to our investment activity.</p>

Group Asset Strategy

Draft

June 2024



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1. Aims and outcomes

This Asset Strategy covers all Wheatley Group affordable and private rented properties, and related assets such as lock-ups and commercial units, and is intended to provide direction that will inform specific Strategic Asset Investment and Management Plans for each applicable Group Partner. As such, the Group Partners covered by this strategy are Wheatley Homes Glasgow, Wheatley Homes South, Wheatley Homes East, Loretto Housing Association and Lowther Homes. Other assets such as vehicles, IT systems and plant are covered in other plans and strategies.

Our asset investment and management has three, interrelated, priorities:

- ensuring customers are satisfied with the quality of their home;
- ensuring that customer homes are safe and meet all applicable statutory and regulatory requirements;
- ensuring that the value of our assets is sufficient to meet covenant requirements and provide a platform for future new build development

The first two of these priorities will drive our asset investment, while the third will be a result of our investment.

The primary outcomes we are looking to achieve through this strategy and the investment it will direct are:

- Customer satisfaction with the quality of their home: at least 90%.
- Compliance with gas safety requirements: 100%.
- Compliance with electrical safety requirements: 100%.
- Compliance with the fabric efficiency element of SHNZ: 100% for all stock that is not exempt or covered by an abeyance.

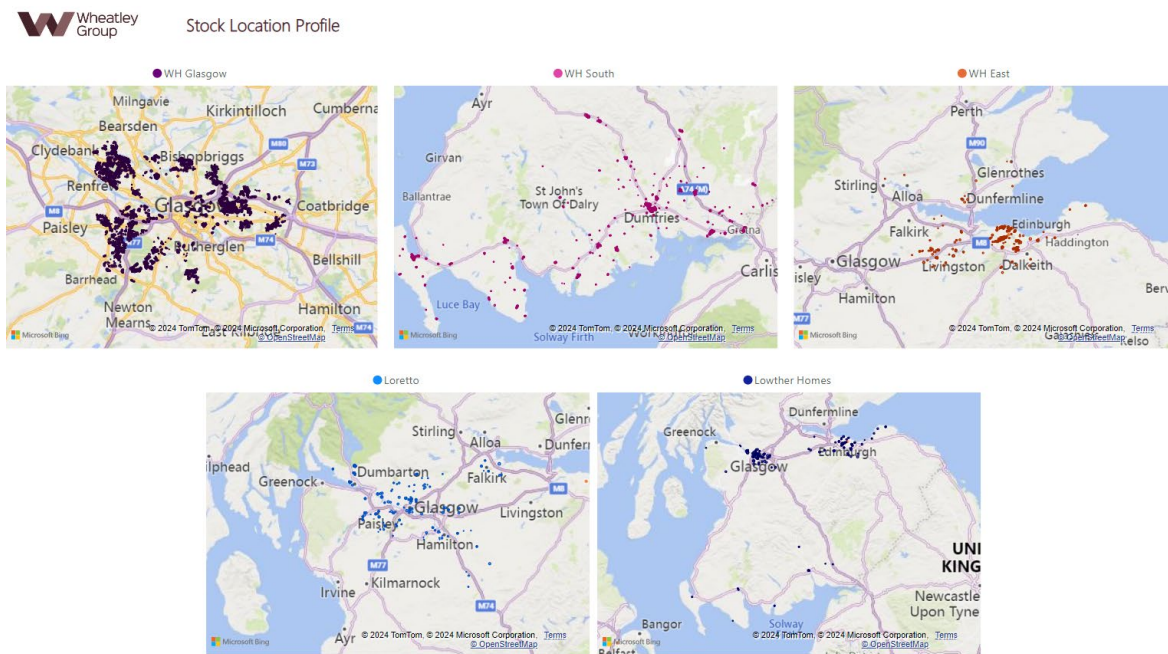
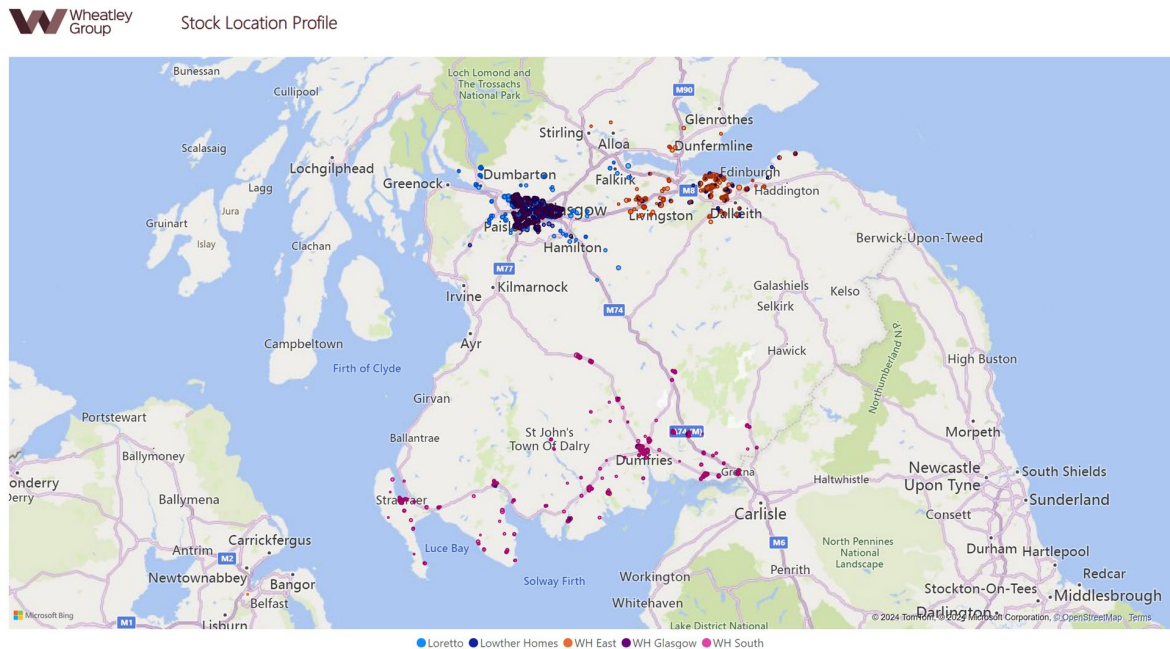
Other outcomes from our asset investment will be included, along with key metrics that we will track to understand the condition of our properties, in the Strategic Asset Investment and Management Plans for each group partner that will build on this strategy.

2. Scope of the strategy

This strategy provides a framework for the long-term (at least 10 years) that will guide asset related investment decisions for all Wheatley Group RSL and Lowther Homes. The strategy will be refreshed at least every three years to make sure that the direction set still applies, and more frequently if necessary, to reflect any regulatory or statutory changes.

Wheatley Group through its RSLs and Lowther Homes has 64,757 homes currently. This number will change reflecting the development and acquisition of new properties, and any disposals or decisions that mean a property is no longer available to let.

The geographic distribution of these properties is shown below.



The properties that make up our stock base range in age from those built in the 19th century to those built this year, as shown below.

Build date	Loretto	Lowther Homes	WH East	WH Glasgow	WH South	Total
1). Pre 1919	57	22	928	639	234	1,880
2). 1919 to 1944	15	34	178	9,528	1,655	11,410
3). 1945 to 1964	78	2	61	14,886	3,665	18,692
4). 1965 to 1982	158	143	335	13,585	2,666	16,887
5). 1983 to 2002	913	215	2,177	357	1,084	4746
6). Post 2002	1,634	2,213	3,326	3,158	811	11,142
Total	2,855	2,629	7,005	42,153	10,115	64,757

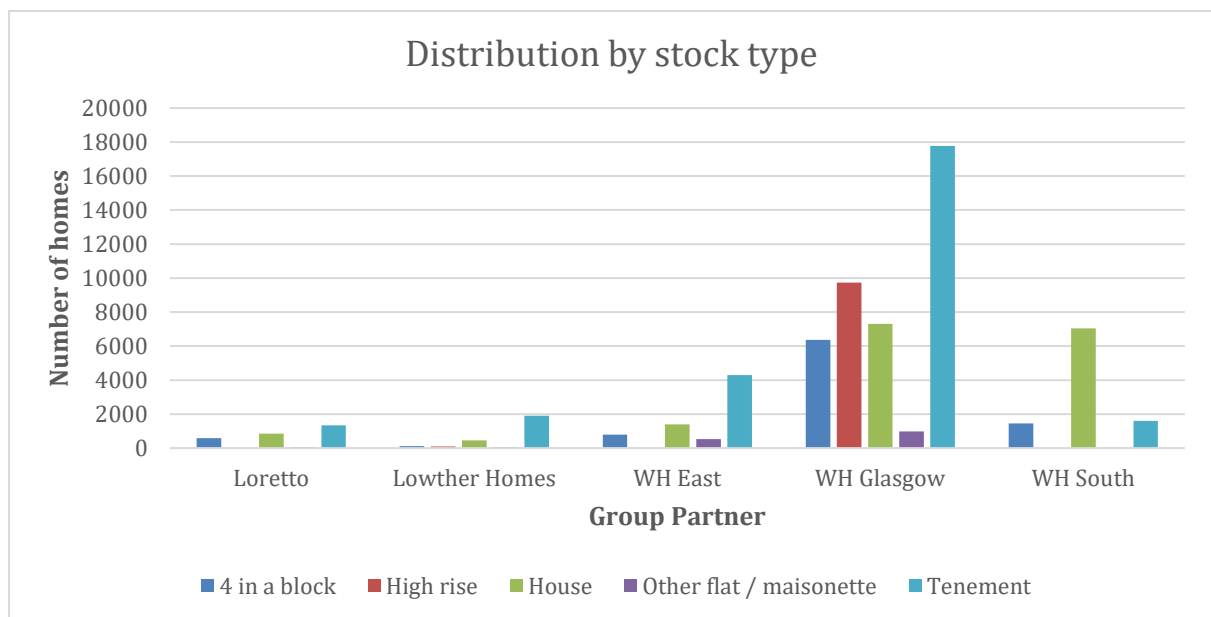
Our core property types are:

- **4 in a block** - also known as Cottage flats. This style of housing is common across Scotland and comprises single floor dwellings at ground level, and similar dwellings on the floor above. The occupants share a portion of the garden.
- **High rise flats** - a high-rise domestic building is defined in building regulations as a domestic building with any storey at a height of more than 18 metres above the ground. Multi story buildings are tall enough to require the use of mechanical transportation i.e. lift(s).
- **Houses** – Houses fall into three distinct categories:
 - Terraced – where the property shares both side walls with a neighbour, i.e., is in the middle and joined to two other houses. Typically, these individual dwellings form a long row of houses although a terrace can be only 3 houses long. End-terraced variant, where only one side wall is shared with a neighbour, also exist at the end of a row of terraced houses.
 - Semi-Detached - is a duplex dwelling that shares one common wall with the next house. The name distinguishes this style of house from detached houses, with no shared walls, and terraced houses, with a shared wall on both sides.
 - Detached – is a separate house or freestanding residential building.
- **Tenements** - The Tenements (Scotland) Act 2004 defines a tenement as a building or part of a building which comprises two or more related flats at least two of which:
 - (a) are, or are designed to be in separate ownership;
 - (b) are divided from each other horizontally

Examples of Tenements:

- Traditional sandstone tenements of between 2 and 5 storeys in height constructed between 1840 and 1919. These are mainly found in inner city/city centre areas but not exclusively. Many sandstone tenements include shop units on the ground floor which form part of the building.
- Other tenement types in our stock broadly fall into three categories:
 - those constructed from 1924, considered Interwar Tenements, which are typically 3 storey, with 6 six individual flats;
 - those constructed between 1946-62, typically in 'peripheral housing' estates, with 3 or 4 storeys and 6 or 8 flats;
 - more modern tenements, built from the 1970's to the present day, through our new build housing programmes, which use different building techniques and materials and contain 'modern' blocks of flats of varying heights, materials and design.
- **Maisonettes** – are like flats, but whereas a flat often only consists of one floor, a maisonette usually covers two. These can look like tenements with 4 storeys, however the blocks will only contain 4 properties as opposed to the 8 flats which would be typical. Maisonettes are also found in deck access building where the ground floor has direct access and the properties on the upper floors are accessed via a 'deck' or corridor.

The distribution of our stock by types is shown below.



Tenement flats are typical across all our RSLs with concentrations in Glasgow and Edinburgh, and among Lowther Homes properties. Wheatley Homes South has more

houses than other types of stock and more than is typical elsewhere in our group. High rise, multi storey flats are particular to Glasgow.

In general, Loretto, Lowther and Wheatley Homes East have stock that was built more recently, with the notable exception of the sandstone tenements that Wheatley Homes East owns, which were built in the early 20th century. Wheatley Homes Glasgow and South properties were typically constructed around the same time, reflecting council house building programmes in their predecessor organisations.

These housing assets are the primary, but not the only, focus of this strategy. The strategy also considers other assets that are essential to the quality of our homes and the value they bring our customers including their heating systems and the ability to access services from others, such as television and broadband, that require infrastructure. Other property related assets that are required to ensure our customers can live safely and well in our homes such as lifts, pumps and fire-fighting infrastructure are also covered by the strategy, as are emerging building related technologies such as sensors and IoT (Internet of Things) devices.

3. Our Asset management opportunity and challenges

As evidenced below, we have a robust operational approach to asset management that ensures strong performance against our stated priorities – *customer satisfaction with the quality of their homes and that we meet our compliance objectives*. Through this strategy, we take the opportunity to emphasise the importance we place on asset investment and management in the wider business context in which we operate. Asset investment and management is integral to our neighbourhood plans and making places where customers want to live. It is also a major driver of overall customer satisfaction and key to delivering regulatory and funder requirements including statutory and regulatory compliance, sustainability goals and a valuable asset base to secure our borrowing and growth. As such, these, and considerations discussed elsewhere in this strategy, will inform prioritisation through the Strategic Asset Investment Plans for each applicable Group Partner that will follow this strategy and be essential to its implementation.

Various factors will influence this prioritisation and our Strategic Asset Investment Plans including:

- the need for on-going investment to ensure customers have high quality homes that meet their needs;
- the multiple, including new and regulatory requirements, requirements that lead to asset investment;
- the limited flexibility we have on the timing of certain investment because of historic investment patterns and component lifecycles;

- a grant funding regime that is skewed to new build with little support for retrofit outside the limited resources available for energy efficiency works;
- that the vast majority of the homes that exist today will still exist in 2045, and even with our significant new build ambition, will make up over 80% of our total stock;
- Government policies and changes that help ensure the safety and comfort of tenants such as smoke and heat detectors and increased energy efficiency require current and future investment;
- A volatile external economic environment including the 'cost of living crisis' and a recent period of high price inflation which mean available resources need to be prioritised differently and that our existing resources have less impact for tenants.

4. Our Asset management strategy drivers

There are various reasons to invest in our assets including as part of addressing the challenges and opportunities above. However, to provide focus and an organising framework within which asset management and investment decisions are made, five drivers for investment are key. These are:

- Meeting compliance obligations.
- Component replacement.
- Delivering warm, energy efficient homes in line with required standards.
- Asset improvement priorities from neighbourhood planning.
- Meeting challenges associated with particular stock types.

Effective asset management and this strategy is about achieving the right balance between these drivers to ensure:

- customers are satisfied with the quality of their home;
- that homes are safe and meet all applicable statutory and regulatory requirements.

The first driver (meeting compliance obligations) is predominantly about ensuring our homes are safe and includes priority activities such as annual gas safety checks, periodic fixed electrical checks and smoke and heat detector system renewal, and regulatory requirement including SHQS (Scottish Housing Quality Standard) and SHNZS (Social Housing Net Zero Standard). The other four drivers all contribute to customer satisfaction with the balance between them, in terms of importance to customers, being specific to each customer and the home they live in.

Each of the drivers are considered below.

5. Meeting compliance obligations

We will meet our asset related compliance obligations through periodic programmes that ensure necessary works are carried out before applicable deadlines. Key programmes and the frequency with which these will be carried out are shown below.

Compliance Work Stream	Cycle
Smoke and Heat Detector re-life programme	Every 10 years
Electrical (EICR)	Maximum Every 5 years
Gas Servicing	Annual (10-month cycle)
Lift Insurance Inspections	Six monthly
Proactive Lift Maintenance	Monthly Checks
TMV maintenance	Annual (focused on particular customer groups based on potential vulnerability)
Mechanical and Electrical Work Servicing package	Dependent on asset category. Examples include: <ul style="list-style-type: none"> • CCTV (every 6 months)) • Lightning conductors (annually) • Sprinkler systems (annually) • Fall arrest systems (annually) • Ventilation fans (annually)
Common window inspections	Annual
Emergency Lighting Maintenance	Annual

The essential nature of these works means that we will take all necessary steps to ensure they are completed on schedule including engaging proactively with customers on their importance and forcing access where appropriate to ensure statutory or regulatory requirements are achieved.

6. Component replacement

For asset investment planning purposes, expected lifecycles are assumed for key building components such as roofs or kitchens. These assumptions are, and will continue to be, subjected to external validation to ensure that we have a robust and

reliable basis from which to plan investment in our properties. Expected component lifecycle and therefore the frequency, for planning purposes, with which we expect to replace these components is shown below.

Principal Work Elements	Life Cycle (years)	Approach to ensuring life cycle achieved
Main Roof	60	5 year visual inspection, on demand repairs as required
Rainwater Goods	30	5 year visual inspection, on demand repairs as required
Windows	30	On-demand repairs programme to address any defects
Doors	30	On-demand repairs programme to address any defects
Heat Source	15	Annual inspection and servicing programme
Electrical Wiring	30	Five yearly inspection & Testing; with any resulting works undertaken
Kitchen	20	On-demand repairs programme to address any
Bathroom	30	On-demand repairs programme to address any
External Wall Insulation	30	5 yearly visual inspection, with more frequent checks and repairs, as necessary on high rise flats
Lifts	50	Routine inspection and remedial repairs and some component replacements reflecting requirements from insurers

The lifecycles above will be kept under review and updated as necessary to reflect real world experience on when the particular components require renewal.

It should also be noted that these component replacement lifecycles are for planning purposes, and that actual investment in customer homes and our assets will be determined by various factors including actual condition, access, other priorities at the time, customer views and financial resources, as well as our planning assumptions.

7. Delivering warm, energy efficient homes in line with required standards

In general, Wheatley Group properties are energy efficient reflecting the significant investment that has been made previously in fabric efficiency measures and modern heating systems. However, the social housing net zero standard (SHNZS) with its

expected focus on fabric efficiency and clean heating, and more importantly, our desire to ensure that customers can heat their homes, as cost effectively as possible, mean that investment in this area will be a priority.

Performance of our stock in terms of energy performance rating and the expected energy input requirement from SHNZS is shown in the table below.

RSL	ESSH 2					SHNZS (kWh/m ² /yr)		
	EPC/R A	EPC/R B	EPC/R C	EPC/R D	EPC/R E	Better than 71	between 71 and 120	worse than 120
Loretto	0%	43%	49%	8%	0%	70%	22%	8%
Lowther	0%	87%	11%	2%	0%	n/a	n/a	n/a
WH East	0%	44%	53%	3%	0%	60%	33%	7%
WH Gla	0%	14%	82%	4%	0%	40%	43%	17%
WH South	0%	6%	65%	22%	7%	11%	45%	44%
Overall	0%	20%	72%	7%	1%	35%	42%	23%

All our RSLs have improvements to make to the fabric of their properties to meet SHNZS, with Wheatley Homes South having the most significant challenge. Breakdown of energy input requirement by property type is shown below.

	SHNZS (kWh/m ² /yr)		
	Better than 71	between 71 and 120	worse than 120
4 in a block	27%	51%	22%
High rise flats	63%	11%	11%
Houses	10%	51%	39%
Other flats	44%	41%	15%
Tenements	20%	43%	37%
Overall	35%	42%	23%

The data that underpins the table above shows that our poorer performing stock from an energy efficiency perspective tends to be concentrated in:

- sandstone tenements where typical insulation works such as EWI are not technically feasible and there are particular challenges because of mixed ownership in these blocks;
- multistorey flats that have not had adequate external wall insulation fitted;
- houses, where:
 - the larger external surface area of the property means more energy input is needed;
 - ‘non-traditional build’ types make conventional energy efficiency solutions less practical or cost prohibitive;

- where the pace of fabric improvement works in Dumfries and Galloway, post-large scale stock transfer and prior to becoming Wheatley Homes South, was not as quick as might have been hoped;
- 4 in a block mixed tenure homes where we have been outvoted for improvement works, usually because private owners do not wish to, or cannot afford to, pay for works.

Improving fabric efficiency of those properties that do not meet the minimum SHNZ requirement will be a priority. In doing this we will focus on minimum fabric measures listed in SHNZ, namely (based on SHNZ consultation):

- 270 mm loft insulation.
- Cavity wall insulation.
- Draught proofing.
- Heating controls.
- 80 mm hot water cylinder insulation.
- Suspended floor insulation.

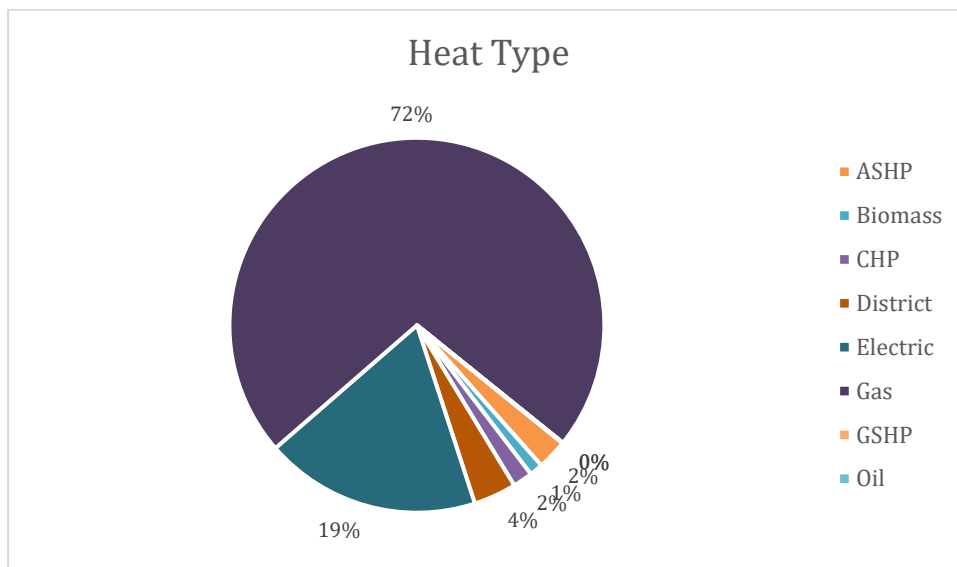
We will also pay particular attention to our 'poorest' performing homes – those with energy input requirements of over 200 kWh/m²/yr, including exploring the potential to make the home more economical for tenants through local energy generating and storage measures where applicable, innovative solutions and prioritising our efforts to secure grant funding.

In meeting SHNZ, as would be expected, we will prioritise investment in technically feasible and cost-effective measures. Cost effectiveness will be determined based on the expected value the measure will bring for tenants through reducing their energy bills. This will be done on a property-by-property basis through a discounted cash flow that takes account of the expected capital investment required for an energy efficiency measure, any available grant and the savings it is expected to provide customer over the anticipated life span of the measure that is being applied. Expected savings will be based on the cost of energy (i.e. gas, electricity, oil etc) used to heat the property at the time of the planned investment works and the anticipated reduction in energy demand from the measure. Initially, anticipated reduction in energy demand will be estimated using various methods including SAP, PHPP (Passivhaus planning package) and in-situ measurement to ensure our estimates accurately reflect reality for our customers.

Various technologies and methods are emerging to potentially improve energy efficiency in properties. Our approach to emerging technologies will be to rigorously assess and pilot them before deploying in our properties. After that we will produce, and maintain, a list of approved technologies for use by stock type. This cautious approach is routed in being specific on what we consider to be technically feasible and experience from others where, so called, innovative solutions, such as, some cavity

wall systems have not delivered as expected and had long term-adverse consequences for properties.

The second requirement from SHNZ is 'clean heating' by 2045. As shown below individual gas boilers is the most common heating source in our properties, followed by electricity, shared/district gas heating systems and individual air source heat pumps. We also have isolated examples (15 properties) of oil heating, ground source and biomass.



If we take 'clean heating' to include electric, air source, water source and ground source heating, over 21% of our stock currently meets this expected element of SHNZ.

Currently it is more economical for customers to heat their home with gas than 'clean' alternatives. In keeping with our commitment to ensure a *just transition* where we do not expect customers to pay a premium for the change to clean heating, we will adopt a phased approach to this transition. Initially, over the next 5 years or so, our focus will be on:

- replacing oil/coal/off-gas grid or other ineffective and polluting heating systems, in the extremely limited circumstances where they remain, with clean heating;.
- replacing gas heating systems at the end of their life with more modern and energy efficient gas systems that are future proofed where possible;
- replacing electric systems that are at end of life with modern electric alternatives;
- increase insulation as part of our fabric focused approach;.
- continuing to improve the efficiency and reduce emissions from existing systems through deploying smart controls;

- building our understanding, including through pilots, of emerging energy solutions and approaches including the development of heat networks, local heat and energy efficiency standards and emerging technologies.

During this initial period and beyond our approach will flex depending on how energy policy and the market evolves. In doing this we will accelerate the move to clean heating where it makes sense for our customers, such as if there is grant available or significant improvements in heating technologies that makes the change economically advantageous.

For now, our approach after the initial period will continue to be phased with our priorities after the initial period being:

- improving the operation of electric heating systems including through developing local generation solutions such as shared solar systems;
- continuing to replace gas boilers at the end of their lifecycle with more modern version of the same system;
- changing large scale gas boilers such as those used in communal or district heating systems to clean technologies such heat pump at end of life-cycle;
- Beyond this, from around 2033, depending on the policy environment our focus will be on replacing gas boilers including those in customer homes with clean heating systems such as heat pumps, alternative technologies or, where available connection to heat networks.

8. Asset improvement priorities from neighbourhood planning

The priorities discussed so far are driven mainly by compliance including meeting likely regulatory requirements around energy efficiency, and 'protecting our assets' through ensuring they are to a good physical standard and that customers have modern facilities. However, our ambition including through this strategy goes beyond that. We want the neighbourhoods where we have homes to be thriving and sustainable communities. The choices we make relating to asset investment has a significant part to play in achieving this including through:

- the external condition and appearance of our buildings and their local environment;
- the extent to which we prioritise preventative cyclic maintenance;
- the level of investment we make on aspects such as door, window, close and stair painting, maintaining fences and cleaning building fabric and other hard surfaces.

As part of implementing this strategy we will develop an approach that embeds asset investment as part of our neighbourhood planning approach. This will be done through scoping a 'Wheatley Standard' for the external condition of our stock and the local

environment around it. This standard will have various aspects such as the required condition, appearance and state of repair of:

- hard surfaces like paths and paving around a building;
- fences and railings;
- Back courts and bin areas;
- External doors and windows;
- Render and brickwork;
- Soffits, fascias and rainwater goods;
- Closes and entrances;
- Etc.

As well as setting the Wheatley Standard, we will also develop an assessment methodology that will ensure consistent and systematic appraisal of our buildings and their local environments against the standard.

The work involved in bringing buildings and their local environment to the standard will be tested through a series of pilot projects with as a minimum one focused on buildings that are significantly below the standard, one that is below standard and one that is approaching standard. These pilots will provide information on the costs of required works including methods that will help minimise costs, and the value that customers attach to improvements, so that the standard is informed by the works customers value most.

Moving from developing a standard and piloting it will require in-depth analysis of the overall costs involved and extensive engagement with customers on their appetite to pay for this through their rents and, potentially, specific charges to meet costs of an enhanced environmental service linked to the Wheatley Standard.

9. Meeting challenges associated with particular stock types

Wheatley Group through its RSLs and Lowther Homes has a diverse mix of stock types as discussed earlier. The needs of the stock as a whole will be addressed through the five drivers for investment discussed earlier. However, as part of this strategy we also want to highlight particular stock types, the challenges they bring and the approaches we will take in meeting these challenges. These stock types are:

- Multistorey flats;
- Sandstone tenements;
- Post-war tenements;
- Properties in blocks where we do not own the majority of properties;
- System built and non-traditional properties.

Multistorey Flats

Built in 1950s/1960s, these blocks are large, complex structures made of concrete that depend on effective electrical and mechanical systems for their operations.

The nature of these building means fire safety is a priority and costly with investment in fire door systems, compartmentation and ensuring the integrity of the external fabric of the buildings are maintained.

Investment projects are large and complex and different from other archetypes and include lift replacement, future EWI replacement, communal pumps, tanks and ventilation. We will continue to investigate innovative solutions including for downstack replacements that are both cost effective and minimise disruption for customers. We will also undertake systematic surveys to ensure we continue to have reliable information on condition to make investment decisions on.

Sandstone Tenements

Pre-1919 sandstone tenements present a unique asset management challenge due to their age and construction. These buildings typically feature construction techniques and materials that are no longer in common use, which can mean repairs, maintenance and investment work can be expensive, complicated and often requires specialist trade skills e.g. sandstone repairs, slate roofs, lime mortar repairs.

Many of our pre-1919 tenement assets are listed or located within conservation areas and have mixed ownership. This imposes strict planning conditions on any planned works, methods and materials. Obtaining the necessary statutory permissions and buy-in from other owners in a block can be a complex and lengthy process. Standard energy retrofit measures such as EWI are not suitable for these archetypes, therefore more innovative measures focused on the properties we own like Internal Wall Insulation (IWI) will be considered, even though they can be disruptive to tenants.

Post-war houses/tenements

Built between 1945 to 1964, these houses/tenements were often built using concrete with poor insulation and maybe at greater risk of condensation and damp penetration. Extensive EWI programmes have been carried out across the Group to improve energy efficiency and mitigate issues relating to condensation and damp. These programmes of work are lengthy and costly and will require replacement and upgrading in the future. Our approach until renewal is required will be to maintain existing systems as effectively as possible, addressing remedial issues as they occur.

Sound insulation within these archetypes also tends to be of a lower quality, which can lead to customer dissatisfaction and complaints. Retrofit solutions for this issue are expensive, disruptive and often have a limited impact. Given this, our main focus to manage this issue will be on housing management, rather than investment approaches.

Minority ownership

Minority ownership presents a challenge to the delivery of planned maintenance and investment work to common parts of flatted buildings due to private owners being unable or unwilling to participate. This can result in tenants not benefitting from the same level of investment in their home as tenants in wholly or majority owned blocks e.g. EWI or new roofs. Grant funding is limited, and eligibility criteria can exclude some homeowners depending on their individual circumstances. Going forward we will continue to engage owners on potential works that require their involvement and also explore and deploy alternative options such as IWI which does not require consent from others in the block.

System built & Non-traditional properties

These properties were built using non-traditional methods such as Swedish timber, prefabricated off site, and steel frames (BISF). These properties were often built with poor insulation and were prone to condensation and damp.

Standard EWI specifications are unsuitable for many non-traditional build forms, resulting in higher investment costs per unit than traditional stock types. Despite this many of our non-traditional house types have benefited from extensive improvement over the years. These programmes of works are often complex, lengthy and costly, and will be reflected in individual RSL strategic asset investment plans, as necessary.

10. Other property assets

While this strategy is mainly focused on our housing assets, there are other property and related asset that require consideration, investment and management. These are considered below.

Lock Ups/Garages

We have lockups which are available for let to residents aged seventeen or over. Access to a lock up is valued by residents who rent and use them, although this is not reflected in the income, they generate due to historically low rent levels. Maintenance of these assets is currently on a repair when required basis in keeping with the low level of income that they generate. Going forward we intend to develop a specific approach for lock ups and garages which is likely to involve removal of underperforming units, and on-going maintenance of those that are in use, with priority given to any that are a priority through neighbourhood plans.

Commercial property assets

As a group we have around 300 properties that are available on a commercial basis for others use. Parades of shops, often under our homes, are our main commercial

property assets, but we also have others including workshops and parking spaces. Our asset strategy for commercial properties and the drivers of investment will be broadly similar to those for our residential properties, although with slight difference as discussed below:

- Meeting compliance obligations – as with our residential properties, this will be a key focus resulting in periodic investment in line with our obligations.
- Component replacement – here there will be a more commercial focus to our approach with works undertaken when necessary to let the property, as well as when the component has reached the end of its useful life.
- Energy efficiency – this will be driven by Scottish Government requirements for non-domestic buildings rather than SHNZS.
- Asset improvement priorities from neighbourhood planning – the condition of the commercial assets in our communities will have a direct bearing on that neighbourhood. As such, requirements for investment in these assets will be informed by neighbourhood planning.
- Meeting challenges associated with particular stock types – our approach to investing and managing our commercial property assets will reflect the particular building type.

Strategic asset investment and management plans will be developed for our commercial properties for each group partner after plans for our housing assets have been completed.

Corporate properties

We have a variety of offices and depots to meet our business, and, where practical community, needs. These include hubs and depots at key locations in Glasgow, Edinburgh and Dumfries, and premises in our communities such as local hubs, touchdown points and depots, which have been developed to meet the needs of our staff working locally. In recent year we have reshaped our corporate estate to better reflect our operating model, and will continue doing this as required. We will also develop investment and management plans driven by condition, compliance and energy efficiency for these properties.

Digital Infrastructure

Third party organisations, such as utility and telecoms companies, also undertake investment in and around our properties. Our approach, which we intend continuing, is to facilitate this as it brings benefits for our customer through choice of provider and the availability of infrastructure that is needed for services like EV charging, digital tv and internet access. In facilitating access to our assets, we will look to maximise the benefits this brings for customers including through expecting donations from the infrastructure provider to the Wheatley Foundation and development of bespoke tariffs for our customers that are better than those generally available in the market. We will

also ensure work is carried out safely, to our required standard and with minimum disruption to tenants through our permit to work system.

The on-going roll out of digital tv and broadband infrastructure also brings opportunities to revisit how we enable reception of TV in some of our properties. During past investment programmes installation of TV aerial systems was included in EWI and roofing improvements package. Going forward, we will review our approach including the need for lifecycle replacement, in the context of evolving approaches to TV delivery, to ensure our investment is still needed and offers value for customers.

