



**BOARD MEETING AGENDA
6.15pm on 6th July 2020
By VIDEOCONFERENCE**

AGENDA

1. Apologies for absence
2. Declarations of interest
3. Minute of meeting held on 18 May 2020 and matters arising
4. Business update
5. Mobilisation of services
6. Strategy refresh (including presentation)
7. Fire prevention and mitigation update
8. Health and safety update
9. a) Finance report for the period to 31 May 2020
b) 2020/21 financial projections reforecast
10. AOCB

Report

To: Loretto Housing Board

By: Laura Henderson, Managing Director

Approved by: Olga Clayton, Group Director of Housing and Care

Subject: Business update

Date of Meeting: 6 July 2020

1. Purpose

- 1.1. This report provides the Board with an update on our current activity and a summary of key performance indicators.

2. Authorising context

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

3. Risk appetite and assessment

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

4. Background

- 4.1 As part of understanding the impact of Covid 19 the Scottish Housing Regulator ("SHR") recognised that Registered Social Landlords would be focusing on key indicators. As previously reported, the SHR introduced a monthly return under which we have to report, on a single consolidated group basis, on these key indicators.

5. Discussion

- 5.1 A copy of The Wheatley Group May return to the SHR is attached at Appendix 1 for information. An update on our performance relative to the key measures and other relevant measures is set out below.

Arrears

- 5.2 Gross rent arrears at the end of May achieved 4.08%. This compares to 4.76% at the end of April and 5.11% at the end of March. This reduction has come through Housing Officers escalating rent arrears cases, supporting customers with their transition on to Universal Credit and using all wrap around services available to support our customers through the impacts of Covid-19. We have also received our double payment from Glasgow City Council in this period for Housing Benefit.
- 5.3 We continue to see an increase in the number of our tenants transitioning to Universal Credit (“UC”) in May with 7 new customers claiming UC, taking us up to 242 customers now on Universal Credit. With These new customers moving on to Universal Credit, we have reduced our Universal Credit Arrears from £54,134 to £52,087 in May, a reduction of £2,047 and our customers on Universal Credit in arrears has reduced from 59.15% to 57.44%.
- 5.4 Across the wider sector the impact of Covid 19 on rent arrears is still difficult to predict. Ratings agency Standard & Poor’s, for example, have estimated that rent arrears may reach between 8% and 12% for rated organisations across the UK. The first SHR monthly return has indicated arrears levels as high as 14.04% and an average of 5.76% across the wider Scottish sector.
- 5.5 In addition, Housemark, which provided benchmarking information across a range of organisations in the sector, have indicated that the level of gross rent arrears (as a percentage of rent due) rose by 10% across March to April. Figures for May are not yet available but we would expect Housemark will report a further increase in May.
- 5.6 We are continuing to focus on supporting customers including assistance with Universal Credit claims, our Tenancy Support Service and our Talk to Us communication campaign. We are also beginning a focused engagement campaign targeting customers who are on furlough or at increased risk of redundancy to offer support and raise awareness of our wraparound services such as welfare benefits advice.
- 5.7 This is in addition to ongoing Housing Officer engagement with customers. Digital tools such as visual analytics through Power BI, Facetime and conference calls are being used to support our customers and collect income, with staff attending appeals to represent customers virtually, taking payments over the phone and even making videos to encourage customers to get in touch for help and support.

- 5.8 As well as promoting the use of digital payment options such as web self-service, direct debit and touchtone, we have developed our ability to send reminders and missed payment alerts by text in bulk and are finalising testing of a new, innovative way to take payments using links sent by text and/or e-mail. We expect this to be rolled out in the coming weeks.
- 5.9 As a Group we also continue to lobby for changes to Universal Credit which would reduce the negative impact on our most vulnerable customers in our own right, through the Scottish Federation of Housing Associations and the Social Housing Resilience Group and to work with DWP locally to address any issues which arise, using our unique partnership arrangements.

Staffing

- 5.10 Our absence levels at are now very low at just 0.28%. This is the lowest absence level we have ever recorded.
- 5.11 We had 1 staff member furloughed as at the end of May. The UK Government Scheme for entering new employees into the furlough scheme closed on 10 June.
- 5.12 We have initiated a survey with all staff (including those on furlough) to find out how they feel they have been supported so far; what more we can do; and, looking to the future, what lessons we have learned as individuals, teams, subsidiaries and, collectively, as part of Wheatley.
- 5.13 The survey is the first part of a three-part process which will be followed by telephone interviews and thereafter Zoom focus groups which will identify, discuss and analyse issues and opportunities picked up by the telephone interviews and survey.
- 5.14 To the end of May, for example, we have made 249 Eatwell Referrals and 468 deliveries to our most vulnerable customers. This is part of a group wide approach under which we have spent £1.3m on EatWell food parcels. While the £350k of funding support from the Scottish Government was important in enabling this, it is clear that additional income is required to continue our support to those struggling to obtain or afford food.

Letting/Voids

- 5.15 Our ability to let our properties has been severely curtailed by Covid 19 restrictions. A key focus has been supporting Local Authorities and offering our void properties for homelessness.
- 5.16 In total we have now provided 5 to Local Authorities for homelessness as follows:
- 4 in Glasgow
 - 1 in Renfrewshire, with a further 5 in process of being signed up.

Repairs

- 5.17 We continue to deliver a life and limb service and in May we have delivered a further 156 repairs. Emergency repairs have been delivered to our customers on average in 3.34 hours.

5.18 We are continuing to engage with our customers to seek to undertake gas safety checks. At the end of May we have 39 outstanding. We are continuing to engage on the sector wide approach to responding to gas safety as part of the Scottish Government Resilience Group.

5.19 As a Group we are also discussing the requirements for smoke and heat detectors in homes by February 2021.

Customer Service Centre

5.20 We are working closely with our colleagues in the Customer Service Centre (CSC) to ensure our customers continue to receive a good service. The team, which is now operating virtually, have ensured that performance for our customers has continued to be very strong. They are responding to 84.38% of calls within 30 seconds against a target of 75%, with an average waiting time of just 31.06 seconds.

5.21 The call volumes have reduced by 50% and we have also reduced the level of resource in the CSC. The CSC continues to support our Talk to Us campaign, engaging in outbound welfare and rent calls to vulnerable customers.

Outbound customer contact

5.22 A key focus has been ensuring we are continuing to engage our customers beyond just service related issues. Since lockdown, we have undertaken in excess of 1500, outbound welfare calls via a combination of Housing Officers and the CSC.

Anti-Social Behaviour

5.23 We have seen an increase in the levels of antisocial behaviour reported to us since lockdown commenced. In the first thirteen weeks of lockdown 42 cases have been reported. However, 90% of these relate to low level anti-social behaviour including noise and neighbour disturbance which could be directly related to the current lockdown circumstances.

5.24 Whilst we have seen an overall increase in levels of antisocial behaviour the figures remain proportionally low with an average of only 0.46 cases per week per patch being reported.

New build

5.25 We are continuing to engage with our contractors on an ongoing basis. The Scottish Government last week accelerated from the pre-start site preparation phase to the 'soft start phase'.

Duke Street

5.26 We are still proceeding towards Court date for Duke Street on 15th September. There has not been any feedback from the Court suggesting a rescheduling of the agreed seven weeks from 15 September. The Court is committed to running proofs through virtual platforms if required. The Quantum

experts (for us and the two Defenders) have agreed a joint statement for the Court and this was submitted on 29 May.

- 5.27 Our witness statements were concluded and submitted to the Court on 29 May. Our update on consequential losses (our non-construction works costs) was updated as planned and has been submitted to the Court and the two Defenders on 29 May.
- 5.28 The Engineer experts (for us and the two Defenders) have agreed a joint statement for the Court and this was submitted on 24 June. The legal team are scheduling a pre-proof meeting with the two Defenders on or before the 17 July, during which a commercial settlement could be explored by either Defender.
- 5.29 A pre-proof meeting by order (a requirement of the Court) is scheduled for all parties on 19 August.

6 Key issues and conclusions

- 6.2 Our performance against key areas continues to hold under the challenging circumstances. We are utilising the lessons learned to date to inform our range of remobilisation plans.

7. Value for money implications

- 7.1 The approach set out in this paper is designed to ensure we continue deliver as much value as possible for customers, while keeping them and our staff safe.

8. Impact on financial projections

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

9. Legal, regulatory and charitable implications

- 9.1. The returns to the Scottish Housing Regulator continue to be provided in line with their deadlines.

10. Implementation and deployment

- 10.1. The Executive Team will direct the deployment of the proposals set out in this paper.

11. Partnership implications

- 11.1 There are no partnership implications associated with this report.

12. Equalities impact

- 12.1. We will continue to take special account of those who have underlying health conditions or are shielding. The latter category of staff will not be required to leave their homes and it is recognised their ability to work may be restricted by the shielding provisions in force.

13. Recommendations

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

List of appendices:

Appendix 1 – Wheatley SHR Return May 2020

Landlord:
[Definitions](#)
Month:
Please submit this return within one week of the end of the calendar month

Please tell us your staff absence level on the last day of the month:

Total number of staff (FTE)	<input type="text" value="2723"/>	Comments:	<input type="text" value="Includes all Wheatley Group staff, RSL, care and commercial"/>
Total number absent (FTE)	<input type="text" value="47"/>	Comments:	<input type="text" value="As above"/>

Percentage of staff absent	<input type="text" value="1.7%"/>
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Number of staff placed on furlough (FTE)	<input type="text" value="555"/>	Comments:	<input type="text" value="All staff including care as above"/>
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Gross rent arrears	<input type="text" value="£13,653,330.09"/>	Comments:	<input type="text"/>
Total rent due	<input type="text" value="£268,718,191.68"/>	Comments:	<input type="text"/>

Gross rent arrears (%)	<input type="text" value="5.08%"/>
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Empty homes	<input type="text" value="204"/>	Comments:	<input type="text" value="ARC definition."/>
Empty homes (last day of month)	<input type="text" value="523"/>	Comments:	<input type="text" value="ARC definition."/>

Total lets	<input type="text" value="90"/>	Comments:	<input type="text" value="ARC definition."/>
Lets to homeless (SST)	<input type="text" value="2"/>	Comments:	<input type="text" value="Not included in Total Lets figure above."/>
Lets to homeless (short SST)	<input type="text" value="0"/>	Comments:	<input type="text" value="Not included in Total Lets figure above."/>
Leased to relevant local authority	<input type="text" value="112"/>	Comments:	<input type="text" value="Not included in Total Lets figure above."/>

Cash balances as at last day of the month	<input type="text" value="£139.2m"/>	Comments:	<input type="text" value="The ledger position reported covers the Wheatley RSLs and their funding vehicle (Wheatley F"/>
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Report

To: Loretto Housing Board

By: Laura Henderson, Managing Director

Approved by: Olga Clayton, Group Director of Housing and Care

Subject: Mobilisation of services

Date of Meeting: 6 July 2020

1. Purpose

- 1.1 To provide the Board with an update on planned staged approach to the remobilisation of business operations over the coming months, including the methodology for transitioning between stages and the fit with phases of the Scottish Government's publication, '*Scotland's route map through and out of crisis*'.

2. Authorising context

- 2.1. The Group CEO has responsibility for business operations across the Group. The Board is asked to note the principles of our approach for how we might continue to develop our services over the coming months, subject to the rate at which Scotland moves through the phases of Scottish Government's route map.

3. Risk appetite and assessment

- 3.1. Our risk appetite relating to laws and regulations is "averse"; defined as avoidance of risk and uncertainty is a key organisational objective. The strategic risk register identifies the particular risk associated with non-compliance with health and safety requirements.
- 3.2. Our priority in the coming months will continue to be protecting the health and safety of our customers, our staff and the other people they come into contact with. The proposals in this paper build on those agreed by the Board at its meeting on 18th May 2020 now that we have moved from lockdown to phase 1 of the Scottish Government route map.

4. Background

- 4.1. The Board agreed the framework for start-up and renewal of activity at its meeting on 18th May 2020. This framework highlighted that since lockdown in mid-March, we have been running a significantly altered operating model, with many staff working from home. The framework also set out a scenario, which has now become reality, where the rate of Covid-19 infection – the R rate - decreased sufficiently to allow some easing of restriction of movement.

- 4.2. Under this scenario plans were set out, and agreed, for how key services might be reintroduced. Many of these plans have been, or are in the process of being, implemented.
- 4.3. Since the previous update to the Board, the Scottish Government has provided greater clarity on the criteria that will determine when lockdown is eased, the phases this will follow and what it will mean for business and service operations. This information is contained in '*Scotland's route map through and out of crisis*' which was published on 21 May 2020 in advance of taking the first initial step to ease lockdown on 28 May 2020. This route map is built around four phases with phase 1 being enacted on 28 May 2020. Aspects of the Scottish Government framework with the greatest impact on our business and service mobilisation are provided at Appendix 1. The aspects covered are:
- **Criteria/condition** which shows that the R rate is the primary driver for movement between phases and needs to be below one and getting lower in order for restriction to be eased.
 - **Protection** which shows that physical distancing, hand-washing, hygiene measures, cough etiquette, and wearing of face masks in public spaces will all be required through all phases including into phase 4 where the virus is under control.
 - **Business** which shows that remote and flexible working where possible will continue throughout and that some non-essential indoor workplace can reopen – with suitable physical and hygiene measures from phase 2 – with more including call centres permitted in phase 3. Construction sites will be able to take steps to prepare to reopen in phase 1 and restart in phase 2.
 - **Getting around** which indicates that until phase 4, travel demand should be managed through staggered start times as there will be reduced capacity.
 - **Schools and childcare** which indicates that schools will reopen, with a blended model of in school and at home learning, from 11 August subject to conditions for progress to phase 3 being reached by then.
 - **Public and community services** which will resume gradually through the phases with reestablishment of justice system processes at phase 3 but normal operations not back until phase 4.

5. Discussion

- 5.1. Our planning assumptions for how lockdown would ease have been consistent so far with the Scottish Government's position and route map. The May report to the Board set out an anticipated service model for the June to September time period, while progress through the Scottish Government route map is determined by the extent to which Covid-19 is contained. We therefore anticipate that our own service model stages may straddle multiple phases of the Scottish Government route map phases; i.e. we do not anticipate having four different service models over the remainder of 2020.
- 5.2. At the time of writing the Scottish Government has confirmed sufficient progress in phase 2 with a potential date from the 10th July to start Phase 3.
- 5.3. Reflecting this, and the results of planning and service development since the Board's last update, our approach to service mobilisation has been refined further. We have developed specific mobilisation plans for core service areas. Each mobilisation plan contains details of:

- Each stage of the remobilisation eg June-Sept, Oct-Dec and January onwards
- The activities within each stage
- The evaluation date for each stage
- How we will communicate the details of each stage and transitions with customers
- Personal Protective Equipment requirements

5.4. These plans will continue to be refined, and will be adapted depending on the actual rate at which progress is made through the phases of the Scottish Government route map. Highlights from our planned remobilisation, mapped approximately to the first three phases in the Scottish Government route map are shown below.

	SG Phase1 (current)	SG Phase 2 (estimated Jun-Aug)	SG Phase 3 (estimated Sept/Oct – Dec)
Letting	Via Local Authorities for homelessness	Temp accommodation / Housing First	Matched highest need customer
Income maximisation	Home working	Visiting Teams	Face to face teams and rent campaign
Fire safety	Vulnerable customers and ongoing incident management	Fire Risk Assessments	Household visits
ASB	Central team – advice, guidance and phone and limited face to face	Central team – investigate – phone and increased face to face	Central team - visits
Environmental	Essential only	Grass cutting	Close cleaning
Eatwell	Customers in difficulty	Tapering-off	Most vulnerable customers
Repairs	Life and Limb	Safety First	
Investment	Suspended	Test projects	External
Commercial	Letting and services suspended	Letting – high demand Internal repairs	Further service mobilisation in line with group approach
New Build	Site-prep	Restart	
Care	Core service - telephone support and home working	Limited face to face and office redesign	Increased face to face and phased office working return
Others	Back office working from home Governance- online	Back office- no change Governance- no change	

5.5. In order to transition through the stages in our remobilisation plans in a structured way we have developed an **evaluation methodology**. This will be applied at the end of each stage before transitioning to the next stage. A copy of the evaluation methodology is attached at Appendix 2. No service will move between stages without all elements of the evaluation being agreed by the relevant parties.

5.6. In this report we adopt the following terminology:

Service Stage 1 – the period between the service model moving from a lockdown-based model into its next stage and approximately the end of September. The transition dates to Stage 2 for each service will be subject to detailed review and this timeline is therefore indicative at this stage. This broadly corresponds to Scottish Government phases 2 and 3.

Service Stage 2 – anticipated to be the period from September/October until at least December, covering phase 4

5.7. We will update this at the next Board meeting in August, taking account of progress nationally and the impacts on our services, including our anticipated proposals to return to full service models in each area.

Housing and Environmental

Letting and void management

5.8. The vast majority of normal directly letting is currently suspended in line with the current restrictions. Our focus has been on offering all our void properties to Local Authorities to support the accommodation of homelessness (which is detailed more in a separate agenda item). The assumed key stages of the mobilisation plan are:

Service Stage 1:

- Reintroduction of direct letting, with virtual online viewings from July to assist customers, and a new protocol for accompanied physical viewings involving social distancing, PPE (gloves/masks) and post-viewing cleaning routines
- Delivering on the Group's commitment to provide 300 homes across Group for use as temporary accommodation
- Continue to deliver on our commitments made as part of the Housing First programme
- Work with Local Authorities to match highest need customers, including management transfers, homeless and Housing First, to properties
- First priority will be our existing "Band A" customers including Management Transfer and Enhanced Housing Needs customers as we know their current accommodation is unsuitable
- Continue to work on voids where resources and availability of parts allow
- Continue to work with partners to progress homeless cases where possible (eg temporary tenancies being converted to permanent)
- Identify personnel to create virtual multi agency allocation and void management teams
- Performance Management information to monitor progress

Service Stage 2:

- Continue a matched letting service for highest need customers
- Void works completed on longer-term voids & backlog cleared
- Commence limited adverts for specialist property types eg Living Well, adapted and the wider localities such as North Lanarkshire and South Lanarkshire

Income

- 5.9. Maximising and protecting our income will remain a key focus as we progress through the Scottish Government route map out of crisis. In the next phases of this we will continue our successful remote working rent and income collection approaches. This will include:

Service Stage 1:

- Patch Housing Officer/income team continue to work remotely via phone, e-mail and text
- Set up Housing Officer face to face teams – for issuing letters and carrying out visits
- Cease issuing current form rent demand letters - create a new suite of letters more aligned with our successful “talk to us” campaign which has been running in recent weeks and will continue to do so
- Continue with referrals to Group Debt Recovery Team
- Review all arrangements/Expected Payment Plans- shifting customers to Direct Debit or Alternative Payment Arrangements if required
- Introduce escalated telephone/video appointments with specialist welfare benefits teams as required
- Review all non-engagement cases preparing to re-start escalation
- Focus on contacting customers who are furloughed and at risk of unemployment
- Introduce Webchat for income & SMART rules for automating contacts

Service Stage 2:

- Introduce deployment of face to face teams
- Review and reset all escalation currently within the system
- Introduce new rent demand letters
- Preparing cases for Court resuming
- Updated/refreshed rent campaign which may encompass the Christmas period
- Introduce secure messaging via customer self-service accounts – including arrears letters

Fire safety

- 5.10. During the initial lockdown period our focus has been on our most vulnerable customers and incident management. This has included responding to extremely high risk customers. Further details are within the Fire Prevention & Mitigation report.

5.11. As lockdown begins to ease we anticipate moving through the following stages:

Service Stage 1:

- Fire Safety Officers (“FSOs”) returned to CIP Fire Safety Team
- Housing Officers to identify customers who fit SFRS ‘Very High Risk’ criteria
- FSOs will conduct telephone consultations with Very High Risk customers including new Housing First customers and deliver bespoke fire safety/prevent products

Service Stage 2:

- FSOs will carry out vulnerable household visits (PPE/Social distancing if required)

Anti-social behaviour (“ASB”)

5.12. As part of our response to lockdown a centralised approach was implemented through which the ASB Team reviewed, recorded and responded to customers reporting any incidents of antisocial behaviour including those that would in normal operations be dealt with locally by Housing Officers. This approach has worked well and involves the team calling customers, providing advice and guidance and recording details.

5.13. We recognise that responding to ASB is a priority for customers and are seeking to respond to this in the remobilisation plan. The key stages for resumption are:

Service Stage 1:

- Highest priority case (known as “CAT A”) investigations and backlog cases prioritised and investigated
- CAT B investigations led by Housing Officers to allow specialist ASB team to prioritise most serious cases
- Patch and field Housing Officers will investigate all Cat B ASB to a resolution (telephone investigations – visits by exception)
- CIP Police Intelligence Team available to assist with ASB investigations

Service Stage 2:

- Teams are able to visit witnesses and perpetrators in person whilst adhering to social distancing guidelines
- Incremental return of CIP Police Team – subject to Police Scotland permitting this

Environmental maintenance services

5.14. Phase 1 of the Scottish government route map, which we are in at the time of writing, allows non-essential outdoor workplaces with physical distancing to resume once relevant guidance agreed. Our contact with the Scottish Government has confirmed that this includes aspects our environmental work such as grass cutting. Reflecting this and our approach to remobilisation more generally, our proposed approach to our environmental service will involve:

Service Stage 1:

- Commence grass cutting & gardening services as well as arborist work.
- Void Team would be in place
- Environmental staff continue to support EatWell & Emergency Fund requests
- Close cleaning progressively reintroduced
- Bulk uplifts to continue (these have been ongoing during lockdown stage)

Service Stage 2:

- Close Cleaning fully resumed

EatWell

- 5.15. Unlike the other services discussed here, our focus for EatWell will be on striking an appropriate balance between making sure we support our customers when they are most vulnerable, and transitioning the EatWell service to its primary focus on our most vulnerable customers.

Service Stage 1:

- continue to receive referrals and deliver food parcels for those in need
- Introduce a supermarket voucher for new referrals (approx £30 for single person)

Service Stage 2:

- Revise/update criteria for ensuring we continue to target those in greatest need
- Review the impact of the changes above including the impact on staff resources on food voucher option
- Reduce staff levels (following re-instatement of grass cutting/void work) and as staff move back to normal duties
- Continue to support referrals (at a significantly reduced level)
- Formalise discussions with Fareshare on future 'community partner' status across Group

Repairs, investment and compliance

Repairs

- 5.16. In line with the slight easing of lockdown in phase 1 of the Scottish Government route map the repairs service which was operating on a 'life and limb' service has been reassessed. The restrictions intended as part of phases 2 and 3 of the route map for easing lockdown mean that a full service still cannot be resumed.

- 5.17. However, there is scope to extend the service beyond its current level to what we have termed "Safety First Repairs". This will include all emergency works and works that while not necessarily deemed essential are considered necessary to avoid significant inconvenience to the customer.

Service Stage 1

- 5.18. The Safety First Repairs service will be introduced from the start of July. A comparison between the existing life and limb service is set out below:

Life and Limb	Safety first repairs
Definition of Service	Additional Level of Service
<ul style="list-style-type: none"> ▪ Serious damage to property ▪ Property is left Insecure ▪ All Fire Safety identified repairs will continue to be raised and attended ▪ Lifts - Essential Maintenance and person trapped 	<ul style="list-style-type: none"> ▪ Customer vulnerability ▪ Significant inconvenience ▪ Potential damage to property ▪ Persistent leaks ▪ All Fire Safety identified repairs will continue
Examples of Life and Limb Service	Examples of Safety First service
<ul style="list-style-type: none"> ▪ Burst water supply pipes causing flooding ▪ Customer is asked to contain minor leaks/drips ▪ Choked W.C bowls ▪ Choked drains ▪ Secure front doors/windows ▪ Gain access where no keys available ▪ Dangerous electrics ▪ No Power ▪ No cooking facilities ▪ No heating ▪ Dangerous ceiling ▪ Rain/water penetration ▪ Leaks at W.C bowl or soil pipe 	<ul style="list-style-type: none"> ▪ Renew items e.g. shower (subject to availability) for vulnerable customers ▪ Persistent leaks - identify source & prevent leak ▪ Renew WC Bowls ▪ CCTV Survey of drains ▪ Renew front doors/windows (subject to availability) ▪ Renew Controlled entry handset ▪ Customer has alternative cooking facilities but not ideal longer term ▪ Temporary heating been in place greater than 7 Days

Service Stage 2:

- Full repairs service reintroduced

In stage 2 a full repairs service will resume. A key element of the remobilisation plan is planning to mitigate the risk of a significant spike in demand from the resumption of a full service. This will be addressed in part by completing a large number of the more urgent backlog repairs during the Stage 1 period.

Investment and compliance work in existing homes

Service Stage 1:

- 5.19. Our focus during the next phases of the Scottish Government's route map will be on clearing the back-log of expired CP12 gas safety certificates through high intensity contact from the call centre, refreshed customer communications, and where the customer is not engaging, reinstating our forced entry procedure. Going forward we will look to embed the high intensity outbound calling as part of our business as usual gas process, given its success to date in reducing no-accesses.

Service Stage 2:

- 5.20. We intend restarting external investment works and cyclical maintenance from late September, assuming progress continues through the phases of easing lockdown. In advance of this, we are exploring the possibility of restarting some projects across our stock that were put on hold at lockdown, to build experience in ensuring necessary safe-working practices and to provide customers with confidence on our approach and continued commitment in this area. At this stage, non-essential internal capital investment works (eg new kitchens where these are being replaced on a life-cycle programme basis) are not anticipated to take place until the new calendar year.
- 5.21. We plan to survey customers who are due to have any internal works done prior to the end of the financial year, to assess their views on having tradespeople in their homes and identify any concerns arising. In doing so, we will explain the measures we will take to mitigate health and safety risks, such as how we will operate social distancing principles and the PPE that will be used. We anticipate repeating this survey exercise around December/January in respect of customers scheduled to have internal investment/compliance work done in 2021/22.

Factoring

- 5.22. [redacted]

New build development

- 5.23. Re-opening of construction sites is mentioned specifically in the Scottish Government route map. This includes preparations in advance of mobilisation during the current SG phase 1 and implementation of the remaining stages of the industry's staged return plan during phase 2.
- 5.24. We have resumed activity although as advised previously, tasks may take longer to complete, meaning the timescale for us to receive completed homes may be longer than usual. We are actively engaging with our contractors on an ongoing basis to understand the implications of this for our development programme.

Care

- 5.25. Of the 29 Wheatley Care services, 7 services currently have staff home-working resulting in the full or partial closure of 7 staff office locations. Staff in all of these services have been providing, in the main, telephone support to our tenants but responding in person, direct from their home if required.
- 5.26. The planning for the remobilisation of services is based on undertaking an assessment on a service by service basis. Whilst each remobilisation will take into account the assessment of individual services the overarching priorities will be:

Service stage 1

- staff continuing to work from home where possible and face to face contact kept to a minimum
- reviewing and revising all associated operational policies and procedures including health and safety arrangements such as increasing PPE supply, and use of public transport

- designing offices to ensure that they support social distancing and infection control requirements
- Care technology will be fully rolled
- discussions with purchasers and the care regulator

Service stage 2

- staff will start returning to offices in stages
- increased face to face contact
- internal services provided to Group RSLs will be reviewed and remodelled
- reintroduction of the use of some common spaces within care services and HMOs

5.27. Wheatley care services have continued to provide an essential service to our tenants during the pandemic and will continue to do so using appropriate physical distancing and hygiene measures as lockdown eases in line with the Government route map. This will include greater resumption of face to face activity, particularly for vulnerable people, when deemed safe to do so.

Back-office support services and governance

5.28. Back-office support services will continue to be delivered through home working as present. Similarly, our governance approach will remain unchanged through Service Stage 1 to the end of September with virtual board meetings, reduced agendas and reduced board member numbers dialling in to allow easier management of conference calls/video calls.