11. Asset management systems and emerging technologies

Having up-to-date asset related data and a system that allows this data to be stored, analysed and reported on is a key component of effective asset management, decision making and our strategy. JLL recently undertook a validation survey of the asset management data we hold and concluded that our data was comprehensive and reliable. Going forward we will continue to store and process asset data through our PIMMS asset management system. We will also look to develop our asset data including compliance information as a priority through our data strategy and building in-house surveying capabilities. This will enhance our data and understanding of our stock further through detailed and periodic surveys of stock condition and other related aspects including energy performance, external condition and fault finding. Specific surveys, using specialist expertise including structural engineers, will also be developed and taken forward for particular property types reflecting recommended practice.

Emerging technologies such as IoT sensors, predictive analytics and artificial intelligence may also help enhance asset management. The value of this is expected to increase over time, and come from:

- the timely provision of data on how a building and its components are operating, and
- the provision of actionable insight, including on a proactive basis, to identify and address asset related issues.

Our approach to IOT, predictive analytics, AI and other emerging technologies, that may support asset management, will be investigated and pilot projects developed to better understand 'use cases' and the likely 'return on investment' in these areas.

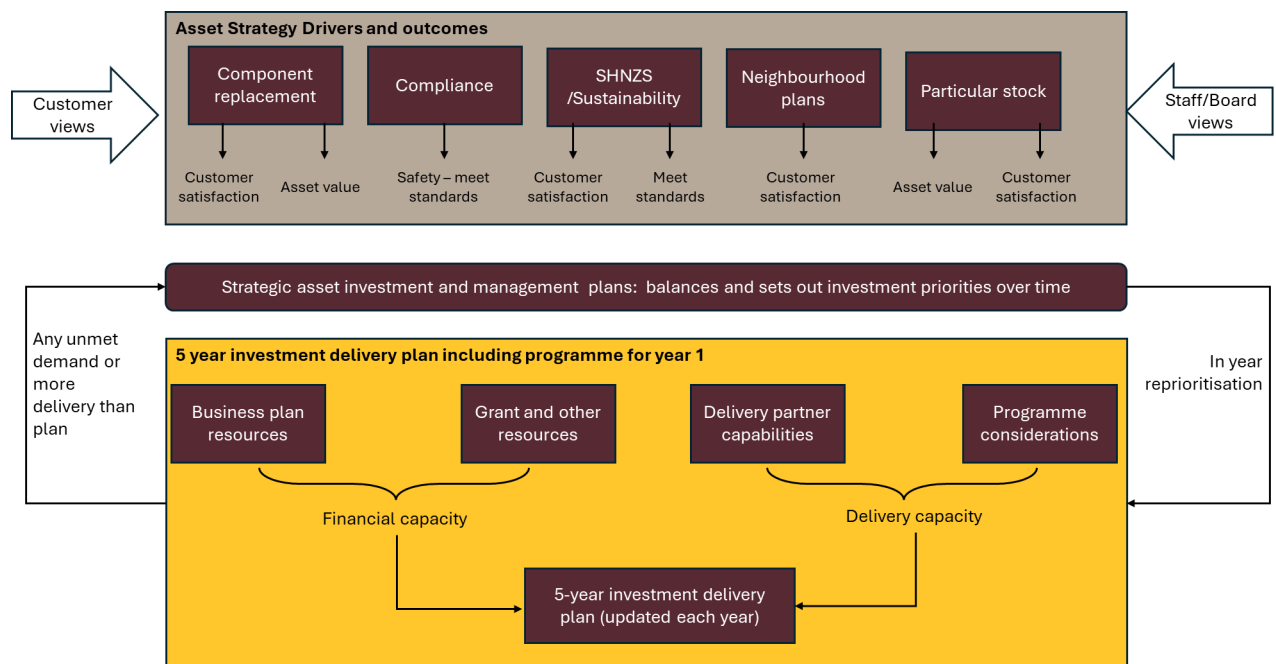
11. Implementing – investment planning

Having an effective asset investment planning process will be essential to delivering this strategy and the value we want from it for our customers. Such a process will:

- balance the multiple competing drivers discussed here for asset investment;
- prioritise and phase investment over a thirty-year time period;

- provide clarity on upcoming priorities to support annual investment delivery planning priorities;
- take account of factors that constrain investment delivery during a particular time period including financial capacity and delivery resources;
- be transparent with a clear rationale for resulting prioritisation;
- be inclusive with opportunities for customer, staff and Board members to feed in their views on priorities;
- be repeated each year to ensure it remains current.

Our intended approach to this is illustrated below.

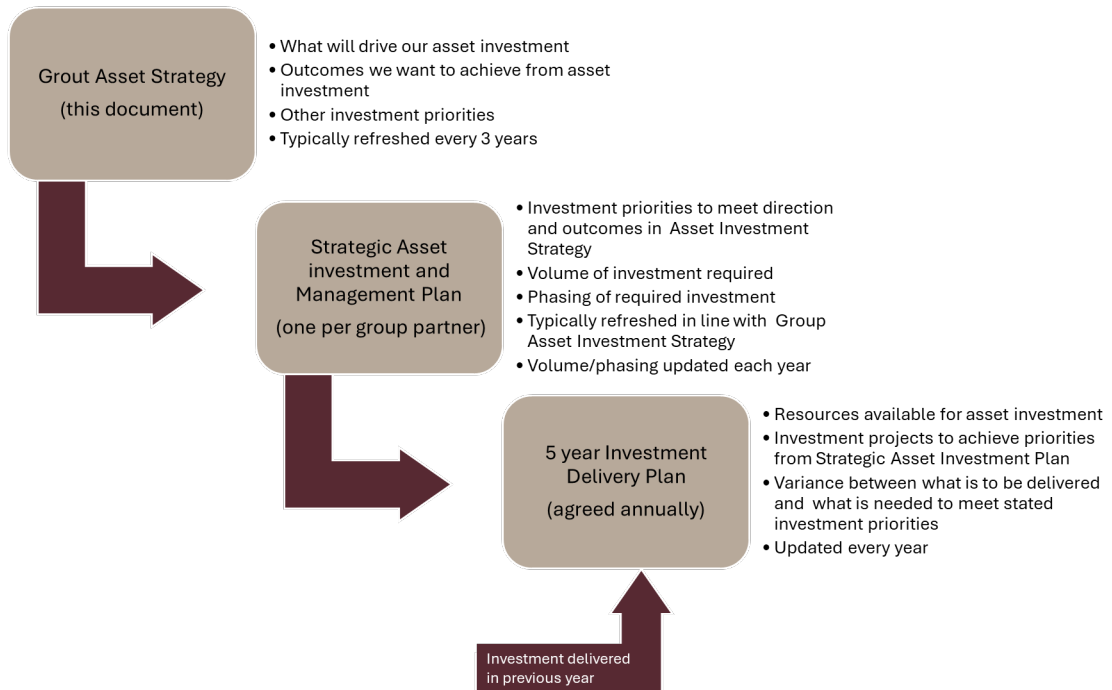


This Asset Strategy deals with the drivers for our asset investment and what we are aiming to achieve through them.

Strategic asset investment plans will be developed for each RSL and Lowther Homes. This plan will set the asset investment priorities for each group partner and how these will be phased over time. It will also indicate the need for asset investment based on analysis in line with the drivers and outcomes set through this strategy, and information on how assets are performing including from repairs, customer feedback, surveys frontline staff and technical specialists. Strategic asset investment plans will provide the framework for our investment delivery activities and will be reviewed each year, and refreshed where necessary, to make sure that the balance they strike between different asset investment priorities remains aligned to our Group objectives.

As now 5-year investment delivery plans will be produced each year. These plans detail investment, taking account on available budget and delivery resources, in the year ahead and over next 4 years, and are updated annually. Going forward, these plans will also highlight the extent to which they deliver the agreed direction through

the Strategic Asset Investment Plan and any necessary reprioritisation in the next years investment delivery plan to reflect variance between what is to be delivered and what is needed from the Strategic Asset Investment Plan. Year-end monitoring of outputs from the 5-years investment delivery plan will also inform the development of the 5-year investment delivery plan for the following year. The relationship between this Strategy, the Strategic Asset Investment Plan that will follow and the 5-year investment delivery plan is illustrated below.



Our intention is to develop this process and apply it, beginning with each RSL and Lowther Homes having a strategic asset investment and management plan by Autumn 2024. This strategic asset investment and management plan will inform the 5-year investment delivery plans and budget setting for the next year. Going forward, we will introduce an annual process around asset investment planning as follows.

When	What	Things to consider
Mar to Jun	Review Group Asset Strategy to ensure remain valid Seek approval to any change at June Board	Consider external policy environment for any changes and experience from delivery in previous year
Jul and Aug	Update volume and phasing/prioritisation of investment in Strategic asset Investment Plan	Previous year's delivery Engagement with staff and customers on priorities Information in asset management system and survey findings External opportunities such as new grant
Sept to December	Develop next year's 5-year investment delivery plan	Updates to Strategic Asset Investment Plan Engagement with staff and customers on priorities Engagement with CBG on delivery capabilities and capacity for year ahead
Dec to Mar	Approval of 5 year investment plan and mobilisation for year ahead	Financial capacity/Business Plan

Report

To: Wheatley Housing Group Board

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

Approved by: Steven Henderson, Group Chief Executive

Subject: 2023/24 Annual Charter Returns and year-end update

Date of Meeting: 20 June 2024

1. Purpose

1.1 This report provides the Board with a year-end update on our progress against targets and strategic projects in the Delivery Plan for 2023/24 and the Annual Return on the Charter 2023/24 for our Group's Registered Social Landlords ("RSLs").

2. Authorising and strategic context

2.1 The Board approved the overarching structure for the implementation of our strategy via our Group Performance Management Framework ("PMF") at its meeting in June 2021. The Board agreed on the programme of strategic projects and performance measures and targets for 2023/24 in April 2023.

2.2 Under our Group Standing Orders the Board has an ongoing role in monitoring the performance of subsidiaries against the agreed measures. Individual RSL Boards are responsible for approving their Annual Return on the Charter ("Charter") submissions. They are also responsible for monitoring RSL performance against agreed targets. RSL Boards considered year-end performance and approved their Charter returns during May 2024.

2.3 The figures reported for the Charter have now been submitted to the Scottish Housing Regulator ("SHR") and are subject to further validation and checks by SHR, with final validated figures published by SHR in the autumn.

3. Background

3.1 Our RSLs are responsible for meeting the standards and outcomes set out in the Charter and are accountable to their tenants and customers for how well they do so.

3.2 The Charter is part of the SHR's assessment of how these outcomes are being met. All RSLs and Local Authority housing services are required to submit Charter results by 31 May each year. Our RSL returns were submitted by the regulatory filing deadline. The SHR publishes results for all organisations at the end of August each year. We however use Scotland's Housing Network ("SHN") to provide benchmarking data from its membership (119 member RSLs and LAs across Scotland) in advance of this.

3.3 There are 30 Charter measures, of which 7 have been collected and updated for our 2023/24 submissions through comprehensive customer satisfaction surveys.

4. Discussion

4.1 As reflected on at our Board meeting in April when considering and approving our Delivery Plan for 2024/25, our external operating environment continued to evolve significantly during 2023/24. It is in this context of a changing social, economic and political landscape that we have delivered key strategic projects and performed strongly against our targets and relative to benchmarks in several key areas, including:

- Independent tenant satisfaction surveys with Wheatley Homes Glasgow and Wheatley Homes South **on track to achieve 90%** by 2026 and **Wheatley Homes East and Loretto already achieving 90%+**;
- Continued to lead the way nationally in alleviating homelessness, exceeding our target by **providing homes to 2000+ homeless households**;
- **Significantly expanding the level of real-time customer feedback** through our My Voice and Localz platforms to provide instant customer satisfaction ratings within the CFC, NETs and Allocations and repairs. We have achieved the equivalent of 90% satisfaction for repairs appointments via Book It, Track It, Rate It;
- **Successfully migrated to a cloud telephony platform** within our CFC **ahead of schedule and on budget**. The platform has enhanced our ability to communicate with tenants in responding to events such as severe weather, increased our business continuity and resilience and provides the potential for major service refinements;
- **Achieved high tenancy sustainment levels**, with 90%+ achieved over the Group;
- Developed **a new, integrated Neighbourhood management approach** to allow us to get even closer to our communities;
- Working alongside tenants, communities and partners **progressed major regeneration projects** at Wyndford and Lochside; and
- **Exceeded 2022/23 Scottish Average and 2023/24 SHN member benchmarks** in a range of key ARC measures, including arrears and average days to complete emergency and non-emergency repairs.

4.2 A more detailed update on performance relative to the Charter and other performance measures, along with strategic projects, is set out below. Reference is made to newly available insight from benchmarking body SHN for early analysis of 2023/24 Charter results of its member RSLs and LAs across Scotland.

Charter Returns

4.3 This section presents a summary of key Charter measures, highlighting where they are also a strategic result under our PMF. A full set of draft Charter results for each RSL against targets, and alongside the 2022/23 Scottish average and the 2023/24 SHN member average, is provided in Appendix 1.

Overall Satisfaction Results

- 4.4 The Board discussed in detail at its December meeting the results of our RSL tenant satisfaction surveys. The Board reflected that WHE and Loretto have achieved 90%+ overall satisfaction and WHG and WHS are at 87% and 88% respectively.
- 4.5 These results all exceed the 2023/24 SHN member average of 86.18%.
- 4.6 Our RSL results are underpinned by very high satisfaction levels in specific areas including:
- Keeping tenants informed about services and decisions;
 - Opportunities provided to tenants to participate in our decision-making processes; and
 - Our contribution to the management of neighbourhoods.

Gross Rent Arrears

- 4.7 Gross rent arrears for our Group RSLs at the end of 2023/24 is 5.37%, an improved position on the 5.44% recorded last year. While slightly above the ambitious target of 5.25% set for 2023/24, we remain better than the 2022/23 Scottish average of 6.9% and are better than the 2023/24 average for SHN members of 7.17%.
- 4.8 WHS and Loretto have ended 2023/24 better than their respective targets with WHE and WHG slightly above target. All RSLs showed improvement in the final month of reporting.

Table 1

Gross Rent Arrears	Mar/P13	2023/24 target	Previous period - Feb/P12	Variance from previous period	2022/23 Result
WHE C	4.61%	4.52%	4.88%	0.27	4.63%
WHS	4.33%	4.42%	4.58%	0.25	4.62%
WHG C	5.86%	5.63%	6.14%	0.28	5.84%
Loretto C	3.67%	4.18%	3.90%	0.25	4.28%
Group RSLs	5.37%	5.25%	5.64%	0.27	5.44%

Average Days to Re-Let

- 4.9 The average days to re-let for our Group RSLs in 2023/24 was 14.51 days, an improvement from 18.63 days last year and better than the 16-day target.
- 4.10 The table below provides full-year results compared to target and last year's results. All RSLs have shown improvement and are better than target.

Table 2

Average days to re-let (Charter)	2023/24	Target	2022/23
WHE	13.93	16	18.00
WHS	11.01	16	12.31
WHG	15.81	16	20.61
Loretto	10.87	16	15.98
Group	14.51	16	18.63

- 4.11 Our historic practice has been, in line with the ARC guidance, to exclude periods of time when the property cannot reasonably be occupied because it would be unsafe (for example a tampered meter) or unfit for a new tenant to move into because certain works are required first. We have considered situations where a utility provider has not carried out the required meter reconnection works for the new occupant, and therefore there is not a valid metered electricity supply, to be such cases.
- 4.12 Across the housing sector, utility companies have taken increasing lengths of time to carry out their duties in this area in recent years. For 2023/24, this added between 1 day (shortest one) and 8 days (longest one) days to our average RSL re-let times. Even when adding these days back on to our averages, we remain significantly better than the 2023/24 SHN member average of 58.4 days.
- 4.13 We, along with the Scottish Federation of Housing Associations and Scottish Government, have been lobbying Ofgem and utility providers to improve their performance in this area. In future, we propose to report ARC-adjusted and unadjusted (including the full impact of utility meter connection times) figures to all of our RSL Boards so that the impact can be monitored. Despite this point, our lost rent from vacant properties at 0.51% is better than the 2023/24 SHN member average of 1.43%.

Tenancy Sustainment

- 4.14 Our Group Charter tenancy sustainment for 2023/24 is 91.16%, an improvement from 89.03% last year and in line with the 2023/24 SHN member average of 91.11%. As defined by the Regulator, Charter tenancy sustainment relates to new lets made in the previous year and requires these lets to be sustained for more than a year. The Group revised tenancy sustainment (excluding deaths and transfers to another home within the Group) has also improved, 93.27% compared to 90.65% last year.
- 4.15 The improving trend in tenancy sustainment for 2023/24 is set out in the below chart:

Graph 1

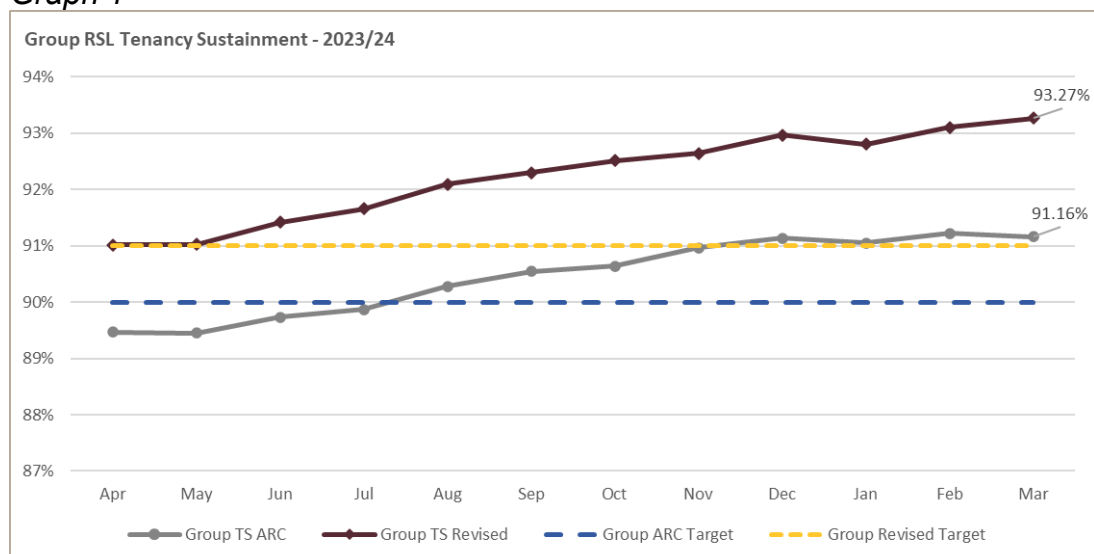


Table 3

RSL Tenancy Sustainment	Charter 2023/24	Target	Charter 2022/23	Revised 2023/24	Target	Revised 2022/23
WHE	91.77%	90%	91.23%	94.52%	91%	92.51%
WHS	86.10%	88%	86.83%	89.45%	89%	89.16%
WHG	92.00%	90%	89.13%	93.81%	91%	90.57%
Loretto	93.88%	90%	92.23%	94.52%	91%	94.18%
Group	91.16%	90%	89.03%	93.27%	91%	90.65%

Repairs

- 4.16 The average time taken to complete emergency and non-emergency repairs is detailed in the table below.

Table 4

Times to deliver repairs (Charter)	Emergency (hours)		Non-emergency (days)	
	Target	2023/24	Target	2023/24
WHG	3.00	2.88	7.00	8.04
Loretto	3.00	3.07	7.00	8.61
WHE	3.00	3.39	7.00	7.73
WHS	3.00	2.70	7.00	8.58
Group	3.00	2.91	7.00	8.09






- 4.17 At year-end, the Group average time to complete emergency repairs is on target at 2.91 hours, with Loretto and WHE slightly above target. This is an improvement compared to the Group average of 3.26 hours for 2022/23 and better than the 2023/24 SHN member average of 3.74 hours.
- 4.18 All RSLs are over the non-emergency target of 7 days, with the Group average at 8.09 days. This is still an improvement from 8.47 days in 2022/23 and is also better than the 2023/24 SHN member average of 8.71 days.
- 4.19 Group right first-time results reduced slightly compared to 2022/23 shown in the following table. WHG and WHE are better than the 90% target with WHS below this. Loretto are below their 93% target.

Table 5

Percentage of repairs right first time (Charter)	2022/23	2023/24	Target
WHG	91.47%	91.62%	90.0%
Loretto	92.58%	89.92%	93.0%
WHE	94.59%	92.87%	90.0%
WHS	91.09%	87.71%	90.0%
Group	91.86%	91.28%	

- 4.20 Our rolling repairs satisfaction surveys show that Group is above target at 91.47%, an improvement compared to 88.86% in 2022/23 and above the 2023/24 SHN member average of 87.53%. All RSLs have improved compared to last year with exception of Loretto as shown in the table below.

Table 6

RSL	2022/23	2023/24	Target
WHG	89.80%	92.58%	90% 
Loretto	89.83%	85.51%	90% 
WHE	91.24%	96.77%	90% 
WHS	83.15%	89.17%	90% 
Group	88.86%	91.47%	90% 

- 4.21 Service delivery arrangements for Loretto are currently under review with a plan to implement improvement actions over the course of Summer 2024. An update will be taken to the Loretto Board in August.

Gas Safety

- 4.22 We continue to be in a 100% compliant position for gas safety, with no expired gas certificates.

SHQS

- 4.23 The Charter 2023/24 results for SHQS and EESSH by RSL are shown in the table below, alongside figures for the previous year.

Table 7

RSL	Percentage of properties meeting the SHQS		Percentage of properties meeting the EESSH	
	2022/23	2023/24	2022/23	2023/24
WHS	86.25%	87.79%	90.55%	91.36%
WHG	99.29%	99.55%	100.00%*	100.00%*
WHE	99.32%	99.52%	99.56%	99.68%
Loretto	99.58%	99.92%	100.00%	100.00%

* reported at 2 decimal places based on 99.995%

Table 8

RSL	SHQS Exemption 2023/24	SHQS Abeyance 2023/24	Percentage of total stock with SHQS Exemption or Abeyance 2023/24	EESSH Exemption 2023/24	Percentage of total stock with EESSH Exemption 2023/24
WHS	941	312	12.21%	886	8.64%
WHG	26	164	0.44%	0	0.00%
WHE	0	8	0.12%	0	0.00%
Loretto	0	2	0.08%	0	0.00%

- 4.24 All our RSLs compare favourably to the 2023/24 SHN member average of 83.74%.






- 4.25 Properties that do not meet SHQS and/or EESSH can be either because they fail the criteria or are subject to exemption or abeyance.

- 4.26 Exemptions and abeyances for SHQS and EESSH are detailed in the table above, with pertinent points as follows:
- **WHG** has no EESSH exemptions and for SHQS have 26 exemptions, 164 abeyances (including 49 abeyances for EICRs) and 1 fail;
 - **WHE** has no EESSH exemptions and for SHQS have no exemptions, 8 abeyances (including 7 abeyances for EICRs) and 23 fails;
 - **Loretto** has no EESSH exemptions, and for SHQS have 2 abeyances and no fails; and
 - **WHS** has 886 EESSH exemptions but no EESSH fails. The reasons for EESSH exemption are 90 technical, 21 social, 772 excessive cost and 3 are long term voids. There are 941 exemptions for SHQS and 312 abeyances. There are no SHQS fails.
- 4.27 Of 24 SHQS property fails, 23 are because works are required to heating systems that WHE have not yet been able to carry out due to access issues and 1 is anticipated to imminently move to pass on WHG's receipt of an updated EPC rating. These numbers include the EESSH fails, WHG has 1 and WHE has 21. Loretto and WHS have no EESSH fails.
- 4.28 Of properties in abeyance, the majority are where we have been unable to complete works due to non-participation of owners. In addition, there are a total of 59 properties (WHG - 49, WHE - 7, Loretto - 2, WHS - 1) where we have been unable to gain access, following multiple visits, to carry out electrical fixed installation testing.
- 4.29 The Regulator now asks that landlords include contextual details of how many incidences occurred throughout the year where the five year EICR anniversary date was missed, even where they have subsequently been completed before the end of 2023/24. There are a total of 712 occurrences (WHG - 378, WHE - 118, Loretto - 32, WHS - 184). 653 of these were subsequently completed by the end of 2023/24. The remaining 59 are those discussed in the above paragraph in Abeyance due to access issues. We have robust protocols in place for attempting to gain access which we will continue to apply until such time as the necessary work is undertaken. This detail has been declared in the RSL Charter returns and will also be reported in the Annual Assurance Statements.

Medical Adaptations

- 4.30 During 2023/24, we completed 2,169 adaptations in total, similar to the 2,174 we reported last year. However, at year end only 75 households were waiting compared to 135 at the end of 2022/23.
- 4.31 The Group average time to complete adaptations has improved, from 24.9 days last year to 18.99 days in 2023/24 and all RSLs are within the 25-day target.
- 4.32 The table below shows the number of households waiting, completions and the average time to complete adaptations by RSL.

Table 9

Medical Adaptations	Households Waiting 2022/23	Households Waiting 2023/24	Number Completed 2023/24	Average Days to Complete	Target
WHG	81	72	1,334	17.73	25 
Loretto	13	3	80	18.09	25 
WHE	9	0	226	13.66	25 
WHS	32	0	529	24.57	25 
Group	135	75	2,169	18.99	25 

Individual RSL Summary Performance





- 4.33 A full breakdown of all RSL performance against the full set of measures is provided in Appendix 1. The majority of performance indicators achieved target and a minority (8 of 68 measures) are within red variance. While non-emergency repair timescales is the only indicator across our RSLs that is 10% or more off our internal target, each of our RSLs have outperformed the 2023/24 SHN member average.
- 4.34 The following sections present draft year-end performance against non-Charter strategic and compliance measures by strategic theme. The Board dashboards attached at Appendices 2 and 3.

 **Delivering Exceptional Customer Experience**

Customer First Centre - Grade of Service

- 4.35 The CFC is a core part of our operating model, with the key measure for the CFC recognised as the Customer Satisfaction (“CSAT”) score, which was introduced during the year. The overall CFC CSAT score was 4.3 at the end of 2023/24, a slight improvement from the score of 4.2 at the end of quarter 3. The in-month CSAT for March 2024 achieved 4.39/5. It is important to note that this performance was achieved during a period when we delivered the largest technology change in the CFC in a decade, ahead of schedule and with no disruption to service.
- 4.36 The wider year-end results are presented in the table below.

Table 10

















	2022/23	2023/24	Target	Status
	Value	Value		
Group – CFC CSAT		4.3/5	4.5/5	
Group - % calls answered <30 seconds (Grade of Service)	76.79%	69.35%	Contextual	
Group - Average waiting time (seconds)	57.64	59.33	Contextual	
Group - Call abandonment rate	4.72%	5.45%	5%	
Group - % first contact resolution at CFC (Customer Service Advisors)	88.99%	86.41%	90%	
Group – % of CFC customer interactions that are passed to Housing and Lowther staff for resolution	6.15%	6.92%	<10%	

- 4.37 The CFC aim is to provide resolutions for our customers, negating the need for them to call again or for enquiries to have to be dealt with elsewhere. This needs to balance our ability to provide a first contact resolution (“FCR”) through an appropriate length of call and the time customers are waiting for their call to be answered.
- 4.38 At the end of 2023/24, 69% of our customers waited less than 30 seconds to have their call answered and the average wait time was under a minute at 59.33 seconds. Both figures have been stable since quarter 3.
- 4.39 The CFC Customer Service Advisors (“CSAs”) resolved 86.41% of all calls handled across the Group at first contact during 2023/24, an improvement from 85.94% YTD in quarter 3. In addition, the CFC continues to support Housing and Lowther staff with only 6.92% of customer interactions passed to them for resolution, significantly better than our target.
- 4.40 Across our Group, FCR for the year stands at 86.41%, below the 90% target and last year’s performance. However, a review of customer contacts resolved within the CFC model, without the need to be passed to either Lowther and Housing teams or MyRepairs, sat at 89.8% for March. This is inclusive of FCR via phone, cases resolved by CFC specialist teams and webchat within March. Importantly, FCR across the Group for Webchat is at 100%.

Complaints Handling

- 4.41 Our complaints handling timescale performance has improved over 2023/24 as shown in the table below. Our Stage 1 complaints are now responded to in less than 4 days on average while Stage 2 complaints take on average less than last year.

Table 11

Charter - average time for a full response to complaints (working days)					
Subsidiary	2022/23		2023/24		
	Stage 1 (5-day target)	Stage 2 (20-day target)	Stage 1 (5-day target)	Stage 2 (20-day target)	
WHS	3.84 	17.96 	3.48 	12.60 	
WHE	3.89 	18.27 	3.79 	16.70 	
WHG	4.23 	18.24 	3.98 	16.47 	
Loretto	3.51 	17.72 	3.48 	15.17 	
[redacted]					

- 4.42 Our full complaints Charter measures are included alongside other Charter measures in Appendix 1. In addition to the Charter measures, we also report SPSO measures. The key complaints performance measures to the end of 2023/24 for SPSO are summarised below, with each improving since last year. Further detail on SPSO measures is included in Appendix 4, alongside a Charter complaints summary.

Table 12

SPSO Indicator 2 - number and % of complaints at each stage that were fully closed within timescales of 5 and 20 working days			
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
WHS	95.62%	100.00%	100.00%
WHG	92.54%	91.67%	98.40%
Loretto	96.82%	100.00%	96.15%
WHE	95.70%	80.00%	100.00%
[redacted]			

- 4.43 This improvement in complaint handling – across both Charter and SPSO measures – is despite an increase in the volume of complaints. Our contact with the SPSO confirms that most organisations within their remit have seen a similar trend of increasing complaints. Housemark – the UK benchmarking body – has also recently reported a significant increase has been recorded in 2023/24. We have also reduced the proportion of complaints escalating to Stage 2.
- 4.44 An immediate focus during 2023/24 was to improve the customer experience and quality of responses for Stage 2 complaints. The success of this is demonstrated by the very small number of complaints taken to the SPSO across the Group that progressed to a full investigation. None of those which did were upheld by the SPSO. This demonstrates the effectiveness of our continued focus on improved Stage 2 investigations and responses.



Making the Most of Our Homes and Assets

New Build programme

- 4.45 Our revised aim has been to deliver 4,000 new homes over the course of the five-year strategy. Our target in 2023/24 was to deliver a total of 338 new homes (211 social rent and 127 MMR).
- 4.46 A total of 348 homes were handed over, exceeding our target of 338. The following table shows the variance overall and by tenure and subsidiary.

Table 13

All Builds	New	Social					MMR			
		All	WHG	LH	WHE	WHS	All	WHG	WHE	Lowther
Target	338	211	0	24	156	31	127	55	48	24
Actual	348	227	0	24	168	35	121	71	29	21
Variance	10	16	0	0	12	4	-6	16	-19	-3

4.47 The table below shows the projects and units completed to the 31st of March:

Table 14

Sites	Handovers (YTD)	Target (YTD)	Difference and handovers to 31 st March
WHG	71	55	+16
Sighthill (MMR)	36	20	+16
Shawbridge Street (MMR)	35	35	0
Loretto Housing	24	24	0
Main Street, Maddiston	24	24	0
WHE	197	204	-7
The Wisp Phase 3C (Social)	12	35	-23
Roslin Ph1 (Social)	12	12	0
Roslin Ph 2 (Social)	6	0	+6
Roslin Ph2 (MMR)	14	0	+14
Penicuik (Social)	35	35	0
Wallyford Area 7 (MMR)	15	15	0
Wallyford Area 7 (Social)	33	33	0
Raw Holdings (Social)	34	38	-4
Macmerry	36	36	0
WHS	35	31	+4
Curries Yard (Social)	35	31	+4
Lowther	21	24	-3
Raw Holdings (MMR)	21	0	+21
Victory Lane, Wallyford (MMR)	0	24	-24
Totals	348	338	+10

Investment in Improvement, Modernising and Maintaining Homes

4.48 In 2023/24, £81.8m has been invested in major improvements; just below the £84.4m target for the year but still making significant progress towards the £360m strategic commitment over the life of the strategy. When considering repairs spend, total investment in improving, modernising and maintaining homes is even higher.

Volume of Emergency Repairs

4.49 The table below shows our position against the Strategic Result to reduce the volume of emergency repairs by 10% by 2026, which is a reduction of 3.34% in 2023/24.

4.50 We carried out 6.85% fewer emergency repairs with all RSLs on target, except WHE which shows only a small reduction compared to 2022/23.

4.51 Table 15

Area	Completed Emergency Repairs		
	2022/23	2023/24	Variance to 2022/23
WHG	71,251	66,640	-6.47%
Loretto	4,571	4,212	-7.85%
WHE	8,944	8,938	-0.07%
WHS	14,860	13,015	-12.42%
Group	99,626	92,805	-6.85%

Rate it

4.52 Our 'Book It, Track It, Rate It' app was launched in the West and East in June 2023 and in November 2023 for the South. This aims to improve visibility and communication during the repair journey. The Rate It aspect provides an opportunity for customer feedback on appointed repairs.

4.53 Performance for the West for 2023/24 is 4.5/5 (90%) from 22,785 ratings, 21.2% of all the feedback links shared with customers. For the East, the position is 4.3/5 from 3,761 responses, with a return rate of 16.7% of customer feedback links generated. For the South, the position is 4.7/5 from 2,737 responses, 17.75% of the customer feedback links.

Health and Safety

4.54 There was one workplace fire in December for Wheatley Care and since there have been no further accidental workplace fires to the end of the year 2023/24.

Table 16

Measure	2022/23	2023/24	Notes
Number of new employee liability claims received	5	3	
Number of open employee liability claims	13	13	
Number of days lost due to work-related accidents	464	649	
Number of RIDDOR incidents reported	15	18	9 – W360 4 - Wheatley Care 2 – WHE 2 – WHS 1 – Wheatley Solutions
Number of HSE or local authority environmental team interventions	2	0	

4.55 During 2023/24, there have been 18 RIDDORs compared to 15 for 2022/23.

4.56 The number of RIDDOR-related incidents experienced in 2023/24 was below the predicted figure of 20 incidents. This is due to heightened awareness of Incident Reporting amongst Managers, Supervisors and Team Leaders who have attended Health and Safety Management Training.

4.57 Our Group Health and Safety Team investigate all RIDDOR incidents to identify relevant causation factors and highlight corrective actions where necessary, to prevent a recurrence. Reports and Safety Flashes are issued to respective Managers for their action and where necessary, a review of our Operational Safety Manuals Risk Assessments and Safe Systems of Work is undertaken.



Changing Lives and Communities

Care – Care Service Quality

4.58 [redacted].

4.59 [redacted]

4.60 [redacted].

4.61 [redacted].

Peaceful Neighbourhoods

4.62 The Group's five-year strategic target is that 70% or more of our Group tenancies should be classified as “Peaceful” by 2026. Peaceful tenancies are defined as those where customer-reported incidents of anti-social behaviour (“ASB”) to Police Scotland are reducing and social deprivation indicators (SIMD) in the tenancy’s associated data zone are improving. The proven most effective way to achieve this target is by reducing the incidence of customer-reported ASB by our customers to Police Scotland.

4.63 As the table below shows, we achieved the 2023/24 strategic objective of 76.16% of tenancies classified as ‘Peaceful’, up from 68.50% last year.

Table 17

Percentage of Wheatley Group tenancies classified as (year to date average):	2022/23	2023/24	
	Percentage	Number	Percentage
Safe	11.6%	3,559	5.98%
Calm	19.9%	9,706	17.83%
Peaceful	68.5%	47,956	76.16%

4.64 Overall, the number of ASB incidents reported in the 2023/24 Charter return decreased from 4,766 last year to 4,599. All cases were resolved by year end resulting in resolution rates of 100%.

4.65 During 2023/2024 we reviewed our approach towards safer communities, including the:

- **Review** of our ASB Framework;
- **Creation** of RSL-specific ASB and Neighbourhood Management Policies;
- **Introduction** of our new improved ASB recording system, Safer Communities Antisocial Behaviour Intervention and Prevention Officers and CIP Police Officers are now aligned to a geographical area; and
- **Enhanced** ASB training for frontline housing officers, shaped by staff feedback.

Neighbourhood Environment Team (NETs) CSAT

4.66 The NETs MyVoice survey commenced in October 2023. The NETs MyVoice survey seeks feedback from customers who have requested an ad-hoc service, such as bulk uplift, tree work, or weeding. Over the period (October to March) NETs CSAT was 4 out of 5.

- 4.67 Since launch there have been 636 responses (98 of those in March), reflecting the opinion of 1 in 7 ad hoc service recipients.

Accidental Dwelling Fires

- 4.68 We have a target to reduce RSL accidental dwelling fires by 10% by 2025/26, against the baseline of 217 fires in 2020/21. During 2023/24, 120 accidental dwelling fires have been recorded against the upper limit for 2023/24 of 200 to be on-track to achieve the strategic result.

Table 18

Number of recorded accidental dwelling fires	
Total Group 2023/24	120
Upper limit 2023/24 to achieve strategic result	200

- 4.69 The number of accidental dwelling fires has reduced for the fifth consecutive year across the Group and currently, during the first three years of the strategy period, accidental dwelling fires have reduced by 44%.
- 4.70 In our efforts to reduce the number of Accidental Dwelling Fires experienced, the Group Fire Safety Team set a target of 50 Person Centred Risk Assessments (PCRAs) per month during 2023/24. By the 31st of March 2024, 614 PCRAs have been completed, exceeding the annual target of 600.
- 4.71 To support this reduction, there is an additional measure to ensure 100% of applicable properties have a current fire risk assessment in place. This continues to be achieved.

Table 19

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

Reducing Homelessness

- 4.72 We have provided 2,406 lets to homeless applicants in 2023/24, again surpassing the 2,000 annual target for the third year of the strategy. Over the 3 years of the strategy, we have provided 7,068 homes to homeless households, well on track to deliver the strategic objective of 10,000 by the end of 2025/26.
- 4.73 The following table provides the number of Charter homeless lets by each RSL and their percentage of relevant lets results (non-Charter).

Table 20

RSL	2023/24 Number of lets to homeless applicants (ARC)	2023/24 Target	% relevant lets made to homeless applicants	2022/23 Number of lets to homeless applicants (ARC) – full year
WHE	274	N/A	59.13%	314
WHS	393	N/A	47.57%	409
WHG	1,640	N/A	62.00%	1,318
Loretto	99	N/A	60.20%	166
Total	2,406	2,000	58.64%	2,207

Allocations CSAT

- 4.74 The Allocations MyVoice survey commenced in August 2023. The Allocations MyVoice survey seeks feedback from customers who have recently signed a tenancy agreement. Allocations CSAT Year-to-date (August to March) has achieved 4.4 out of 5.
- 4.75 Since launch there have been 737 responses, reflecting the opinion of almost 1 in 4 customers with a new tenancy.

Jobs and Opportunities

- 4.76 [redacted]
- 4.77 [redacted]
- 4.78 [redacted]
- 4.79 [redacted]
- 4.80 [redacted]
- 4.81 [redacted]



Developing our Shared Capability

Staffing

- 4.82 In 2023/24 we met our targets for three out of the four annual strategic staffing measures. Those meeting or exceeding target were:
- 72.2% of promoted posts successfully filled by internal candidates (compared to a target of 40%);
 - 84 young people provided with structured opportunities to build their skills within the business (compared to a target of 55); and
 - Staff voluntary turnover (i.e. resignations) was 6.7% (compared to a target of 7%).
- 4.83 The following measure just narrowly missed making target:
- The number of graduates provided with opportunities to work and gain experience in our sectors was nine (compared a target of 10).
- 4.84 However, over the last three years, 48 graduates have been provided with experience in our sector compared to a cumulative year three target of 45. As a result, this measure is still on track to exceed the strategic target of 50 by 2025/26.

Sickness Absence

- 4.85 Across the Group staff absence was 4.20% in the year, slightly less than the figure we reported at the end of the last quarter (4.24%) and compared to last year (4.28%). When excluding Care staff, this reduces to 3.64% in the year. While this is above our target for all parts of the business other than Care to maintain sickness absence at 3%, it is an improvement on last year.

- 4.86 The breakdown of reasons for absence across the Group for the full year is as follows:
- Stress/Anxiety (30% of all absences in 2023/24);
 - Minor Illness (28.9%);
 - Musculoskeletal (12.7%);
 - Mental Ill Health (10.7%);
 - Accident/Injury - not work-related (8.7%);
 - Recurring Medical Condition (5.8%); and
 - Acute Medical Condition (3.2%).
- 4.87 Sickness absence is also above 3% in WHE due to the inclusion of Trades staff and also in Wheatley 360 due to the inclusion of the NETs staff.

Care – staff

4.88 [redacted].



Enabling our Ambitions

Lowther and Gift Aid

4.89 [redacted].

4.90 [redacted].

4.91 [redacted].

4.92 [redacted].

4.93 [redacted].

4.94 [redacted].

4.95 [redacted]

4.96 [redacted]

4.97 [redacted]

4.98 [redacted]

4.99 [redacted]

Care Services Finances

4.100 [redacted]

Summary of Strategic Project Delivery

- 4.101 The full list of our strategic projects is attached to this report as Appendix 5.
- 4.102 6 projects completed during quarter 4 of 2023/24:
- Develop a new, integrated **Neighbourhood Planning Approach** (b);
 - Implement Group **sustainability** framework (b);
 - **MyVoice** – real time customer feedback reporting (b);
 - Migration to new **cloud telephony platform** (b);
 - **Lochside** regeneration (b); and
 - **Repairs** technical enhancement programme (b).
- 4.103 More recently, one further project has also completed:
- **Interest cover covenant revision (b)** - EIB credit approval now in place and legal documentation complete.
- 4.104 The position to date with strategic projects is as follows:

Table 24

	Complete	Delayed/reprofiled	Total
Board Level	8	2	10

- 4.105 The vast majority of our strategic projects have now concluded, with an update on those we have not met the initially anticipated milestones, which related to either external interdependencies or agreement by the Executive Team to reprofile our plans, set out below:
- **Review and renew Lowther technology platform (b)** - Further engagement has been required with vendors to complete the business case. This project will ended at 50% complete with the incomplete milestones contained with a strategic project approved for 2024/25; and
 - **Wyndford regeneration (b)** - this project has been delayed due to ongoing legal action.

5. Customer Engagement

We had 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 focused on the implementation of the Group sustainability framework. This included 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 SHR 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 (“the Panel”), and to report to tenants on performance by the end of October each year.

- 9.3 The Panel has considered key performance areas throughout 2023/24, focussing on their performance priorities, and at their most recent meeting on 30 May 2024 received the full Charter results for 2023/24 for Group RSLs including the updated tenant satisfaction figures. The Panel will now inform the annual report to tenants, to include a summary of their scrutiny.

10. Risk Appetite and assessment

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

11. Equalities implications

- 11.1 Project monitoring and evaluations consider our Group Equity, Diversity and Inclusion approach 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 During 2023/24 we continue to demonstrate strong performance in several key areas including overall tenant satisfaction, lets to homeless, tenancy sustainment, new build handovers, emergency repairs and adaptation completion timescales. Areas of focus into 2024/25 – reflected in the Delivery Plan 2024/25 approved by Board at its last meeting – include non-emergency repairs timescales and arrears.

- 12.2 Completion of key strategic projects during 2023/24 ensure many of our key strategic priorities are already well advanced or already delivered. One project not concluded is due to external factors previously acknowledged and will continue into 2024/25. The focus for the year ahead – also reflected in the Delivery Plan 2024/25 – is on the areas that will enable us to complete the delivery of our strategy over the next two years.
- 12.3 Overall, we continue to focus on delivering operational excellence to provide us with a foundation for investing in and/or maintaining high customer satisfaction levels across our subsidiaries.

13. Recommendations





- 13.1 The Board is asked to:
- 1) Note the contents of this report and that the draft Charter results have been submitted to the SHR following approval by RSL Boards in May; and
 - 2) Note that final results and confirmed sector comparisons will be published by SHR in the Autumn. 2023/24 SHR member averages have been provided as indicative comparisons at this time.

LIST OF APPENDICES

- Appendix 1: Group Draft Charter Results Matrix 2023/24
- Appendix 2: Strategic Measures Dashboard 2023/24
- Appendix 3: Strategic Projects Dashboard 2023/24
- Appendix 4: Complaints SPSO and Charter Q4 2023-24

Appendix 1	Charter Indicators	Wheatley Homes South			Wheatley Homes East			Wheatley Homes Glasgow			Loretto			SHR Scottish Average	SHN Member Average
		2022/23 Results	2023/24 Draft Results	2023/24 Target	2022/23 Results	2023/24 Draft Results	2023/24 Target	2022/23 Results	2023/24 Draft Results	2023/24 Target	2022/23 Results	2023/24 Draft Results	2023/24 Target	2022/23	2023/24
	Annual survey questions - results pre 2023/24 are from 2019/20.														
01	Percentage of annual tenants satisfied with the overall service	94.83%	87.84%	>90%	96.02%	95.58%	>90%	87.64%	86.70%	>90%	84.06%	92.75%	>90%	86.70%	86.18%
02	Percentage of annual tenants who feel their landlord is good at keeping them informed about their services and decisions	95.93%	96.49%	90%	95.03%	98.07%	90%	88.17%	93.64%	90%	75.59%	97.89%	90%	89.70%	89.89%
03a	Percentage of complaints responded to in full at Stage 1	95.33%	96.57%	95%	94.78%	96.04%	95%	94.83%	96.58%	95%	96.60%	96.38%	95%	95.30%	96.67%
03b	Percentage of complaints responded to in full at Stage 2	92.98%	96.30%	100%	84.48%	89.02%	100%	93.12%	94.18%	100%	96.15%	96.67%	100%	92.50%	90.36%
04a	Average time in working days for a full response at Stage 1	3.84	3.48	5	3.89	3.79	5	4.23	3.98	5	3.51	3.48	5	5.80	N/A
04b	Average time in working days for a full response at Stage 2	17.96	12.60	20	18.27	16.70	20	18.24	16.47	20	17.72	15.17	20	19.30	N/A
05	Percentage of annual tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes	94.75%	97.30%	90%	93.64%	99.45%	90%	80.11%	97.63%	90%	63.58%	98.49%	90%	85.90%	86.71%
06	Percentage of stock meeting the Scottish Housing Quality Standard (SHQS)	86.25%	87.79%	89.29%	99.32%	99.52%	100%	99.29%	99.55%	99.51%	99.58%	99.92%	99.74%	79.00%	83.74%
07	Percentage of annual existing tenants satisfied with the quality of their home	92.68%	88.65%	>90%	95.42%	95.03%	>90%	87.05%	86.32%	>90%	88.78%	94.26%	>90%	84.20%	83.73%
08	Average time to complete emergency repairs (hours)	2.91	2.70	3	3.13	3.39	3	3.36	2.88	3	3.16	3.07	3	4.20	3.74
09	Average time to complete non-emergency repairs (working days)	7.02	8.58	7.0	6.93	7.73	7.0	8.88	8.04	7.0	9.13	8.61	7.0	8.70	8.71
10	Percentage of reactive repairs completed right first time	91.09%	87.71%	90%	94.59%	92.87%	90%	91.47%	91.62%	90%	92.58%	89.92%	93%	87.80%	88.44%
11	Number of times in the reporting year that you did not meet your statutory obligation to complete a gas safety check within 12 months of a gas appliance being fitted or its last check.	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
12	Percentage of tenants satisfied with repairs or maintenance carried out in last 12 months	83.15%	89.17%	90%	91.24%	96.77%	90%	89.76%	92.58%	90%	89.83%	85.51%	90%	88.00%	87.53%
13	Percentage of annual tenants satisfied with the landlord's contribution to the management of the neighbourhood they live in	92.83%	94.86%	90%	88.62%	93.09%	90%	82.01%	91.07%	90%	75.39%	94.56%	90%	84.30%	84.54%
14	Percentage of tenancy offers refused during the year	9.64%	16.37%	Contextual	9.57%	8.35%	Contextual	19.89%	16.58%	Contextual	8.12%	5.49%	Contextual	30.90%	31.36%
15	Percentage of anti-social behaviour cases reported in the last year which were resolved	100%	100%	98%	100%	100%	98%	100%	100%	98%	100%	100%	98%	94.20%	94.12%
16	Percentage of new tenancies sustained for more than a year - overall	86.83%	86.10%	88%	91.23%	91.77%	90%	89.13%	92.00%	90%	92.23%	93.88%	90%	91.20%	91.11%
17	Percentage of lettable houses that became vacant	7.91%	7.92%	8%	7.37%	6.25%	7.3%	6.92%	6.91%	8%	6.17%	5.52%	8%	7.40%	7.25%
18	Percentage of rent due lost through properties being empty	0.51%	0.20%	0.6%	1.03%	1.02%	0.6%	0.49%	0.51%	0.6%	0.39%	0.18%	0.6%	1.40%	1.43%
19	Number of households currently waiting for adaptations to their home	32	0	Contextual	9	0	Contextual	81	72	Contextual	13	3	Contextual	N/A	N/A
20	Total cost of adaptations completed in the year by source of funding (£)	£2,100,593	£944,887	Contextual	£256,632	£227,837	Contextual	£2,645,431	£2,589,610	Contextual	£159,406	£104,208	Contextual	N/A	N/A
21	Average time to complete approved applications for medical adaptations (calendar days)	32.87	24.57	25	14.31	13.66	25	23.06	17.73	25	21.49	18.09	25	46.80	44.32
22	Percentage of court actions initiated which resulted in eviction - overall	17.07%	42.86%	Contextual	26.32%	52.63%	Contextual	27.84%	34.96%	Contextual	18.75%	50.00%	Contextual	17.20%	26.28%
23a	Percentage of referrals under Section 5, and other referrals for homeless households made by the local authority, that resulted in an offer	56.88%	81.44%	Contextual	68.23%	59.81%	Contextual	94.28%	106.82%	Contextual	113.38%	60.81%	Contextual	37.80%	35.10%
23b	Percentage of offers made to LA Section 5 and other referrals for homeless households that result in a let	86.84%	66.23%	Contextual	92.24%	109.60%	Contextual	84.22%	78.13%	Contextual	103.11%	110.00%	Contextual	82.50%	81.03%
25	Percentage of annual tenants who feel that the rent for their property represents good value for money	90.32%	95.14%	85%	87.65%	95.86%	85%	79.43%	89.36%	85%	77.36%	93.05%	85%	81.80%	81.11%
26	Rent collected as % of total rent due	99.30%	99.53%	Contextual	98.55%	98.77%	Contextual	97.45%	99.22%	Contextual	98.74%	99.79%	Contextual	99.00%	99.39%
27	Gross rent arrears (%)	4.62%	4.33%	4.42%	4.63%	4.61%	4.52%	5.84%	5.86%	5.63%	4.28%	3.67%	4.18%	6.90%	7.17%
28	Average annual management fee per factored property.	£108.16	£116.48	Contextual	£201.76	£215.89	Contextual	£194.48	£208.40	Contextual	£194.48	£208.40	Contextual	£107.59	£116.05
29	Percentage of annual owners satisfied with the factoring service	67.12%	24.63%	60%	86.67%	48.09%	60%	60.23%	37.82%	60%	66.67%	41.06%	60%	61.80%	57.62%
30	Average length of time taken to re-let properties (calendar days)	12.31	11.01	16.00	18.00	13.93	16.00	20.61	15.81	16.00	15.98	10.87	16.00	55.60	58.40




 **Delivering Exceptional Customer Experience**

Measure	2022/23	2023/24 Value	2023/24	Status
	Value		Target	
CFC CSAT	NEW	4.3/5	4.5/5	
Customer first centre grade of service – calls answered within 30 seconds	76.79%	69.35%	Contextual	
Percentage of calls to the CFC resolved at first contact	88.99%	86.41%	90%	
Call abandonment rate	4.72%	5.45%	5%	
Average waiting time (seconds)	57.64	59.33	Contextual	
Percentage of CFC customer interactions that are passed to Housing and Lowther staff for resolution	6.15%	6.92%	<10%	



Making the Most of Our Homes and Assets











Measure	2021/22	2023/24 Value	2022/23	Status
	Value		Target	
New build completions (total for Group)	644	348		
WHG - Social Housing	26	0		
WHG - Mid-market	93	71		
Loretto - Social Housing	205	24		
WHE - Social Housing	251	168		
WHE - Mid-market	32	29		
WHS - Social Housing	37	35		
[redacted]				
Achieve 60:40 ratio of planned to reactive repairs spending	2022/23 47.2% : 52.8%	44.4%: 55.6% (£62.1m : £77.8m)	60% : 40%	
Reduce the volume of emergency repairs by 10% by 2025/26 (Group average)	Apr to Mar 22/23 – 99,626	92,805		
WHG	Apr to Mar 22/23 – 71,251	66,640		
Loretto	Apr to Mar 22/23 – 4,571	4,212		
WHE	Apr to Mar 22/23 – 8,944	8,938		
WHS	Apr to Mar 22/23 – 14,860	13,015		
Percentage of customers who have had repairs or maintenance carried out in last 12 months satisfied with the repairs and maintenance service (ARC)	88.86%	91.47%		

Measure	2021/22	2023/24 Value	2022/23 Target	Status
Reduce the output of CO ₂ emission from our homes by at least 4,000 tonnes per year		-4319 tonnes	-4000 tonnes	
Average new build CO ₂ output no greater than 1.8t	N/A	0.85t	1.8t	
Increase the % of stock at EPC 'B' to 30%	14%	17%	16%	



Changing Lives and Communities

Measure	2022/23	2023/24 Value	2023/24	Status
	Value		Target	
Percentage of Care services graded very good (5) or better by the Care Inspectorate	70.00%	73.68%		
% of our customers live in neighbourhoods categorised as peaceful (Group average)	68.50%	76.16%		
Number of accidental dwelling fires recorded by Scottish Fire and Rescue (Group RSLs)	147	120	(Annual upper limit)	
WHG	113	99	N/A	N/A
Loretto	6	1	N/A	N/A
WHE	9	9	N/A	N/A
WHS	19	12	N/A	N/A
100% of relevant properties have a current fire risk assessment in place (Group)	100%	100%		
The percentage of non-relevant properties with current fire risk assessment in place (Group) (Target revised in-year to reflect aim of having all FRAs completed by end of March 2022 rather than March 2023 as originally planned)	100%	100%		
Percentage of relevant lets to homeless applicants	53.40%	58.64%	N/A	N/A
WHG	51.88%	62.00%	N/A	N/A
Loretto	45.85%	60.20%	N/A	N/A
WHE	58.62%	59.13%	N/A	N/A
WHS	58.14%	47.57%	N/A	N/A
Percentage of lets to homeless applicants (Charter)	50.30%	56.84%	N/A	N/A
WHG	50.19%	60.58%	N/A	N/A
Loretto	43.36%	62.26%	N/A	N/A

Measure	2022/23	2023/24 Value	2023/24	Status
	Value		Target	
WHE	47.79%	50.74%	N/A	N/A
WHS		47.52%	N/A	N/A
Number of lets to homeless applicants (10,000 for Group by 2025/26)	2,207	2,406	2,000	
WHG	1,318	1,640	N/A	N/A
Loretto	166	99	N/A	N/A
WHE	314	274	N/A	N/A
WHS		393	N/A	N/A
4,000 jobs, training places or apprenticeships opportunities delivered		988	800	
WHG		533	370	
Loretto		14	3	
WHE		220	39	
WHS	128	117	96	
[redacted]				
[redacted]				
10,000 vulnerable children benefit from targeted Foundation programmes (Group total)		2,257	1,200	
60% of tenants with online accounts are using the My Savings rewards gateway		11.68%	13%	
Achieve 85% satisfaction with Wheatley Environmental Services	NEW	80% (4.0/5)	85% (4.25/5)	
250 customers have been supported to attend higher education and university through Wheatley bursaries	56	50	50	




Developing our Shared Capability

Measure	2022/23 Value	2023/24 Value	2022/23 Target	Status
Staff absence is maintained at 5% for Care services and 3% for all other parts of the business				
WHG	2.74%	2.39%	3%	
Loretto	5.65%	0.45%	3%	
Wheatley Homes East	3.53%	3.50%	3%	
WHS	2.19%	2.52%	3%	
[redacted]				
[redacted]				
[redacted]				
Wheatley 360	5.61%	5.66%	3%	
250 young people provided with structured opportunities to build their skills within the business	72	84	55	
50 graduates provided with opportunities to work and gain experience in our sectors	14	9	10	
40% of promoted posts are filled with internal candidates	65.5%	72.2%	40%	
Staff voluntary turnover (i.e. resignations) remains at less than 7%	7%	7%	7%	













Enabling our Ambitions



Measure	2022/23	2023/24 Value	2023/24	Status
	Value		Target	
Reduce gross rent arrears down to 4.5% by 2026 (Group RSL average)	5.44%	5.37%	5.25%	
WHG A	5.87%	5.86%	N/A	N/A
WHG B	5.47%	5.84%	N/A	N/A
WHG Combined	5.84%	5.86%	5.63%	
Loretto A	4.58%	4.07%	N/A	N/A
Loretto B	3.92%	3.12%	N/A	N/A
Loretto Combined	4.28%	3.67%	4.18%	
WHE A	4.64%	4.48%	N/A	N/A
WHE B	4.59%	5.58%	N/A	N/A
WHE Combined	4.63%	4.61%	4.52%	
WHS	4.62%	4.33%	4.42%	
[redacted]				
Average time to re-let properties (Group RSL average)	18.63	14.51	16	
WHG	20.61	15.81	16	
Loretto	15.98	10.87	16	
WHE	18.00	13.93	16	
WHS	12.31	11.01	16	
[redacted]				
[redacted]				
[redacted]				
[redacted]				

Measure	2022/23	2023/24 Value	2023/24	Status
	Value		Target	
Over 50% of our customers actively use their online account to make transactions with us				
Group	35.78%	35.69%		
WHG	35.71%	35.95%		
Loretto	38.36%	40.52%		
Wheatley Homes East	39.58%	40.87%		
[redacted]				
[redacted]				
[redacted]				
[redacted]				
[redacted]				
[redacted]				
Maintain a strong investment credit rating of A+ stable	A+ stable	A+ stable	A+ stable	
[redacted]				

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

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Repairs technical enhancement programme (b)	31-Mar-2024			01. Programme of research and engagement with customers on online repairs service to further refine functionality and usability	30-Sep-2023	Yes	DRS updates now implemented in both CBG and WHE. This project is now complete.
				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	Yes	
				05. Servitor and DRS fully implemented in WHE	31-Mar-2024	Yes	
Group wide implementation of Roll out Book it, Track it, Rate it (b)	31-Aug-2023			01. Pilot commencement in Wheatley Homes East	30-Apr-2023	Yes	Project complete as previously reported
				02. Pilot finalised in with City Building delivered repairs	31-May-2023	Yes	
				03. Pilot commencement in Wheatley Homes South	31-May-2023	Yes	
				04. Pilot evaluation, including customer feedback, and agreement to go live - City Building	30-Jun-2023	Yes	
				05. Pilot evaluation, including customer feedback, and agreement to go live - Wheatley Homes East	31-Jul-2023	Yes	
				06. Pilot evaluation, including customer feedback, and agreement to go live -	31-Aug-2023	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				Wheatley Homes South			
[redacted]							
My Voice – real time customer feedback reporting (b)	31-Mar-2024			01. MY Voice CFC pilot concluded	30-Apr-2023	Yes	All milestones now met - this project is now concluded
				02. CFC customer insight operational framework implemented	31-May-2023	Yes	
				03. Implementation plan for key service pillars developed and approved by ET	31-May-2023	Yes	
				04. On-board key service pillars to MY Voice customer insight platform	30-Nov-2023	Yes	
				05. Implement operational frameworks	31-Mar-2024	Yes	
Migration to new cloud telephony platform (b)	31-Mar-2024			01. Group Board approval of contract award	30-Apr-2023	Yes	Project now complete
				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	Yes	
				05. Phase 2 launch	31-Mar-2024	Yes	
[redacted]							
[redacted]							
Implement Group sustainability framework (b)	31-Dec-2023			01. Sustainability delivery workshop with nominated group leads	30-Apr-2023	Yes	Group Board agreed to remove the final milestone from this project (Annual sustainability progress report via PNAG to Group Board). As a result, this
				02. Refine sustainability performance monitoring framework	31-May-2023	Yes	

















Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				03. Develop sustainability delivery plan	30-Jun-2023	Yes	project has now completed.
				04. Quarterly sustainability updates to ET	30-Jun-2023	Yes	
Develop a new, integrated Neighbourhood Planning Approach (b)	28-Feb-2024			01. Deliver workshop with key people involved in Neighbourhood tools and scoring mechanisms to map out roles and remit	31-May-2023	Yes	All RSL Boards presented with neighbourhood approach at February Boards. Final milestone completed.
				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	Yes	
[redacted]							

Appendix 4 – Q4 2023/24 - ARC and SPSO measures





- 1.1 This appendix provides ARC and SPSO measures for Q4 2023/34.
- 1.2 For Group RSLs, ARC measures include complaints received from all customers who receive a service provided by the Group RSL or on their behalf. This includes factoring services delivered by Lowther Homes on behalf of RSLs.
- 1.3 For Group RSLs, SPSO measures include all complaints relating to the RSL, irrespective of the source of the complaint.

Charter (ARC) Measures

- 1.4 ARC measures are reported to SHR for each Registered Social Landlord (RSLs) in the Group. Performance is for all RSL customers, including those factored owners who receive a service from Lowther Homes on behalf of RSLs.
- 1.5 The table below outlines the average time for a full response (working days) for Stage 1 and Stage 2 complaints. All targets are being met for this measure. Performance is for all RSLs, (including Lowther Factored homeowners) who receive a factoring service from Lowther on behalf of that RSL.
- 1.6 [redacted]

















Charter - average time for a full response to complaints (working days)					
Subsidiary	2022/23 Stage 1 - 5-day target, Stage 2 – 20-day target		2023/24 – YTD Stage 1 - 5-day target, Stage 2 – 20-day target		
	Stage 1	Stage 2	Stage 1	Stage 2	
WHS	3.84 	17.96 	3.48 	12.60 	
WHE	3.89 	18.27 	3.79 	16.70 	
WHG	4.23 	18.24 	3.98 	16.47 	
Loretto	3.51 	17.72 	3.48 	15.17 	
[redacted]					









- 1.7 The table below outlines the average time for a full response to complaints (working days) overall, for Stage 1 and Stage 2 combined.

Charter - average time for a full response to complaints (working days)			
Subsidiary	2022/23 Target - 6 days		YTD 2023/24 – Not Targeted
WHS	5.27 		4.75
WHE	5.29 		5.29
WHG	5.79 		5.28
Loretto	5.09 		4.39
[redacted]			

*Not targeted for this measure

- 1.8 The additional ARC complaints measures – The percentage of all complaints responded to in full at Stage 1, Stage 2 and overall – are calculated at year end and the results for 2023/24 are displayed below. This simply shows the number that were still in the process of being responded to at the end of the year (i.e., they came in during March and were still within timescale rolling over into April).

Charter – percentage of complaints responded to in full				
Subsidiary	2022/23 Stage 1 – 96% target, Stage 2 – 96% target		2023/24 – YTD Stage 1 – 96% target, Stage 2 – 96% target	
	Stage 1	Stage 2	Stage 1	Stage 2
WHS	95.33% 	92.98% 	96.57% 	96.30% 
WHE	94.78% 	84.48% 	96.04% 	89.02% 
WHG	94.83% 	93.12% 	96.58% 	94.18% 
Loretto	96.60% 	96.15% 	96.38% 	96.67% 

Charter – percentage of complaints responded to in full		
Subsidiary	2022/23 - Target – 96%	YTD 2023/24 - Target 96%
WHS	95.08% 	96.53% 
WHE	93.67% 	95.17% 
WHG	94.63% 	96.32% 
Loretto	96.55% 	96.40% 

SPSO Measures

- 1.9 SPSO measures includes all customers who raise a complaint. We are required to record our performance against the SPSO indicators and report these to the board and senior managers. On request the SPSO can ask that we provide them with details of our complaint handling performance in line with their indicators.

- 1.10 Stages of complaints are defined as:

- *Stage 1 complaints* – are first time reports of dissatisfaction with services.
- *Stage 2 complaints* – directly received as Stage 2, i.e. not escalated from Stage 1. This can be cases which are considered a risk to reputation or requires investigation due to the number of issues raised that could not have been reasonably resolved at Stage 1 as part of a frontline resolution.
- *Escalated complaints* – complaints that were received into the organisation at Stage 1 and later escalated to Stage 2.

- 1.11 A summary of the year-to date figures for each of the indicators are included below.

Indicator 1 - total number of complaints received.

1.12 Complaints numbers have increased from 2022/23. At the end of Q4 2023/24 the Group had received 7,325 Stage 1 and 64 Stage 2 complaints. In the year-to-date, compared to the same period in 2022/23, complaints numbers across the Group have increased by around 33%.

1.13

SPSO Indicator 1 - total number of complaints received - YTD		
Subsidiary	Stage 1 (this includes escalated complaints as they were first received at Stage 1)	Stage 2 (directly received as Stage 2, i.e. not escalated from Stage 1)
WHS	486	4
WHG	5,264	35
Loretto	355	4
WHE	571	9
[redacted]		
Group by Stage YTD	7,325	64
Group - All Complaints YTD	7,299	

Indicator 2 - number and % of complaints at each stage that were fully closed within timescales of 5 and 20 working days. Full response has been given to customer/resolution has been reached, including those with outstanding actions. Extensions of time to a complaint will be included in the total count and will be considered "late".

SPSO Indicator 2 - number and % of complaints at each stage that were fully closed within timescales of 5 and 20 working days – 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
WHS	95.62%	100.00%	100.00%
WHG	92.54%	91.67%	98.40%
Loretto	96.82%	100.00%	96.15%
WHE	95.70%	80.00%	100.00%
[redacted]			

Indicator 3 - the average time in working days for a full response to the complaints at each stage.

PSO Indicator 3 - the average time in working days for a full response to the complaints at each stage – YTD 2023/24			
Subsidiary	Stage 1 - responded to within 5 working days	Stage 2 - average time in working days to respond to complaint	Escalated complaints - Average time to respond to complaints after escalation from Stage 1 to Stage 2
WHS	3.48	14.50	12.50
WHG	3.98	18.64	16.33
Loretto	3.48	15.67	15.12
WHE	3.79	18.30	16.44
[redacted]			

Indicator 4 - the outcome of complaints as a % of overall complaints.

SPSO Indicator 4 - the outcome of complaints as a % of overall complaints				
Subsidiary	Stage 1 - upheld	Stage 1 - partially upheld	Stage 1 - not upheld	Stage 1 - resolved
WHS	20.04%	11.69%	44.05%	24.22%
WHG	41.82%	11.21%	28.70%	18.26%
Loretto	42.77%	11.27%	21.68%	24.28%
WHE	34.23%	10.57%	28.49%	26.70%
[redacted]				
	Stage 2 - upheld	Stage 2 - partially upheld	Stage 2 - not upheld	Stage 2 - resolved
WHS	25.00%	0.00%	50.00%	25.00%
WHG	38.89%	19.44%	41.67%	0.00%
Loretto	33.33%	33.33%	33.33%	0.00%
WHE	20.00%	40.00%	40.00%	0.00%
[redacted]				
	Escalated complaints - upheld	Escalated complaints - partially upheld	Escalated complaints - not upheld	Escalated complaints - resolved
WHS	32.43%	13.51%	54.05%	0.00%
WHG	47.07%	19.36%	31.08%	2.49%
Loretto	53.85%	11.54%	30.77%	3.85%
WHE	34.92%	20.63%	42.86%	1.59%
[redacted]				

Report

To: Wheatley Housing Group Board

By: Joanne Laverty, Director of People Services

Approved by: Steven Henderson, Group Chief Executive

Subject: People Services Annual Report

Date of meeting: 20 June 2024

1. Purpose

- 1.1 To provide the Board with an update on key strategic issues, activity and achievements across the Wheatley Group People Services function for the period April 2023 – March 2024, as well as an overview of planned activity for April 2024 – March 2025.