Personal Protective Equipment (“PPE”)

5.29. The service transitions above will require an increasing use of PPE. At present, we have sufficient supplies in place for our staff for the next 12-week period based on the anticipated Stage 1 service models of all remobilisation plans and we have robust supply lines. The confirmed availability is also a key element of the evaluation criteria for any service remobilisation progressing to Service Stage 2.

5.30. We have also made progress recently through the Scottish Government and we can now access additional supplies through an arrangement it has put in place with Lyreco. We have tested this arrangement and it worked well with next day delivery. In addition, as a contingency, we have placed orders so as we will have a further 25% stock beyond what we expect to need.

6. Key issues and conclusions

6.1. The plans set out in this report will be kept under review and flexed as necessary depending on progress through the phases in the Scottish Government route-map. They will also be informed by the experience we gain from operating our interim service models. Prior to progressing to the next Stage, a detailed assessment and evaluation will take place in accordance with appendix 2, and the Board will be updated on progress at its next meeting in August.

7. Value for money implications

- 7.1. The approach set out in this paper is designed to ensure we continue to deliver priority services for customers within government restrictions, focusing on keeping them and our staff safe. Customer feedback will form an important part of our assessments before moving to the next Stage service models.

8. Impact on financial projections

- 8.1. Our revised business plan is being presented to the Board for consideration at this meeting.

9. Legal, regulatory and charitable implications

- 9.1. The approach set out in this paper is based on latest the Scottish Government Framework and in particular '*Scotland's route map through and out of crisis*'. We will continue to refine our proposals as the detail of government advice develops including in light of progress through the identified phases. We continue to notify the Scottish Housing Regulator, as necessary, of changes to our operating model and services through their "notifiable events" web portal.

10. Implementation and deployment

- 10.1. The Executive Team will direct the deployment of the proposals set out in this paper.

11. Partnership implications

- 11.1 The proposals in this paper are fully integrated into our Coronavirus response plan.

12. Equalities impact

- 12.1. We will continue to take special account of those who have underlying health conditions or are shielding. The latter category of staff will not be required to leave their homes and it is recognised their ability to work may be restricted by the shielding provisions in force.
- 12.2. Given the increased risk to BAME staff we will also undertake tailored risk assessments to ensure these staff are appropriately protected as part of the re-mobilisation.

13. Recommendations

- 13.1 The Board is asked to:
- note the approach set out in this report
 - note that a further update on our service models will be provided to the next meeting in August

List of appendices:

- 1- Scottish Government route map through Covid-19
- 2- Evaluation methodology for progressing Wheatley service models to their next stage

Criteria/ conditions	Phase 1 R is below 1 for at least 3 weeks and the number of infectious cases is starting to decline. Evidence of transmission being controlled also includes a sustained fall in supplementary measures including new infections, hospital admissions, ICU admissions, deaths of at least 3 weeks.	Phase 2 R is consistently below 1 and the number of infectious cases is showing a sustained decline. WHO six criteria for easing restrictions must be met. Any signs of resurgence are closely monitored as part of enhanced community surveillance.	Phase 3 R is consistently low and there is a further sustained decline in infectious cases. WHO six criteria for easing restrictions must continue to be met. Any signs of resurgence are closely monitored as part of enhanced community surveillance.	Phase 4 Virus is no longer considered a significant threat to public health.
Protection	Physical distancing requirements in place. Frequent handwashing and hygiene measures for all. Cough etiquette is maintained. Face coverings in enclosed public spaces, including public transport.	Physical distancing requirements in place. Frequent handwashing and hygiene measures for all. Cough etiquette is maintained. Face coverings in enclosed public spaces, including public transport.	Physical distancing requirements in place. Frequent handwashing and hygiene measures for all. Cough etiquette is maintained. Face coverings in enclosed public spaces, including public transport.	Physical distancing requirements to be updated on scientific advice. Frequent handwashing and hygiene measures for all Cough etiquette is maintained. Face coverings may be advised in enclosed public spaces, including public transport.
Business	Remote working remains the default position for those who can. For those workplaces that are reopening, employers should encourage staggered start times and flexible working. Non-essential outdoor workplaces with physical distancing resume once relevant guidance agreed. Construction – Phases 0-2 of industry restart plan can be implemented. (Industry to consult government before progressing to phase 2.) Preparing for the safe reopening of the housing market. Workplaces resuming in later phases can undertake preparatory work on physical distancing and hygiene measures.	Remote working remains the default position for those who can. Non-essential indoor non-office-based workplaces resume once relevant guidance agreed – including factories & warehouses, lab & research facilities – to re-open with physical distancing. Construction sector to implement remaining stages of phased return. Relaxation of restrictions on housing moves.	Remote working remains the default position for those who can. Non-essential indoor office workplaces can open, once relevant guidance agreed, including contact centres with physical distancing.	Remote and flexible working remains encouraged. All workplaces open with improved hygiene and in line with public health advice.

Appendix 1 – Scottish Government Route Map Through Covid-19

Getting around	Consistent with the reopening of workplaces set out in this phase, where home working is not possible businesses and organisations are encouraged to manage travel demand through staggered start times and flexible working patterns.	Consistent with the reopening of workplaces set out in this phase, where home working is not possible businesses and organisations are encouraged to manage travel demand through staggered start times and flexible working patterns.	Public transport operating full services but capacity still significantly limited to allow for physical distancing. Travel at peak times discouraged as far as possible.	Public transport operating full service.
Schools and childcare	Re-opening of child minding services and fully outdoor nursery provision.		Children return to school under a blended model of part-time in-school teaching and part-time in-home learning. Subject to progress 11 August All childcare providers reopen subject to public health measures, with available capacity prioritised to support key worker childcare, early learning and childcare (ELC) entitlement and children in need.	
Public, Community services	Gradual resumption of key support services at the community level with physical distancing and hygiene measures. Re-opening of court and tribunal buildings, with limited business and public access.	Further scaling up of public services from Phase 1 where it is safe to do so.	Further resumption of justice system processes and services.	Public services operating fully, in line with public health advice, with modifications and changes to service design, including increasing use of digital services where appropriate.

Appendix 2 – Evaluation approach for progression to next Stage service model

Prior to any service moving from Wheatley Stage 1 to Stage 2 (and then Stage 3), the following assessment matrix must be completed. It is anticipated that Wheatley Stage 1 will correspond to broadly the Scottish Government's phases 2 and 3 (covering the summer and the period when schools are expected to resume in August to potentially around the end of September). These evaluations may therefore be anticipated to take place in advance of a further shift in service model around September or October.

An evaluation sheet will require to be provided to the Executive Team as part of the proposals for moving to a new stage of service model.

Service : XXXX	Description	Confirmation
Evaluation of current Stage service model, including customer feedback	<p>The proposal to the ET includes an evaluation of how the service model has performed in its current Stage which sets out, as a minimum:</p> <ol style="list-style-type: none"> 1. Customer feedback – the proposal should explain how customer feedback has been gathered; this may include surveys / analysis of CSC contact data / complaints / Housing Officer records, etc 2. Staff feedback – how staff feel the service model has operated and strengths/weaknesses 3. How effectively supporting infrastructure has operated - for example IT, fleet and relevant Wheatley Solutions services 4. How risks have been managed and mitigated 5. Lessons learned to take into the next Stage service model 	E-Signature – Director/Managing Director
Results of health and safety review of proposals, including PPE consumption	<p>Health & safety team reviewed the proposals to move to the next Stage and identified the following issues:</p> <p>[list issues identified]</p> <p>The anticipated impact in terms of PPE consumptions arising from the proposed change in service model Stage has been appropriately forecast and the Group Health and Safety and Procurement teams have confirmed that we will be able to provide the necessary PPE.</p> <p>These have all been addressed in the revised proposals being presented to ET.</p>	<p>E-Signature – Group Health & Safety Lead</p> <p>E-Signature – Group Procurement Manager</p>
Impact of proposals on furlough list	<p>The proposal will involve the following staff returning from the furlough list:</p> <p>[list staff, FTE impact]</p> <p>This will reduce furlough income by £[xxx] per month / £[xx]x in total.</p> <p>This has been included in the final approved ET proposals following prior agreement with the Director of Employee Relations.</p>	E-Signature – Director of Employee Relations
Trade Union consultation	<p>Consultation has been held with relevant trade unions, being [xxx] and [xxxx]. The following issues arose from this process:</p> <p>[list any issues arising]</p> <p>These have been addressed in the following ways in the final proposals being presented to ET:</p> <p>[explain how issues addressed]</p> <p>All relevant trade unions are comfortable with the proposals to move to the next Stage service model.</p>	E-Signature – Director of Employee Relations
Scottish Government guidelines	<p>The proposal being presented complies with all relevant government and regulatory guidelines based on the national phase of activity it is expected to cover.</p> <p>[provide brief summary of how this is achieved]</p>	E-Signature – Director / Managing Director
Impact on other service areas	<p>The proposal will require additional supporting resource relative to the previous Stage from the following services:</p> <p>[list any impacts on other services impacted, eg Wheatley Solutions or 360]</p> <p>These impacts have been agreed with the relevant Directors/Managing Directors, and there are no additional implications (eg on the furlough list) beyond those set out in the proposal to ET.</p>	E-Signature – Director/Managing Director
Communications	<p>The proposal has been reviewed by the Group Communications team who have advised on an appropriate strategy for customer, staff and wider stakeholder messaging. This has been included in the proposal being presented to the ET.</p>	E-signature – Director of Communications and Marketing
Executive Team approval	<p>The proposal has been approved by the Executive Team and all required amendments have been incorporated.</p>	E-signature – Group CEO

Discussion paper

To: Loretto Housing Board

By: Laura Henderson, Managing Director

Approved by: Olga Clayton, Group Director of Housing and Care

Subject: Strategy Update

Date of Meeting: 6 July 2020

1. Purpose

1.1. This discussion paper:

- Explains the current position in respect of developing a five year Wheatley Group strategy; and
- Proposes an approach for the update of the five-year strategy for Loretto Housing within this Group context

2. Authorising context

2.1. The Group Board has responsibility for setting the overall Group strategy. This is informed by the views of each partner organisation on their key strategic drivers. We are responsible for agreeing our own strategy within the Group context.

3. Risk appetite and assessment

3.1. The 2020-25 Wheatley Group strategy, *Inspiring Ambition, Unleashing Potential*, was approved by the Group Board in October 2019. Following this, the Loretto Housing Board approved its own strategy in February 2020.

3.2. There is not a single risk appetite in respect of strategy. In developing the strategy, there are areas where we may be risk averse, such as customer and staff health and safety, and others where we were prepared to take higher risks, such as the pace of technology in service innovation.

3.3. The risks facing us have changed in light of Covid-19, with an economic shock and expected resultant increases in unemployment and financial difficulties, particularly among lower income households. This leads to financial risks, such as increased rent arrears, but also threatens some of the objectives we set out in the 2025 strategy. The ability of some of our customers and communities to realise their potential and ambitions may be undermined by the stresses of increased financial hardship.

- 3.4. The Fraser of Allander Institute have reviewed *Inspiring Ambition, Unleashing Potential*, and we have developed a partnership model under which they will support us to validate our social impact measures. Professor Graeme Roy and Emma Congreve from the Fraser of Allander Institute will attend the Board meeting by Zoom to provide their views and analysis on the economic and political context, risks, and how they view the implications for our strategy in the current context.

4. Background

- 4.1. *Inspiring Ambition, Unleashing Potential*, our strategy for 2020-25, was a far reaching vision for how we would further transfer control to customers and work with them to create better homes and better lives. It set out plans to transform how our staff and service models work based on taking advantage of technology to allow greater personalisation, while ensuring no-one was left behind. Our strategy set out ambitious aims within this context, including that we will:

- Harness technology to make home life more convenient for our customers and to support people to live independently for as long as possible. We will build on our investment in technology through touchscreens, our OK each day service and technology that will improve the cost of running a home and energy efficiencies.
- Develop a customer led repairs service using new technology to implement our 'book it, track it, rate it' service.
- Create digital neighbourhoods that will provide a virtual forum where our customers can connect and further support each other, co-creating local solutions to improve their local community.
- Develop our people to have the skills and knowledge they need to deliver exceptional services in a digital environment.
- Think Yes Together with our staff and customers to drive innovation and value for our customers.

- 4.2. A copy of our 2020-25 strategy is provided by way of background in **Appendix 1**.

- 4.3. The Covid pandemic and the changes that we might see in the months and years to come have potential impacts across all areas of the strategy. For that reason, the Group Strategic Development Committee (SDC) agreed a number of principles for how the Group strategy might need to be revised at its meeting on 24th June.

- 4.4. A number of these principles have applicability in the context of our strategy.

5. Discussion

Group Strategy – update

(i) Title, period, vision and name of the strategy

- 5.1. The SDC agreed to defer the launch of the Group strategy until 2021 and to re-set the period to 2021-26, which will match Scottish Parliamentary terms. This will allow clearer alignment with the Scottish Government in some areas such as targets for new housebuilding; for example, the Scottish Government's 50,000 new homes target was 2016-21 while the previous Group target was 2015-20.
- 5.2. Given the economic context, we also propose to change the name of the strategy to reflect our critical role in supporting communities to recover from the effects of the pandemic, and ensuring their voices and not marginalised in relation to national policy on economic recovery. A number of potential options were discussed, including:
- *Stronger Communities, Stronger Voices*
 - *Building Stronger Communities Together*
 - *Building Better Futures*
 - *Investing for Stronger Communities*
 - *Connecting Communities, Building Futures*
- 5.3. The Executive Team were asked to make a proposal to the Group Board that reflects feedback from across the Group and the tone of the overall updated strategy.
- 5.4. The Group vision statement is set out below, with proposed amends in blue:
- Customers have increased control over their services, their communities and their lives, with new opportunities for building skills and resilience.*
- We will work ethically and sustainably, ensuring our homes are affordable for our customers, **digitally enabled and low or net-zero carbon.** We will share our expertise and with others to improve the fabric of our customers' lives while creating great communities.*
- 5.5. The SDC agreed that the aims of this vision statement remain appropriate. Our ambitions for our customers and communities have not altered in terms of increasing the degree of control they feel. The concepts of building skills and resilience will be more important than ever as we emerge from the Covid pandemic. However, as we consider an even greater emphasis on digital connectivity and low carbon (which were already important themes in the strategy), we have proposed the addition of the statements in blue to the previous text. This is also a vital theme in the Dumfries & Galloway context.