2. Authorising and strategic context

- 2.1 Under our Group Standing Orders the Group Remuneration Appointments Appraisals and Governance Committee (“RAAG”) has responsibility for certain employment-related matters.
- 2.2 The Group Board retains responsibility for setting our organisational values. The Group Board also retains responsibility for setting our strategy and monitoring our performance against this. Our approach to people is a key part of being able to deliver our strategy.
- 2.3 Our People Services activity supports us to *Develop our Shared Capability*.

3. Background

- 3.1 The Group Remuneration Appointments Appraisals and Governance Committee considered our annual People Services update at its meeting in April. This is the second report that People Services has produced and is for the period April 2023 to March 2024.

4. Discussion

Key Areas of Activity and Achievements 2023/24

- 4.1 The key areas of activity in the April 2023-March 2024 period have been highlighted below with further details included in Appendix 1.

Improving Diversity Across Group

- 4.2 Equality, Diversity and Inclusion (EDI) remained a key focus for our People Services team. In 2023/24 we implemented a range of initiatives to ensure we are in the best position to achieve our ambition to make Wheatley fully diverse and inclusive. We refreshed our recruitment pages on our websites and recruitment material to incorporate our 'Different Together' themes and showcase our commitment to employee diversity including videos of members of our Different Together Community of Excellence and employee networking groups.
- 4.3 We gave particular focus to attracting more candidates from an ethnic minority background as we noted this was an area of underrepresentation following our Employee Diversity Survey in 2022. Our initiatives resulted in a 91% increase in the number of candidates from an ethnic minority background applying for roles from 2022/23 to 2023/24. This increased our representation of employees from an ethnic minority background from 3.69% in 2022/23 to 4.22% in 2023/24.
- 4.4 Our 2022 Employee Diversity survey highlighted that we were underrepresented in the 16-24 year old age category and we were below the UK benchmark of 11.4% of the workforce (benchmarking data from CIPD Inclusion at Work 2022 report). We therefore made efforts to attract young people into roles across the Group, through the creation of our new apprentice programmes and continued recruitment of graduates. This resulted in a 20% increase in the number of candidates applying for roles within this age category and increased our representation of employees aged 16-24 background from 6.9% in 2022/23 to 7.1% in 2023/24.
- 4.5 Our inclusive recruitment efforts have also supported our aim to improve our gender balance within our Housing and Repairs workstreams:
- Total number of men within Housing increased from 26% in 2022/23 to 28% in 2023/24; and
 - Total number of women within Repairs increased from 10% in 2022/23 to 14% in 2023/24

Inclusive Employee Engagement

- 4.6 Ensuring our 'Different Together' ethos is embedded across our Group is a key focus for our People Services team. Our Community of Excellence (CoE) is led by our Director of People Services and meetings are held 5 times per year, bringing together employees from across the organisation who are passionate about making a positive change across all aspects of inclusion.
- 4.7 We hosted our first Young Person conference in partnership with our Age network group which was attended by 109 employees. Over 94% of young people who attended the event told us that they felt recognised and valued for the work they do and that leaders have shared a vision that motivates them.
- 4.8 We also worked in partnership with our CoE and Employee Network groups to implement initiatives such as menopause guidance, communications, and webinars on being an LGBTQ+ ally, a new carers passport and 6 days of paid carers leave.

Strategically Aligning Our Resources

- 4.9 Our Workforce Planning team achieved our £5m workforce efficiency savings target which resulted in a net deletion of 71.84 posts across the Group.
- 4.10 We remain committed to ensuring we have the right people in the right place at the right time and supporting structure changes that ensure our resources are aligned with our key strategic aims. In 2023/24 we consulted and implemented 38 organisational changes across the Group which allowed us to realign employees and increase resources within our Repairs, Neighbourhood Environmental Teams (“NETs”), Community Improvement Partnership and Development teams.

Career Pathways

- 4.11 We are passionate about creating career pathways across the Group that provide exciting new opportunities for talented individuals to start their careers with Wheatley.
- 4.12 We created 10 opportunities for young people through our new modern apprentice programmes in Housing, Repairs and Business Administration.
- 4.13 We progressed towards meeting our strategic target to recruit 50 graduates by 2026. In 2023/24, we recruited 6 new graduates which takes our total graduates recruited to 36 from 2021.

Growing Leaders of the Future

- 4.14 Our strategic aim to Develop our Shared Capability has been a key theme across all learning and development activities this year. We have continued to create bespoke programmes to grow and develop talented employees and support their ambitions to move into leadership roles. A total of 53 employees were enrolled in our leadership development programmes and we recruited 2 new Locality Housing Director trainees to support our Group succession plan.

Continuous Learning and Development

- 4.15 Throughout the year we have worked in partnership with business leads to co-create and deliver training across our key workstreams for example, Rents Refresh Masterclasses for Housing colleagues, system training for our Customer First Centre (CFC) colleagues on our new cloud telephony platform and Safe Communities training to support our new antisocial behaviour policy.

Promoting Wellbeing and Attendance

- 4.16 We have continued to provide holistic support to meet the physical, financial and mental health needs of our people throughout 2023/24. We created and delivered wellbeing workshops on various key topics such as supporting stress and anxiety, men’s mental health and financial wellbeing.
- 4.17 In 2023/24 we used key absence data to realign our advisory resources to provide additional support to our workstreams with higher levels of absence. In addition, we have delivered tailored training on stress and anxiety in recognition of this being our top reason for absence across the Group.

Planned People Services Activity for 2024/25

Work Experiences and Career Pathways

- 4.18 Following discussion with our relevant recognised trade union, we will create new career pathways for NETs to support colleagues' ambitions for career progression. This includes an adult apprenticeship programme for those looking to gain a recognised trade qualification with a view to moving into opportunities with our in-house repairs teams or City Building. We will also put in place a development programme to support NETs staff looking to grow into managerial roles.
- 4.19 We will continue to recruit Ignite Graduates and Modern Apprentices across the Group. This includes continuing our existing Environmental, Housing and Business Admin Apprenticeships. Earlier in 2024 we launched our Wheatley Homes South Repairs Apprenticeship programme, and we plan to replicate this in the Wheatley Homes East in-house repairs team later this year.
- 4.20 We will provide work experience opportunities for customers' and colleagues' children allowing them to gain work experience in areas of the business they are interested in.

Designing and Delivering Training

- 4.21 We are working closely with colleagues in our CFC to design and develop training to support our Team Co-ordinators. The Team Co-ordinator role is key to the running of the CFC and there are a number who are new in post. We have therefore identified that an update of the development programme will enhance skillsets around leading, managing, coaching for performance, and giving constructive feedback.
- 4.22 We have planned to deliver Customer Service Excellence and Think Yes training to all NETs employees this year. This includes refreshed content and aims to improve the environmental service provided to our customers – aligning with our strategic aim to deliver exceptional customer service, with the aim of improving service levels from excellent to outstanding.
- 4.23 We are working closely with colleagues in Assets and Sustainability to develop a suite of learning on sustainability for staff. This is in support of our organisational vision of achieving net zero by 2026 within our homes. This training covers carbon-neutral targets, supporting staff with a better understanding of the impact we can have around sustainability and how to help customers to live better in their homes, ensuring our housing officers are knowledgeable about heating systems, ventilation, and the prevention of mould and damp.

Modernising and Improving Self-Service

- 4.24 We will implement our new HR system by September 2024 which will bring benefits to our team as well as all employees across the business. The upgrade of the system will also benefit our IT team, allowing a transition away from legacy hosting platforms.

Employee Satisfaction

- 4.25 It has been over 4 years since our last employee satisfaction survey. We will launch our new staff satisfaction survey in September 2024 to gain further insight into our satisfaction levels across the Group.

External Accreditation

- 4.26 We currently hold Gold standard accreditation with Investors in Young People and commenced the process to apply for our reaccreditation in May 2024, with the outcome due in September 2024.
- 4.27 Wheatley Homes South will also apply for their first Investors in People accreditation in September 2024.
- 4.28 Wheatley Group has paid employees in line with the Real Living Wage for several years. In 2024/25, we will apply for full accreditation as a Living Wage Employer for the first time.

New Policies

- 4.29 We agreed new policies on Gender Identity and Domestic Abuse earlier this month. The new Gender Identity policy supports employees who have transitioned or are transitioning in the workplace, and further details the protection from discrimination and harassment and processes for addressing issues arising. This policy demonstrates that our Group culture is supportive and inclusive of those whose gender identity is different from that at birth and signals that we are invested in creating an inclusive workforce, where people can be themselves at work.
- 4.30 Our Domestic Abuse policy provides a mechanism by which victims of domestic abuse can inform their employer of the situation to facilitate accessing the support they need. The policy will signpost staff to a number of external agencies that are specialised in providing support to the victims and perpetrators of domestic abuse.

5. Customer engagement

- 5.1 There has been no engagement with our customers in relation to this report.

6. Environmental and sustainability implications

- 6.1 The content of this report does not have any significant environmental or sustainability implications.

7. Digital transformation alignment

- 7.1 We have supported our staff through our digital transformation journey, particularly through the implementation of our new operating model and hybrid working arrangements.

8. Financial and value for money implications

- 8.1 This update report does not contain any implications for our funding beyond what has previously been agreed in the business plan. The report details where efficiencies have been made.

9. Legal, regulatory and charitable implications

- 9.1 We have clear policies and procedures in place to ensure compliance with all employment related legislation and regulation. We seek external legal support as required.

10. Risk Appetite and assessment

- 10.1 The Group risk appetite in relation to strengthening the skills and agility of our staff is “hungry”, meaning we strive to be an increasingly sought after employer with a reputation for developing high quality people with transferable skills. The activities outlined in this report help ensure we are achieving this.
- 10.2 In relation to the financial delivery of this, we are “open” as resources will be allocated to capitalise on potential opportunities with appropriate controls in place to minimise the possibility of financial loss; achieving efficiencies as detailed supports this.

11. Equalities implications

- 11.1 The report contains information on recent equality, diversity and inclusion activities supported by the People Services function.

12. Key issues and conclusions

- 12.1 This report provides an update on recent People Services activity aligned to:
- Key strategic issues;
 - Statistical analysis of workforce; and
 - Key range of activity across people services.

13. Recommendations

- 13.1 The Board is asked to note the content of the report and provide any feedback to inform future People Services annual reports.

LIST OF APPENDICES:

Appendix 1: People Services Annual Report 2023/24



People Services

Annual Report

2023/2024



Introduction from our Director of People Services

Our people services team have had another successful year and I am delighted to share some of the key highlights and steps we have taken to attract, develop, support and retain our most valuable asset – **our people**.

Supporting our Group strategic aims has been a key focus for my team as we continue to ensure Wheatley is a great place to work. A culture of inclusion has always been the key to our Group values, and we have continued to strengthen this through our EDI actions and Initiatives as we aspire to reflect and represent the communities we serve.

We continue to use data to track and monitor our progress in **improving diversity across group** through recruitment and selection and our staff network groups have ensured that employee voices are heard. We have used employee feedback to shape the way we do things and implement new initiatives. Combined with listening directly to our colleagues we also obtain feedback from other more formal channels, such as our recognised trade unions.

We successfully achieved our workforce efficiency savings challenge whilst working in partnership with leaders across group to support organisational changes that **strategically align our resources** and ensure have the right people in the right places to deliver on our commitments to our customers.

We are passionate about **creating career pathways** that attract talented candidates to start their career with Wheatley as well as creating opportunities for our existing employees to achieve their full potential. Our career pathways are designed to support our Group succession plans as we grow our leaders of the future and ensure we retain talented employees.

Our wellbeing team have continued to develop and deliver a wide range of wellbeing resources, support, and events to ensure we continue to be an employer of choice and **fully support** our employees across group. We are aware that there are a variety of factors than can impact our employees' ability to come to work and we have worked closely with managers and implemented additional support measures to promote attendance at work.

I am personally committed to ensuring Wheatley remains a great place to work with an inclusive culture that celebrates our differences so everyone can do their job well and ultimately serve our customers as best we can and look forward to what we will accomplish together this year.



Joanne Laverty
Director of People Services



Improving Diversity Across Group

Equality, Diversity and Inclusion (EDI) remained a key focus for our People Services teams, and we implemented a wide range of initiatives to ensure we are in the best position to achieve our ambitions to make Wheatley fully diverse and inclusive.

We continue to review and analyse our EDI data and publish key highlights in our first Group Annual Equality Report. We continue to use our data to track our progress and inform future actions.



Diverse Recruitment

In order to encourage and attract more diversity within our candidate pool we refreshed our recruitment and attraction pages on our websites to incorporate Different Together and showcase our commitment to employee diversity including videos of members of our Different Together CoE and networks.

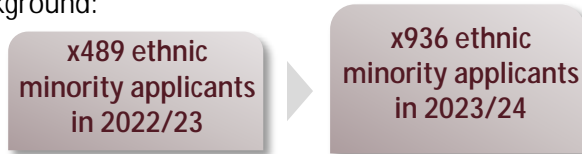
Our recruitment data analysis remains a key focus for People Services as we continue to strive to increase the diversity of underrepresented groups.



Ethnic Minority Background

We gave particular focus to attracting those from an ethnic minority background.

Our inclusive recruitment efforts have positively impacted on our number of applicants from an ethnic minority background. In 2023/24 we saw a **91%** increase in the number of candidates applying for roles across group from an ethnic minority background:



This increase in attraction of a more diverse candidate pool has resulted in an increase in our percentage of employees from an ethnic minority background from 3.69% in 2022/23 to **4.22% in 2023/24**.



Attracting Young People

Our 2022 Employee Diversity survey highlighted that we were underrepresented in the **16-24 year old age category** and we were below the UK benchmark of **11.4%** (benchmarking data from CIPD Inclusion at Work 2022 report).

We have made efforts to attract young people into roles across group through the creation of our new apprentice programmes and continued recruitment of graduates through our Ignite programme.



This has resulted in an increase in our percentage of employees within the 16-24 age bracket from **6.9% in 2022/23 to 7.1% in 2023/24**.



Gender Balance

We continue in our efforts to improve our gender balance within our Care, Housing, NETs and Repairs workstreams.

Our care workforce gender balance remains unchanged with 27% men and 73% women; however, this remains **above the average** for the Scottish care sector workforce (15% men)

Our total **percentage of men within Housing** has increased from 26% in 2022/23 to 28% in 2023/24.

Our total **percentage of women within Repairs** has increased from 10% in 2022/23 to 14% in 2023/24.

Our NETs workforce gender balance remains unchanged with 95% men and 5% women.



Inclusive Employee Engagement

Ensuring our 'Different Together' ethos is embedded across Group is a key focus for our People Services team. Our Community of Excellence (CoE) is led by our Director of People Services and meetings are held 5 times per year bringing together employees from across the organisation who are passionate about making a positive change across all aspects of inclusion.

We have taken on board feedback from our CoE and delivered inclusive engagement events with employees across Group.

Our six network groups have a total of 118 members and meet every 8 weeks. These groups are championed by their Executive sponsor and supported by the People Services team to make improvements and introduce new initiatives/support for colleagues across Group. Our groups have also positively influenced new group policies through providing feedback to business leads prior to launch. Some of the highlights of our Group's activity over the year are noted below:

Menopause Café Network

We worked closely with our Menopause Café Network to enhance menopause support across the organisation and delivered 8 **menopause workshops** covering topics such as, symptoms, lifestyle changes, nutrition, and sleep hygiene. The workshops have also provided taster treatments of alternative therapies to help manage symptoms and guidance on managing stress and anxiety using cognitive behavioural therapy approaches. We also **launched our first menopause guidance and training for managers** to ensure our leaders had the tools they require to support their people. **136 managers have completed this training to date.**

Age Network

We delivered our first Young Person event with support of our Age Network group. This event was **attended by 109 employees** across group with a focus on wellbeing, resilience, career development and networking. Over **94%** of young people who attended the event told us that they felt recognised and valued for the work they do and that leaders have shared a vision that motivates them. Our Age Network Group also asked us to develop and deliver **retirement planning workshops**. These workshops were popular with staff and **165 employees** attended these sessions.

LGBTQ+ Network

Throughout the year we have worked closely with our LGBTQ+ group on various pride engagement events and **attended Glasgow and Edinburgh pride parades.**

In June 2023 we celebrated Pride Month and hosted webinars and various communications including blogs from members of the leadership team on being an **effective LGBTQ+ Ally.**

Carers Network

We worked in partnership with our Carers network to create a **new Carers Passport**. This allows staff to alert their line manager of carer responsibilities they have outside of work and any potential support that they may need. We launched the passport during Carers week and held lunch and learn to raise visibility. We also took onboard feedback from the group and increased our carer's leave entitlement to **6 days paid leave.**

Disability & Neurodiversity

We worked with our Disability and Neurodiversity group to deliver webinars to raise awareness of invisible disabilities such as hearing loss. We also delivered workshops for managers on supporting cancer in the workplace and in partnership with our network group we **raised +£5,300 from MacMillan coffee mornings across our subsidiaries.**

Race & Multicultural

Our Race and Multicultural group provided feedback and suggestions on how we make our Group communications more inclusive, we have made this a focus for our team and tailored our communications appropriately, particularly regarding taking time off during the festive period. Our group also support our continuous efforts to **encourage diversity across our recruitment campaigns.**



Menopause Workshop



Young Persons Event



WHE NETs Macmillan Coffee Morning



Pride Parade



Strategically Aligning Our Resources

Our Workforce Planning team remained committed to ensuring we have the **right people in the right place at the right time** and supported structure changes ensuring our resources are aligned with our key strategic aims.

Our workforce planning team successfully achieved our £5m workforce efficiency savings target which involved **38 organisational structure changes** and resulted in a **net deletion of 71.84 posts**.

Delivering Customer Led Repairs

Services is one of our key strategic aims and we worked closely with business leads to create a new operating model that aligned **15 additional resources to our dedicated My Repairs workstream**. Following the implementation of additional wrap around support for Housing Officers in 2022/23 we were able to increase our average Housing Officer patch size from 200 to 250 homes in Wheatley Homes Glasgow and Loretto Housing and realign resources to specialist housing teams.

We consulted with our trade union, and successfully **redeployed 37 skilled and experienced Housing Officers** to new Repairs Specialist roles, Housing Compliance Specialist roles and mobile Housing Officer roles. **20 Housing Officers were also released on ER/VR** to support our workforce efficiency savings for 2023/24.

Increasing the supply of new homes

has been the priority for our property and development colleagues and in order to ensure that our ambitious new build targets were met we created 8 additional roles within the division. We also realigned roles to create a pre-construction team and a post-construction work-stream providing end to end support for our development projects.

In recognition of the stage of development work within Loretto Housing and Wheatley Homes East we created two New Build Housing Officers to support adverts, selection and viewings for our new properties.

Making the Most of our Homes & Assets

remains a top priority for our teams across Group. In 2023/24 we worked in partnership with our colleagues in Wheatley Homes South to create a new in-house void team. Bringing this service in house created **14 new trade roles** and gave us more control over the turnaround time for void clear outs and a higher standard of finish ready for our new customers.

Delivering Safe & Peaceful

Neighbourhoods (CIP) was another key strategic aim for 2023/24. In line with the Group's Antisocial Behaviour Prevention Framework we reviewed the structure to align our Antisocial Behaviour Intervention and Prevention (ASBIP) resources to geographical areas to allow closer working with housing teams and customers.

Through a reduction in Police Scotland resource we were able to create **4 additional roles** within our ASBIP team which were filled through internal promotions. We also created new functions within the team through introducing a Business Improvement role and a case assessment role to enhance our data analytics and drive innovation and improvement across the service.

Following these changes our learning and development team created Safe Communities training to support the launch of our new ASBIP policy and the introduction of our new safer communities system and approach to how the ASBIP team now align across the business. This training was completed by **276 employees** across group.

Strategically Aligning Our Resources *(continued)*



Delivering Safe & Peaceful Neighbourhoods (NETs)

Our NETs service within our multi story flats play a key role in making our customers feel safe in our neighbourhoods. Following customer feedback, we realigned 11 Environmental Operatives from Wyndford due to the planned demolition and increased our NETs presence in Broomhill from 12 hours per day to a 24-hour service providing extended concierge services and nightly patrols.



Additional Organisational Changes

We have noted some further details on additional structure changes that supported our workforce planning efficiency saving challenge in 2023/24 below:

- **Tenancy Support Service** – Following the decision to cease this service and following consultation with the trade union we deleted 58.49 roles. All employees were successfully redeployed into roles within group allowing us to retain experienced staff.
- **NETs Handy Person** – Due to reduced demand for this service a strategic decision was made to cease this service. The 3 employees working in this service were released through Voluntary redundancy.
- **Stronger Voices Officers (SVOs)** – SVOs resources were realigned in line with our 10 new locality groupings and reduced by 2 roles. The 2 affected SVOs were successfully redeployed into other roles in Group.
- **Housing Access** –the introduction of the new allocations system across all subsidiaries allowed resourcing efficiency savings. We successfully redeployed/released 6 staff.



Salary Exchange Pension Contributions

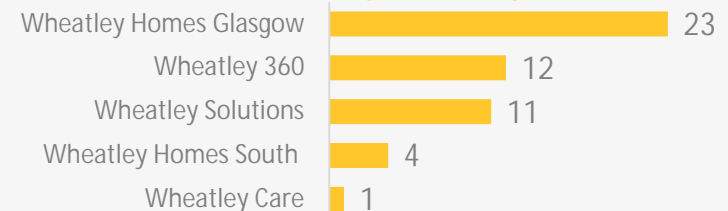
We introduced a salary exchange pension contributions arrangement for 4 of our pension providers which resulted in both employee and employer financial savings. We consulted with our recognised Trade Unions and **1,174** employees across Group and held **70+** sessions to explain how the new arrangements work, the benefits of this form of pension contribution, as well as addressing concerns employees may have. A total of **1,046** staff benefited from the salary exchange scheme.



Early Retirement and Voluntary Redundancy

We remain committed to no compulsory redundancies and were able to deliver our workforce efficiency savings by redeploying employees into alternative vacancies or through release of voluntary redundancy/early retirement. In line with our organisational changes, we supported the release of **51** employees through early retirement/voluntary redundancy, details on business areas noted below:

ERVR Releases by Subsidiary





Growing and Developing Our Talent

Our strategic aim to **Develop our Shared Capability** has been a key theme across all learning and development activity this year.

Our 'learning pathways' have shifted our focus from standalone training to focus on continuous learning and ensuring our people have the skills they require to excel now and in the future.



Growing Leaders of the Future

Growing our leaders of the future has been a key focus for our team this year as we continue to deliver our three bespoke Leadership Development programmes which support our Group succession plan. **17** employees joined our Aspire programme in 2023/24 which offers development for talented employees with ambitions to move into a leadership role in the future. In addition, **14** employees joined our Leading with Impact programme which provides new learning and experiences for middle level managers across group. A further **22** employees joined our Senior Leadership Programme which offers focused learning and immersive workshops on key topics such as storytelling and executive communications, press and media training, engaging presentations and business case writing.



Locality Housing Director Trainee

As part of our succession planning for future Locality Housing Directors, we advertised for additional Locality Housing Director trainees. Our Workforce Planning team facilitated 2 assessment centres where 20 internal candidates took part and resulted in the appointments of 2 new LHD trainees, one in Wheatley Homes Glasgow and one in Wheatley Homes South.

Our Locality Housing Director trainees undergo a 2-year development programme offering learning opportunities and on-the-job training. Our LHD Trainees are also assigned an existing LHD as a mentor to support their development.

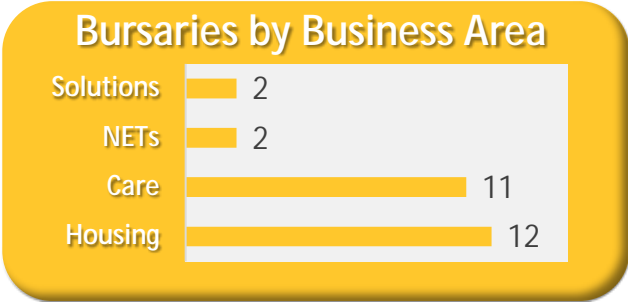
Our three Locality Housing Director Trainees recruited in 2022/2023 have all successfully been appointed to Locality Housing Director/Head of Housing positions within group whilst continuing to complete their training programme.



Professionalising our Workforce

We remain committed to professionalising our workforce and our offering of further education and professional qualifications remains popular with staff across Group.

Our Learning and Development team support our annual bursary programme and have provided funding for **27** employees in 2023/24 to enrol in further education linked to their role, for example CIH Level 4, SVQs in Health and Social Care, Post Graduate Diplomas and Masters in Housing, ILM Leadership:



In addition, **88** of our employees gained professional qualifications delivered by our team in house including:

- **x6** CIH in Housing Practice Level 2
- **x34** CIH in Housing Practice Level 3
- **x48** CIH in Neighbourhood Maintenance level 2



Continuous Learning & Development Across our Workstreams

Our strategic aim to **Develop our Shared Capability** is a key focus for our Learning and Development team.

We work closely with teams across the business to create a culture of continuous learning and ensure our employees have the skills they require to excel in their role.



Housing Learning & Development

In recognition of the unprecedented challenges linked to the cost-of-living crisis our Learning & Development team worked in partnership with business leads to deliver bespoke face to face **Rents Refresh Masterclasses to 323** employees within our housing teams.

Our dedicated housing training specialists also continued to deliver our 10-week bespoke Housing Officer training programme for **37** new Housing Officers. We also provided enhanced support for existing Housing Officers by delivering **399 coaching sessions** on areas that they identified needing more support. These sessions were delivered within our local communities and included accompanying Housing Officers on patch visits, antisocial behaviour support and on-the-job rents and voids coaching.



Care Learning & Development

In 2023/24 we refreshed our 5-day bespoke new start programme which **158** new employees completed. This programme ensures all care specific mandatory training is complete within their first month.

In order to meet our regulatory compliance requirements within Care our Learning & Development team also delivered the following in person training sessions:

- **438** employees completed Adult Support and Protection
- **437** employees completed Child Protection
- **214** employees completed Medication Awareness

Our in-house accredited trainers also delivered **Managing Aggression and Potential Aggression (MAPA) workshops to 379 employees** within care in line with SSSC best practice.



NETs Learning & Development

Our NETs training specialists **delivered our roots to work programme to 124** Changing Lives Trainees and Environmental Apprentices in 2023/24. This programme consists of a combination of on the job and classroom-based learning with all staff gaining a **CIH Level 2 qualification** which our training specialists are accredited to assess.

Our team also delivered **in-house SKAGG and Ride on training to staff who require to using large garden machinery**. This training was delivered to **64** employees in 2023/24 and resulted in savings to the service through bringing this in-house.

In addition, our trainers are accredited first aiders and delivered **Emergency First Aid at Work** to 54 NETs employees.



Repairs Learning & Development

As part of our commitment to strengthen our relationship with our partner City Building (CB). We wanted to ensure teams across Wheatley and City Building were providing a consistent approach to customer service. We worked closely with colleagues at CB to design and deliver bespoke Customer Service Excellence and Think Yes Together training, which we delivered to **369 city building employees**.



Solutions Learning & Development

Our team also supported the introduction of our new cloud telephony platform within our CFC and delivered bespoke training to **218** staff across the CFC in advance of the system going live.

The roll out of Servitor, our in-house repairs system, was another training session which was provided to **64** CFC advisors to support them with WHE and WHS repairs calls.

Our learning and development team additionally supported the on-boarding of **14** new Customer First Centre (CFC) employees through the delivery of our bespoke 13-week training programme.



Looking After Our Staff and Promoting Wellbeing

Our wellbeing and inclusion team has continued to provide holistic support to meet the physical, financial, and mental health needs of our people. Over the last year our wellbeing services have offered more support to meet the needs of our people identified from: our staff diversity profile, feedback from our employee inclusion networks, and reviews of our reasons for absence.



Supporting Stress & Anxiety

Stress and Anxiety is our top reason for absence across Group and we have increased our support to staff with the introduction of monthly workshops delivered offering practical coping mechanisms designed to help during challenging times. We have targeted staff in-work who may be feeling stressed and/or anxious, and those off-work for related reasons. So far 75 employees have attended these sessions.

We continue to offer one-to-one services to help colleagues with challenges around stress, anxiety and other factors impacting emotional wellbeing. These are available through our EAP services and alternative counselling services which wrap counselling and mental health support around staff, and their immediate family members.

In addition to the ongoing supports, we offered colleagues free health checks designed to pick up any underlying indicators of stress manifesting as physical changes in blood pressure, cholesterol or other indicators.

Our Employee Relations team also provide support from the first day of absence for any stress/anxiety cases to ensure appropriate support is offered and that individual stress risk assessments are completed timeously. The team also attend all Individual Stress Risk Assessment meetings (ISRAs) as an additional support to employees and managers to identify and signpost to all relevant support and wellbeing resources at early stage of absence. Due to stress/anxiety related absence increasing within Wheatley Care our employee relations team delivered training sessions to 70 care managers on supporting employees through our ISRA meetings to refresh and remind managers of the wraparound support available.



Men's Health Workshops

During the winter months we focused efforts on our support package to NETs colleagues by the introduction of healthy nutrition workshops and men's mental health classes, as well as visits to depots to increase awareness of their overall wellbeing package. Working in partnership with NETs leaders, our workshops concentrated on areas of concern identified from managers and created opportunities for NETs colleagues to build their resilience and normalise the emotional challenges facing everyone. Feedback from NETs colleagues has highlighted how valuable these wellbeing sessions have been, particularly in offering acceptance and validation of feelings to male colleagues who face cultural challenges in seeking help for mental health.



Financial Wellbeing

In recognition of the cost-of-living crisis, we have focused on improving financial education for staff across Group. We have delivered workshops on budgeting, saving energy usage at home and retirement planning. We also issued **2,923** grocery vouchers to employees during the festive period in recognition of the financial pressures linked to the time of year and cost-of-living crisis.



Promoting Attendance

Our Employee Relations team offer support to employees and leaders across group providing case by case guidance on our employee relations processes. Promoting attendance has been a key focus for the employee relations team this year.



Absence Performance Indicators

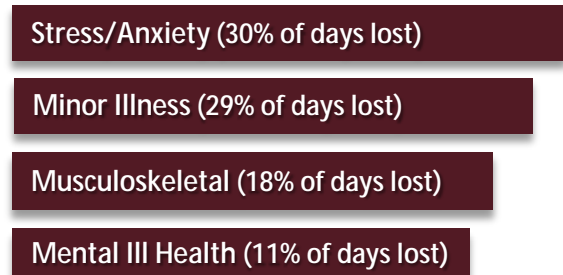
Our average days lost per employee in 2023/24 was **9.5 days** which is below the public sector benchmark figure of 10.6 (*CIPD health & wellbeing report 2023*). Our group absence rate reduced slightly from 4.28% in 2022/23 to **4.20% in 2023/24**.

The table below shows the past two years absence rates across our workstreams, which were all below target in 2023/24 with the exception of Care. Our Care absence rate does however remain below the benchmark average of 7% (Benchmarking Data from Strathclyde Social Care Benchmarking Report 2023).

In 2023/2024, the absence rate within Housing, NETs and Solutions reduced and remained below our target. However, we saw an increase in absence within our Repairs and Care workforces.

	Housing	NETs	Repairs	Solutions	Care
Target	3%	6.15%	3%	3%	5%
Absence Rate 2022/23	2.96%	5.97%	2.54%	2.71%	5.78%
Absence Rate 2023/24	2.45%	5.96%	2.80%	2.42%	6.41%

Our top four reasons for absence across Group are:



Data Led Absence Support

As our highest volumes of absence cases were within Care and NETs we realigned our advisors to provide targeted support through case management and case monthly conferences.

Our top reason for absence across Group is Stress/Anxiety and we have put enhanced support in place from day one on all stress/anxiety cases.

Our team also attend all Individual Stress Risk Assessments (ISRAs) within 48 hours of the employee disclosing they are suffering from stress/anxiety. In addition to this we have delivered **5 ISRA workshops to 70 managers** across group to ensure they get the most out of these discussions with employees and to utilise the wrap around support in place for employees.



Workshops & Training for Managers

Our Employee Relations team provide training for all new people managers across group as well as holding regular face to face refresher training for existing managers on supporting attendance. In 2023/24 our team delivered **9 sessions**.

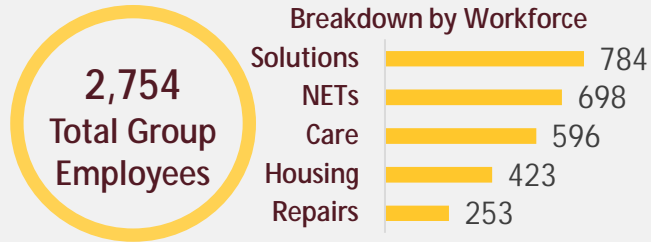
In addition to our regular face to face training we have developed e-learning modules on absence management and our Individual Stress Risk Assessment process which can be accessed by all managers at any time.

We also delivered tailored training to our NETs and Repairs Managers as an additional support for our teams in WHE and WHS.

Additional Data & Information

We have provided additional data and dashboards to give further insight into our employee profile and transactional activity.

Group Headcount

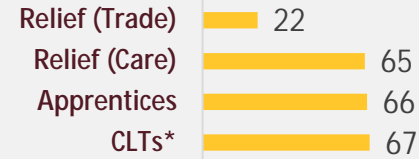


NB above data excludes modern apprentices, changing lives trainees, graduates and relief workers.