(ii) Reflecting on the strategic themes and outcomes

- 5.6. The Group strategy document was structured as five strategic themes, and 18 key outcomes.

<i>Delivering Exceptional Customer Experience</i>	<i>Making the Most of Our Homes and Assets</i>	<i>Changing Lives and Communities</i>	<i>Developing Our Shared Capacity</i>	<i>Enabling Our Ambitions</i>
Progressing from Excellent to Outstanding	Increasing the supply of new homes	Shaping Care services for the future	WE Think – creating our Think Yes culture together	Raising the funding to support our ambitions
Enabling Customers to lead	Investing in existing homes and environments	Developing peaceful and connected neighbourhood	WE Create – driving innovation	Maintaining a strong credit rating and managing financial risks
Developing a customer led repairs service	Setting the benchmark for sustainability and reducing carbon footprint	Supporting economic resilience in our communities	WE Work – strengthening the skills and agility of our staff	Evolving digital platforms to support our activities
Differentiating Lowther from its competitors	Building community voice, engagement and resilience			Influencing locally and nationally to benefit our communities

- 5.7. The Group strategy’s five themes remain valid headings under which to cluster our specific objectives and outcomes at a Group level, and they provide a framework for the strategic themes of our specific strategy.
- 5.8. In reflecting on the impact of the pandemic, the majority of the Group strategy remains highly relevant. It already set out a series of ambitious plans to expand the number of ways we use to engage with and seek views of customers, transferring more control over decisions to those we work for. We had set out – for the first time – a series of social impact measures, recognising our wider role and impact on society, such as our contribution to the GDP of Scotland, job and apprenticeship creation targets and a planned reduction in our carbon footprint. We sought to include a measure, again for the first time, of our impact on poverty and deprivation, through reducing the cost of running a home.
- 5.9. The strategy talked about our growing national influence, and using our size and scale to advocate for our communities and staff, whether at UK government level (for example in respect of Universal Credit) or Scottish / local government level (for example in arguing for better pay for social care work and an end to competitive tendering for care services).
- 5.10. The SDC considered the areas of the Group strategy that might need to be amended. While it considered that the majority of the document remains highly relevant, it was agreed that stronger emphasis is now needed in certain areas. These included:
- a) Our role in delivering a fair and socially just **economic recovery post-Covid**, through:
 - o a **Wheatley Green Investment Plan**, involving:

- f) Articulating our **proposed approach to engagement** (with customers, staff and wider stakeholders); reflecting the work currently underway to develop a new-group wide engagement framework and embedding this is a core part of the revised strategy at the outset.
- 5.11. A number of these areas – particularly those involving major capital expenditure (new build and existing stock investment) will require partnership support from Scottish Government, to augment our own resources. This is not a new situation for us; but we consider it important to broaden our positioning as a delivery partner with government to more than just funding for new build. Delivering change on the scale required to address fuel poverty and inequity of digital access for many in our communities means government funding support for energy efficiency and digital infrastructure in existing homes is critical.
- 5.12. The Scottish Government's *Housing to 2040* consultation process recognised this, with some indications, most recently when the Cabinet Secretary for Communities and Local Government addressed our Group Governance event in March, that housing policy from 2021-26 might reflect a greater balance of investment between new build and existing homes. Since 2016, the vast majority of Scottish Government funding for housing (c£3.4 billion allocated in total) was for new build under the 50,000 target.
- 5.13. In recent weeks, Shelter, the Scottish Federation of Housing Associations and the Chartered Institute of Housing in Scotland have launched a research document arguing for 53,000 affordable new build homes to be funded by the Scottish Government from 2021-26. All of these discussions are set in the context of uncertainty around the UK government spending review and budget planned for the autumn. A stimulus programme for capital spending to aid recovery at UK level will mean additional resources for the Scottish Government through the Barnett formula; on the other hand, an austerity-type approach will mean more difficult trade-offs for the Scottish Government, including in respect of housing budgets.
- 5.14. In setting our direction, we sought the SDC's view on the concept of a broader strategic agreement with the Scottish Government, potentially covering a series of outcomes over the five-year period – addressing new build, energy efficiency/carbon reduction, digital connectivity, and homelessness. This is not a new approach for government; for example, it reflects precedent in local government and how funding was originally provided to GHA to deliver a broad set of objectives relating to homes and communities. Such an agreement could then be replicated with our key local authority partners; noting that some of our previous agreements, such as with Glasgow, are due for refresh. The SDC were broadly supportive of this idea, noting its ambition and that further work will be required to develop this.

(iii) Our operating model to 2026

- 5.15. The Group strategy already set out ambitious plans to transform the operating model across the Group, to one where digital approaches are the norm and the office buildings assume much less prominence. The excerpts below highlight this:

*Our ambition to transform service delivery over the next five years will allow us to **rethink our corporate estate**. Highly agile working patterns and methods will be more suited to touch-down points rather than assigned desk space, enabling us to replace our current workplace estate and relocate to creative community hubs and workspaces that look and feel very different from traditional offices and provide added value for our customers. The resulting capital gains and efficiency savings will help fund our investment ambitions.*

We anticipate the workforce of 2025 will be significantly different from the workforce of today, with a fully digitally active workforce, increasingly looking for more flexible career models, work arrangements, reward programmes, wellbeing initiatives and career development opportunities...

We predict that up to 75% of our workforce will no longer work a traditional Monday to Friday pattern by 2025. Our aim is to deliver a gradual and smooth transition of our workforce model towards a new model that is more agile in responding efficiently to changes in customer requirements.

Inspiring Ambition, Unleashing Potential, p28 / 46 / 52

- 5.16. By necessity, and under emergency conditions, large elements of this approach have been enacted in the last three months, with a major transition to flexible home working for most staff across the Group, and all staff in Loretto. We have set up a virtual call centre, increased customer contact through phone and online channels, put in place a virtual lettings model, and maintained strong operational performance, albeit with a reduced service model at present.
- 5.17. Staff have been surveyed across the Group to understand how they feel about the current working model and what we should do in future. The vast majority of staff like many elements of the flexibility home working offers – no commute, savings in travel cost and the potential of more flexibility to work around family commitments. A consistent theme is that staff miss face-to-face contact with colleagues, but that does not mean they want to return to the old working set-up exactly as it was.
- 5.18. The Group strategy envisaged moving to a new model by 2025, but given the degree of change that has already taken place, we propose to consolidate this more quickly. The SDC considered some of these principles and agreed to consider further detail of this approach in the months ahead. It was agreed to work towards development of a revised Group strategy by late 2020, with Loretto's and other partner organisation's strategies to be developed in parallel and helping to inform this.

Revising the Loretto Housing strategy

- 5.18 It is not proposed to radically re-write our strategy, as many of the aims and objectives remain valid. It is however proposed to mirror the changes to the Group strategy in terms of changing the period to 2021-26 and updating a number of the proposed outcome measures accordingly.
- 5.19 However it will be vital to recognise aspects arising from the impacts of Covid-19 for example:

- how we support the likely increased number of customers losing their jobs and facing the benefits system, many for the first time;
- linked to the above, considering our contribution we already play in preventing homelessness;
- the total package of services that we can offer to customers as part of the Group to help them make their money go further; and,
- the acceleration of our digital journey over the last few months and what we have learnt from that.

5.20 We propose an initial half-day strategy session be held with the Board via Zoom during August to discuss the Board's views on our strategy and what might need to change in the new context we face. A potential agenda for the day could be as follows:

9.30am – introduction and objectives for the session (Chair)

9.45am – review on how the COVID-19 crisis has impacted on the business so far and what that is telling us about the coming months (MD)

10.15am – Discussion by Theme (led by MD)

Strategy Theme 1: Delivering Exceptional Customer Experience

Strategy Theme 2: Making the Most of our Homes and Asset

Strategy Theme 3: Changing Lives and Communities

Strategy Theme 4: Developing our Shared Capability

Strategy Theme 5: Enabling our Ambitions

11.30am – Summary of key points from the discussion (Chair)

12 noon – Close

The Board's views are sought on this proposed agenda.

5.21 Following this strategy session, we would work on a draft outline executive summary and key outcome measures for the Board's consideration and review at the next meeting in November. A full draft strategy document would then follow at our February meeting. Launch of the strategies – both the Group document, and our own – would follow in early 2021.

6. Key issues and conclusions

6.1. Our revised strategy will allow the Board to agree a clear vision for the future direction of the organisation, within the context of the Wheatley Group and the overall Group strategy.

7. Value for money implications

7.1. These will be addressed as part of the strategy discussions.

8. Impact on financial projections

8.1. An interim update to our business plan is on the agenda for the Board meeting. Further updates will be required to reflect the implications of a revised 2021-26 strategy and associated operating model, and this will be progressed in line with the revised strategy document.

9. Legal, regulatory and charitable implications

9.1. These will be taken account of as part of the strategy development process.

10. Implementation and deployment

10.1. This is an initial discussion paper on strategic direction. Once the Board has agreed a strategy document, then detailed delivery plans will be developed to support implementation.

11. Partnership implications

11.1 Our strategy will be integrated into the overall Wheatley Group family of strategies. For example, the strategies for Wheatley Solutions, Wheatley Foundation and City Building will need to align with our strategic objectives.

12. Equalities impact

12.1. The Group strategy recognised the importance of equality, with specific targets in areas such as gender balance in different parts of our workforce. We will review the issue of equalities in the strategy refresh, to ensure all aspects, including our approach to Black and Minority Ethnic staff and customers, continue to reflect the approach of a leading employer.

13. Recommendations

13.1 The Board is asked to note the approach to strategy development

List of Appendices:

Appendix 1 – Loretto Housing Strategy 2020-25, *Inspiring Ambition, Unleashing Potential*

Inspiring Ambition, Unleashing Potential

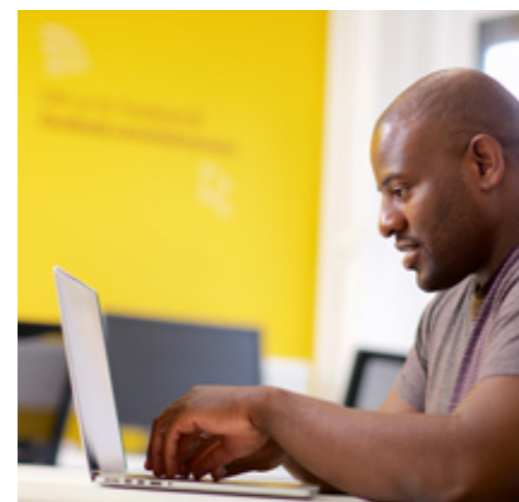


2020-2025



Loretto Housing
Our five-year strategy





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OUR VISION FOR 2020 TO 2025

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

Inspiring Ambition, Unleashing Potential, sets out how we will take our services to the next level on this, the next stage of our journey, from 2020 to 2025.

An ambitious, new-build programme has seen us work closely with our key partners, our seven local authorities (Glasgow City Council, Renfrewshire Council, North and South Lanarkshire, Falkirk Council, West and East Dunbartonshire Council) and the Scottish Government, to bring forward much-needed new affordable homes. Over the lifetime of this strategy we will build 176 more homes while continuing to invest in the fabric of our existing homes.

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

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

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

We will deliver our vision for our communities against a backdrop of significant external challenges, not least of all the impact of Welfare Reform, digital exclusion, rising levels of poverty, continuing public spending cuts and the continuing gap between housing need and supply.

By 2025, we know that the expectations of our customers and our staff will be very different. We will evolve how we work, listening and responding so that Loretto Housing remains in the best possible shape to deliver on its ambitions. Key to this is working alongside Wheatley’s specialist care and support provider to ensure that our new build and future investment priorities meet the broadest spectrum of needs within our communities. Operating across central Scotland, Loretto Housing will continue to identify opportunities to make it easier for our customers to access services in the most convenient way for them. We understand that in order to achieve our ambitions it will be important to continue our strong partnerships within the seven local authorities within which we operate.

At the heart of our strategy for 2020 to 2025 are five key outcomes:

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

OUR VISION – LORETTO HOUSING IN 2025

Our vision is to enable our customers to reach their potential for a brighter future for themselves and their families. Our strategy for making this real will deliver an unprecedented shift in the balance of power and control towards our customers, empowering them to make their own choices about the services they want, ensuring they are properly equipped to do things for themselves and involving them in the design of products and services from start to finish.



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

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

These themes and outcomes align the strategic priorities across our Group. The particular priorities of Loretto Housing’s strategy for 2020-25 are detailed in the following sections of this document under each strategic theme.

We have reviewed and updated our values for this new strategy and these are set out below.

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

- **Strengthening the Economy** – this will include tracking the significant impact this strategy will make to the Scottish GDP. It is projected by Loretto Housing that the operating and capital spend over the 2020-25 period is estimated to support up to 130 jobs, training places and apprenticeships annually and have a total impact of up to £35m on GDP.
- **Reducing Poverty and Improving Wellbeing** – this will include measuring how we are reducing the cost of running a home and tracking the positive impact our support services are making to both customers’ financial circumstances and overall wellbeing and resilience.
- **Improving our Environment and Mitigating Climate Change** – this will include reducing our corporate carbon footprint by 50% (from 2012 baseline), reducing the CO2 emissions in our Wheatley homes by at least 1,000 tonnes and raising the environmental standard of our New Build homes making them more energy efficient and cheaper to run.
- **Strengthening our communities** – this will include increasing customers’ social capital, expanding our engagement methods and measuring the positive impact this is making to our customers and our communities. We will also track how our increased community cohesion is helping to make our neighbourhoods more ‘peaceful’.



Our values:

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



1. DELIVERING EXCEPTIONAL CUSTOMER EXPERIENCE

Excellence is embedded in Loretto Housing's culture and we want to build on this foundation of excellence to deliver even more outstanding services.