98% of employees have permanent contracts

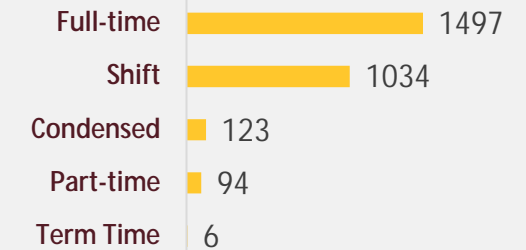
- ▶ x2,688 permanent
- ▶ x66 fixed term

210 Additional Workforce Headcount

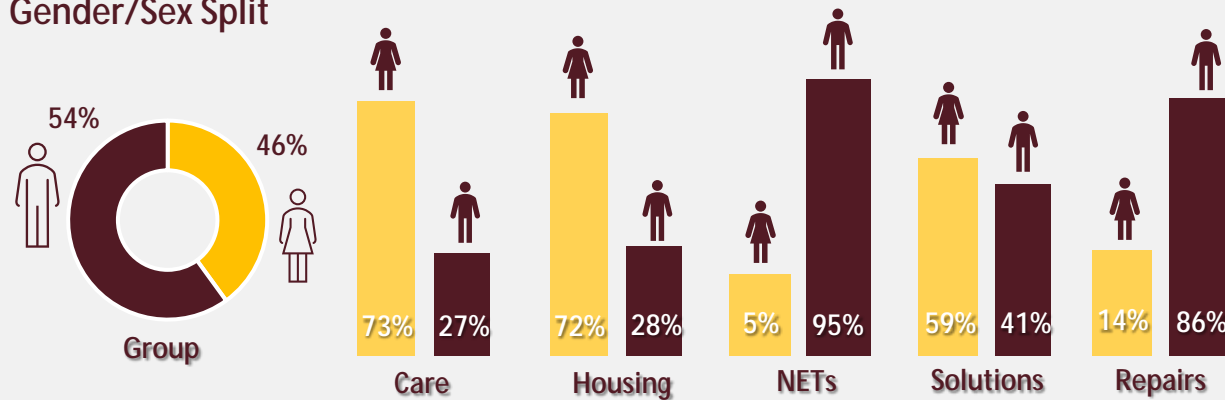


*Changing Lives Trainee

Group Work Patterns



Gender/Sex Split

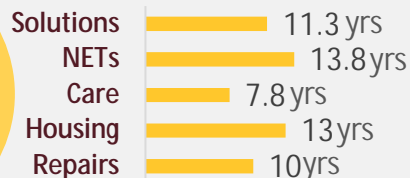


Group Average Age
43 years old

- ▶ NETs Average Age = 46 years old
- ▶ Care Average Age = 44 years old
- ▶ Repairs Average Age = 43 years old
- ▶ Solutions Average Age = 43 years old
- ▶ Housing Average Age = 41 years old

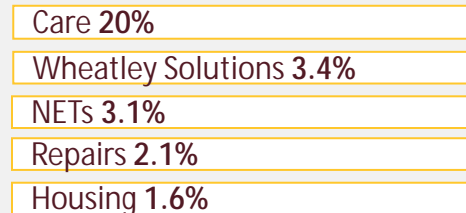
Average Length of Service

Group Average Length of Service
11.29 years



Resignation Rate

(Group target 7%)



6.7%
Resignation Rate

Total Resignations



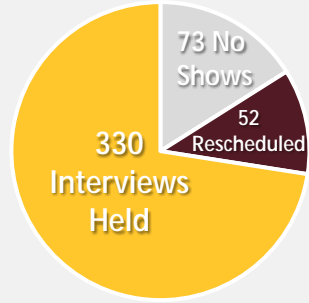
187
resignations

Highlights of People Service Activity 2023/24

251 Jobs Advertised in 2023/24

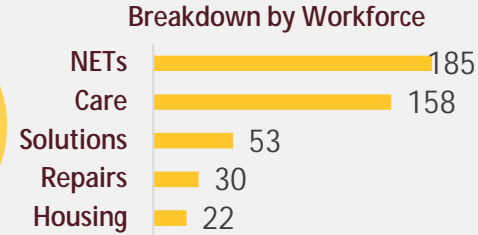
- ▶ x89 Care Roles
- ▶ x66 Solutions Roles
- ▶ x47 NETs Roles
- ▶ x29 Repairs Roles
- ▶ x20 Housing Roles

470 Care Assistant Interviews conducted by our Resourcing Team



Total New Starts Screened & Processed

448 New Starts



NB Data includes 124 apprentice and changing lives roles.

1,354 Total Disclosure & PVG Checks Completed in 2023/24

- ▶ x535 NETs
- ▶ x316 Care
- ▶ x187 Solutions
- ▶ x183 Housing
- ▶ x133 Repairs

Resulting in 43 disclosure discussions with Employee Relations

587

Recruitment & Resourcing Transactions Completed
(Transfers, Redeployment, Promotions and Contract Extensions)

72% of promoted roles filled by internal candidates

39,798 payslips processed
148 Payrolls Ran

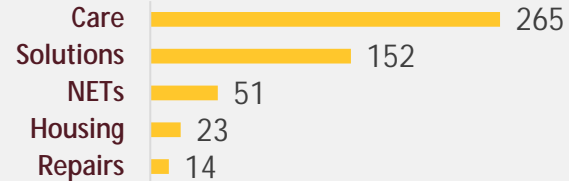


112 Family Friendly Leave Requests

Includes maternity, paternity, adoption & shared parental leave

Workforce Planning Requests

505 WFP Requests



43 Job Evaluations Completed

11

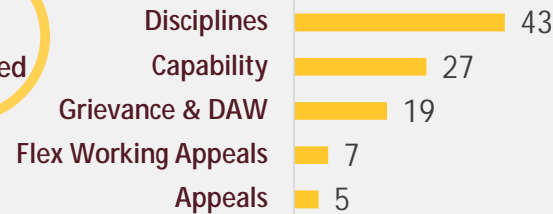
Care Inspectorate Recruitment Audits

9

Recruitment Events within Communities

101 Cases Supported

Employee Relations Cases



We won Employers Network for Equality and Inclusion driving social mobility and inclusivity excellence UK award 2023.



Successfully retained the following accreditations:

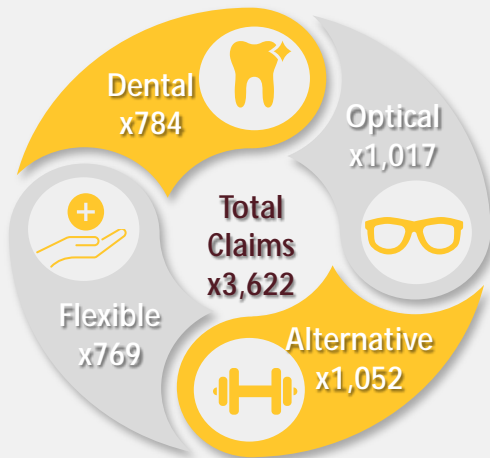
- Disability Confident Employer
- Carer Positive
- Mindful Employer
- iIP Platinum
- Menopause Friendly Committed



Employee Wellbeing Additional Data

W.E Benefit

Our W.E Benefit scheme remains a popular financial benefit with staff, in 2023/24 we received a total of **3,622** claims from employees across group:



Claims by Workforce

Solutions	x1,546 claims
NETs	x668 claims
Housing	x570 claims
Care	x534 claims

A Total of **64** employees used our 'Health Plan in Advance' Scheme to receive payment up front.

Additional wellbeing activity noted below:

Our wellbeing team coordinated **5** flu clinics where **276** employees across group received their flu vaccination.

3 health check clinics with **60** attendees

55 employees were supported with cycle to work claims

32 employees were supported with driving lesson claims

93 employees were supported with Physiotherapy

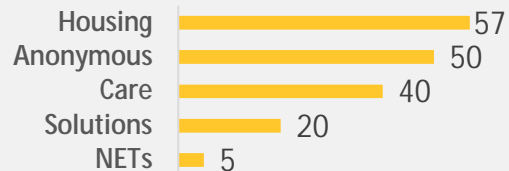
Employee Assistance Programme

We also offer 24/7 support to our employees for stress/anxiety, counselling, bereavement, relationships and financial wellbeing through our EAP provider, PAM Assist.

PAM assist supported a total of **178** employees across group in 2023/24.

172 Employees were supported through counselling/mental health support:

Counselling/MH Support by Workforce



The top two presenting reasons in 2023/24 were Mental Health (78%) and Bereavement (8%).

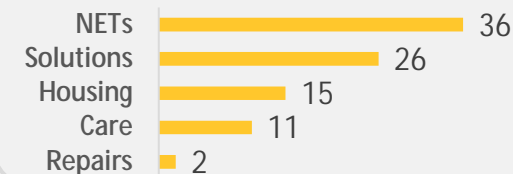
An additional **6** employees were supported with legal/debt consultations.

Wellbeing Alternative Counselling

We offer enhanced support to colleagues across group through counselling support to either individual staff members, with family in their immediate household, or as part of a couple. Our wellbeing team have two employees qualified in COSCA counselling skills and actively maintain a bank of specialist counsellors and facilitate any employee requests to use these support services.

Our dedicated wellbeing team have supported **198** employees across group and facilitated specialist counselling for **90** employees in 2023/24.

Alternative Counselling by Workforce



Our top three presenting reasons for alternative counselling were:

Anxiety (22%)

Bereavement (14%)

Relationship Changes (13%)

Counselling support was provided to the following presenting groups:

x79
Employees

x2 Employee's
Spouse

x2 Employee's
Child (18+)

x3 Couples

x2 Families

Future Work Plans



New HR System

People Services Team will implement our new system by September 2024.



Group Employee Staff Survey

We will launch our first staff survey in September this year, which will allow us to determine our staff satisfaction.



NETs Career Pathways

This year, we will introduce 4 NETs Team Leader Trainees and 1 Environmental Support Manager Trainee to provide career pathways for our NETs staff.



Summer Work Programme

In summer 2024, we will support 18 customers' and staff's children, giving them the opportunity to work in various parts of the business.



Investors in Young People

We currently attain gold standard. In May 2024 we began working with IYIP consultants, staff, and leaders to apply for re-accreditation.



Investors in People (Wheatley Homes South)

WHS apply for their first accreditation in September 2024, bringing WHS in line with the rest of group.



Ignite Graduates

We will recruit 6 graduates, as well as launching our internal ignite programme to allow our existing staff the opportunity to become Housing Officers.



Modern Apprenticeship Programme

We will recruit for a 4 trade modern apprentices to work in our Repairs teams within Wheatley Homes East.



EDI Training (continue enrolling)

Currently 455 staff across group have completed our new EDI Training, we will continue to enrol further training to all staff, including training Board Members and Scrutiny Panels.



CFC Team Leader Training

We are working closely with our colleagues at the CFC to shape and design bespoke training sessions for our Customer First Centre Team Leaders.



Customer Service Excellence & Think Yes Training

Following the successful roll out our Customer Excellence and Think Yes sessions with City Building and Repairs staff, we will enrol out sessions to our NETs staff this year.



Sustainability Training

We are working closely with our colleagues in Assets & Sustainability to provide a suite of E-Learning modules on Sustainability for staff.



Gender Identity Policy

Will be published and promoted in June 2024. The policy outlines the approach on how best to support managers and staff who transition at work.



Domestic Abuse Policy

Will be published and promoted in June 2024. The policy raises awareness of Domestic Abuse and sets out our commitment to support any Wheatley Group employees that are experiencing domestic abuse.



Suicide Prevention Guidance for Managers & Staff

Our Well-being team are working on Suicide guidance for managers and staff, which will be published this year.

Report

To: Wheatley Housing Group Board

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

Approved by: Steven Henderson, Group Chief Executive

Subject: Governance update

Date of Meeting: 20 June 2024

1. Purpose

- 1.1 This report provides an update to the Board, seeking approval as applicable, on the following governance-related matters:
- Corporate structure;
 - Update on our approach to managing Group policies and frameworks;
 - Group Complaints policy amendments; and
 - Disposals and acquisitions update

2. Authorising and strategic context

- 2.1 Under our Group Standing Orders the Group Board is responsible for our corporate structure. The establishment, disposal or dissolution of subsidiaries is reserved to this Board for approval.
- 2.2 Under the Group Standing Orders the approval and any subsequent amendments to certain policies is reserved to the Group Board.

3. Background

- 3.1 In March 2021, we added another company to our corporate structure when Lowther Homes purchased the share capital of GBG Enterprises Limited (“GBG”), making it a subsidiary of Lowther Homes. GBG is the company that owned the Bellgrove Hotel. The purchase was made with the support of Glasgow City Council with the ambition to redevelop the hotel for affordable housing. The intention was for Lowther Homes to take ownership of the Bellgrove Hotel for redevelopment and to thereafter dissolve GBG as it would no longer be holding any assets or undertaking any business activity.
- 3.2 As part of our last strategic governance review, in October 2021 the Board agreed that we should take a number of steps to reduce the complexity of our corporate structure. As part of this we agreed to consolidate some elements, such as factoring and letting into a single entity, Lowther Homes, or housing activities in the East by undertaking a Transfer of Engagements from West Lothian Housing Partnership (“WLHP”) to Wheatley Homes East.

- 3.3 As we have implemented these changes we have then progressed the process of formally dissolving any legal entities within the Group that subsequently no longer undertake any business activity. This involves a range of prescribed legal and regulatory steps which must be, and are being, followed.
- 3.4 We regularly review our policy framework to ensure that we meet commitments made within our policies and that the content remains appropriate and relevant. As part of this approach, we have completed a full review of all of the corporate and service policies within the Group.
- 3.5 Our disposals and acquisitions policy framework contains a requirement to report to the Board annually all disposals and acquisitions undertaken in the prior 12 months. This allows the Board to understand the scale of activity being undertaken under delegated authority and provides a mechanism for the Board to understand if there is an unexpectedly high level of activity in any given year. Each RSL and the Lowther Homes Board reviewed their acquisitions and disposals at their May meetings.

4. Discussion

Corporate structure

Dormant companies

- 4.1 We have been progressing with the consolidation of our corporate structure in line with what has been agreed by the Board. Over the last year, this has included the formal dissolution of:
- YourPlace Property Management Limited;
 - Wheatley Enterprises Limited; and
 - Novantia Limited

West Lothian Housing Partnership

- 4.2 In addition to this, we are continuing to progress the dissolution of WLHP, following the transfer of its business and assets to Wheatley Homes East in September 2022.
- 4.3 We have completed WLHP's deregistration as a Registered Social Landlord, with the Scottish Housing Regulator having formally removed WLHP from the Register of Social Landlords.
- 4.4 However, we are unable to finalise the dissolution of WLHP as a company until we have received confirmation from the Registers of Scotland that updated Land Certificates have been issued for all of the properties that transferred to Wheatley Homes East.
- 4.5 Registers of Scotland have now registered all except one property title. No issues have been identified in relation to the remaining property title, however, registration in the name of Wheatley Homes East has not yet been completed by the Registers of Scotland. We are continuing to monitor the progress of the property registration.

- 4.6 Once the property registration has taken place, we will be in a position to submit our application to remove West Lothian Housing Partnership from the Companies Register.

GBG Enterprises

- 4.7 Lowther Homes has now received planning permission to redevelop the Bellgrove hotel. As such, it acquired the hotel from GBG on 29 May 2024. Now that the disposal of the hotel has taken place and GBG has no trading activity, we will commence steps to wind-up GBG as a company.
- 4.8 The GBG and Lowther Homes Boards will receive legal advice regarding the necessary corporate approvals and legal approach to effecting the dissolution of GBG. This will take into account that, notwithstanding our due diligence during the transaction, we have more limited knowledge of previous trading history than we would have for other companies within the Group.

Review of our Group policies and frameworks

- 4.9 During the last year we have carried out a comprehensive review of all our corporate and services policies and frameworks (excluding Human Resource and Care policies which had already been reviewed separately). As part of this, we formally documented where we have made specific commitments and tested whether the commitments were still appropriate and how we could evidence we were delivering them.
- 4.10 We consolidated this into a central repository of each of the commitments made through our policies and the evidence/ assurance that we have arrangements to meet those commitments. In the vast majority of cases, we are meeting our commitments and can provide evidence to demonstrate how.
- 4.11 In some instances, the commitments do not specify a timescale for being achieved and for those where we are not meeting such commitments as yet, we have documented the plans for how they will be achieved in future. Examples of this are where we indicate we will train staff and this takes some time to develop as part of the policy implementation.
- 4.12 For a number of policies it is proposed we adjust or clarify the wording as part of the next review stage. This is primarily where the wording is unnecessarily prescriptive e.g. 'all staff' when in practice it means appropriate staff or where our practice has evolved e.g. damp, mould and condensation. Updates to specific policies will be brought back to relevant Boards as appropriate over the next 12 months.
- 4.13 One change we propose to effect immediately however is to the Group Complaints Policy. The current policy states that we will acknowledge complaints within 48 hours and provide a written response within 5 working days. However, the majority of complaints are received via our Customer First Centre. Complaints are acknowledged by the call handler and wherever possible resolved for the customer during the call. As such, the policy requirement to respond to all stage 1 complaints in writing is not fully compatible with our service approach. As such, we recommend formally removing the requirement for all stage 1 complaints to be responded to in writing.

- 4.14 Where a customer is not satisfied with our response then they may escalate their complaint to stage 2 of our process. We will maintain our commitment to respond to stage 2 complaints in writing within 20 working days.

Disposals and acquisitions

- 4.15 Under our disposals and acquisitions policy framework we clearly define what we consider an acquisition or disposal, the routes to agreeing any such activity, and the requirements for reporting activity to the Board.
- 4.16 To ensure such Group-wide oversight of disposal and acquisition activity, the policy framework included a requirement to provide an annual update to the Board. The disposals and acquisitions registers for WH-Glasgow, WH-South, WH-East, Loretto Housing and Lowther Homes are attached at Appendix 1. During the period we have recorded 68 disposals and 41 acquisitions. There are no identified issues of non-compliance with the policy.

5. Customer engagement

- 5.1 There are no customer engagement matters in relation to 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 implications associated with this report.

8. Financial and value for money implications

- 8.1 There are no financial implications for us arising from the recommendations contained within this report.

9. Legal, regulatory and charitable implications

- 9.1 With any wind-up of a legal entity within the Group we engage our external legal advisors to ensure that our process is the most appropriate and follows all necessary legal requirements.

- 9.2 Standard 7 of the SHR's Standards of Governance and Financial Management requires that:

'The governing body ensures that disposals, acquisitions and investments fit with the RSL's objectives and business plan, and that its strategy is sustainable. It considers these taking account of appropriate professional advice and a consideration of value for money - whether as part of a broader strategy or on a case-by-case basis.'

- 9.3 Our approach to disposals and acquisitions helps us to comply with this requirement and, where relevant for our charitable RSLs, with the requirement of the Charities and Trustees Investment (Scotland) Act 2005.

10. Risk appetite and assessment

- 10.1 The matters in this report cover a number of our strategic outcomes. Across each of these we have an open or hungry appetite for operational delivery and a minimal approach to legal and regulatory compliance.
- 10.2 Our policy for acquisitions and disposals, including the requirement to report annually to the Board, ensures that we have a process in place for monitoring the significant property transactions that our subsidiaries enter into.

11. Equalities implications

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

12. Key issues and conclusions

- 12.1 We have continued to progress with the consolidation of our corporate structure to support it being more streamlined and less complex. The dissolution of WLHP and GBG will further reduce the number of entities within our Group.
- 12.2 We have undertaken a review of our Group-wide frameworks and policies. Through this process, we have identified that there are arrangements in place that help us to meet the commitments made under those frameworks and policies. This supports our wider self-assessment and evidence-gathering for the Scottish Housing Regulator Annual Assurance Statement.

13. Recommendations

- 13.1 The Board is asked to:
- 1) Note the update on our corporate structure;
 - 2) Note the update on our approach to Group frameworks and policies;
 - 3) Approve the amendment to the Group Complaints Policy to ensure we maintain a focus on resolving customer complaints as quickly as possible and removing the requirement to do this in writing; and
 - 4) Note the disposals and acquisitions update for 2023/2024.

LIST OF APPENDICES:

Appendix 1: Annual disposal and acquisition update 2023/24

Wheatley Homes Glasgow

Annual disposal and acquisition update (31 March 2023 – 1 April 2024)

Disposals

	Land/property	Nature of disposal	Value	Date of disposal
1	Tontine Lane	Deed of Servitude	N/A	04/04/2023
2	39 Glencorse Street, Glasgow	Sale of Winget property	£51,000	05/04/2023
3	160 & 200 Lincoln Ave, Glasgow	Licences to occupy	N/A	11/05/2023
4	Cable for Demolition, Wyndford	Wayleave	N/A	04/05/2023
5	26 – 42 Sighthill Circus, Glasgow	MMR lease to Lowther Homes	£47,277 p/a	13/06/2023
6	Site at Broomloan	Sale of land shared by WHG and GCC to Scottish Water	£325,500	27/07/2023
7	61 Glenfinnan Road	Lease of roofspace (Arqiva)	£5,000 p/a	15/08/2023
8	61 Glenfinnan Road	Lease of roofspace (EE/H3G)	£5,000 p/a	01/09/2023
9	76 Collina Street	Lease of roofspace (EE/H3G)	£5,000 p/a	01/09/2023
10	8 units: 44 Sighthill Circus, Glasgow	MMR lease to Lowther Homes	£47,032 p/a	20/07/2023
11	8 units: 24 Sighthill Circus, Glasgow	MMR lease to Lowther Homes	£47,032 p/a	25/07/2023
12	9 units: 15, 17, 23, 25, 27, 29, 31, 33 & 35 Sighthill	MMR lease to Lowther Homes	£47,277 p/a	04/08/2023
13	2 units: 21 & 23 Sighthill Walk	MMR lease to Lowther Homes	£10,506 p/a	03/08/2023
14	25 Dalmahoy Street	Sale of a Winget property	£38,000	03/08/2023
15	5 Macduff Street, Glasgow	Commercial lease	£4,200 p/a	09/08/2023
16	23 Armadale Place, Glasgow	Commercial lease	£6,000 p/a	07/08/2023
17	402 – 410 Cathcart Road, Glasgow	Commercial lease	£12,000 p/a	24/07/2023
18	37 Old Dumbarton Road, Glasgow	Commercial lease	£4,250 p/a	18/08/2023
19	21 Harmony Row, Glasgow	Commercial lease	£16,000 p/a	18/08/2023
20	Calton Village	Servitude	N/A	27/06/2023
21	60 Glenfinnan Road	Wayleave to Virgin Media	N/A	25/07/2023
22	47 Tinwald Path	Wayleave to Virgin Media	N/A	25/07/2023
23	61 Glenfinnan Road	Telecommunications lease to MBNL	N/A	01/09/2023

	Land/property	Nature of disposal	Value	Date of disposal
24	39 Ashmore Road, Glasgow	Commercial lease	£7,300 p/a	26/09/2023
25	76 Collina Road	Elec comms lease	N/A	01/09/2023
26	335 – 339 Bilsland Drive	Commercial lease	£10,000 p/a	11/09/2023
27	1089 Maryhill Road	Commercial lease	£15,000 p/a	21/12/2023
28	1121 Maryhill Road	Commercial lease	£9,000 p/a	28/01/2024
29	219 – 223 Wallacewell Road	Commercial lease	£23,750 p/a	28/05/2023
30	59 Liddesdale Square	Commercial lease	£8,500 p/a	08/01/2024
31	11 units at 225, 227, 233 & 235 Shawbridge St, Glasgow	MMR lease to Lowther Homes	£55,482 p/a	18/01/2024
32	12 units: 229 Shawbridge St	MMR lease to Lowther Homes	£60,525 p/a	25/01/2024
33	Gibson Heights, 24 Drygate (Roof)	Telecommunications lease	£5,200 p/a	31/01/2024
34	47 Tinwald Path (Roof)	Telecommunications lease	£5,200 p/a	31/01/2024
35	12 units: 231 Shawbridge St, Glasgow	MMR lease to Lowther Homes	£60,525 p/a	01/02/2024
36	Substation at Carlton Village	Disposition / Servitude	£1	08/02/2024
37	639 Garscube Road	Sale of commercial property	£14,500	23/02/2024
38	643 Garscube Road	Sale of commercial property	£18,000	23/02/2024
39	647 Garscube Road	Sale of commercial property	£20,500	23/02/2024
40	649 Garscube Road	Sale of commercial property	£39,000	23/02/2024
41	651 – 653 Garscube Road	Sale of commercial property	£24,500	23/02/2024
42	659 Garscube Road	Sale of commercial property	£12,500	23/02/2024
43	671 – 673 Garscube Road	Sale of commercial property	£40,000	23/02/2024
44	663 – 667 Garscube Road	Sale of commercial property	£85,000	23/02/2024
45	675 Garscube Road	Sale of commercial property	£43,000	23/02/2024
46	11 Old Dumbarton Road	Commercial Lease	£11,400 p/a	28/03/2024

Acquisitions

	Land/property	Nature of acquisition	Value	Date of acquisition
1	155 Brock Road, Glasgow	One-off property acquisition – in area of core stock to increase supply and overall ownership	£120,000	14/12/2023
2	2/2, 1370 Paisley Road West, G52 1SS	One-off property acquisition – in area of core stock to increase supply and overall ownership	£105,000	21/03/2024
3	213 Rye Road, G21 3JR	One-off property acquisition – in area of core stock to increase supply and overall ownership	£120,000	21/03/2024
4	738 Carntyne Road, G32 6NH	One-off property acquisition – in area of core stock to increase supply and overall ownership	£90,000	21/03/2024
5	0/1, 15 Banner Drive, Glasgow	One-off property acquisition – in area of core stock to increase supply and overall ownership	£69,000	29/02/2024
6	0/2, 102 Keal Avenue, Glasgow	One-off property acquisition – in area of core stock to increase supply and overall ownership	£80,000	14/03/2024
7	3/2, 201 Castlemilk Drive, Glasgow	One-off property acquisition – in area of core stock to increase supply and overall ownership	£75,000	14/03/2024
8	Land at Kingsway Court, Glasgow	Corrective conveyancing	£53,700	12/03/2024
9	31 Seamill Street, G53 7AX	One-off property acquisition – in area of core stock to increase supply and overall ownership	£352,000	28/03/2024
10	Wyndford Road, Glasgow	Licence – SI and Demolition	N/A	24/07/2023
11	Land at Birness Drive, Glasgow	Acquisition of a retained area for bike shed	N/A	14/07/2023

Wheatley Homes East

Annual disposal and acquisition update to 31 March 2023

Disposals

	Land/property	Nature of disposal	Value	Date of disposal
1	89 Fountainbridge, Edinburgh	Commercial Lease	£25,000 p/a	13/06/2023
2	2 units: 56 & 57 Merricks Ave, Roslin	MMR Lease to Lowther Homes	£14,286 p/a	08/06/2023
3	7 units: 58 – 64 Merricks Ave, Roslin	MMR Lease to Lowther homes	£50,001 p/a	09/06/2023
4	5 units: 51 – 55 Merricks Ave, Roslin	MMR Lease to Lowther Homes	£35,715 p/a	15/06/2023
5	3 units: 25, 27 & 29 Davidson Cres, Wallyford	MMR Lease to Lowther Homes	£20,400 p/a	27/04/2023
6	2 units: 21 & 23 Davidson Cres, Wallyford	MMR Lease to Lowther Homes	£13,600 p/a	17/05/2023
7	4 units: 13, 15, 17 & 19 Davidson Cres, Wallyford	MMR Lease to Lowther Homes	£27,200 p/a	22/06/2023
8	6 units: 1, 3, 5, 7, 9 & 11 Davidson Cres, Wallyford	MMR Lease to Lowther Homes	£40,800 p/a	28/07/2023
9	23 Wester Suttieslea Gardens, Newtongrange	Implement of contract	£190,000	18/08/2023
10	1/5 Tait Wynd, Edinburgh	Implement of contract	£85,000	28/09/2023
11	12/9 Wardlaw Place, Edinburgh	Pre 1919 Tenement Sale	£114,000	30/10/2023
12	13/2 Birchwood View, Edinburgh	Shared ownership tranche up	£153,750	13/10/2023
13	2/4 Tait Wynd, Edinburgh	Implement of contract	£85,000	03/11/2023
14	4/1 Tait Wynd, Edinburgh	Implement of contract	£70,000	10/11/2023
15	16 Breadalbane Terrace	Pre 1919 Tenement Sale	£291,100	26/03/2024
16	29 Wester Suttieslea Gardens	Implement of contract	£215,999	02/02/2024
17	13 Ardmillan Terrace	Sale, ex-Barony property	£449,500	28/03/2024

Acquisitions

	Land/property	Nature of disposal	Value	Date of acquisition
1	Site at Rosewell – Phase 1	Development	£2,323,815	17/11/2023
2	Site at Rosewell – Phase 2	Development	£2,517,473	21/12/2024
3	Site at St Crispins, Blackhall	Development	£1	30/10/2023
4	Winchburgh BB	Development	£1,108,466	15/05/2023

Wheatley Homes South

Disposals

	Land/property	Nature of disposal	Value	Date of disposal
1	3 Shirley Road, Dumfries	Corrective Conveyance	N/A	25/05/2023
2	Site at Springholm, Castle Douglas	Lease to Scottish Power Energy Networks (SPEN)	£1	09/08/2023
3	11A Gala Park, Lockerbie	Commercial Lease	£4,600 p/a	09/09/2023
4	Bridge St / Sydney St	Licence to Occupy in favour DGC	N/A	15/01/2024
5	68 units: 8 @ Barns Court, 4 @ Corvisel Ave, 4 @ Corvisel Crt, 1 @ Corvisel Rd, 35 @ Mansefield Pl, 4 @ Princes Ave, 7 @ Princes St, 3 @ Princes Terr, 2 @ Queen St	Granting of standard security	In security of borrowing obligations	07/02/2024

Acquisitions

	Land/property	Nature of acquisition	Value	Date of acquisition
1	3 Agnew Crescent, Stranraer	Lease	£30,000 p/a	19/05/2023
2	20 Gladstone Road, Troqueer, Dumfries, DG2 7HA	Buy Back	£70,600	12/06/2023
3	Unit 5 Lochside Court, Dumfries	Lease	£10,360 p/a	14/04/2023*
4	Unit 2 Lochside Court, Dumfries	Lease	£24,130 p/a	12/06/2023
5	Site at Springholm, Castle Douglas	Licence for works	N/A	03/07/2023
6	2E Esk Place, Annan	Buy Back	£60,000	11/08/2023
7	1 Bluebell Court, Ecclefechan	Buy Back	£70,000	29/09/2023
8	2 Armour Drive, Dumfries	Buy Back	£60,000	28/11/2023

*date of entry under the lease was 29 March 2023

Loretto Homes

Annual disposal and acquisition (1 April 2023 – 31 March 2024)

Acquisitions

	Land/property	Nature of acquisition	Value / Consideration	Date of acquisition
1	Tranche 1, Constarry Road, Croy	Purchase of Golden Brick plots	£90,000.00	28/03/2024
2	Site at Bishopbriggs	Development	£2,513,200.00	14/03/2024

Disposals

None

Appendix 1: Annual disposals and acquisitions (1 April 2023 – 31 March 2024)

Acquisitions

	Land/property	Nature of disposal	Value	Date of acquisition
1.	26 – 42 Sighthill Circus, Glasgow	MMR Lease with Wheatley Homes Glasgow	£47,277 p/a	13/06/2023
2.	8 units: 44 Sighthill Circus, Glasgow	MMR Lease with Wheatley Homes Glasgow	£47,032 p/a	20/07/2023
3.	2 units: 56 & 57 Merrick Avenue, Roslin	MMR Lease with Wheatley Homes East	£14,286 p/a	08/06/2023
4.	7 units: 58 – 64 Merrick Avenue, Roslin	MMR Lease with Wheatley Homes East	£50,001 p/a	09/06/2023
5.	5 units: 51 – 55 Merrick Avenue, Roslin	MMR Lease with Wheatley Homes East	£35,715 p/a	15/06/2023
6.	3 units: 25, 27 & 29 Davidson Crescent	MMR Lease with Wheatley Homes East	£20,400 p/a	27/04/2023
7.	2 units: 21 & 23 Davidson Crescent, Wallyford	MMR Lease with Wheatley Homes East	£13,600 p/a	17/05/2023
8.	4 units: 13, 15, 17 & 19 Davidson Crescent, Wallyford	MMR Lease with Wheatley Homes East	£27,200 p/a	22/06/2023
9.	8 units: 24 Sighthill Circus, Glasgow	MMR Lease with Wheatley Homes Glasgow	£47,032 p/a	25/07/2023
10.	6 units: 1, 3, 5, 7, 9 & 11 Davidson Crescent, Wallyford	MMR Lease with Wheatley Homes East	£40,800 p/a	28/07/2023
11.	9 units: 15, 17, 23, 25, 27, 29, 31, 33 & 25 Sighthill Walk	MMR Lease with Wheatley Homes Glasgow	£47,277 p/a	04/08/2023
12.	2 units: 21 & 23 Sighthill Walk	MMR Lease with Wheatley Homes Glasgow	£10,506 p/a	03/08/2023
13.	11 units: 225, 227, 233 & 235 Shawbridge Street	MMR Lease with Wheatley Homes Glasgow	£55,482 p/a	18/01/2024
14.	12 units: 229 Shawbridge Street	MMR Lease with Wheatley Homes Glasgow	£60,525 p/a	25/01/2024
15.	12 units: 231 Shawbridge Street	MMR Lease with Wheatley Homes Glasgow	£60,525 p/a	01/02/2024
16.	Land at Victory Lane	Site acquisition	£90,000	05/01/2024
			Total £667,658	

Disposals

None

Report

To: Wheatley Housing Group Board

By: Pauline Turnock, Group Director of Finance

Approved by: Steven Henderson, Group Chief Executive

Subject: Risk Management update

Date of Meeting: 20 June 2024

1. Purpose

- 1.1 This report asks the Board to:
- Note the summary of risk management activity during 2023/24;
 - Approve the draft Risk Management Policy to the Group Board; and
 - Approve the proposed changes to the Strategic Risk Register.

2. Authorising and strategic context

- 2.1 In accordance with its Terms of Reference, the Group Audit Committee is responsible for “monitoring, reviewing and advising the Group Board on the overall risk assessment and management system within the Group”.
- 2.2 The Group Audit Committee on 15 May 2024 recommended the changes being proposed below to the Strategic Risk Register and the updated Group Risk Management Policy for approval by the Group Board. Further to the Group Audit Committee, two further changes are being proposed. These are detailed in paragraph 4.5. This report summarises the latest position in relation to the Strategic Risk Register, for approval by the Board. It also proposes changes to the Risk Management Policy, for Board members to approve.

3. Background

- 3.1 As part of the Risk Management Approach, an annual Risk Management Report is prepared, summarising the Group’s key risk management activities during 2023/24.
- 3.2 The Group’s Risk Management Policy has been reviewed during a scheduled triennial review. Committee members are asked to consider proposed changes as part of the remit to review “the overall risk assessment and management system within the Group”.
- 3.3 In addition, this paper gives an overview of the Group’s current risk position. As set out in the Group Risk Management approach, this update focuses on risks to bring to the attention of the Board.

- 3.4 This includes risks in the following categories:
- A. Risks outwith risk appetite;
 - B. Risks with a residual risk score of 12 or more or an inherent risk score of 20 or more, about which the Board has not received an update in the last 6 months; and
 - C. Risks highlighted for consideration, including 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

Risk Management Activities 2023/24

- 4.1 The Internal Audit team has facilitated the following activities during the current financial year:
- **Board risk workshops:** During May and June 2024, risk workshops were held with all subsidiary Boards to review Risk Appetite Statements and Corporate Risk Registers;
 - **DMT risk workshops:** The internal audit team facilitated risk workshops for each DMT during the year. The team also ran four risk workshops with local management teams, to explain the Group’s risk management framework and use of Pentana (the Group’s risk management system);
 - **Fraud risk review:** The internal audit team has incorporated the previously separate fraud risk register into the Group Risk Profile held in Pentana. All fraud risks have been updated as part of the most recent review of all Group risks and an update fraud risk heatmap has been developed. The review highlighted some areas of duplication with other risks in the Group Risk Profile which have now been removed;
 - **Training:** The internal audit team has discussed the Group’s approach to risk management at quarterly meetings with Group Directors and Directors throughout the year, including specific discussions about fraud risks with reminders of the importance of discussing such matters with their local teams. We also ran a training session on risk management with the Lowther management team and the Business Improvement team.

Group Risk Management Policy

- 4.2 This policy has been updated following a scheduled triennial review. There are minor changes being proposed; these are set out below:
- The format of the policy has been updated to follow the Group’s current policy template. The new format includes sections to highlight the policy scope and training, as well as review and monitoring arrangements. The content of these sections has been taken from the existing policy; and
 - The frequency with which risk owners are asked to review risks has been amended from “quarterly” to “at least biannually”, to reflect the current approach. The change in frequency was agreed by the Group Audit Committee Chair and the Group Board Chair during 2023/24 following feedback from Board members and senior management.

- 4.3 The full policy, which highlights proposed changes in red text, is attached at Appendix 2. The Board is asked to approve the proposed changes to the Policy; which will then be published on our website.

Strategic Risk Register

- 4.4 The Group's risk management approach requires that the full Strategic Risk Register should be reviewed by the Group Audit Committee and the Group Board annually. Accordingly, the full risk register is available for review at Appendix 1.

- 4.5 As detailed above, further to the Group Audit Committee, two further changes are being proposed. They relate to:-

Risk 010 – Group Credit Rating : in light of our recent credit rating, the residual risk has been revised and is now within risk appetite.

RISK 004 - Delayed investment in our assets : propose that the title of this risk is changed to “Ability to achieve Scottish Government legislative requirements for energy efficiency in our homes (linked to grant funding)”

- 4.6 The chart below shows all risks within the Strategic Risk Register. The chart and the full risk register at Appendix 1 are colour-coded as follows:

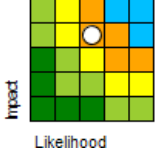
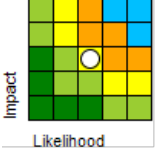
- Red font – risks highlighted for Member consideration (as set out in paragraph 3.4) and discussed further below;
- Purple font – risks with a high residual risk or inherent risk score where Boards have received an update on the operation of the controls in the last 6 months; and
- Black font – lower scoring risks that have remained stable within the current period.

Impact	5					
	4		<ul style="list-style-type: none"> • Ability to meet Scottish Government legislative requirements for energy efficiency (A) 	<ul style="list-style-type: none"> • [redacted] • Reduced availability of financial support from S Gov't / Local Gov't • Supply chain disruption (C) 		
	3	<ul style="list-style-type: none"> • Business Continuity • Rent arrears management • New build contractor non-conformance with building standards • Commercial Operations • Customer Satisfaction (tenants) • Fire Safety • Governance Structure • Damp and Mould (C) • Care and support services (C) • Staff recruitment (C) • Staff development and succession planning (C) • Group Credit Rating (C) 	<ul style="list-style-type: none"> • Financial impact of rent control legislation (G) • Laws and Regulations • Impact on our customers of Cost-of-Living crisis • Fire Event (A) • Compliance with funders requirements • Securing new funding and adverse market changes • Political & Policy changes • Failure to recruit, develop, retain & succession plan (C) • Repairs supply chain disruption (C) • Staff behaviour enables a cyber-attack (C) • Underperformance of main delivery partner (C) 	<ul style="list-style-type: none"> • Climate change impact on Group Assets and Services 		
	2	<ul style="list-style-type: none"> • Non achievement of cost savings within the business plan 	<ul style="list-style-type: none"> • Implementation of partnership promises (G) • Non-achievement of sustainability targets 			
	1					
		1	2	3	4	5
						Likelihood

4.7 The remainder of this section provides additional commentary on those risks highlighted in red font. Details of risks proposed for deletion are contained in section C below.

A - Risks outwith risk appetite

4.8 There are four risks with a residual risk score that is greater than the approved risk appetite. These are set out in the table below:

Risk	Residual Risk Score	Risk Appetite Level	Commentary
[redacted]			
[redacted]			
<p>RISK 004: Ability to meet Scottish Government legislative requirements for energy efficiency (NEW RISK)</p>		Cautious	<p>Scottish Government are currently consulting on a revision to the energy efficiency targets for social housing with a view to updating legislative requirements for social landlords. While our assets remain in good condition and deliver a high level of customer satisfaction, there is a risk that the level of grant funding available will be insufficient to meet the Standard in line with timelines set out in the forthcoming legislation. To address this we are taking steps to increase available resources for asset investment through business planning with a focus on investment in areas that matter most for customers and our business through the development of our asset management strategy and related asset investment plans.</p>
<p>RISK 089 – Fire Event</p>		Minimal	<p>This is focused 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. Despite best efforts we cannot eliminate all risk of accidental dwelling fires. We have reduced these year on year through proactive engagement with our customers but we will continue to experience accidental dwelling fires due to the actions of customers.</p>

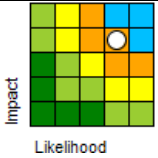
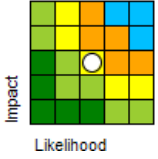
4.9 The implementation of any identified actions will be monitored and residual risk scores will be reviewed as part of the scheduled quarterly review of all risks.

B – High scoring risks with controls due for review

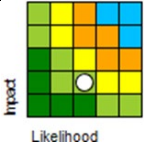
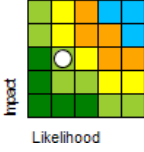
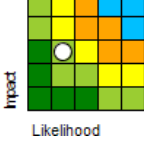
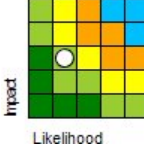
4.10 There are no risks with a residual risk score that is greater than the 12, or an inherent risk score of 20 or more, for which the Board has not received an update on the operation of the controls in the last 6 months.

C - Horizon Scanning

4.11 As part of the review eight new risks have been identified for inclusion in the Strategic Risk Register and five have been proposed for deletion. Six of these proposed new risks will replace aspects of three high-level risks proposed for deletion. Additionally, the scoring of two existing risks which were previously above risk appetite have been reduced, as shown below.

Risk	Residual Risk Score	Risk Appetite Level	Commentary
[redacted]			
[redacted]			
RISK018 – Supply Chain Disruption (PROPOSED FOR DELETION)		Open	Following a full review of the risk profile it is proposed that this overarching risk is split into specific areas of supply chain disruption risk as follows: <ul style="list-style-type: none"> ▪ New Build supply chain risk is covered by existing risks on the WDSL Board risk register; ▪ Care supply chain risk is covered by an existing risk on the Wheatley Care Board risk register; ▪ General supply chain risk is covered by an existing operational risk regarding Contract Management activity. ▪ It is proposed a new risk is added to cover Repairs and Investment supply chain risk as set out below. Monitoring these risks separately will enable better assessment of the differing risk impacts and controls in place.
RISK 018- Repairs Supply chain disruption (NEW RISK)		Open	As above, it is proposed this risk is added to specifically focus on the risk of supply chain disruption which impacts on repairs activity, including delays to supply deliveries, increased costs of supplies, or supplier business failure.

Risk		Risk Appetite Level	Commentary
RISK 015- Failure to recruit, develop, retain and succession plan (PROPOSED FOR DELETION)		Hungry	<p>Following a full review of the risk profile it is proposed that this overarching risk is split into specific areas of risk as follows:</p> <ul style="list-style-type: none"> It is proposed that two new risks are added to cover: (i) Senior staff recruitment; and (ii) Staff development and succession planning; as set out below. Staff retention is covered by an existing risk 'Staff Satisfaction' which will continue to be monitored operationally. <p>Monitoring these risks separately will enable better assessment of the differing risk impacts and controls in place.</p>
RISK 031 Senior staff recruitment (NEW RISK)		Hungry	<p>As above, it is proposed this risk is added to specifically focus on the risk that the Group cannot attract candidates for senior roles with the desired qualities, skills or experience.</p>
RISK 032 Staff development and succession planning (NEW RISK)		Hungry	<p>As above, it is proposed this risk is added to specifically focus on the risk that the Group fails to succession plan and develop staff to fill business critical roles.</p>
RISK 100- Underperformance of main delivery partner (NEW RISK)		Open	<p>It is proposed this new risk is added to capture the risk that Wheatley's main delivery partner in the West (CBG) is unable to deliver as expected and fails to deliver WH-G, Loretto and Lowther's annual investment plans and repairs targets.</p>
RISK 022- Financial impact of rent control legislation (PROPOSED FOR DELETION)		Cautious	<p>Propose this risk is deleted as it is no longer required. While there is still significant uncertainty for the Private rented sector, the Lowther Boards will retain its own risk regarding the impact of longer-term rent reform legislation.</p>

Risk		Risk Appetite Level	Commentary
RISK 020- Implementation of partnership promises (PROPOSED FOR DELETION)		Minimal	Propose this risk is deleted as it is no longer required.
RISK 053: Damp and Mould (REDUCED RISK SCORE)		Minimal	This risk was previously above risk appetite with a residual score of 12, but the impact and likelihood scores have been reduced to reflect that planned mitigations have been implemented, including training all staff who visit customer homes to recognise signs of damp and mould. The risk is now within appetite.
RISK005 – Care and support services (REDUCED RISK SCORE)		Minimal	This risk was previously above risk appetite with a residual score of 9, but the likelihood score has been reduced to reflect updated controls in place. The risk is now within appetite.
RISK010 – Group Credit rating (REDUCED RISK SCORE)		Minimal	Following the most recent credit rating result, received in late May 2024, the residual risk score has been revised to reduce the likelihood score from 3 to 2. This means the risk is now within risk appetite.

4.12 The Group Audit Committee discussed whether an additional risk in relation to the loss of customer data should be included in the Strategic Risk Register. Management has reviewed existing risks and confirmed that 4 risks currently within the Strategic Risk register relate to loss of customer data, as shown below. In addition, there are a further 6 risks within operational risk registers that relate to team-specific data protection risks. It is proposed that no further risks are added to the Strategic Risk Register at this time.

- RISK016: Laws and Regulations – this risk specifically mentions the Data Protection Act as a key piece of legislation with which the Group must comply;
- [redacted]

4.13 The Board is asked to consider whether any changes should be made to the Strategic Risk Register, or if any matters discussed elsewhere during the 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 Strategic Risk Register, as outlined in this paper is designed to provide assurance on the controls in place to manage strategic 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 report summarises key risk activities completed during 2023/24. It also highlights proposed changes to the Risk Management Policy for Board approval.

12.2 The report also sets out the full Strategic Risk Register, and summarises the results of management's most recent review, which has resulted in the identification of four risks that are outwith risk appetite. Fifteen changes have been highlighted for the Board's attention and approval.

13. Recommendations

13.1 The Board is asked to:

- 1) Note the content of this report; and
- 2) Approve the changes to the Group Risk Management Policy and the Strategic Risk Register.

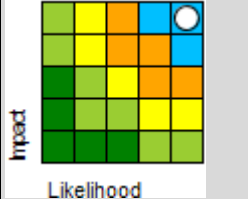
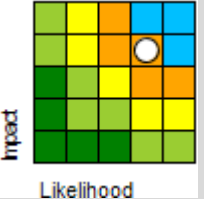
LIST OF APPENDICES:

Appendix 1: Wheatley Group Strategic Risk Register

Appendix 2: [redacted] available [here](#)

Appendix 1 – Wheatley Group Strategic Risk Register (with proposed changes)

RISK 019 Cyber Security – *C: Proposed for deletion to be replaced by 3 new specific risks 019.1, 019.2 and 019.3*

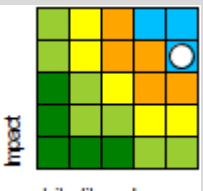

Strategic Outcome	Evolving digital platforms to support our activities	Risk type	Compliance: Legal/Regulatory	Risk owner	Group Director of Governance & Business Solutions
Description		Controls			
<p>There is a risk that the Group is subject to a cyber-attack due to a failure of the Group's cyber security arrangements such as: - staff not aware of policies and procedures; - technology is out of date; or - inadequate management of end-of-life services; resulting in an inability to deliver services, and potential financial loss.</p>		<p>IT cyber security live tests undertaken and results reported to ET and Group Board. Group IT has an information and cyber security approach that covers i) overall Information Security Policy for Group, and ii) staff engagement and training across 5 key learning themes. Established processes across key risk areas: Information Security Response / Access Controls / Secure Disposal / Group Data Protection Policy /IT Cloud Services Policy / Vendor Security Assessments. Group IT is externally assessed annually on information security and IT general controls via 3rd party auditors. A Bi-Annual cyber security assessment is conducted by NCC across 20 key control areas. An internal Information Security Working Group has been established within technical teams across Group IT. Biannual cyber security update reported to the Group Audit Committee.</p> <p>We have recently undertaken a self-assessment, supported by our external expert advisors NCC, against the Cyber Essentials standard, which was last updated in April 2023. As part of this the Group Executive team agreed a roadmap towards achieving Cyber Essentials accreditation by the end of 2024. A key focus of this is how we communicate the changes to staff throughout the roadmap.</p>			
Inherent risk	Residual risk	Risk Appetite level:		Previous / Next detailed Board update on operation of controls listed above:	
 <p>Likelihood</p>	 <p>Likelihood</p>	<p>Risk Appetite is MINIMAL (Light Green)</p>		<ul style="list-style-type: none"> • Group Board (stand-alone item on cyber) (February 2023) • Wheatley Solutions (quarterly) – standing item on progress with digital transformation programme (Ongoing) • Board risk workshops (cyber as a risk area) (Spring 2022) • Group Audit Committee (standing biannually cyber update – February 2023) 	

RISK 019.1 F [redacted]


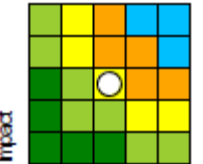
RISK 019.2 F [redacted]

RISK 019.3 F [redacted]

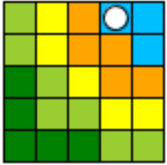
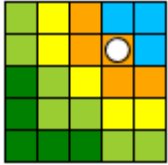
RISK 018 Supply Chain Disruption - C: Proposed for deletion to be replaced by new and existing risks as noted in the table at 4.10

Strategic Outcome	Increasing the supply of new homes	Risk type	Operational Delivery	Risk owner	Group Director of Governance & Business Solutions
Description		Controls			
<p>There is a risk that the Group faces disruption to its supply chain (including delays to supply deliveries, increased costs of supplies, or supplier business failure) due to global events such as the war in Ukraine / Mid East, and manufacturing challenges such as shipping, the UK cost of living crisis and rising inflation, resulting in delays or an inability to deliver operational targets and potential financial loss or reputational damage.</p>		<p>General: Procurement procedures include assessment of suppliers' financial health. Contract and supplier management guidance and e-learning module available. Active use of Contract Management System which contains system generated alerts to flag risk. Proactive monitoring of key suppliers are now monthly checked on Equifax to ensure early warning of financial difficulties is flagged, review if suppliers checked will be agreed by ET. Operational leads continue to have regular contract management meetings as part of contract performance management. Regular engagement with Scottish Government on cost or delay impact as potential issues emerge. In the event of supplier insolvency, procurement frameworks / approved supplier listings would be used to identify alternative suppliers.</p> <p>Repairs Service: Manage stock levels including, where possible, advance purchase of components and materials. Engagement with key suppliers. Specific contingency plans for key services e.g. lifts. Local staff directly employed by CBG, WHE or WHS PS.</p> <p>Investment Programme: Manage stock levels of components and materials. Engagement with key suppliers.</p> <p>New Build: Regular engagement with new build contractors, Equifax reports run monthly on the financial stability of all new build providers and noted key suppliers.. Monitor on a site basis the availability and adequacy of contractor's resource on site – consider increased clerk of works site monitoring to ensure quality of workmanship. The use of mitigations such as performance bonds and the use of retention payments is scheduled for a more detailed review at the WDS strategy workshop in November and recommendations will be made to the Board following this.</p> <p>Operational Supplies: Utilisation of Group and 3rd party frameworks to minimise price increase risk. Engagement with key suppliers on stock levels.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
		Risk Appetite is OPEN (Orange)	Group DevCo - tenders/ programme performance/ Contractor financial exposure. These are standing items at each meeting. (Ongoing) Annual Procurement strategy and policy updates presented to Boards for approval (February 2024) All Boards receive procurement performance, finance and development updates (Ongoing standing items)		

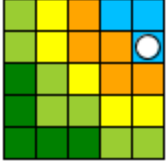
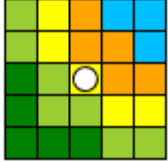
RISK 018 Repairs supply chain disruption – C: New risk

Strategic Outcome	Investing in existing homes and environments	Risk type	Operational Delivery	Risk owner	Group Director of Governance & Business Solutions
Description		Controls			
<p>There is a risk that the Group faces disruption to its Repairs supply chain (including delays to supply deliveries, increased costs of supplies, or supplier business failure) due to global events such as the war in Ukraine / Mid East, and manufacturing challenges such as shipping, the UK cost of living crisis and rising inflation, resulting in delays or an inability to deliver operational targets and potential financial loss or reputational damage.</p>		<p>Utilisation of Group and 3rd party frameworks to minimise price increase risk. Procurement procedures include assessment of suppliers' financial health. Active use of Contract Management System which contains system generated alerts to flag risk. Manage stock levels including, where possible, advance purchase of components and materials. Engagement with key suppliers on stock levels. Specific contingency plans for key services e.g. lifts. Local staff directly employed by CBG, WHE or WHS PS. Identified lead for Repairs monitors supply chain materials contract. In the event of supplier insolvency, procurement frameworks / approved supplier listings would be used to identify alternative suppliers.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
 <p>Likelihood</p>	 <p>Likelihood</p>	<p>Risk Appetite is OPEN (Orange)</p>	<p>Group DevCo - tenders/ programme performance/ Contractor financial exposure. These are standing items at each meeting. (Ongoing) Annual Procurement strategy and policy updates presented to Boards for approval (February 2024) All Boards receive procurement performance, finance and development updates (Ongoing standing items)</p>		

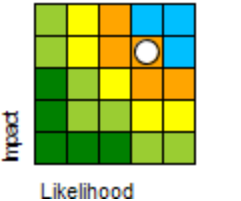
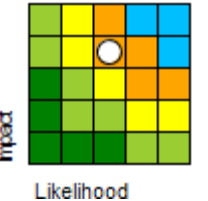
RISK 021 Reduced availability of financial support from Scottish Government and / or local government

Strategic Outcome	Raising the funding to support our ambitions	Risk type	Financial or VFM	Risk owner	Group Director of Finance
Description		Controls			
<p>There is a risk that without sufficient Scottish Government financial support we may be unable to deliver Scottish Government targets in relation to the development of new homes and energy efficiency. Inflation will also impact on the Scottish Government and / or local authority financial support available for new build targets resulting in an inability to deliver strategic outcomes. This is compounded by the impact of increased inflation on the funding available and the costs of required work.</p>		<p>Wheatley Group staff are meeting with Scottish Government representatives regularly to proactively present the case for housing investment to Ministers and senior officials directly and through our representative bodies SFHA and CIH. This includes participating in the Scottish Government review of grant availability. We are participants in the SG Housing Investment Taskforce. A Green Investment Plan proposal has been developed and will form the basis of direct discussions with the Scottish Government. We have set up a Pathway to Net Zero Group, drawing on independent experts, to support our thinking in this area. Their work will potentially strengthen our proposals to government and support us identifying innovative ways to achieve likely SHNZS targets. Financial scenario planning in place to understand potential impact on our investment programme under a variety of grant scenarios.</p>			
Inherent risk	Residual risk	Risk Appetite level:		Previous / Next detailed Board update on operation of controls listed above:	
 <p>Likelihood</p>	 <p>Likelihood</p>	<p>Risk Appetite is OPEN (Orange)</p>		<p>Group Board (Group Business Plan Financial Projections) (Feb 24) Group Board (5-Year Development Plan) (Mar 24) Group Board (Asset Management Strategy Jan 24)</p>	

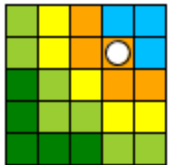
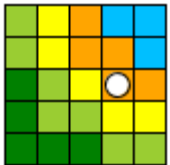
RISK 001 Impact on our customers of the cost of living crisis

Strategic Outcome	Supporting economic resilience in our communities	Risk type	Operational	Risk owner	Group Director of Communities
Description		Controls			
<p>There is a risk that the impact of reductions in Local Authority services during the cost-of-living crisis leaves the Group unable to meet increased levels of demand for wrap-around and / or Wheatley Foundation services, and therefore unable to deliver its strategic outcome to support economic resilience for all customers in need.</p>		<p>Monthly performance meetings, reviewing project activity/demand against available budget. Monitoring of business information from across Group to identify emerging customer/community issues. Regular liaison meetings with stakeholders and funders. Monthly "External Funding Opportunities" meeting – Foundation staff. Development of ALISS to signpost customer to additional support. Performance/Budget updates provided quarterly to Foundation Board. Monthly "Helping Hands" rent support updates provided to MDs.</p>			
Inherent risk	Residual risk	Risk Appetite level:		Previous / Next detailed Board update on operation of controls listed above:	
 <p>Impact</p> <p>Likelihood</p>	 <p>Impact</p> <p>Likelihood</p>	<p>Risk Appetite is OPEN (Orange)</p>		<p>Group Board paper on 2024/25 rent setting (February 2024) Group Board paper on Group Business Plans Financial Projections (February 2024) Strategy session/ annual report to Foundation Board to review priorities and ensure responding to customer priorities (May 2024) Performance/Budget updates provided quarterly to Foundation Board.</p>	

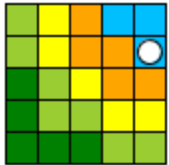
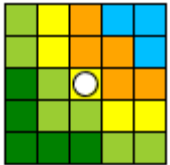
RISK 004 Ability to meet Scottish Government legislative requirements for energy efficiency - A: New risk which is above risk appetite

Strategic Outcome	Investing in existing homes and environments	Risk type	Financial/VFM	Risk owner	Group Director of Repairs and Assets
Description		Controls			
<p>There is a risk that the combined impact of several years of high inflation and increasing regulatory / statutory compliance requirements results in assets which require significant investment in order to meet required standards and expectations.</p>		<p>5-year business plan is reviewed annually 6 months in advance. Plan is developed through consultation with LHDs and after consideration of external regulations and environment. Group Asset strategy and subsidiary asset strategy workshop have taken/due to take place to agree investment approach and priorities which will inform future investment plans. The Group has developed a flexible approach to the rent consultation informed through our Stronger Voices group so that customers can provide their views in a way that is easiest for them. The Finance team has reviewed financial plans against a variety of assumptions and will continue to review business plans as additional information becomes available. Group Board approves the Business Plan, including key assumptions.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
		<p>Risk Appetite is CAUTIOUS (Yellow)</p>	<p>Group Board asset strategy workshop (January 2024) RSL Boards and the Group Boards were consulted on rent setting, including implications for asset investment plans in February 2024 as part of annual rent-setting cycle. All Boards receive an update on financial performance at each meeting.</p>		



RISK 023 Climate change impact on Group customers, assets and services

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			
<p>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.</p>		<p>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). Group works in line with National Planning requirements, including the use of SEPA flood risk maps to assess New Build locations. Asset Management Strategy will ensure future investment maintains and improves condition of our asset including to mitigate any climate change related risks.</p>			
Inherent risk	Residual risk	Risk Appetite level:		Previous / Next detailed Board update on operation of controls listed above:	
 <p>Likelihood</p>	 <p>Likelihood</p>	<p>Risk Appetite is OPEN (Orange)</p>		<p>Group Boards – the asset strategy workshop in January 24, and subsequent asset management planning, considered approach to sustainability related investment. All Boards provided an update on the Action Plan and work undertaken through the CoE (Sept 23) Sustainability update planned for Group Board in June 24.</p>	

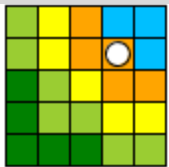
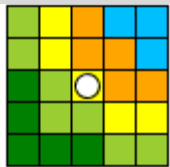
RISK 016 Laws and Regulations

Strategic Outcome	Progressing from Excellent to Outstanding		Risk type	Compliance: Legal/Regulatory	Risk owner	Group Director of Governance & Business Solutions
Description			Controls			
<p>Non-compliance with statutory laws and regulations, including but not limited to:</p> <ul style="list-style-type: none"> • Scottish Housing Regulator and Care Inspectorate regulations, • Financial Conduct Authority (FCA) regulations, • compliance with Health and Safety Building Regulations • Freedom of Information (Scotland) Act, and • General Data Protection Regulations, and • OSCR, the Scottish Charities Regulator, <p>resulting in adverse feedback and loss in confidence from regulators, funders, customers and potential partners, as well as potential fines and penalties.</p>			<p>A Group-wide annual assurance review is carried out against the SHR's regulatory framework. We introduced a similar approach for Wheatley Care and Lowther Homes within the Group during 2022-23. These help to ensure we meet the requirements of the SHR, OSCR, Care Inspectorate and other regulatory entities.</p> <p>Qualified personnel undertaking capital improvement works, as well as suitable sign off and compliance checks of new installations (e.g. external wall coverings), to ensure these meet relevant building standards. Stock condition surveys are carried out by external property surveyors. We also report to the Boards annually on building compliance and on health and safety.</p> <p>The Group has on-going relationship management with Regulator. Changes to existing legislation are identified and implemented by identified responsible officers across the Group.</p> <p>Group wide approach to how the Group manages information. Privacy Impact Statements implemented across the Group.</p> <p>Legislative compliance maps are in place or are currently being developed for all teams, documenting key legislative requirements and the detective controls that have been put in place to confirm ongoing compliance.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:			
 <p>Likelihood</p>	 <p>Likelihood</p>	<p>Risk Appetite is CAUTIOUS (Yellow)</p>	<p>Annual reporting to RSLs, Care and Lowther (Aug-Oct) each year.</p>			

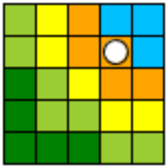
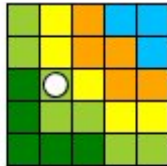
RISK 022 Financial impact of rent control legislation - C: Proposed for deletion

Strategic Outcome	Progressing from Excellent to Outstanding	Risk type	Financial or VFM	Risk owner	Group Director of Finance
Description		Controls			
<p>There is a risk that the Group is required to significantly curtail future planned expenditure as a result of rent controls imposed by the Scottish Government, resulting in reduced spend on the new build programme, reduced capital investment in existing properties, and reduced services to customers, all of which may reduce customer satisfaction.</p>		<p>On rent control legislation, this impacts MMR and PRS (Lowther impact) as social confirmed as fallen away. Consultation on transitional arrangements Jan 2024 with the arrangements to be confirmed. The Lowther Board are due to consider the rent increase within the context of the finalised arrangements at May 2024 boards. We will pick up a discussion as part of business planning in February, but depending on the timing of any SG confirmation we may not have the transitional arrangements confirmed and confirmation that MMR is to be treated like social.</p> <p>The Group has developed a flexible approach to the rent consultation so that customers contribute to the process in a meaningful way.</p> <p>The Finance team has reviewed financial plans against a variety of assumptions and will continue to review business plans as additional information becomes available.</p>			
Inherent risk	Residual risk	Risk Appetite level:		Previous / Next detailed Board update on operation of controls listed above:	
		<p>Risk Appetite is CAUTIOUS (Yellow)</p>		<ul style="list-style-type: none"> • Group Board paper on rent setting approach (November and December 2023) • Group Board paper on 2024/25 rent setting (February 2024) • Group Board paper on Group Business Plans Financial Projections (February 2024) 	

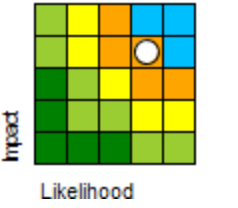
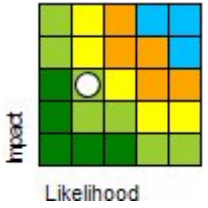
RISK 015 Failure to recruit, develop, retain and succession plan - C: Proposed for deletion to be replaced by new and existing risks as noted in the table at 4.10

Strategic Outcome	W.E. Work – strengthening the skills and agility of our staff	Risk type	Operational Delivery	Risk owner	Group Director of Finance
Description		Controls			
<p>Failure to recruit, develop, retain and succession plan for high quality / qualified staff, resulting in reduced levels of service provision, staff not competent to perform their job to expected standard and achieve strategic objectives.</p>		<p>MyAppraisal process for all staff and integrated with MyAcademy. Training records for all staff and training courses at the Academy and Leadership Development Programme, succession planning and talent management programme. HR policies on recruitment and selection. IGNITE Graduate Programme to bring in new talent across Group RSLs and Wheatley Solutions. Aspiring Leaders/Leading with Impact to support the succession of Executive and senior leadership roles.</p>			
Inherent risk	Residual risk	Risk Appetite level:		Previous / Next detailed Board update on operation of controls listed above:	
 <p>Likelihood</p>	 <p>Likelihood</p>	Risk Appetite is HUNGRY (Blue)		Update will be provided as part of the People Services Annual report to RAAG due in April 24.	