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

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

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

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

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

Our new **Whole Family Approach** is focused on improving outcomes for our families. 80% of our homes are 2 and 3 bedroom properties and almost a quarter of our households have children under 16 years of age. Children and young people will become part of decision-making in our neighbourhoods. In our homes, we'll look to develop more child-friendly features such as better storage for family equipment.

New-build homes will be designed to suit modern family living. Building a variety of mixed tenure development in areas previously agreed by Board to complement existing stock with a focus on flexibility of house layouts to suit a range of family compositions as children grow we will support families with employment and training opportunities through the Wheatley Foundation. Young adult children in our homes will be offered a housing options consultation as they consider setting up their own home.

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

Our digital-based services, such as GoMobile and MyHousing, will continue to help us strengthen our **customer insight**, ensuring we can meet the different needs of customers. We will **work with partners locally and nationally to anticipate the profile and demography of our future customers** as well as the issues they will face in 2025 and beyond.

We will re-design the way we engage with customers. Enabling them to have more choices and control to make changes that are important to them. **Co-designing the transformation of our services** with our customers will **ensure no one is left behind**. Loretto Housing's Community Action Group meetings are a vital part of engaging and gaining feedback from customers. Services will be tailored to meet the specific needs of customer groups, whether they are delivered digitally or face to face. We will encourage a diverse range of customers to talk about their experiences and the **issues that matter to them** and will encourage our **customers to challenge our performance** and outcomes.

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

We will demonstrate Loretto Housing's progress towards the outcomes under **Delivering exceptional customer experience** through the following key performance indicators and impact measures.





Our key performance indicators:

- › Overall customer satisfaction above 90%
- › Implement “Rate it” score from book it, track it, rate it repairs approach and aim to improve performance by 10%
- › Tenant satisfaction with value for money increased to 85%
- › Implement new approach to recording satisfaction with how complaints are handled and improve performance by 10% points
- › Overall satisfaction amongst households with children improved to 90%
- › 90% tenant satisfaction with opportunities given to participate in the landlord’s decision making process
- › 95% of customers actively engaged in shaping services feel they participate in decision making
- › Satisfaction with the process of getting my new home is improved by 10% points
- › Meet the agreed contributions to accommodation for homeless households in each local authority we operate in.

2. MAKING THE MOST OF OUR HOMES AND ASSETS

Our primary purpose of changing lives through providing quality homes remains unchanged. Building on the unparalleled success of the last five years we have set ourselves another challenging target. We will deliver a minimum of 170 new homes between 2020 and 2025; with the potential for a further 150 subject to agreement from the Group's lenders to support an increased level of private finance and the availability of government grant funding.

Improving our existing customers' homes remains a key strategic priority. We will use our financial strengths to invest a further £8.4m over the next five years in improving, modernising and maintaining homes, in addition to £7.2m on repairs. This will allow us to reduce the levels of emergency, reactive and maintenance repairs which create inconvenience to our customers as well as being poor value for money.

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

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

We will harness **technology** to make home life more convenient for our customers and to support people to live independently for as long as possible. We will build on our investment in technology through touchscreens, our OK each day service and technology that will improve the cost of running a home and energy efficiencies.

Through to 2025, the transformation of our services will provide scope for us to look at how we organise our office spaces. More **agile working patterns** will be more suited to touch-down points rather than assigned desk spaces. This will enable us to generate new opportunities for supporting entrepreneurship in our communities by providing **flexible spaces that can be shared with customers, social enterprises and new local businesses**. We will replace our current workplace estate and relocate to creative community hubs and workspaces that look and feel very different from traditional office and provide added value for our customers.

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

A warm, safe and energy efficient home in the right location is a life changing experience for a household that can transform health and well-being, educational attainment and life opportunities. Over the next five years our ambition is to make a giant leap forward on our journey towards our long term aims of becoming carbon neutral and eliminating fuel poverty. We are making great progress; 34% of our stock is less than 10 years old and meets thermal efficiency standards and we also have a number of communal heating schemes covering 241 properties over 9 sites. Our new build programme will continue to deliver highly energy efficient homes with renewable technologies.

The wider social and economic benefits from increased house building activity are well documented and the continuing scale of our programme will deliver significant benefits in employment, training and apprenticeship opportunities for our customers and communities.

Moving through to 2025, we want to **review** empty or underused assets within our communities and, if viable, **deliver innovative restoration projects which bring more homes to existing neighbourhoods**.



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

In addition to the added value this brings to our customers, it will deliver significant business benefits, including reducing tenancy turnover and future-proofing our homes against changing demographics. We will work with innovative development partners to ensure our **house types evolve, and that they are sustainable, connected and intelligent homes for the future. They will be built as efficiently as possible with the most limited impact on the environment.**

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

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

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



Our key performance indicators:

- › Develop up to 320 new homes across all tenures
- › Invest £30.5m of new public and private finance in new build housing
- › 95% of customers satisfied with their new-build home
- › Invest £8.4m in improving, modernising and maintaining homes
- › Achieve a 60:40 ratio of planned to reactive repairs
- › Reduce the volume of emergency repairs by 10%
- › Maintain existing tenant satisfaction with the quality of their home at over 90%.



3. CHANGING LIVES AND COMMUNITIES



By 2025, we want our customers and **our communities to be more resilient**. Many of our communities face multiple challenges with many customers experiencing poverty and inequality.

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

We will create targeted learning opportunities to prevent homelessness and to support new approaches to housing those households, who are homeless, through **Rapid Rehousing and Housing First**, supporting the Scottish Government and Local Authorities in delivering their 5-year plan. This will help to **strengthen the pathways for homeless people** to ensure that they can access the different types of support they may need, easily and at the time they need it.

We will support our older tenants to be as active and independent as possible. Building on our **Livingwell model** we will work as enablers to allow people to use their skills to support others. Our existing Group services including Care and Wheatley 360 will be maximised

to deliver support to older people and also tailored for other households who need this type of support.

Over the last five years we worked with our customers and communities to ensure our **neighbourhoods are peaceful and places customers are proud to live**. Using both online and offline platforms and approaches, we will **support local engagement** and **encourage customers to work together to design local solutions in response to local priorities** building resilience, skills and confidence so people can make things happen for themselves. Our **Community Improvement Partnership** approach will take communities from being merely safe to ones which are improving, peaceful and with high levels of satisfaction. This will be based on building a **confidence cycle** with communities which will support communities to become more resilient through increased confidence to report crimes and other issues. In turn, this will help Loretto Housing and our partners to make customers feel safe in their neighbourhood, and communities stronger and more peaceful. This will be supplemented by our high quality environmental services and our strong focus on best quality fire safety provisions which will help to reduce the incidence of fires.

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

Loneliness is a real issue for many people in our communities. Our aim will be to put the 'Neighbour' back into our neighbourhoods, creating a modern version of **'Neighbourliness'** as a hallmark of our communities by 2025. We will seek to **co-create** opportunities with a focus on supporting families, young people and overcoming isolation across the generations. **Digital neighbourhoods** will provide a virtual forum where our customers can connect to further support each other and co-create local solutions to improve their local community. Our forum will provide an easy location for people to advertise community events and help increase the use of key community spaces.

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

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

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

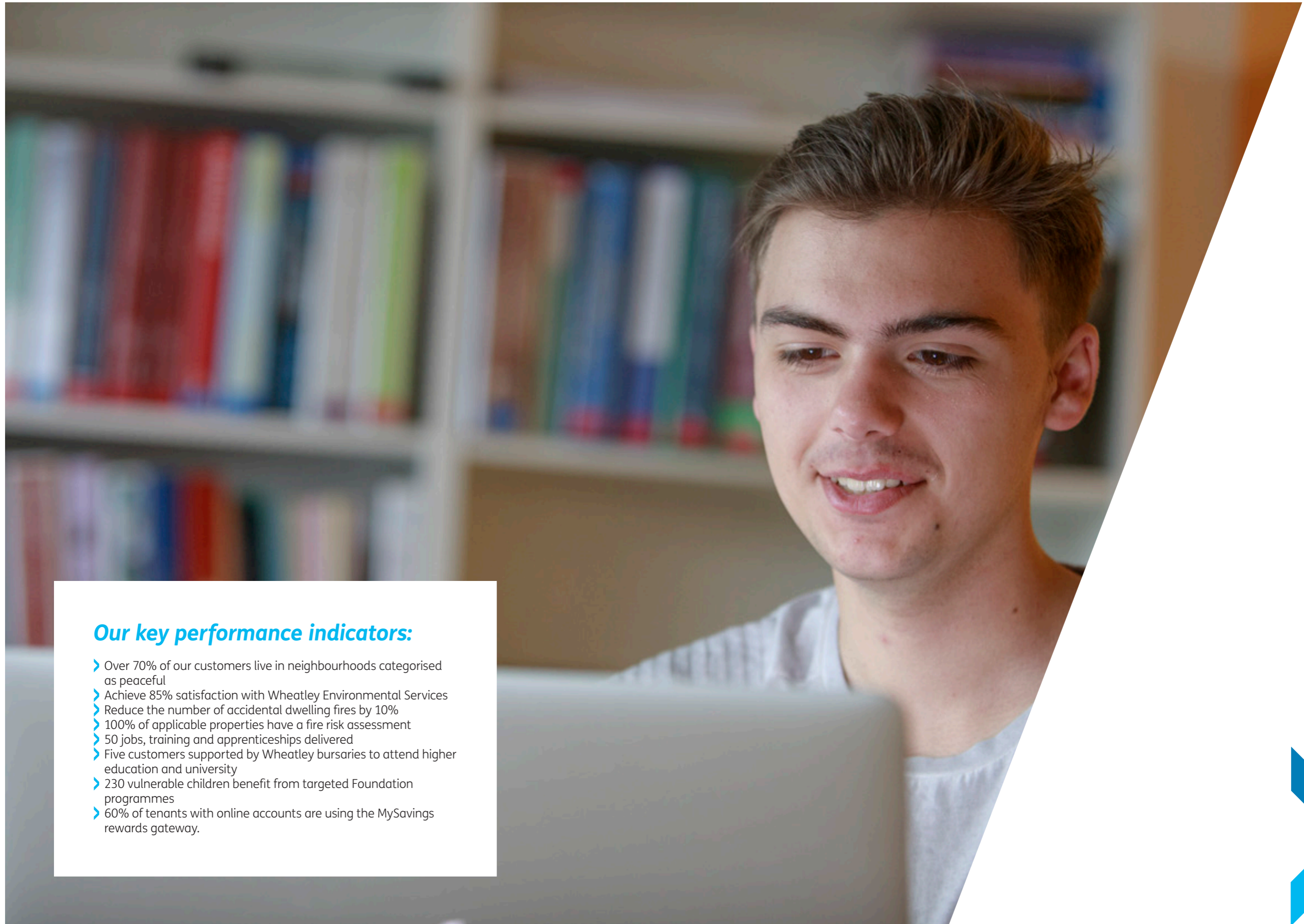
Our new **engagement models** will include an innovative **community led development approach**, involving our customers and wider communities in decision making at all the key stages of our work, whether it be new-build, in existing housing or around service development. As we move through key project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

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

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

We will demonstrate Loretto Housing's progress towards the outcomes under **Changing lives and communities** through the following key performance indicators and impact measures.





Our key performance indicators:

- › Over 70% of our customers live in neighbourhoods categorised as peaceful
- › Achieve 85% satisfaction with Wheatley Environmental Services
- › Reduce the number of accidental dwelling fires by 10%
- › 100% of applicable properties have a fire risk assessment
- › 50 jobs, training and apprenticeships delivered
- › Five customers supported by Wheatley bursaries to attend higher education and university
- › 230 vulnerable children benefit from targeted Foundation programmes
- › 60% of tenants with online accounts are using the MySavings rewards gateway.





4. DEVELOPING OUR SHARED CAPABILITY

Our ambition over the next five years is to stimulate innovation and learning in our communities as well as our workforce, enabling them to reach their potential for a brighter future for themselves and their families.

Our unique Think Yes culture inspires staff to develop innovative solutions and build insightful, trusting relationships with customers and communities. By 2025 our culture will have evolved still further under our **W.E. Think** approach so that our customers will increasingly be 'thinking yes' for themselves. As a result of our **'Think Yes Together'** culture, we will transform our culture and our thinking in order to create value for customers in different ways as they increasingly self-serve and do more for themselves.

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

W.E. Create will drive innovation across all aspects of our business and in our communities. Loretto Housing's tenants and communities will benefit from the creation of a **Community Academy**, taking the Academy on the road and into the heart of our communities with both **virtual and physical spaces** for innovation and learning. Creating environments and opportunities for our staff and customers to learn together will re-enforce our Think Yes Together culture. By 2025, our Community Academy will:

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

W.E. Work will deliver the transformational changes to our roles and operating model required to ensure this Strategy is delivered. For example, by 2025 our customer-facing roles will have evolved to include developing relationships of trust online, building the capacity of customers to do things for themselves, helping communities have a stronger voice, linking people with their neighbours/ into activities and engaging with influence.

We anticipate the workforce of 2025 will be significantly different from the workforce of today; fully digital and increasingly looking for more flexible career models, work arrangements, reward programmes and career development opportunities. We predict that up to 75% of our workforce will no longer work a traditional Monday to Friday pattern by 2025. Our aim is to deliver a gradual and smooth transition towards a new workforce model that is more agile in responding efficiently to changes in customer requirements. We will:

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

In addition, we will work to improve gender equality.

Our **Future 250** programme will provide a sought-after route for young people to develop their talent, attracting an external talent pipeline for our evolving business requirements. Each year a cohort will be identified and provided with structured opportunities to move around the business to build their skills and experience portfolio, honing their talents and demonstrating their potential. At Loretto Housing we will encourage young people in our communities to engage with this programme and we will provide opportunities for those on the programme. We will demonstrate our progress towards the outcomes under Developing our shaped capability through the following key performance indicators.



Our key performance indicators:

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

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

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

5. ENABLING OUR AMBITIONS

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

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

By 2025 Loretto Housing's customers and staff will become the **most digitally enabled in Scotland**. Our **evolving digital platforms will help to support our activities and** provide a **rich portal** for customers to draw down services, save money on fuel bills, interact with their community and tap into a host of other benefits. Importantly, the transition that our customers and staff make to self-managed services must be both successful and sustainable as well as being based on offerings that fundamentally **improve services beyond that which is possible in an off-line environment**. To achieve this, we will optimise digital channels for customers to drive positive engagement and give them finger-tip access to the data they need to make informed decisions.