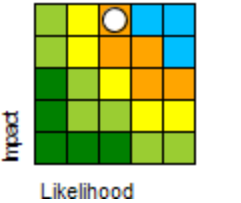
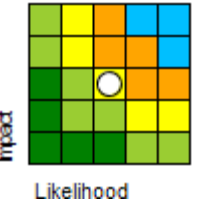
RISK 031 Senior staff recruitment- C: New risk

Strategic Outcome	W.E. Work – strengthening the skills and agility of our staff	Risk type	Operational Delivery	Risk owner	Group Director of Finance
Description		Controls			
<p>The Group cannot attract candidates for senior roles with the desired qualities, skills or experience due to competing demand for staff in the sector, resulting in reduced levels of service provision.</p>		<p>HR policies on recruitment and selection. Leadership Development Programme to bring in new talent across Group RSLs and Wheatley Solutions. Use of specialist recruitment agencies for senior posts. Targeted advertising via CIH/ Inside Housing/ similar publications used to attract professionally trained staff. Benchmarking of starting salaries/benefits offered to ensure these remain sector leading/competitive.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
 <p>Likelihood</p>	 <p>Likelihood</p>	<p>Risk Appetite is HUNGRY (Blue)</p>	<p>RAAG is kept informed of senior recruitment activity.</p>		

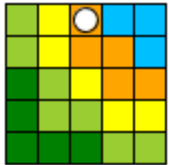
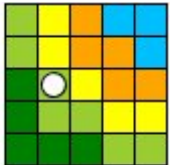
RISK 032 Staff development and succession planning - C: New risk

Strategic Outcome	W.E. Work – strengthening the skills and agility of our staff	Risk type	Operational Delivery	Risk owner	Group Director of Finance
Description		Controls			
<p>Failure to succession plan and develop staff leads to there being a lack of internal talent available with the relevant skills, knowledge and experience to fill business critical roles as required, resulting in a loss of expertise, disruption to operating activity while posts are vacant and additional costs for temporary or new staff joining the Group.</p>		<p>Career Pathways provide opportunities to develop and expand on knowledge and experience. The Workforce Plan. MyAppraisal process for all staff and integrated with MyAcademy. Training records for all staff and training courses at the Academy and Leadership Development Programme, succession planning and talent management programme. Aspiring Leaders/Leading with Impact to support the succession of Executive and senior leadership roles. IGNITE graduate training programme Bursary Programme</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
		<p>Risk Appetite is HUNGRY (Blue)</p>	<p>Update has been provided as part of People Services Annual report to RAAG in April 24.</p>		

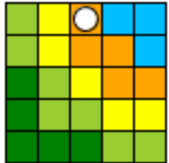
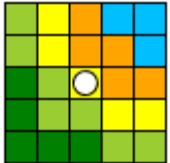
RISK 008 Compliance with funders' requirements

Strategic Outcome	Raising the funding to support our ambitions	Risk type	Financial or VFM	Risk owner	Group Director of Finance
Description		Controls			
<p>There is a risk of defaulting on loan agreements as a result of failing to meet or maintain compliance with loan agreements. This would result in withdrawal of the funding, potential for cross-default on other facilities, difficulty in obtaining future funding from other funders, and would likely result in higher cost of funding.</p>		<p>Regular meetings with funders and investor representatives to update on financial status of the Group. Financial performance monitored monthly and covenant compliance reviewed quarterly by the Group Board, before being submitted externally to funders. Covenant compliance monitoring tool introduced by Finance. Funder legal agreements set out the key dates and requirements. Subsidiary and Group Business Plans are subject to annual updates and review by respective Boards. Additional protection via 'Golden Rules' to produce forward-looking monitoring with headroom against loan covenants. Golden Rules subject to annual board approval, with performance monitored quarterly and any anticipated breaches, requiring board approval.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
		<p>Risk Appetite is OPEN (Orange)</p>	<p>Business plan projections in Feb and Aug. Finance reports, including covenant compliance and Golden Rules, are a standing item for all Boards. (Ongoing) Treasury update reports are presented quarterly to Group and WFL1 Boards. (Quarterly)</p>		

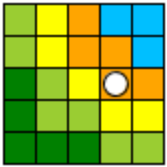
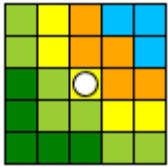
RISK 010 Group Credit Rating – *A: Above risk appetite C: Risk is now within risk appetite*

Strategic Outcome	Maintaining a strong credit rating and managing financial risks	Risk type	Financial or VFM	Risk owner	Group Director of Finance
Description		Controls			
<p>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.</p>		<p>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. We have reduced the specific risk related to the EIB rating requirement with mitigation language in the funding documentation; the legal clauses specifically exclude a downgrade to BBB+ as an Event of Default (thereby avoiding cross-default). Additionally, 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. We maintain strong relationships with other investors/lender relationships in case of unanticipated funding need. Our strong relationship with S&P Global is managed proactively with quarterly meetings and an annual review each April, enabling pre-emptive actions to be taken were required.</p>			
Inherent risk	Residual risk	Risk Appetite level:		Previous / Next detailed Board update on operation of controls listed above:	
 <p>Likelihood</p>	 <p>Likelihood</p>	<p>Risk Appetite is MINIMAL (Light Green)</p>		<p>Business plan projections for all Boards set out how we will maintain financial position (Annually, each February) The Group and WFL1 Boards receive quarterly treasury reports on the current credit market conditions and any credit rating updates. (Quarterly)</p>	

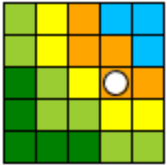
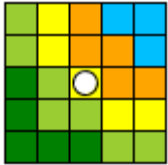
RISK 089 Fire Event- A: Above risk appetite

Strategic Outcome	Developing peaceful and connected neighbourhoods	Risk type	Compliance: Legal/Regulatory	Risk owner	Group Director of Repairs and Assets
Description		Controls			
<p>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.</p>		<p>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 are 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.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
 <p>Likelihood</p>	 <p>Likelihood</p>	<p>Risk Appetite is MINIMAL (Light Green)</p>	<p>Standing item at Group Audit Committee meetings. (Ongoing). Annual report to RSL Boards on Fire Prevention and Mitigation Framework. (May 2024) 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 April 2024 Weekly report of PCRA Outstanding Actions issued to Managing Directors, Locality Housing Directors and Heads of Housing for Action.</p>		

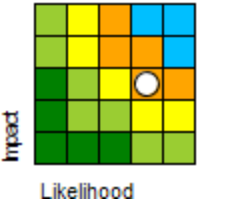
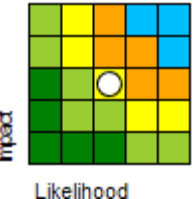
RISK 011 Securing new funding and adverse market changes

Strategic Outcome	Raising the funding to support our ambitions	Risk type	Financial or VFM	Risk owner	Group Director of Finance
Description		Controls			
<p>There is a risk that the Group's ability to raise borrowing at cost-effective rates or raise the funds required to meet our liquidity Golden Rules is limited by wider economic or political conditions such as another banking crisis, rising interest rates, prolonged high inflation, default in the sector, increasing focus on ESG credentials or constitutional changes; resulting in an inability to hold enough cash to meet our commitments or achieve our business objectives.</p>		<p>Our strategy is to diversify financing sources and relationships, providing a range of options for future funding in the event of adverse market changes. Our liquidity Golden Rule is designed to ensure that we have sufficient cash available for two years + 25% contingency, and this rule is re-assessed annually by the Group Board. Compliance is reported to the Group and WFL Boards quarterly.</p> <p>We also review our approach to hedging in respect of interest rate risk on a quarterly basis. We do not borrow in currencies other than sterling to reduce exchange rate risks, including in the event of a potential future change in currency.</p> <p>Annual ESG reporting in place with reports issued alongside the statutory accounts and we maintain a Sustainability Financing Framework which is accredited by S&P. Group Board receive quarterly updates within the Treasury paper of any fundraising activity.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
 <p>Likelihood</p>	 <p>Likelihood</p>	<p>Risk Appetite is OPEN (Orange)</p>	<p>Treasury management update to WFL1/Board every quarter, which includes update on market conditions. (Ongoing)</p> <p>Business Plan Financial Projections reported to Group Board (Annually, February)</p> <p>Annual Sustainability Report (Annually, August)</p> <p>Funding Strategy to be discussed at Group Board (June 2024 residential)</p>		

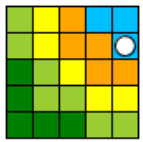
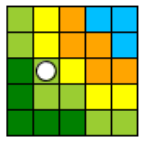
RISK 014 Political and Policy changes

Strategic Outcome	Influencing locally and nationally to benefit our communities	Risk type	Reputation and Credibility	Risk owner	Group Director of Governance & Business Solutions; Group CEO
Description		Controls			
<p>The risk that political and policy changes (within Scotland and the UK) affect the ability of Wheatley Housing Group to deliver strategic objectives resulting in significant adverse reputational impact.</p>		<p>The Group has an established approach to stakeholder management. The Group's policy of not building homes for sale also mitigates potential property market risk. We have ongoing engagement with senior officials and policy leads within the Scottish Government and key local Authority partners. We are also part of national policy working groups. We hold Board workshops on key policy areas, including annual strategy workshops and standalone Board/CPD events where required.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
 <p>Impact</p> <p>Likelihood</p>	 <p>Impact</p> <p>Likelihood</p>	<p>Risk Appetite is OPEN (Orange)</p>	<p>Group CEO update to group Board as standing item includes update on political engagements. (Ongoing) Senior political presence at all WH-G Board meetings through GCC drawn appointments. (Ongoing)</p>		

RISK 100 Underperformance of main delivery partner – C: New risk

Strategic Outcome	Investing in existing homes and environments	Risk type	Operational Delivery	Risk owner	Group Director of Repairs and Assets
Description		Controls			
<p>There is a risk that Wheatley’s main delivery partner in the West (CBG) is unable to deliver as expected and fails to deliver WH-G, Loretto and Lowther’s annual investment plans and repairs targets resulting in reputational damage as a result of failing to deliver commitments made to customers.</p>		<p>CBG prepare a 5-year business plan each year. This is informed by workload information provided by both Members and for WHG linked directly through to the WHG financial projections and informs CBG resource and labour planning.</p> <p>The investment plans are routinely monitored in respect of delivery and reports are considered monthly at DMT on the delivery status of the annual programme.</p> <p>Performance in the delivery of the repairs service is also routinely monitored between operational delivery and management teams. WHG and CBG staff are co-located to ensure that this is achieved. Service levels and efficiency are measured against agreed targets and where issues are identified as part of this monitoring, improvement actions are then agreed and their effect monitored.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
		<p>Risk Appetite is OPEN (Orange)</p>	<p>Regular updates to RSL Boards and the Group Board are provided. Most recently an update was provided on Repairs Service delivery and on the service enhancements that are underway in February 2024.</p>		

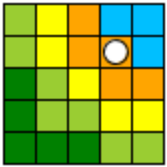
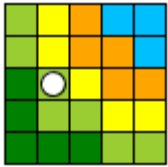
RISK 005 Care and support services – C: Risk is now within risk appetite

Strategic Outcome	Shaping Care Services for the future		Risk type	Compliance: Legal/Regulatory	Risk owner	Group Director of Communities
Description	Controls					
<p>A failure in the care of an individual could result in serious personal harm, leading to risk to life and limb, financial liability and loss of future work due to reputational damage.</p>	<p>These include:</p> <ul style="list-style-type: none"> • 3 yearly cyclical reviews of care operational policy and procedure (or more frequently where error requires further mitigatory instruction). • Annual Self-Assurance demonstrating, through evidence gathering, compliance with legislation, regulation and operational policy. Self-assurance undertaken for 2023/24, and reported to the Care Board demonstrating material compliance. • Monthly performance monitoring cycles demonstrate that incidents are being recorded in-line with the Care OSM and escalated as directed within policy and protocol, this includes, health, wellbeing concerns and adult protection cause for concern. These cycles also allow us to examine complaints, investigations and outcomes. • As per process, financial errors are reported to the Assurance Team to demonstrate that necessary enquiries/investigations have taken place with mitigating controls put in place. • Care and support services governance arrangements, including the authorising environment, are clear and have been approved, including the Care Business Framework that ensures that financial viability does not compromise quality of care. • The Care Quality Framework is being implemented through systems of audit that provide quality assurance within service delivery, prompting swift improvements where necessary. • Customer sentiment surveys are deployed annually to seek formal feedback on customer satisfaction with the service they receive. • The Care Inspectorate conduct inspections either annually or ever 2 years producing reports that evidence outcomes from inspection (which includes monitoring the results from Care Inspectorate service visits and Group Assurance inspections) in place which assesses the quality of care and adherence to Care policies and procedures across Group. • The Protecting People Policy Framework sets out arrangement for protecting the people we work for, including those considered to be vulnerable. Work to deliver against the Framework is reported to the Wheatley Care Board. • Mandatory and service specific training is in place to give staff the knowledge to identify additional support needs in relation to the people we work for. A training needs analysis is completed for each service annually to identify any additional training requirements in relation to the specific needs of people using that service. Dynamic risk assessments are completed for service users where risk has been identified and revisited on an ongoing basis to ensure the care and support arrangements in place continue to meet their needs. • The BCP and local Service Contingency Plans are invoked where necessary and remain updated to ensure that priority frameworks inform the scheduling of care to the most vulnerable customers. • Care Strategic Review Project proposes improvements to data gathering that enhances reputation and credibility, with a sound evidence base. 					
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:			
 <p>Likelihood</p>	 <p>Likelihood</p>	<p>Risk Appetite is MINIMAL (Light Green)</p>	<p>Care business plan and ongoing care performance reporting to Group and Wheatley Care Board (minimum quarterly) Care Self-Assurance to Care Board (October 2023) Strategic Care Review Update paper to Care Board (June 2023 / October 2023) Strategic Care Review Update paper to Group Board (November 2023)</p>			

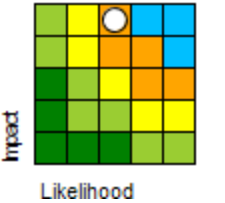
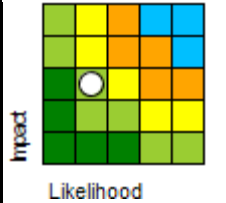
RISK 012 Business Continuity

Strategic Outcome	Progressing from Excellent to Outstanding	Risk type	Operational Delivery	Risk owner	Group Director of Repairs and Assets
Description		Controls			
<p>The Wheatley Housing Group does not have adequate or tested Business Continuity / Disaster Recovery Plans in place for key business activities and may rely on the provision of technology provided by third parties (for example: repairs service, care provision/staff cover, customer payment systems/technology, CFC telephony), resulting in significant disruption to service and avoidable reputational damage.</p>		<p>Business Continuity Plans are in place across all business areas. A business continuity steering group oversees the collating, reviewing and designing the Group's Business Continuity Plans.</p> <p>The business continuity framework and Business Continuity Policy are now embedded across the Group and in all business areas, in line with the Group's new business operating model and in light of experience through the COVID-19 pandemic.</p> <p>Regular testing and exercising of the Business Continuity Plans will continue to be implemented across all business areas.</p> <p>We have further developed a Business Continuity Teams Channel where, regular updates, events and incidents on BC Planning are pushed out regularly to all Business Continuity Co-ordinators.</p> <p>Winter Readiness Plans have been developed to ensure there is a collaborative approach to business interruption across this period where we may experience more adverse weather. Crisis Management Plan remains in place and is reviewed prior to the festive period every year in line with our Winter Readiness Plans.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
		Risk Appetite is OPEN (Orange)	Disaster Recovery arrangements included in paper to Wheatley Solutions Board – Digital Transformation Programme Update (Feb 23)		

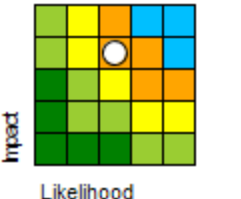
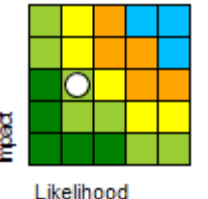
RISK 053 Damp and Mould – C: Risk is now within risk appetite

Strategic Outcome	Investing in existing homes and environments	Risk type	Compliance - Legal / Regulatory	Risk owner	Group Director of Repairs and Assets
Description		Controls			
<p>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.</p>	<p>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 is 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) and have been supported with training and guidance on the identification and reporting of damp and mould. 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.</p> <p>Planned controls All staff with reason to visit customer homes have been provided with training to help recognise signs of damp and mould as part of a See It, Report It campaign. This also includes CBG trades operatives. The effect of this should be that the likelihood of any unreported cases of damp and mould should be reduced and also the likelihood of any severe cases should also reduce given the time these would take to develop to that stage. A pilot exercise to test environmental sensors in a small number of properties is underway and the findings of this continue to be monitored and 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.</p>				
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
 <p>Likelihood</p>	 <p>Likelihood</p>	<p>Risk appetite is MINIMAL (Light Green)</p>	<p>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. Damp and Mould measures included in regular performance reporting to RSL and Group Boards (February 2024)</p>		

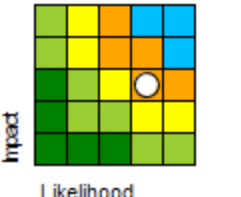
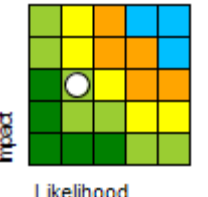
RISK 003 Fire Safety

Strategic Outcome Investing in existing homes and environments		Risk type	Compliance: Legal/Regulatory	Risk owner	Group Director of Repairs and Assets
Description		Controls			
<p>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</p>		<p>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.</p> <p>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.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
		<p>Risk Appetite is MINIMAL (Light Green)</p>	<p>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)</p>		


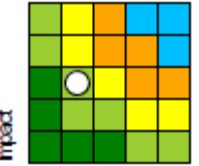
RISK 006 Customer Satisfaction (tenants)

Strategic Outcome	Enabling customers to lead	Risk type	Reputation and Credibility	Risk owner	Group Director of Housing & Property Management
Description		Controls			
<p>Group service failures or Local Authority service cuts cause our customers to feel that our homes and services do not meet their needs and/or the standards they expect, leading to declining customer satisfaction.</p>		<p>Customer service excellence is a key element of 2021-26 strategy. We use a variety of methods to continuously monitor customer feedback and satisfaction including:</p> <ul style="list-style-type: none"> • My Voice • Book it track it rate it • Customer Voice panels • Group Scrutiny panel • Customer focus groups • Annual Customer satisfaction survey • Postal surveys • Learning from complaints <p>This information helps us understand customer views and informs our delivery and investment plans every year. This will be augmented by a range of new approaches to improve satisfaction among particular target groups such as young families. The new performance management framework will also include a stronger focus on measuring drivers of customer value in our key services.</p> <p>Housing officer patch sizes of 1:250 (1:200 in WH-S) allow housing staff to deliver personalised services under the ThinkYes approach.</p> <p>1-2-1 meetings with Housing Officers to identify and address any operational issues or staff performance issues.</p> <p>Communications plans used to keep customers informed of key service information and manage expectations.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
		<p>Risk Appetite is OPEN (Orange)</p>	<p>Quarterly performance reports include details on complaints received from tenants. (Ongoing) Bi-annual customer insight report to RSL Boards.</p>		

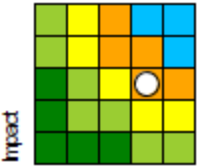
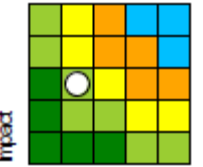
RISK 007 Rent Arrears management

Strategic Outcome	Enabling Customers to Lead	Risk type	Financial or VFM	Risk owner	Group Director of Housing & Property Management
Description		Controls			
<p>There is a risk that the Group does not collect expected levels of income, caused by arrears management processes not being implemented effectively, resulting in financial loss for the Group and negative impacts for customers, with increasing financial hardship. This includes processes put in place to support tenants during the continued migration to universal credit.</p>		<p>Our small housing patch sizes provide a key mitigation, allowing staff to work proactively with customers before their debts become unmanageable. Joint working with Wheatley Foundation colleagues to deliver our full range of wrap around services to help customers sustain their tenancy and address issues of debt and financial exclusion. The Here For You fund is also available to support customers who are struggling and this has been extended into 2023/2024. Performance against key indicators is monitored closely at Local, SLT, DMT and ET performance meetings including close scrutiny of overall performance in relation to gross debit and top quartile benchmarks. The Rents Matters Toolkit is regularly updated and was refreshed in 2023, with training delivered for all staff. The toolkit is available for staff on WeConnect and supported by Business Improvement Teams. Our annual rent campaign mitigates against Christmas spike in arrears. Universal Credit managed migration approach has been developed, including a comprehensive staff and customer communication plan and staff training. Comprehensive UC action plan in place and implemented with RSL presence on UC Subgroup of Rents COE. Group Rents COE monitors performance and action plan includes delivery of Group Rent and Income Framework. The Group business plan also contains a significant buffer within its assumptions for risk in relation to bad debts and rent arrears. In addition, arrears performance is reviewed by Boards.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
		<p>Risk Appetite is OPEN (Orange)</p>	<p>The Group, RSL and Lowther Boards consider this on a quarterly basis through performance report. (Ongoing) RSL/Lowther Five-year financial projections and management accounts. (Ongoing) Income update to all RSL Boards November 2023, including rent campaign and managed migration approach.</p>		


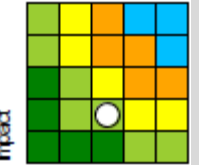
RISK 009 Governance Structure

Strategic Outcome	W.E. Work- strengthening the skills and agility of our staff	Risk type	Compliance: Legal/Regulatory	Risk owner	Group Director of Governance & Business Solutions; Group CEO
Description		Controls			
<p>The governance arrangements are not clearly defined, are overly complex and lack appropriate skills at Board and Committee levels to govern the Group effectively. Failure of corporate governance arrangements could lead to serious service and financial failures.</p>		<p>We carry out an annual assurance review and complete an Annual Assurance Statement each year. This is reviewed by the Assurance Team and by external consultants every three-years. Formal succession planning for Board members is in place. Governance arrangements regularly reviewed by the Scottish Housing Regulator, external consultants, internal and external audit functions. A Board induction and CPD programme helps us to ensure that Board members are equipped with the skills to govern our business.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
 <p>Likelihood</p>	 <p>Likelihood</p>	<p>Risk Appetite is CAUTIOUS (Yellow)</p>	<p>Our Boards receive regular reports that cover succession planning, skills and Board appraisal. RAAG receives regular updates on succession planning. (Ongoing)</p>		

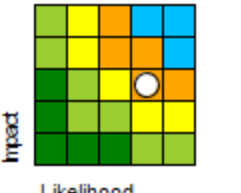
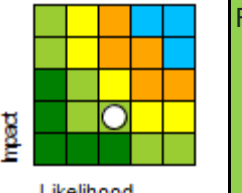
RISK 013 Commercial Operations

Strategic Outcome	Supporting economic resilience in our communities	Risk type	Financial or VFM	Risk owner	Group Director of Housing & Property Management
Description		Controls			
<p>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.</p>		<p>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.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
 <p>Likelihood</p>	 <p>Likelihood</p>	<p>Risk Appetite is OPEN (Orange)</p>	<p>Lowther business plan report. (Annually in February) Finance reports are a standing item at all Board meetings, which highlight any variances against projected financial growth to allow necessary intervention. (Ongoing)</p>		

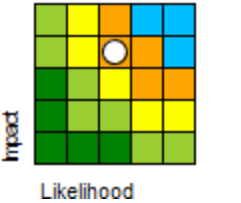
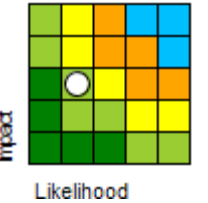
RISK 020 Implementation of partnership promises – C: Proposed for deletion

Strategic Outcome	Progressing from Excellent to Outstanding	Risk type	Reputation and Credibility	Risk owner	Group Director of Governance & Business Solutions; Group CEO
Description		Controls			
<p>We may fail to deliver the tenant promises made in the DGHP, Cube and WLHP ballots, including achieving compliance with regulatory standards (such as the Scottish Housing Quality Standard). This could lead to increased regulatory scrutiny, as well as falling customer satisfaction due to failure to deliver on promises made.</p>		<p>The WLHP, WH South and Cube implementation plans have now been mainstreamed into the Group's strategy and are included with the Group's performance framework. WH South Strategic Projects are reported quarterly to Board.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
 <p>Likelihood</p>	 <p>Likelihood</p>	<p>Risk Appetite is MINIMAL (Light Green)</p>	<p>Annual WH South Board strategy workshops (May 2023).</p>		

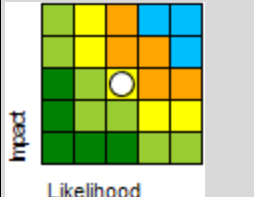
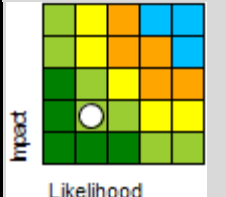
RISK 137 Non-achievement of sustainability targets

Strategic Outcome	Setting the benchmark for sustainability and reducing carbon footprint	Risk type	Reputation and Credibility	Risk owner	Group Director of Repairs and Assets
Description		Controls			
<p>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.</p>		<p>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, and our asset strategy includes an assessment of the likely requirements of the new Social Housing Net zero Standard which is currently being consulted on by Scottish Government. A EESSH 2 plan is under development, and Wwe 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, although we will explore this if following assessment this is found to be the best option including in terms of sustainability impact.</p> <p>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.</p> <p>In addition to ESG reporting, increased public messaging around our work in relation to climate change is ongoing and we have developed and are implementing a group sustainability strategy.</p> <p>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.</p>			
Inherent risk	Residual risk	Risk Appetite level:		Previous / Next detailed Board update on operation of controls listed above:	
		<p>Risk Appetite is OPEN (Orange)</p>		<p>All Boards – business plan including detailed 5-year capital investment plan and climate impact (Annually in February) Annual Sustainability Report (June 24) Sustainability update report to all Boards (Annually in September)</p>	

RISK 204 New Build contractor non-compliance with building standards

Strategic Outcome	Increasing the supply of new homes	Risk type	Compliance: Legislative/Regulatory	Risk owner	Group Director of Repairs and Assets
Description		Controls			
<p>There is a risk that a supplier provides properties that do not meet required build quality, including building standards, which leads to additional project cost, properties that are not fit for habitation, reputational risks or potential harm to tenants.</p>		<p>Clerk of Works monitoring quality of work produced Employers agent employed to manage the construction contract. Proactive contract management and regular contractor engagement. Suppliers selected from procurement framework. Revised Development Team Structure enhances focus on quality and construction.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
		<p>Risk Appetite is MINIMAL (Light Green)</p>	<p>Project monitoring and contractor engagement update including updated financial assessment provided to each meeting of the Wheatley Development Scotland Board</p>		

RISK 203 Non-achievement of cost savings within the business plan- C: Proposed for removal

Strategic Outcome	Maintaining a strong credit rating and managing financial risk	Risk type	Financial or VFM	Risk owner	Group Director of Finance
Description		Controls			
<p>There is a risk that assumptions about cost efficiency targets contained in the business plan are not realised, creating a budget shortfall and resulting in a requirement to implement contingency cost savings plans and / or creating an adverse financial position.</p>		<p>Scenario planning in business plan modelling . Mitigations in Financial Plan that highlight areas where Group could save money if required. Capacity built into financial projections to provide a buffer against the covenants by using Golden Rules. Group Board approves the Business Plan, including key assumptions. Budget management procedures include monthly meetings with budget holders to review actual spend against budget. Detailed implementation plans in place to support the achievement of the planned efficiencies. VFM group re-established to ensure cost efficiencies are achieved across the Group. Collaboration between Finance and ER about utilisation of ER/VR plans and savings to be achieved.</p>			
Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:		
		Risk Appetite is MINIMAL (Light green)	Financial Performance reported to Group and Subsidiary Boards (every meeting).		

Report

To: Wheatley Housing Group Board

By: Pauline Turnock, Group Director of Finance

Approved by: Steven Henderson, Group Chief Executive

Subject: Finance report

Date of Meeting: 20 June 2024

1. Purpose

- 1.1 The purpose of this paper is to:
- provide the Board with an update on the financial results for the period to 30 April 2024;
 - approve the Loan portfolio submission to the Scottish Housing Regulator; and
 - agree the District Heating tariff to be applied from August 2024.

2. Authorising and strategic context

- 2.1 Under the Terms of Reference, the Group Board is responsible for the ongoing monitoring of performance against agreed targets. This includes the ongoing performance of its finances.
- 2.2 The key themes and aims of the 2021-26 strategy Your Home, Your Community, Your Future set the context for the preparation of the 2024/25 business plan and budget.

3. Background - Financial performance to 30 April 2024

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

£'000	Year to Date (Period 1)		
	Actual	Budget	Variance
Turnover	33,311	33,229	82
Operating expenditure	(29,551)	(30,299)	748
Operating surplus	3,760	2,930	830
<i>Operating margin</i>	<i>11.3%</i>	<i>8.8%</i>	
Net interest payable	(6,220)	(6,245)	25
Deficit	(2,460)	(3,315)	855
Net Capital Expenditure	16,806	13,874	(2,932)

4. Discussion

4.1 The Group is reporting a strong start to the year with financial performance £0.9m favourable to budget. The variance to budget reflects a good letting performance improving the income position and reduced costs compared to budget across all expenditure lines including repairs.

4.2 Key variances against budget include:

- Net rental income is £77k favourable to budget with lower RSL void levels driving the variance at a rate of 1.12% compared to a budget of 1.29% with all RSLs performing favourably to budget. In Lowther letting performance is particularly strong with PRS at 0.5% and MMR at 0.4% for the month.
- Within operating expenditure, total costs are £748k favourable to budget, with lower expenditure than budget across all expenditure lines:
 - Running costs are £283k lower than budget linked to the timing of expenditure and lower than budgeted group recharges across Wheatley Solutions contributing to the underspend.
 - Revenue repairs and maintenance spend is £266k favourable to budget. The improvement plan implemented in 2023/24 to help monitor the drivers of repairs costs, improve efficiency and to keep repairs spend within budget continues to support the delivery of repairs and contributes to this favourable variance.
 - Bad debt costs are £148k lower than budget. As in previous years our approach has been to include a prudent level of provision for costs.

4.3 Net capital expenditure is £2,932k higher than budget. New build spend is broadly in line with budget, however, reduced grant income for new build of £3,830k is noted due to reduced claims made in both WH Glasgow for Calton Phase B and WH East for Winchburgh where the grant was claimed earlier than budgeted in 2023/24 and reduced claims in Wallyford Area 5 due to reduced spend in April. New Build projects will only proceed with a confirmed grant award and the variances reported in grant income to date are timing related.

4.4 Net investment in our existing homes of £5,701k was £425k lower than budget, mainly driven by reduced spend in capitalised voids £290k and reduced spend in core investment of £112k due to timing of spend compared to the budgeted programme.

Scottish Housing Regulator Loan Portfolio submission

4.5 We are required to submit a loan facilities and borrowing position, as at 31 March 2024, to the Scottish Housing Regulator via the Regulator's online portal. The submission report in Appendix 2 contains the details which will be transferred to the portal, showing both the information and the layout. The submission for Wheatley Housing Group includes the loans held by Wheatley Funding No. 1 Ltd ("WFL1") on behalf of the RSL Borrower Group, any direct loans to the RSL Borrower Group, and related security information.

4.6 The submission report contains the information relating to the loans held by, and the intragroup funding from, Wheatley Funding No. 1 Limited, this being factual information on the debt position as at the financial year end.

4.7 [redacted]

4.8 As part of the submission to the Scottish Housing Regulator, the Chair of the Board and Director/Chief Executive are required to confirm the following:

"I hereby certify for and on behalf of the RSL that the information provided in this return is, to the best of my knowledge and belief, an accurate and fair representation of the affairs of the RSL."

District Heating Charging

4.9 As part of our review of the Group Pricing and Charging Policy in February 2024 we undertook to carry out an appraisal of district heating charges with a view to developing an approach to generate sufficient income to cover the costs of the schemes over an appropriate period of time whilst keeping our customers out of fuel poverty. Charging for our district heating schemes was suspended during the 2020 pandemic and re-introduced in August 2023.

4.10 Customers connected to district heating schemes in Glasgow (c1,500) currently pay 8.5p/kWh with Wheatley Homes East customers (c600) paying different rates with a maximum charge of 8.4p/kWh. The charges have not been increased since the schemes were put in place.

4.11 In reviewing the charges we have drawn comparisons against:

- a tariff of 10.0p/kWh which would allow schemes to breakeven in the medium term
- an equivalent fuel poverty threshold of 10p/kWh for a single person under 25 or 15p/kWh for an older couple with children; and
- the prevailing gas price over the last 12 months as a benchmark equivalent to the market cost for gas of 10.08p/kWh.

4.12 We propose to apply a 7.5% uplift to our current tariffs with effect from August 2024. This would increase the tariff for customers on the highest rate from 8.5p/kWh to 9.14p/kWh, an equivalent increase of £22.40 per annum for a customer with the average annual usage. This proposed approach aligns to our 7.5% rent and service charge increase applied in April 2024 and keeps tariffs below the market rate for an equivalent heating supply and customers below an equivalent fuel poverty tariff.

4.13 This increase will generate income of c£45k per annum which, while not material in a Group context, will establish the principle of annual review of charges and benchmarking against comparable tariffs. We will continue to develop our policy and seek to move schemes towards a breakeven position over the coming years taking into account the prevailing price cap whilst keeping customers out of fuel poverty.

5. Customer Engagement

5.1 We will communicate the proposed changes to our district heating charges with affected customers through July 2024 including details of the reasons for the increase and the comparison against market rates.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8. Financial and value for money implications

8.1 As noted above.

9. Legal, regulatory and charitable implications

9.1 As noted above.

10. Risk Appetite and assessment

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

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

11. Equalities implications

11.1 There are no equalities implications arising from this report.

12. Key issues and conclusions

12.1 This paper presents the financial performance position for the period to 30 April 2024. Within the RSL borrower group an underlying surplus of £1,834k is reported which is £1,182k favourable to budget.

13. Recommendations

13.1 The Board is requested to;

- 1) Note the financial performance for the Group to 30 April 2024
- 2) Approve the SHR Loan Portfolio Submission as at 31 March 2024
- 3) Approve district heating charging increase of 7.5%

LIST OF APPENDICES

Appendix 1: Wheatley Group Financial Report to 30 April 2024

Appendix 2: [redacted]

Appendix 1: Wheatley Group Financial Report To 30 April 2024 (Period 1)

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1a) Wheatley Group – Period to 30 April 2024

	Period to 30 April 2024			Full Year Budget £'000
	Actual £'000	Budget £'000	Variance £'000	
INCOME				
Net Rental Income	29,002	28,925	77	352,784
Grant income New Build	252	252	-	79,557
Grant income Other	427	426	1	14,018
Other Income	3,630	3,626	4	41,007
Total Income	33,311	33,229	82	487,366
EXPENDITURE				
Employee Costs	7,506	7,557	51	91,019
ER/VR	-	-	-	1,050
Running Costs	3,973	4,256	283	52,051
Repairs & Maintenance	7,714	7,980	266	88,886
Bad debts	242	390	148	4,542
Depreciation	10,110	10,110	-	122,109
Demolition Programme	6	6	-	523
Total Expenditure	29,551	30,299	748	360,180
NET OPERATING SURPLUS	3,760	2,930	830	127,186
	11.3%	8.8%		26.1%
Net interest payable	(6,220)	(6,245)	25	(78,116)
STATUTORY SURPLUS/(DEFICIT)	(2,460)	(3,315)	855	49,070

Key highlights:

The operating surplus is £3,760k, £830k favourable to budget. At the statutory surplus level, a deficit of £2,460k is reported showing a favourable variance of £855k compared to the budget. The variance to budget reflects a favourable income position and reduced costs across expenditure compared to budget at P1.

Total income of £33,311k is £82k favourable to budget:

- Net rental income is £77k favourable to budget. Rent loss on voids at 1.08% is lower than the overall 1.33% budget driving the favourable variance.
- New build grant income of £252k relates to four units at Raw Holdings for Lowther.

Total expenditure of £29,551k is £748k favourable to budget:

- Employee costs (direct and group services) are £51k favourable to budget, mainly due to reduced pension enrolment by staff compared to budget assumptions within Care and other staff vacancies.
- Running costs are £283k favourable to budget mainly due to lower than budgeted group recharges where a number of departments are reporting lower costs across Wheatley Solutions contributing to the underspend against budget. WH Glasgow reported reduced spend of £65k, mainly due to the timing of spend to budget of £41K in think yes and stronger voices spend.
- Revenue repairs and maintenance spend is £266k favourable to budget with reduced spend noted in both responsive repairs and compliance spend at P1, across the RSLs. The improvement plan implemented in 2023/24 to help monitor the drivers of repairs costs, improve efficiency and to keep repairs spend within budget has supported this favourable variance.
- Bad debts are £148k favourable to budget with a prudent provision set aside for increases in arrears and an improved performance in debt collection.
- Net Interest payable is £25k favourable to budget. Net interest payable includes £28k of interest received in Wheatley Foundation.