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

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

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

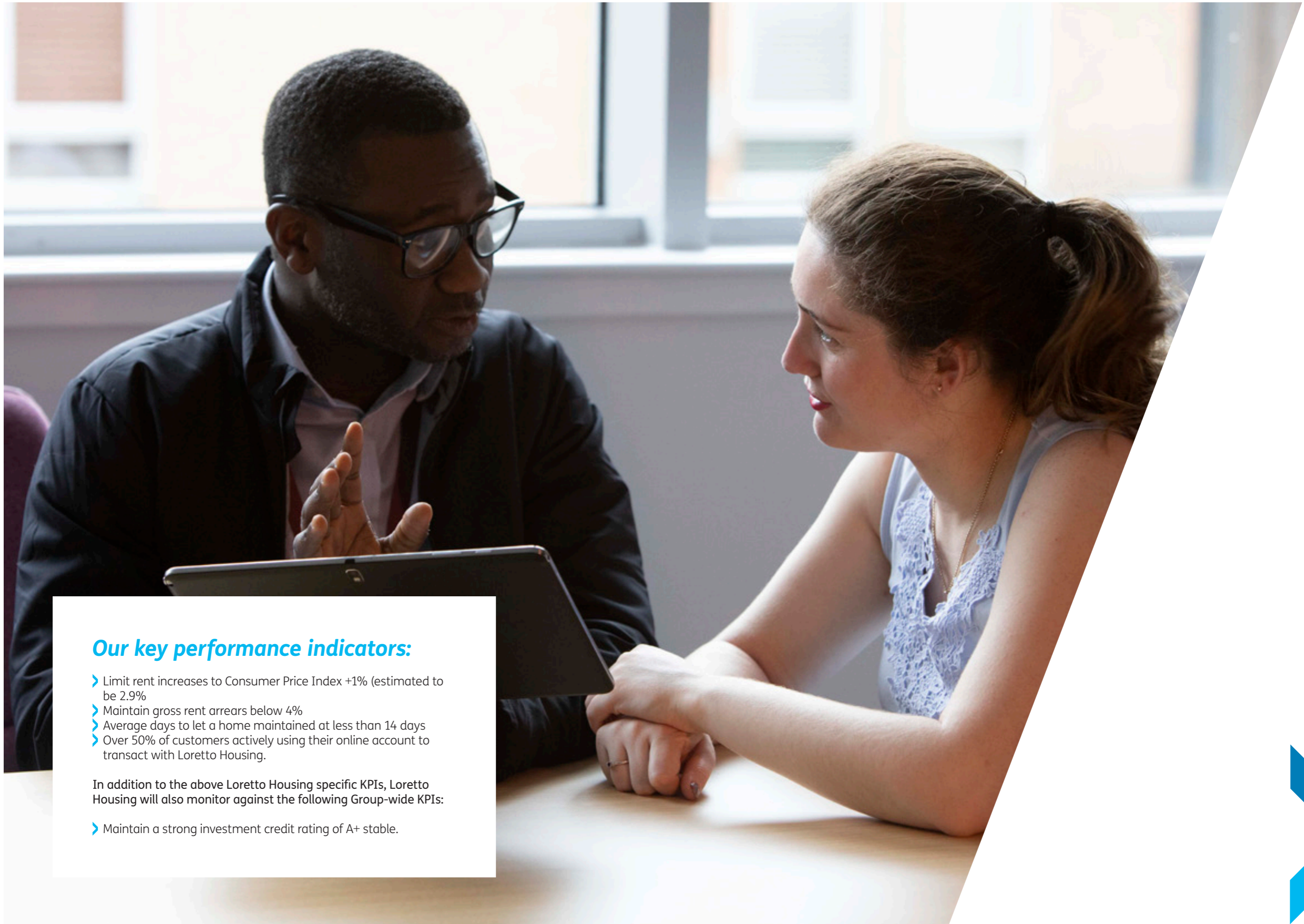
Over the next five years will also adopt an **international dimension** to our search for best practice. Identifying and exploring different ways of working and solutions developed across a broader range of contexts will stimulate and inform our thinking. This will **enhance our international profile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

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

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

We will demonstrate Loretto Housing's progress towards the outcomes under **Enabling our ambitions** through the following key performance indicators.





Our key performance indicators:

- › Limit rent increases to Consumer Price Index +1% (estimated to be 2.9%)
- › Maintain gross rent arrears below 4%
- › Average days to let a home maintained at less than 14 days
- › Over 50% of customers actively using their online account to transact with Loretto Housing.

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

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





www.lorettoha.co.uk

Our values are what unites everyone at Wheatley



www.wheatley-group.com

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

Report

To: Loretto Housing Board

By: Laura Henderson, Managing Director

Approved by: Olga Clayton, Group Director of Housing and Care

Subject: Fire prevention and mitigation update

Date of Meeting: 6 July 2020

1. Purpose

1.1 The purpose of this report is to provide Board with:

- An update on our end of year performance against agreed targets for reducing Accidental Dwelling Fires and increasing the number of Home Fire Safety Visits;
- An update on the national picture and the how the Scottish Fire & Rescue Service have redesigned their services to reflect and take account of the Covid 19 pandemic; and
- Information that clearly demonstrates the measures we have introduced to ensure fire safety and customer well-being continues to be of paramount importance during the post Covid 19 lock down period.

2. Authorising context

2.1 The Authorise/Monitor/Manage (GAMM) matrix sets out what matters are reserved to Boards/Committees and what is delegated to the Group Chief Executive. This report relates to strategy implementation, as such the proposals within the report fall within the powers that are delegated to the Group Chief Executive.

3. Risk appetite and assessment

3.1 The risk appetite relating to issues of technical compliance is averse, defined as: avoidance of risk and uncertainty is a key organisational objective.

3.2 Our framework, "Delivering Safer Communities: Our Fire Prevention and Mitigation Framework" was approved by the Board on 2 October 2017. This report provides Board with assurance in relation to the on-going implementation of the Framework and our ability to respond post-Covid 19 constraints.


4. Background

- 4.1 The Fire Prevention and Mitigation Framework (“FPMF”) was approved by the Board in October 2017 as a key strategy. The FPMF is the overarching document that clearly evidences to all stakeholders the importance we place on fire safety and how we go about ensuring our homes are constructed, managed and maintained in a way which maximises fire safety for our customers.
- 4.2 As part of Group we are proud to be nationally and internationally recognised for defining excellence and we have an outstanding record in delivering sector leading levels of service and innovation in all fields in which we operate. Within the context of fire safety our commitment to delivering excellence has been endorsed by the Scottish Government’s, Building Safer Communities, and Unintentional Harm Hub who highlighted our Community Improvement Partnership (“CIP”) Fire Safety Operating Model as a Fire Prevention Exemplar.
- 4.3 Notwithstanding this, fire safety, and keeping our customers and communities as safe as they possibly can be, will always be of paramount importance to us and this is recognised within our new 2020-2025 Strategy: Inspiring Ambition, Unleashing Potential. In this, we clearly state that fire safety will remain a top priority. This commitment has even greater significance and relevance in these unprecedented times, and it is crucially important that we can demonstrate to customers, Boards and funders how we have redesigned our fire safety services and resources to take account of the constraints the Covid 19 pandemic places on us.
- 4.4 This report summarises our fire safety approach and performance pre-Covid 19; how we have subsequently adapted our model to reflect the challenges that the current lock down environment brings and, importantly, how we are reintroducing our services in a phased manner that reflects resource availability and national guidance.
- 4.5 Like all other organisations the Scottish Fire & Rescue Service (“SFRS”) has had to make significant changes to what services they provide and how they provide them. This report provides the Board with an update on these changes and how we have engaged with SFRS to ensure the impact on our customers and communities has been mitigated as much as possible.
- 4.6 Further to this, and in recognition of the importance we place on delivering unrivalled fire prevention and mitigation services, we have set extremely challenging targets in relation to reducing Accidental Dwelling Fires (“ADFs”) and increasing the number of Home Fire Safety Visits (“HFSVs”) For 2019/20 we aimed to reduce ADFs by 10% and increase HFSVs by 10%. This report provides an update on the performance achieved against these targets

5. Discussion

- 5.1 Detailed below in table 1 is an update on the end of year performance figures for the reduction of ADFs. Further analysis and contextual information is also provided that demonstrates our understanding of key information such as causal factors, severity of fires and household composition. Importantly we are also able to evidence how we are making a positive contribution to Scottish Fire and Rescue performance indicators.


Table 1: Accidental Dwelling Fire Performance Update

Accidental Dwelling Fires			
 <p>Target 2019/20: Reduce Accidental Dwelling Fires (ADF) by 10% (These figures refer to ADFs in Loretto Housing)</p>			
2017/18	2018/19	2019/20	2019/20 – Performance against target
10 ADFs	8 ADFs	6 ADFs	-2 (- 25%)

- 5.2 Our full fire prevention data set will be available for 2020/21 onwards; the seconded SFRS watch manager now has access to all relevant fire data for Group properties on a daily basis. In January 2020 the Group CIP Lead and seconded SFRS Watch Manager met with the national SFRS Prevent & Protect Lead; Partnership Manager; Operational Intelligence Lead and representatives of their data analytics team. As part of this meeting the SFRS representatives agreed to support a short life working group to discuss improved data sharing.
- 5.3 In February, CIP representatives also met with the SFRS Senior Lead Officers (and their Prevent & Protect Teams) for Glasgow and North Lanarkshire to discuss improved local partnership working and how we could work together to deliver the ‘commitments’ outlined in the Wheatley Group/SFRS Fire Prevention Charter. Similar meetings with SFRS representatives Renfrewshire were also scheduled but had to be cancelled due to Covid 19 restrictions.
- 5.4 Following a detailed analysis of the root causes of ADFs in 2019/20 and the additional intelligence available from SFRS it has been established that:
- There is a consistent theme in relation to very small fires within kitchen areas. 5 or 83% of all the ADFs occurred in kitchens.
 - The fires mainly involve lone persons being distracted or having fallen asleep whilst cooking. The fitting of the new enhanced LD1 and LD2 smoke and heat detection system is helping to ensure that fires/potential fires are detected earlier and SFRS are therefore notified quicker and more often.
 - Over the course of the last year our Fire Safety Officers have also supplied air fryers to customers who have agreed to give up their chip pans.
 - There were only no ‘Significant Fires’ involving injury to a person or significant damage to property within our properties in 2019/20.

- 5.5 Access to the SFRS intelligence allows us to understand better the nature, extent, location and causal factors of fires across our communities, and importantly, to design proactive prevention based solutions. This includes our Stay Safe communication campaign and Fire Safety Officer intervention visits, both of which better educate customers and reduce the risk of fires.
- 5.6 We produced regular organic content on all of our Facebook and Twitter channels encouraging people to sign up for a home first safety visit and pushing people to the Stay Safe sections on our websites.
- 5.7 Fire Safety Officers continue to carry out visits to high risk customers that had been identified by Housing Officers or Scottish Fire & Rescue. These bespoke and tailored intervention visits allow specialist advice to be given and products such as air fryers, fire retardant bedding and stove guards to be supplied and fitted. The importance of these visits to preventing instances of fire occurring or re-occurring cannot be overstated.
- 5.8 Detailed below in table 2 is an update on the end of year performance figures for the increase in HFSVs undertaken across the Wheatley Group stock portfolio. It should be noted that these figures are provided by SFRS and we are unable to get the data at RSL level. The figures are up to 16th March 2020 as SFRS suspended all HFSVs on this date in response to Covid 19. Our HFSVs are recorded within these HFSV figures.

Table 2: Home Fire Safety Visit Performance

Home Fire Safety Visits			
 <p>Target 2019/20: Increase HFSV by 10% (Due to Coronavirus SFRS HFSVs were suspended by SFRS on 16th March 2020, at this point the Group was on track to achieve the 10% increase target)</p>			
2017/18	2018/19	2019/20	Result 2019/20 (as at 16 th March)
1550	2812 (+81%)	3036	+224 (+8%)

- 5.9 Whilst across the Wheatley Group we are only able to report an increase of 8% for 2019/20 following the suspension of HFSVs by SFRS on the 16th March only a further 79 visits were required over the two-week period to 31st March to meet target; this would have been easily achieved. 2020/21 performance seen us exceed the 3,000 mark and, when compared to our 2016/17 performance of 1004, is undoubtedly making a hugely positive contribution to not only our fire prevention performance but also the figures nationally.
- 5.10 In 2018/19 there were 69,197 HFSVs completed across Scotland, our Group wide figure of 2,812 means that 4% of all HFSVs in Scotland were at Wheatley Group properties. Glasgow City has an annual target of 10,000 HFSVs and for the first time in 2018/19 achieved this figure (10,140). Our Fire Safety Operating model which contributed to this success was commended by the new Chief Fire Officer for Scotland at an event in Glasgow City Chambers.

Glasgow has again in 2019/20 exceeded their performance target (10,084 visits) with the help of Group referrals.

Our Approach to Fire Prevention and Mitigation Post-Covid 19 Lock Down

- 5.11 The lockdown has had a significant impact on our ability to carry out our normal day to day activities; unsurprisingly our approach to mitigating the risk from fire across our communities has not been immune to this impact. Detailed below for Board information are the main areas that have been impacted to date:
- Local Authorities suspending bulk uplifts and therefore increasing the risk of fire within internal common areas, back courts and open spaces;
 - Wheatley 360 Fire Safety Officers not able to routinely respond to instances of fire or referrals of high risk individuals from Housing Officers;
 - SFRS suspending HFSVs; and
 - Our agreed Fire Risk Assessment programme being suspended.
- 5.12 Since the start of the Covid 19 crisis we have constantly reviewed our available resources and closely monitored all UK/Scottish Government Guidance in relation to key workers, social distancing and the easing of lockdown restrictions. The information below provides the Board with detail on our immediate response to these issues and how we aim to implement a phased return to delivering business as usual fire prevention and mitigation services as quickly as possible.

Local Authorities suspending bulk uplifts

- 5.13 Whilst most Local Authorities are now opening up their recycling centres the majority are still not operating a bulk uplift service. To minimise the risk from fire we have created geographic teams within our Environmental Service to remove bulk items from communal bin areas and main door. Importantly, these teams are also ensuring we have a visible presence across all our areas and stock types and can flag up any other issues that they may be encountering. During the lock down period the teams have seen a large spike in fly tipping across the wider estate and are currently removing circa 100 tonnes of bulk and fly tipping per week. These teams are also visiting our 2 Living Well complexes and all office accommodation on a daily basis to ensure that there are no issues.

Fire Safety Officers (FSOs) not able to routinely respond to instances of fire / referrals from Housing Officers and HFSVs being suspended

- 5.14 Whilst adhering to social distancing guidance, and using the appropriate PPE, we initially retained one FSO to respond appropriately to extremely high risk customers who, for example, may have had repeat instances of fire or are extremely vulnerable. The FSO arranged to drop off any products that were, following telephone interaction, deemed appropriate. The FSO also provided telephone advice to customers who were referred by Housing Officers or who had minor fires.
- 5.15 The SFRS halted its Home Fire Safety Visit (“HFSV”) programme on the 23rd March 2020 to help prevent transmission of COVID 19; however, in response to a spike in fire incidents during the month of April they have now launched a national campaign called #MAKETHECALL. This campaign encourages

professionals, carers, family and close friends to refer people they know, who they believe fit the following risk categories, for a HFSV:

- those people who are over 50 and smoke;
- and may be on oxygen,
- people living alone or who have mobility issues

5.16 As of Monday 08th June, three FSOs have returned to their substantive posts and are now also available to carry out additional follow up visits and calls to our most vulnerable and at risk customers (whilst adhering to all appropriate H&S and social distancing guidance). This will include any high risk customers that are referred by SFRS following a #MAKETHECALL HFSV.

5.17 This will also support the #MAKETHECALL campaign by working closely with the communication team to raise awareness of this important initiative, via our digital and media platforms and ensuring our staff are referring all customers who fit the identified risk categories.

6. Key issues and conclusions

6.1 We can evidence excellent end of year performance against the agreed targets for reducing ADFs and increasing the number of HFSVs with ADFs reducing by 25% in 2018/19 to 2019/20 and HFSVs across Group increased by 96% in the same period. This is outstanding performance which has been recognised by SFRS as having a significant impact on national performance.

6.2 Whilst recognising that Covid 19, and the associated lock down period, has impacted our, and our partners, ability to deliver 'business as normal' services priority areas have been identified and resources deployed appropriately to mitigate the risk of fire.

7. Value for money implications

7.1 There are no value for money implications arising from the content of this report.

8. Impact on financial projections

8.1 There is no impact on financial projections arising from the content of this report.

9. Legal, regulatory and charitable implications

9.1 There are no legal, regulatory and charitable implications arising from the content of this report

10. Partnership implications

10.1 Our unique partnership with SFRS has allowed us to better understand the scale, nature and location of fire risk across our communities and, in turn, to design and deliver our services to mitigate the risk of fire during the Covid 19 lock down.

10.2 Our performance in relation to reducing instances of ADFs and increasing the number of HFSVs is making a significant positive contribution to national SFRS performance figures.

11. Implementation and deployment

11.1 We have undertaken a review of our staffing resources and deployed personnel to ensure priority service areas are appropriately manned at all times

12. Equalities impact

12.1 There is no equalities impact arising from the recommendation in this report.

13. Recommendations

13.1 The Board is asked to note:

- The update on our end of year performance against agreed targets for reducing Accidental Dwelling Fires and increasing the number of Home Fire Safety Visits; and
- The Information provided within the report that evidences the measures we have introduced reflect national policy changes and ensure fire safety and customer well-being continues to be of paramount importance during the Covid 19 pandemic.

Report

To: Loretto Housing Board

By: Jackie McIntosh, Director of Property Development and Initiatives

Approved by: Tom Barclay, Group Director of Property and Development

Subject: Health and safety update

Date of Meeting: 6th July 2020

1. Purpose

- 1.1 To provide the Board with an update on the continued management of health and safety during the current Coronavirus Pandemic

2. Authorising Context

- 2.1 Under the Group Authorising Framework (GAF) and Intra-Group Agreement (IGA) the Group Board is responsible for approving and implementing Group Policies. The Health and Safety Policy was approved and designated as a Group Policy in the overall Group Health and Safety Management System.
- 2.2 Under the Group Authorise/Manage/Monitor Matrix, the Loretto Board is responsible for the application of group frameworks and policies such as the Health & Safety Policy.

3. Risk Appetite and Assessment

- 3.1 Our risk appetite relating to laws and regulations is “Averse” i.e. avoidance of risk and uncertainty is a key organisational objective. The risk appetite relating to technical compliance (e.g. Health and safety, gas) is also “Averse”.
- 3.2 Health and safety compliance risks are included in both our own risk register and in the group strategic risk register.

4. Background

- 4.1 The Group Health and Safety Policy is now well embedded in our business. As part of our continued focus on health and safety, the policy signposted our intention to consolidate the various elements of our policy under the Group Health and Safety ‘Management System’. The Management System supports us by having a clear overarching means for managing health and safety in the review and implementation of Health and Safety Management Arrangements and Operational Safety Manuals (OSMs) that will communicate and drive a positive health and safety culture throughout the organisation.

- 4.2 On 16 March 2020, the UK Government began daily briefings on the Coronavirus outbreak in the UK. The Prime Minister urged employers and businesses to work from home where possible. In tandem with this, a group-wide Business Continuity Management Team was established which included the Managing Director of Loretto Housing along with other senior leaders across the group.
- 4.3 Daily meetings of the group took place to help navigate the response to the rapidly emerging developments of the Coronavirus Pandemic and ensure our preparedness was fully considered, prior to a likely imminent 'lockdown'.
- 4.4 As a result of this early action and collaborative approach we were able to mobilise mass homeworking. Following a review of Business Continuity Plans and Business Impact Assessments, a framework of essential services to be maintained during lockdown were agreed as follows:
- Customer Service Centre
 - Life and Limb Repairs & Compliance
 - Eat Well Food Deliveries
 - IT Support
 - Wheatley 360 Services (Fire Safety Checks)
 - Void Transfers (for Homeless)
 - Finance and Payroll
 - Customer Support and Income Protection
 - Communications
- 4.5 The success of maintaining services during lockdown have ensured that our staff were able to work from home providing essential services and support to some of our most vulnerable customers in the most trying of times whilst significantly contributing to the national effort to the prevent the spread and impact of Coronavirus.
- 4.6 Since lockdown, health and safety work streams have been impacted by the restrictions put in place and we have had to adapt the application of the policy within a lockdown situation. We have also had to adapt to new health and safety challenges brought about by the pandemic. This paper aims to update the board on our approach to health and safety during the Coronavirus outbreak and our approach to health and safety as we begin to remobilise.

5. Discussion

- 5.1 Despite working from home since lockdown, the Health and Safety Team have continued, to provide advice, guidance and support to the Executive Team, the Loretto Managing Director, Senior Managers and other staff supporting services during the pandemic. The team have been regularly monitoring the validity and accuracy of the Group Health and Safety Policy in cognisance of new and emerging guidelines regarding Coronavirus.

5.2 On 19 June 2020, Scotland moved into Phase 2 of the Scottish Government's route to recovery. This prompted a review of the essential services operating model and re-mobilisation of services, that will see us expand or resume the following services:

- Letting, Allocations and Void Processes
- Anti-Social Behaviour Interventions
- Income Maximisation
- Landscaping and Horticulture
- Property Cleaning
- 'Safety First' Approach to Repairs

5.3 Following the Scottish Government announcement to move into Phase 2 of its route to recovery, the Group Health & Safety Team have been working closely with our management teams to establish safe working arrangements for all staff and customers. Key strands of our approach to health and safety during the initial period of lockdown, and moving forward (as we enter into our initial stage of remobilisation) are outlined below:

A) Review of Operational Safety Manuals & Risk Assessments

5.4 OSMs are mandatory to document safe systems of work, local procedures, guidance and best practice, specific to the nature of work activities. The introduction of widespread homeworking over a medium to long term period and social distancing requirements for those staff carrying out essential services, and our revised operating model outlined above, has resulted in an ongoing and dynamic review of OSMs. These updates have been communicated to management teams and Trade Union Safety Representatives and include activities such as:

- Property Visits,
- Customer Engagement,
- Eat Well Food Deliveries,
- Allocations and Voids Processes,
- Anti-Social Behaviour Interventions,
- Travelling to and from work sites.

5.5 Risk assessments and safe working procedures that form the OSMs have been updated where necessary to reflect, the use and maintenance of PPE, social distancing measures and general hygiene precautions, in accordance with current UK and Scottish Government guidelines.

5.6 OSMs will continue to be reviewed as new and emerging guidelines are issued by government and other relevant bodies in relation to the prevention and spread of Coronavirus. An index of revised OSM Procedures and Risk Assessments across the Group is appended to this report (Appendix 01).

B) Homeworking

- 5.7 The transition of large numbers of staff from office locations to homeworking is one that is unprecedented for us. As the Coronavirus outbreak developed at an alarming rate, we were required to move quickly and decisively to ensure the safety of our staff and customers. Staff now working from home have been provided with iPads, laptops, and workstations set-ups in their home, to facilitate homeworking and allow staff to access our networks remotely.
- 5.8 To maintain posture and work comfortably at home, we have implemented a system for the ordering and delivery of additional office equipment such as monitors, keyboards and office chairs etc throughout the duration of the crisis. Our Occupational Health Provider, People Asset Management (PAM), have also provided for all staff, information and guidance on exercise and stretching routines that can be adopted whilst working from home. (See Appendix 02)
- 5.9 'E' Workshops to support staff in dealing with the emotional challenges that they may face during the Coronavirus crisis, have also been provided by PAM. The workshops covered a wide range of subjects including resilience and isolation, a positive mindset, working well remotely and being active. (See Appendix 03)
- 5.10 Further support for all staff who are homeworking and on furlough, also include the following resources:
- Occupational Health Services from People Asset Management
 - Employee Support Counselling for our EAP – Confidential Care
 - Mindfulness Sessions through our Wellbeing Programme & My Academy
 - Wheatley Family Hub on WE Connect
 - Regular Welfare Calls

C) Personal Protective Equipment (PPE) Tracking

- 5.11 Throughout the Coronavirus outbreak it has been well documented in the media that there have been a number of challenges associated with the procurement of PPE. This has been no different for us, as initial demand on supply chains increased and supplies diminished both nationally and globally.
- 5.12 In response to this, a PPE Tracker has been developed to ensure the supply of PPE is monitored and managed effectively at a group level for all our essential services. The tracker is updated weekly by nominated business leads to ensure there is a minimum of 12 weeks' resilience in future requirements for staff.
- 5.13 The tracker which is shared with the Group Procurement Team to ensure the provision of PPE is maintained and allowing for optimisation of current and future supplies in critical areas. Highlights and exceptions are being reported to the Executive Team on a weekly basis.

D) Fire Safety

- 5.14 During the lockdown, desktop reviews of fire safety risk assessments are being undertaken as their review dates arise. Conference calls with managers are arranged to discuss the closure and status of previous action plans, where possible.
- 5.15 A programme of site visits and inspections shall re-commence when further guidelines are issued by UK and Scottish Government that permits such. Fire Incident Reporting continues to be implemented and the Group Health and Safety Team are reviewing and responding to fire incident reports as they arise.

E) Health and Safety Training

- 5.16 Health and Safety E-Learning packages have been established and rolled out as mandatory completion for all staff since the outbreak of the Coronavirus to ensure that as an employer, we continue to meet our obligations for the provision of information, instruction and training.
- 5.17 E-Learning course for Coronavirus, Health and Safety Awareness and Fire Safety Awareness can be undertaken by all staff working remotely from home, to supplement their existing training they have received. Further e-learning courses are being investigated for development for staff returning to work in an office setting, homeworking and mental health.
- 5.18 For staff who may not be PC facing, Managers Briefings and Guidelines have been produced for them to be communicated on an individual basis where possible and on health and safety noticeboards.

F) Health Surveillance

- 5.19 The Group Occupational Health Provider, PAM have temporarily suspended all routine health surveillance of staff. Face to face consultations have been suspended however, telephone consultation are being maintained where possible to provide advice and support to staff.

G) Incident Reporting

- 5.20 Incident reporting procedures continues to be implemented and the Group Health and Safety Team are reviewing and responding to incident reports as they arise.
- 5.21 Incidents that are RIDDOR reportable or have the potential for serious injury, employers' liability claims or adverse publicity are being further investigated by the group remotely by way of e-mails and conference calls. No RIDDOR Reports have occurred in relation to our staff in 2020 to date.

H) Driver Safety

- 5.22 Through our accredited third party verifier (Drivercheck) we continue to implement checks of all authorised drivers' licences. Reports issued on a monthly basis include driver details, licence categories and any restrictions that they may have on their licence.

I) Re-Opening of Offices

- 5.23 Whilst there are no plans to re-open our offices in Phase 2 of the Government route to recovery, early planning for this is being undertaken to ensure we are prepared for re-opening when required to ensure the continued safety and wellbeing of our staff and customers. Guidelines have been established that would see the re-opening of office space undertaken by application of 3 key principles:

- Preparing the Workforce
- Preparing a Building
- Inside a Building

- 5.24 Generic Risk Assessments have been developed for the re-opening of office space and re-mobilisation of services to coincide with the Government's 'Working Safely' guidelines and ensure social distancing and hygiene precautions can be implemented for staff.

- 5.25 Testing guidelines for managers have been developed to ensure staff returning to work can be directed to testing services should they or a household member develop symptoms.

- 5.26 Planning is also underway to introduce routine temperature testing staff for existing premises that have remained open and those should there be a re-opening of office accommodation in the near future. Protocols shall be established to provide staff with further confidence and comfort that all measures to prevent the introduction and spread of Coronavirus are being taken. It is anticipated that routine temperatures checks will be undertaken by trained first aiders.