1a) Wheatley Group – Period to 30 April 2024

Capital Investment	Period to 30 April 2024			Full Year Budget £'000
	Actual £'000	Budget £'000	Variance £'000	
CORE PROGRAMME				
SHNZ	0	0	0	40
Adaptations	306	315	(9)	1,692
Grant Income	306	315	(9)	6,266
Core Investment Programme	3,336	3,448	112	47,368
SHNZ	0	0	0	3,364
Adaptations	306	316	10	4,184
Voids	1,219	1,509	290	16,062
Capitalised Repairs	840	853	13	9,697
Total Core Investment	5,701	6,126	425	80,675
NET CORE INVESTMENT SPEND	5,395	5,811	416	74,409
NEW BUILD				
New Build Grant Income Received	2,853	6,683	(3,830)	116,795
New Build investment	13,631	13,705	74	224,975
NET NEW BUILD INVESTMENT SPEND	10,778	7,022	(3,756)	108,180
OTHER FIXED ASSET INVESTMENT SPEND	633	1,041	408	12,857
TOTAL NET CAPITAL INVESTMENT SPEND	16,806	13,874	(2,932)	195,446

Key highlights:

Net capital expenditure of £16,806k is £2,932k unfavourable to budget.

- The net core investment spend was £416k favourable to budget. The favourable variance is driven by decreased spend in void and the timing of the mobilisation of the core investment programme at P1 compared to budget. The investment spend is anticipated to increase and fall in line with budget in future reporting periods.
- New build spend of £13,631k is overall in line with budget, however new build grant income of £2,853k is £3,830k unfavourable to budget due to timing. There were reduced claims made in WH Glasgow for Calton Phase B and WH East for Winchburgh in P1 due to the grant being claimed in 2023/24, earlier than budgeted and a reduced claim for Wallyford Area 5 due to reduced spend in April. This is timing only as New Build grant projects only proceed with an approved grant award.
- Other fixed assets investment includes spend on corporate estate and IT capital projects. The reduced spend of £408k is mainly due to the timing of spend on IT projects.

Wheatley Group Financial Report To 30 April 2024 (Period 1)

RSL Borrower Group

2a) RSL Borrower Group – Period to 30 April 2024

	Period to 30 April 2024			Full Year Budget £'000
	Actual £'000	Budget £'000	Variance £'000	
INCOME				
Net Rental Income	27,358	27,310	48	331,406
Grant income New Build	-	-	-	77,456
Grant income Other	427	426	1	14,018
Other Income	1,248	1,202	46	14,793
Total Income	29,033	28,938	95	437,673
EXPENDITURE				
Employee Costs	5,391	5,441	50	65,458
ER/VR	-	-	-	1,050
Running Costs	2,793	3,026	233	36,926
Repairs & Maintenance	7,104	7,369	265	82,736
Bad debts	203	351	148	4,225
Depreciation	10,110	10,110	-	122,109
Demolition Programme	6	6	-	523
Total Expenditure	25,607	26,303	696	313,027
NET OPERATING SURPLUS	3,426	2,635	791	124,646
	11.8%	9.1%		28.5%
Gain/(loss) on sale of fixed assets	-	-	-	-
Net interest payable	(6,009)	(6,003)	(6)	(75,211)
STATUTORY SURPLUS/(DEFICIT)	(2,583)	(3,368)	785	49,435

Key highlights:

The operating surplus to 30 April is £3,426k, £791k favourable to budget. At the statutory surplus level, a deficit of £2,583k is reported showing a favourable variance of £785k compared to the budget. The variance to budget reflects favourable void performance and reduced costs across expenditure.

Total income of £29,033k is £95k favourable to budget:

- Net rental income is £48k favourable to budget across the RSLs with rent loss on voids at 1.12% compared to the 1.29% budgeted being the main contributor.
- Other income is £46k favourable to budget arising from the timing of receipt of funds.
- Total expenditure of £25,607k is £696k favourable to budget:
- Employee costs (direct and group services) are £50k favourable to budget, arising from staff vacancies and timing of the claims for the work from home allowance.
- Running costs are £233k favourable to budget. This is mainly due to lower than budgeted group recharges where a number of departments are reporting lower costs across Wheatley Solutions contributing to the underspend against budget. WH Glasgow reported reduced spend of £65k, mainly due to the timing of spend to budget of £41K in think yes and stronger voices spend.
- Revenue repairs and maintenance spend is £265k favourable to budget. Reduced spend was noted in both responsive repairs and compliance spend at P1. The improvement plan implemented in 2023/24 to help monitor the drivers of repairs costs, improve efficiency and to keep repairs spend within budget has supported this favourable variance.
- Bad debts are £148k favourable to budget with a prudent provision set aside for increases in arrears and an improved performance in debt collection.

Net Interest payable is £6k unfavourable to budget due to timing of drawn balances compared to budget.

2a) RSL Borrower Group – Period to 30 April 2024

Capital Investment	Period to 30 April 2024			Full Year Budget £'000
	Actual £'000	Budget £'000	Variance £'000	
CORE PROGRAMME				
SHNZ	0	0	0	40
Adaptations	306	316	(10)	1,692
Grant Income	306	316	(10)	6,266
Core Investment Programme	3,512	3,537	25	46,544
SHNZ	0	0	0	3,364
Adaptations	306	316	10	4,184
Voids	1,035	1,384	349	16,062
Capitalised Repairs	840	853	13	9,697
Total Core Investment	5,693	6,090	397	79,851
NET CORE INVESTMENT SPEND	5,387	5,774	387	73,585
NEW BUILD				
New Build Grant Income Received	2,191	6,082	(3,891)	114,958
New Build investment	12,812	12,877	65	213,200
NET NEW BUILD INVESTMENT SPEND	10,621	6,795	(3,826)	98,242
OTHER FIXED ASSET INVESTMENT SPEND	626	1,026	400	12,681
TOTAL NET CAPITAL INVESTMENT SPEND	16,634	13,595	(3,039)	184,508

Key highlights:

Net capital expenditure of £16,634k is £3,039k unfavourable to budget due lower than budgeted new build grant received in the month.

- The net core investment spend was £387k favourable to budget. The favourable variance is driven by reduced spend in voids.
- Net new build spend is £3,826k unfavourable to budget. Across the RSLs new build spend is on budget. New build grant income of £2,191k is £3,891k less than budget due to timing. There were reduced claims made in WH Glasgow for Calton Phase B and WH East for Winchburgh in P1 due to the grant being claimed in 2023/24, earlier than budgeted and a reduced claim for Wallyford Area 5 due to reduced spend in April. This is timing only as New Build grant projects only proceed with an approved grant award.
- Other fixed assets investment includes spend on corporate estate and IT capital projects. The reduced spend of £400k is mainly due to the timing of spend on IT projects.

2b) RSL Borrower Group underlying surplus – Period to 30 April 2024

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

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

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

In the period to 30 April 2024, an underlying surplus of £1,834k has been generated using this measure which is £1,182k favourable to budget. The variance is driven by reduced spend on capitalised voids within core investment spend and lower than budgeted spend across expenditure including repairs.

Borrower Group Underlying Surplus / (Deficit) - April 2024				
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks	FY Budget £ks
Net Operating Surplus	3,426	2,635	791	124,646
add back:				
Depreciation	10,110	10,110	0	122,109
less:				
Grant Income	0	0	0	(77,456)
Net interest payable	(6,009)	(6,003)	(6)	(75,211)
Total Core investment	(5,693)	(6,090)	397	(79,851)
Underlying surplus	1,834	652	1,182	14,237

2c) Wheatley Homes Glasgow – Period to 30 April 2024

	Period To April 2024			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
INCOME				
Rental Income	18,528	18,523	5	225,333
Void Losses	(224)	(221)	(3)	(2,693)
Net Rental Income	18,304	18,302	2	222,640
Grant Income New Build	0	0	0	20,527
Grant Income Other	74	18	56	8,000
Other Income	960	934	26	14,823
Total Income	19,338	19,254	84	265,990
EXPENDITURE				
Employee Costs - Direct	2,620	2,646	26	32,504
Employee Costs - Group Services	1,364	1,364	0	15,922
ER / VR	0	0	0	840
Direct Running Costs	1,063	1,128	65	14,292
Running Costs - Group Services	683	797	114	9,564
Revenue Repairs and Maintenance	5,262	5,358	96	58,089
Bad debts	168	218	50	2,622
Depreciation	7,023	7,023	0	84,281
Demolition	0	0	0	0
TOTAL EXPENDITURE	18,183	18,533	350	218,114
NET OPERATING SURPLUS / (DEFICIT)	1,155	721	434	47,876
<i>Net operating margin</i>	6.0%	3.7%	2.2%	18%
Interest payable & similar charges	(4,249)	(4,244)	(5)	(54,332)
STATUTORY SURPLUS / (DEFICIT)	(3,094)	(3,523)	429	(6,456)
INVESTMENT				
Total Capital Investment Income	600	3,055	(2,455)	50,977
Investment Programme Expenditure	4,222	4,568	346	53,829
New Build Programme	2,915	4,645	1,730	85,317
Other Capital Expenditure	504	715	211	8,946
TOTAL CAPITAL EXPENDITURE	7,641	9,928	2,287	148,092
NET CAPITAL EXPENDITURE	7,041	6,873	(168)	97,115

Key highlights:

Overall WH Glasgow reports performance favourable to budget at the end of P1 with net operating surplus of £1,155k which is £434k favourable to budget and a statutory deficit of £3,094k which is £429k favourable to budget:

- Other grant income is £56k higher than budget with unbudgeted grant in relation to a property acquisition completed in April.
- Other income is £26k favourable to budget linked to higher wayleave income, with the budget being set prudently.
- Total running costs (direct and group services) are £179k favourable to budget. Group recharges are £114k favourable to budget due to several departments currently reporting lower costs across Wheatley Solutions, due to the timing of projects. WH Glasgow reported reduced spend of £65k, mainly due to the timing of spend to budget of £41K in think yes and stronger voices spend.
- Revenue repairs and maintenance spend is £96k favourable to budget. Responsive repairs are £203k lower than budget, partially offset by higher compliance spend due to the timing of the programme.

Net capital expenditure of £7,041k is £168k lower than budget.

- Capital investment income (grants) is £2,455k lower than budget related to timing of grant claims for Calton Phase B new build project, linked to lower spend.
- Investment programme spend is £346k favourable to budget with lower spend in capitalised voids.
- New build spend is £1,730k lower than budget following a delay in the works at Sighthill Phase 2, and lower spend at Calton Phase B.
- Other capital expenditure of £504k is £211k lower than budget due to the timing of IT projects.

2d) Loretto Housing – Period to 30 April 2024

	Period To 30 April 2024			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
INCOME				
Rental Income	1,422	1,424	(2)	17,103
Void Losses	(24)	(36)	12	(423)
Net Rental Income	1,398	1,388	10	16,680
Grant Income	0	0	0	5,766
Other Grant Income	0	0	0	117
Other Income	9	9	0	815
Total Income	1,407	1,397	10	23,378
EXPENDITURE				
Employee Costs - Direct	106	106	0	1,246
Employee Costs - Group Services	76	76	0	885
ER / VR	0	0	0	0
Direct Running Costs	153	159	6	1,905
Running Costs - Group Services	34	42	8	507
Revenue Repairs and Maintenance	385	402	17	4,464
Bad debts	11	14	3	172
Depreciation	588	588	0	7,156
TOTAL EXPENDITURE	1,353	1,387	34	16,335
OPERATING SURPLUS / (DEFICIT)	54	10	44	7,043
<i>Net operating margin</i>	<i>3.8%</i>	<i>0.7%</i>	<i>3.1%</i>	
Interest Payable	(318)	(321)	3	(4,157)
STATUTORY SURPLUS / (DEFICIT)	(264)	(311)	47	3,124

Key highlights:

Net operating surplus of £54k is £44k favourable to budget. Statutory deficit for the period is £264k and is £47k favourable to budget with the main drivers being the favourable void performance and expenditure position compared to budget.

- Net rental income is £10k favourable to budget. Void losses in the period are £12k favourable with a rate of 1.69% against a budgeted rate of 2.47%.
- Total running costs (direct and group services) are £14k favourable to budget. Group recharges are £8k favourable to budget due to several departments currently reporting lower costs across Wheatley Solutions, due to the timing of projects.
- Revenue repairs and maintenance is £17k favourable to budget, resulting from a lower than budgeted spend on responsive repairs.
- Bad debts are £3k favourable to budget. A prudent approach was taken when setting the budget.

Net capital expenditure of £2,264k is £1,655k higher than budget.

- Capital investment income (grant) is £316k lower than budget due to the timing of grant claims, linked to lower new build spend at Constarry Road.
- New build spend is £1,353k higher than budget due to the timing of spend for South Crosshill turnkey project, noting also that we received the full grant in the prior year. This is slightly offset with an underspend at Constarry Road.
- Other capital expenditure of £20k relates to Loretto's contribution to Wheatley Group IT costs.

	Period To 30 April 2024			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
INVESTMENT				
Total Capital Investment Income	0	316	(316)	14,933
Investment Programme	124	126	2	3,496
New Build Programme	2,120	767	(1,353)	24,959
Other Capital Expenditure	20	32	12	387
TOTAL CAPITAL EXPENDITURE	2,264	925	(1,339)	28,842
NET CAPITAL EXPENDITURE	2,264	609	(1,655)	13,909

2e) Wheatley Homes East – Period to 30 April 2024

	Period to 30 April 2024			Full Year
	Actual £k	Budget £k	Variance £k	Budget £k
INCOME				
Rental Income	3,530	3,530	(0)	42,007
Void Losses	(37)	(51)	14	(563)
Net Rental Income	3,493	3,479	14	41,444
Grant Income Recognised in the Year	0	0	0	34,745
Other Grant Income	38	50	(12)	604
Other Income	287	285	2	7,324
TOTAL INCOME	3,818	3,814	4	84,117
EXPENDITURE				
Employee Costs - Direct	397	397	(0)	4,621
Employee Costs - Group Services	217	217	0	2,586
ER/VR	0	0	0	0
Direct Running Costs	409	409	0	4,910
Running Costs - Group Services	121	142	21	1,700
Revenue Repairs and Maintenance	547	550	3	7,138
Bad Debts	12	31	19	375
Depreciation	1,212	1,212	0	15,231
TOTAL EXPENDITURE	2,915	2,958	43	36,561
NET OPERATING SURPLUS	903	856	47	47,556
<i>Net Operating Margin</i>	<i>23.7%</i>	<i>22.5%</i>	<i>0.5%</i>	<i>56.5%</i>
Net Interest payable & similar charges	(816)	(812)	(4)	(9,335)
STATUTORY SURPLUS	87	44	43	38,221

	Period to 30 April 2024			Full Year
	Actual £k	Budget £k	Variance £k	Budget £k
INVESTMENT				
Total Capital Investment Income	1,674	2,747	(1,073)	32,744
Investment Programme Expenditure	554	588	34	6,966
New Build & Other Investment	6,565	6,313	(252)	87,201
Other Capital Expenditure	64	101	37	1,211
TOTAL CAPITAL EXPENDITURE	7,183	7,002	(181)	95,378
NET CAPITAL EXPENDITURE	5,509	4,255	(1,254)	62,634

Key highlights:

Net operating surplus of £903k is £47k favourable to budget. Statutory surplus for the period to 30 April is £87k, £43k favourable to budget. The main drivers of the variance is a favourable void performance and expenditure position compared to budget.

Total income of £3,818k is £4k favourable to budget:

- Net rental income is £14k favourable to budget. Void losses in the period are £14k favourable, representing 1.05% vs a budget of 1.44% .
- Other Grant Income of £38k consists of £9k medical adaptation grant and £29k of grant income for the Harbour. This is £12k adverse to budget, mainly attributable to lower than budgeted medical adaptation grant income, with lower spend noted in the investment costs below.

Total expenditure of £2,915k is £43k favourable to budget:

- Total running costs (direct and group services) are £21k favourable to budget with a number of departments currently reporting lower costs across Wheatley Solutions contributing to the underspend against budget.
- Revenue repairs and maintenance spend is on budget with responsive repairs £1k favourable and cyclical maintenance £2k favourable.

Interest payable of £816k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders.

Net capital expenditure of £5,509k is £1,254k unfavourable to budget.

- Capital investment income relates to the cash receipt of new build grants and medical adaptation grants and is £1,073k lower than budget, due to reduced claims on new build grants for Winchburgh and Wallyford Area 5 and lower medical adaptation grant income.
- Investment programme spend is £34k lower than budget due to timing of spend compared to the budgeted core programme and reduced medical adaptation costs.
- New build spend of £6,565k is £252k higher than budget with slightly higher spend at Rosewell and Southfort.
- Other Capital Expenditure includes IT, furniture & office costs and is currently £37k lower than budget due to timing of spend.

2f) Wheatley Homes South – Period to 30 April 2024

OPERATING STATEMENT	Period to Apr 2024			Full Year
	Actual £ks	Budget £ks	Variance £ks	Budget £ks
INCOME				
Rental Income	4,187	4,184	3	51,163
Void Losses	(24)	(43)	19	(521)
Net Rental Income	4,163	4,141	22	50,642
Grant Income	0	0	0	16,418
Other Grant Income	143	129	14	5,297
Other Income	139	138	1	2,152
TOTAL INCOME	4,445	4,408	37	74,508
EXPENDITURE				
Employee Costs - Direct	412	436	24	5,277
Employee Costs - Group Services	294	292	(2)	3,508
ER/VR	0	0	0	210
Direct Running Costs	211	213	2	2,651
Running Costs - Group Services	165	192	27	2,305
Revenue Repairs and Maintenance	916	1,095	179	13,122
Bad debts	12	88	76	1,056
Depreciation	1,287	1,287	0	15,441
Demolition and compensation	6	6	0	523
TOTAL EXPENDITURE	3,303	3,609	306	44,093
NET OPERATING SURPLUS	1,142	799	343	30,415
<i>Net operating margin</i>	26%	18%	8%	41%
Interest receivable	12	3	9	30
Interest payable & similar charges	(638)	(632)	(6)	(7,417)
STATUTORY SURPLUS	516	170	346	23,028
INVESTMENT	Actual £ks	Budget £ks	Variance £ks	Budget £ks
TOTAL CAPITAL INVESTMENT INCOME	51	51	0	16,304
Capital Investment spend	793	826	33	15,432
New Build Programme	1,608	1,749	141	24,207
Other Fixed Assets	98	178	80	2,137
TOTAL INVESTMENT EXPENDITURE	2,499	2,753	254	41,776
NET CAPITAL EXPENDITURE	2,449	2,702	254	25,472

Key highlights :

Net operating surplus of £1,142k is £343k favourable to budget. Statutory surplus to 30 April is £516k, is £346k favourable to budget with the key drivers being lower spend across various expenditure lines, namely revenue repairs and bad debts.

- Net rental income is £22k higher than budget. Voids are favourable to budget, with a void loss rate of 0.6% vs 1.0% in budget. Rental income is £3k higher due to unbudgeted rental income from earlier handover of Curries Yard.
- Other grant income is £14k favourable to budget due to higher than budgeted renewable heat incentive (RHI) grant income.
- Total employee costs (direct and group services) are £22k favourable to budget, driven by vacant positions in Care and Housing and lower overtime.
- Total running costs (direct and group services) are £29k favourable to budget driven by timing of spend on various expenditure lines.
- Repairs costs are £179k favourable to budget. Responsive repairs are £104k favourable to budget with less complex jobs reducing the overall cost per job. Cyclical, gas maintenance and compliance are also all favourable to budget due to timing of spend.

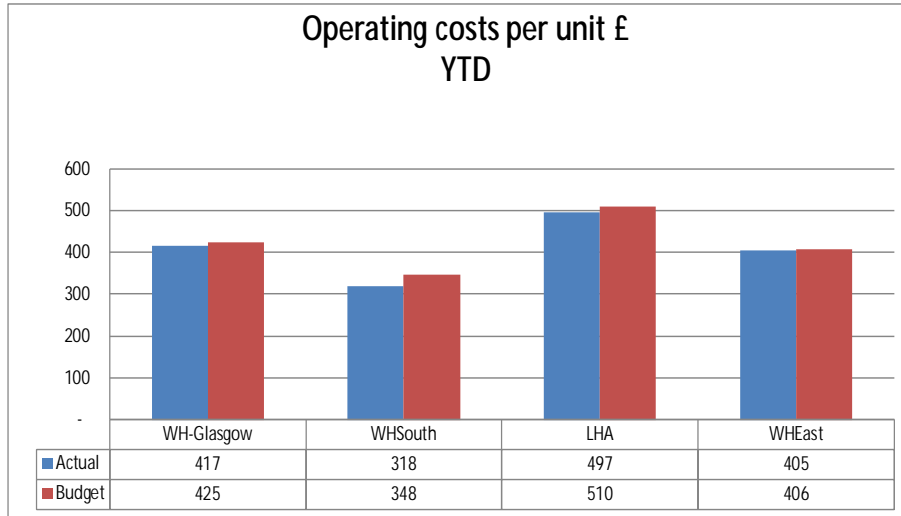
Interest payable of £638k represents interest due on the loans due to Wheatley Funding No.1 Ltd and external funders.

Net capital expenditure of £2,449k is £254k lower than budget.

- The investment income is in line with budget.
- Total core investment spend of £793k is £33k lower than budget due to lower spend on capitalised voids.
- New Build expenditure is £141k under budget driven by timing of spend on Summerhill and College Mains (£52k and £97k).
- Other capital expenditure of £98k is £80k lower than budget. Other capital spend includes work on local NETS/ Concierge hubs and IT costs.

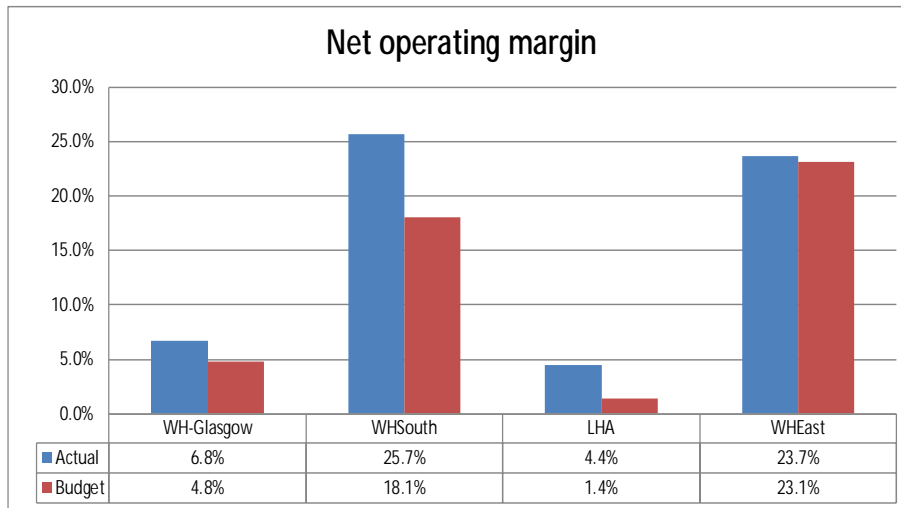
2g) [redacted]

3) Summary of RSL operating costs and margin v budget



Operating costs per unit:

- At April 2024 operating costs per unit are marginally lower than budget across all RSLs. This variance is attributable to lower than budgeted spend on employee, running costs and responsive repairs as well as an improved bad debt provision.
- Operating costs per unit vary across the RSLs depending on the stock profiles and types of accommodation offered.



Net operating margin:

- Net operating margin is higher than budget across all RSLs due to the favourable variances achieved in operating costs.

Wheatley Group Financial Report To 30 April 2024 (Period 1)

Care and Commercial

4a) [redacted]

4b) [redacted]

5) [redacted]

6) [redacted]



7a) [redacted]

7b) [redacted]

8) Wheatley Group – Consolidated Balance Sheet



	As at 30 April 2024 £ks	As at 31 March 2024 £ks
Fixed Assets		
Social Housing Properties	2,734,203	2,720,678
Investment properties	277,652	277,644
Other tangible fixed assets	72,992	72,409
Investments -other	116	116
Fixed Assets	3,084,963	3,070,847
Debtors Due More Than One Year		
Inter Company Loan	0	0
Pension Asset	2,505	2,505
Current Assets		
Stock	1,977	1,925
Trade debtors	4,893	4,896
Rent & Service charge arrears	16,473	16,191
less: Provision for rent arrears	(10,571)	(10,584)
Prepayments and accrued income	10,794	10,935
Intercompany debtors	0	0
Other debtors	21,806	22,996
	45,372	46,359
Bank & Cash	28,994	35,881
Current Assets	74,366	82,240
Current Liabilities		
Trade Liabilities	(21,533)	(30,676)
Accruals	(57,418)	(55,451)
Deferred income	(84,587)	(83,418)
Rents & service charges in advance	(20,009)	(20,210)
Intercompany creditors	0	0
Other creditors	(3,643)	(5,441)
	(187,190)	(195,196)
Net Current Assets	(112,824)	(112,956)
Long Term Liabilities		
Contingent efficiencies grant	(47,914)	(47,914)
Bank finance	(1,330,319)	(1,313,976)
Bond finance	(300,000)	(300,000)
Provisions	(8,494)	(8,494)
Deferred income	(56,757)	(56,394)
Intercompany creditors	0	0
Pension liability	(3,498)	(3,498)
Long Term Liabilities	(1,746,982)	(1,730,276)
Net Assets	1,227,662	1,230,120
Funding Employed		
Capital & Reserves		
Share Capital	0	0
Retained Income b/fwd	713,913	721,421
Income & Expenditure	(2,460)	(7,510)
Movement in Pensions Provision	0	0
Revaluation Reserves	516,209	516,209
Funding Employed	1,227,662	1,230,120

Key highlights:

- Group net assets are £1,227.7m at 30 April 2024.
- The Balance Sheet as at 31 March 2024 is subject to the year end statutory adjustments for property and pension valuations as well as the fair value calculation on the Scottish Government loan.
- The fixed asset movements in the period reflects investment in the core programme, the new build programme, and any other fixed asset additions, less depreciation to date.
- Current assets (excluding cash) are £0.9m lower than the year end position mainly driven by the decrease in other debtors due to timing.
- Current liabilities are £8m lower than the year end position mainly driven by the reduction in trade creditors due to timing of payment of suppliers.
- Income and expenditure of £2.5m relates to the group deficit for the period.

Report

To: Wheatley Housing Group Board

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

Approved by: Steven Henderson, Group Chief Executive

Subject: Contract Award - Rope Access Inspection

Date of Meeting: 20 June 2024

1. Purpose

- 1.1 The purpose of this report is to seek approval to award a new Group-wide contract for the provision of rope access building inspection surveys and repair provision to CAN Structures Ltd for a contract period of three years with the option to extend for a further 24 months.

2. Authorising and strategic context

- 2.1 Under the Group Scheme of Financial Delegation, the award of contracts is based on the financial value over the life of the contract. Group Board approval is required for contracts relating to revenue expenditure of more than £1m.
- 2.2 The value of this contract based on our current service requirements, over the maximum term of the 5-year period is anticipated to be £2.1m (including VAT). We have the contractual ability after 3 years to review our service requirements and refine them. This contracting approach will ensure we review our requirements and can adjust accordingly.

3. Background

- 3.1 We require a specialist service provider with the necessary skills to carry out visual survey inspection reports and repair work on the external envelope of our multi-storey blocks. The service provider will be expected to deliver a programme of planned high-level tactile inspections using the rope access method.
- 3.2 CAN Structures are the incumbent contractor undertaking condition inspection reports to identify potential hazards such as masonry cracks or render deterioration. Our teams review the condition surveys and then authorise specialist repairs to be undertaken. The current contract is due to expire this month.

4. Discussion

- 4.1 The desired tender outcome was to appoint one specialist contractor to ensure consistency of approach and provide all our condition reporting for our 136 high-rise blocks, with each inspection to have an accompanying repair specification.

- 4.2 After evaluation of the routes to market for a rope access specialist, it was noted there were no suitable frameworks in place that met our full technical requirements. An open tender was therefore identified as the most suitable route to market.
- 4.3 The open tender allowed for testing the entire market for quality and enhanced value for money using a 70% quality and 30% price ratio for the tender evaluation. This route provided an opportunity to explore new companies that have entered this market due to the growing need for similar expertise, for example in the wind farm industry.
- 4.4 An essential part of this tender was the quality submission. All bidders attended site visits and were required to respond with plans to maintain specific sites. Our buildings vary in size, scale and complexity which was extremely important to express to the industry at the tender stage to ensure they understood our requirements to have the necessary skills and experience to assess every aspect of the building's exterior.
- 4.5 Due to the significant level of Health and Safety responsibilities to be undertaken by the contractor to carry out works safely in our communities the tender was advertised with a 70% quality and a 30% price ratio.
- 4.6 The quality element within the tender was focused on the following criteria:
- **General approach to carrying out a rope access survey** – Procedures to set up on-site and how to overcome challenges of different buildings. Additionally, how they would conduct inspections across buildings, in line with the specifications and their capacity to manage 27 building inspections per annum;
 - **Demonstrate your ability and approach to carrying out remedial repairs whilst using Rope Access Equipment** – This section focussed on the use of materials at height, installation, repairs at height and how they protect the safety of the public and staff below;
 - **Suppliers must demonstrate their Health and Safety procedures and accreditations** – We asked for written confirmation of the supplier's accreditation and Licenses required for each method and demonstrate the level of competence/qualifications their engineers are required to have for this contract. Additionally, we asked bidders to describe the safety management procedures and resources available to always ensure safe working and compliance with statutory legislation and industry standards and codes;
 - **Processes for Customer Service, achieving their KPIs and their contribution to climate sustainability** – Bidders were asked for procedures for monitoring and delivering key performance Indicators and processes for highlighting when there is a risk of failing to meet any of the specifications stipulated. We also asked for details on how they intend to help us reduce carbon emissions and what sustainable actions are taken to deliver their contracts; and
 - **Demonstrate their MI/Reporting procedures** – This section focussed on how inspection/survey reports will be conveyed to us, the timescale to receive reports after a building inspection and the level of detail to expect in all reports.

- 4.7 We received nine bids at the point of the tender close. Two bids were identified as non-compliant due to errors in their commercial and quality submissions.
- 4.8 Following a formal evaluation process, CAN Structures were assessed to have provided the most economically advantageous tender, ranking first on quality and third on price.
- 4.9 [redacted]:
- 4.10 From the submitted tender the key quality features as identified by our evaluation panel from the CAN Structures tender were:
- Pre-marked structural drawings with references to each block;
 - Accordance with CWP/RA038- Structural Inspections;
 - Approved materials that meet safety standards;
 - CAN Span habitat system or individual catch net to capture loose debris;
 - Compliance with legal and other requirements outlines CAN's methodology for identifying, complying, and monitoring obligations;
 - Active and reactive SHEQ monitoring;
 - Public Safety and Staff Rams including a Project Manager with experience of running inspection jobs with the minimum requirement as IRATA Level 3 and one other member (Level 1 or Level 2) depending on access requirements;
 - Accreditations - ISO9001, ISO14001, ISO45001, Achilles UVDB, Achilles RISQS, CHAS, Constructionline, Safe contractor; and
 - Reports including an overview of general condition of the external fabric and highlight any significant defects that require maintenance (traffic light system).

5. Customer Engagement

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

6. Environmental and sustainability implications

- 6.1 CAN Structures are fully certified and hold ISO14001 Environmental accreditation. Commitments within this quality assurance assessment include, but are not limited to:
- CAN Structures, in line with their parent company RSK Ltd created a new sustainability strategy named internally "Second Nature" which replaced their previous sustainability route map, to guide their sustainability journey to 2030;
 - CAN Structures climate impact is measured through the carbon emissions of its operations measure carbon footprint and takes account of carbon management in business decisions to reduce contribution to climate change;
 - To accelerate their carbon reduction efforts, CAN Structures are internally raising awareness and knowledge of the main sources of emissions at the business and the shift that is needed to reduce; and
 - They have engaged with colleagues and staff regarding the opportunities associated with electric vehicles and renewable energy and highlighted the strategic carbon challenge on their Innovation Hub to encourage colleagues to generate innovative ideas.

7. Digital transformation alignment

- 7.1 We will continue to use PIMMs to identify stock for inspections in line with each cyclical program. Once buildings are identified, a report will be issued to CAN Structures to carry out inspections.

8. Financial and value for money implications

- 8.1 Conducting an open tender process has ensured we have driven the highest quality while delivering a competitive price from the market. The pricing element was split down into two sections, inspection rates and then repairs rates on a cross-section of 5 block types.
- 8.2 CAN Structures tender submission was ranked third on price; however, their commercial submission was considered competitive and in line with expectations for this type of work when delivered at the highest levels of quality. The pricing supplied was in line with our forecasted budget for these works.

9. Legal, regulatory and charitable implications

- 9.1 We have procured this contract through a fully compliant open tender procedure. The risk of a procurement challenge is considered low. The contract award will commence once the formal down selection of unsuccessful bidders and regulated 10-day standstill period has been successfully undertaken.
- 9.2 A standard suite of Scottish Building Contracts Committee, documents will be used to form the basis of the contract with the winning bidder. Our Legal team assisted with the amendments to the Terms and Conditions of this contract, ensuring the terms and conditions are fit for purpose, and risk is managed. As part of this tender, we sought external advice concerning the required levels of insurance that have been incorporated with the tender with the terms and conditions.

10. Risk Appetite and assessment

- 10.1 This contract will support us with our strategic outcome of investing in our existing homes and environments. Against this outcome, our risk appetite for operational delivery is open and our risk appetite for legal and regulatory compliance is minimal.
- 10.2 The award of this contract aligns with our risk appetite and is fully compliant with all relevant procurement legislation. An Equifax finance report has been obtained for the supplier and its financial stability is rated B+. The accounts are within agreeable limits and all invoices are paid 30 days in arrears on satisfactory completion, limiting the risk.

11. Equalities implications

- 11.1 This contract ensures that accessibility is maintained and prioritised for all customers, specifically those with physical disabilities, and mobility issues. The maintenance and safety of our building's compliance with the Equality Act 2010.

12. Key issues and conclusions

- 12.1 We require an experienced, reliable, and responsive supplier to deliver high-quality building inspection surveys and repairs. As a matter of health and safety and legal compliance, it is essential that we have an appropriately skilled contractor in place to carry out work that allows us to meet our obligations.

13. Recommendations

- 13.1 The Board is asked to approve the award of a contract for rope access building inspection surveys and repairs to CAN Structures Ltd for a period of 3 years with an option to extend for a further 24 months starting July 2024 based on an anticipated contract value of £2,100,000 including VAT.

LIST OF APPENDICES:

None