J) Trade Union Liaison

- 5.27 Throughout the pandemic, there has been frequent correspondence and communications with Trade Unions, namely Unison, Unite and GMB on behalf of their members. Arrangements associated with homeworking, social distancing, PPE and OSMs have been the main points of issue raised by Trade Unions. These have been considered and responded to in a timeous manner, in close liaison with our Managing Director.

- 5.28 We have also maintained a positive relationship with the Group Health and Safety Team and Trade Unions and worked collaboratively to ensure the safety and wellbeing of our staff and customers

6. Key issues and conclusions

- 6.1 Whilst there are already solid foundations in place for the management of health and safety, the current Coronavirus crisis has resulted in a revised approach as we live through lockdown and move towards phased remobilisation. This has meant that we have had to adapt to new means of implementing our health and safety framework including greater use of digital means for key parts of the framework including incident reporting, fire safety and health and safety training for staff.
- 6.2 The pandemic has also resulted in new health and safety challenges having to be addressed, such as securing and managing the long term supply of increased PPE across multiple services and staffing groups. Our new PPE tracker, which is now fully deployed, has ensured that we have a minimum 12 weeks' resilience built into our supply chain for all services.
- 6.3 Another challenge which we have successfully addressed has been the wholesale shift to homeworking for many staff. Staff have been provided with iPads, laptops, and access to their own workstations set-up (including office chairs, desks and other kit) in their home, to facilitate safe homeworking. Other support systems have also been put in place to support the mental health of staff during the pandemic including 'e' workshops and mindfulness sessions along with regular welfare checks by senior staff and managers.
- 6.4 We are confident that we continue to uphold and implement so far as is reasonably practicable, our legal obligations for the management of health and safety. New and emerging guidelines for the prevention and spread of Coronavirus will continue to be monitored and acted on immediately as information is released from UK and Scottish Government and in addition to Health Protection Scotland and other recognised bodies. By ensuring the health, safety and welfare of all our staff, we will strive to maintain essential services and a re-mobilisation of services that support our customers in navigating these challenging and unprecedented times

7. Value for Money

- 7.1 There are no direct value for money implications arising from this report.

8. Financial Implications

- 8.1 There are no direct financial implications arising from this report.

9. Legal, Regulatory and Charitable Implications

- 9.1 The ongoing implementation of Management System and Health and Safety will support the overall approach to achieving legal compliance of health and safety legislation.

9.2 Health and safety is subject to a wide range of legal requirements and we take into account HSE guidance in the development of all health and safety related documents at this time. Cognisance will be taken of any relaxations or alternative means of compliance due to the impacts of homeworking and social distancing.

10. Partnership Implications

10.1 We actively work in partnership with external stakeholders, in particular via the Community Improvement Partnerships in health and safety related areas and Local Authority Resilience Partnerships where relevant.

11. Implementation and Deployment

11.1 The implementation of the revised arrangements will take immediate effect.

12. Recommendations

12.1 The Board is invited to note the contents report.

List of Appendices:

Appendix 01 – OSM Updates

Appendix 02 – Homeworking Helpful Hints and Tips

Appendix 03 – Wellbeing Workshops

Appendix 01

Index: OSM Updates COVID19 (Coronavirus)

No.	Document
001	Housing Void Properties
002	Eatwell Food Hygiene Arrangements
003	Eatwell Deliveries
004	Block Inspections
005	Cleaning Body Fluids
006	DSE
007	Housing Anti-Social Behaviour Interventions
008	Housing Customer Non Engagement
009	Letting Agents' Viewings and Allocations
010	Office equipment delivery
011	Property Visits
012	Sanitising Common Areas MSF
013	Sanitising Fleet Vehicles
014	Sanitising Workstation
015	Traveling to and from sites in vehicles
016	Outbreak Checklist (Care)
017	
018	Daily Actions Checklist (Care)
019	Immediate Infection Prevention and Control Checklist (Care)
020	PPE Comms (Care)
021	Temp PPE clothing (Care)
022	Risk Assessment Infection Control (Care)
023	Risk Assessment PPE (Care)
024	Risk Assessment Staff Shortages (Care)
025	Risk Assessment Supporting Infected PWWF (Care)
026	Situation Assessment (Care)
027	Housing Forced Entry & Abandonments
028	Landscaping and Horticulture
029	Letting Agents' Viewings and Allocations
030	Housing Rent Arrears



PAM
Wellbeing
Limited

Helpful tips

for desk-based & vehicle workers

Prolonged sitting activity can contribute to muscular stiffness along with joint aches and pains. Many adults in the UK spend more than seven hours a day sitting or lying, and this typically increases with age to 10 hours or more.

Here are some simple techniques that you can follow to reduce these issues:

- Take micro-breaks (2-3 minutes) every hour to stretch and alter your position
- Sedentary workers are advised to spend at least 2 hours standing continually through the working day
- Ensure you are adopting good sitting postures
- Perform these head-toe exercises throughout your working day



Neck Stretches:



Sit tall and comfortably in a chair

- Clasp hands behind head and slowly pull head down and chin towards your chest.
- Hold position for up to 30 seconds, feeling a stretch in the neck and upper back and then repeat.



Sit tall and comfortably in a chair

- Hold bottom of the seat with the hand on the side to be stretched to lower the shoulder by pulling down.
- Tilt and turn head to the opposite side.
- Nod head forward until a stretch is felt alongside and back of neck.
- Hold the stretch for up to 30 seconds and apply extra pressure (gently) with the hand to increase the stretch if needed. Repeat stretch on both sides.

Sit tall whilst focusing on an object at eye level

- Slowly move your head back over your shoulder and tuck your chin in.
- Guide the movement with your hand on your chin, hold for 10 seconds, return to initial position and repeat 5 times.



Upper back, shoulder & arm stretches:



Perform stretch in sitting or standing with knees slightly bent

- Extend one arm out in front with the elbow straight.
- Use the other hand to grasp it at the side of the thumb and bend the wrist downward.
- Turn wrist towards the small finger to increase the stretch.
- Hold for up to 30 seconds and repeat on both arms.



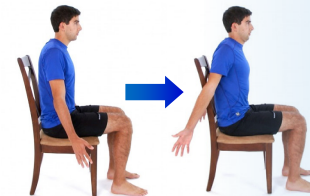
Perform stretch in sitting or standing with knees slightly bent

- Tuck in chin and place hands behind your head, fingers interlaced.
- Push with head backward against hands and hold for up to 30 seconds and repeat.



Perform stretch in sitting or standing with knees slightly bent

- Use one hand to spread apart and straighten the fingers of the other hand and then stretch wrist back gently as far as you can.
- Apply the pressure through the tips of the fingers and be sure to include the thumb. Do not apply pressure to the palm of the hand, aim to hold for up to 30 seconds and repeat on both arms.



Perform stretch while sitting with arms relaxed by your side

- Rotate your arms so your thumbs are pointing backward to open the chest.
- Squeeze the shoulder blades together, keep your chin tucked and hold this position for 30 seconds and repeat.



Perform stretch either sitting or standing

- Bring one arm across your body at chest height.
- Use the opposite arm to lightly push on your elbow to accentuate the stretch, do not rotate your trunk.
- Hold this position for 30 seconds and repeat on both arms.



Sit tall and cross your arms on your chest

- Slowly look up towards the ceiling by raising your elbows and hold this position of 30 seconds.
- Slowly return to the neutral position and repeat.

Lower back stretches:



Sit in a chair with your hands on your hips and rotate the trunk

- Keep the trunk vertical through rotation.
- Hold for up to 30 seconds and repeat on both sides.



Sit up straight and place your palms on your lower back

- With your fingers pointing down to the floor, bring your thumbs almost around the hip bones and keep your torso erect.
- Try to touch your elbows together behind your back whilst keeping your chin level, and upper body relaxed. Hold for 30 seconds and repeat.

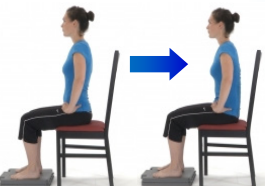


Sit up straight in a chair and look directly ahead of you

- Lift one arm up and above your head and slowly bend sideways while reaching down with the opposite hand, until you feel a stretch at the side of your trunk (if height is restricted place hand on opposite shoulder). Do not twist or lean forward.
- Hold the stretch for 30 seconds and repeat on opposite side.

Sit on a chair with your thighs parallel to the ground

- Keep your feet flat on the floor and your back in a neutral position (slightly arched).
- Maintain a steady abdominal breathing while tilting your hips posteriorly by rounding your lower back and anteriorly by arching your lower back.
- Alternate between these motions, working through all the available range of motion.



Leg & ankle stretches:



Sit on the edge of a sturdy chair with one leg straight in front and the other knee bent

- Stick your hips back, keeping your back straight, as you bend forward to feel a stretch behind your straight leg.
- Hold the position for 30 seconds and repeat on the opposite leg.



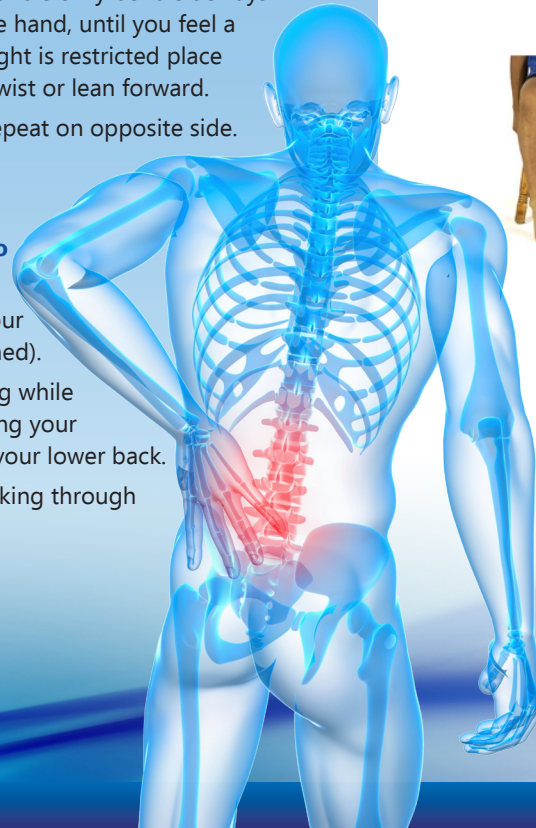
Sit on a straight chair with your feet flat on the floor

- Move one foot backward under the chair as much as possible, keeping your heel and toes on the floor.
- Hold up to 30 seconds and repeat on the opposite leg.



Sit straight on a chair, rest your foot on the ground with the ball of your foot then rotate your ankle.

These exercises can be performed whilst in your vehicle, working at your desk or even whilst sitting at home. Complete these throughout your day and start to see the benefits within 3-4 weeks.



Further leaflets are available on common injuries.

Should you require any further assistance on any of the above then please contact our head office on **01925 227000**.





Invitation to our Free Webinars!

In light of the recent challenging circumstances that we have all found ourselves in, PAM Group are continuing to support you and your colleagues.

Everyone has been affected by sudden changes to their working and personal lives.

Our new range of workshops have been designed to help your colleagues deal with the emotional challenges that may face, such as anxiety, fear, isolation, loneliness, boredom and depression.

We are pleased to invite you to experience these workshops for yourself, completely free of charge.

To sign up: click the webinar title to be taken to our Eventbrite sign up page. Just pop in your details and you'll receive a link to your webinar via email, 48hr before the webinar starts.

For more information contact wellness@pamgroup.co.uk or visit www.pamwellbeing.co.uk



27/04/2020 AT 4:30PM
RESILIENCE & ISOLATION
30-MIN

Examine the four pillars of resilience and understand how to incorporate elements of each to stay safe and well whilst socially distancing or self-isolating.

28/04/2020 AT 4:30PM
WORKING WELL REMOTELY
30-MIN

This workshop is designed for any colleagues working at home and outlines the benefits that remote working can bring, and top tips to work well including establishing boundaries, working around children and staying connected.



29/04/2020 AT 4:30PM
KEEPING A POSITIVE MINDSET
DURING DIFFICULT TIMES
30-MIN

Understand how to deal with change productively and cope well during the current climate.



30/04/2020 AT 1PM
LOSS & GRIEF: REACTIONS
AND RESPONSES
45-MIN

This session is helpful for anyone that wants to understand loss and the grieving process, the issues surrounding this very delicate individual journey with the added issue of COVID-19.



01/05/2020 AT 4:30PM
WORKING FROM HOME & BEING
ACTIVE
30-MIN

Being active plays a huge part in our day to day lives and this can be significantly disrupted when socially distancing or self-isolating, but we'll help you with practical and realistic ways to stay active.





Report

To: Loretto Housing Board

By: Gillian Ogilvie, Finance Manager

Approved by: Pauline Turnock, Director of Financial Reporting

Subject: Finance Report for the period to 31 May 2020

Date of Meeting: 6 July 2020

1. Purpose

- 1.1 The purpose of this report is to:
- provide the Board with an overview of the management accounts for the period to 31 May 2020, and
 - to seek the Board's approval to submit the Loan Portfolio return to the Scottish Housing Regulator

2. Authorising Context

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

3. Risk appetite and assessment

- 3.1 Our agreed risk appetite for performance against Group is "Open". This level of risk tolerance is defined as "Prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level".
- 3.2 This report provides the Board with an update of performance to date to allow it to discharge its role in monitoring performance and agreeing any actions required.

4. Background

- 4.1 This report outlines performance against budget for the 2 months to 31 May 2020.
- 4.2 For the period to 31 May 2020 we have a statutory deficit of £270k, which is £136k favourable to budget. The majority of budget variances are driven by the changes to the operating model implemented in response to the COVID – 19 crisis.
- 4.3 Appendix 1 provides more detail on the financial results.

5. Discussion - Finance Report for Period to 31 May 2020

5.1 We have reported a statutory deficit of £270k for the period to date, which is £136k favourable to budget. When interest payable, depreciation and grants are removed to show our underlying operating position (“EBITDA”) the result is a reported surplus of £655k which is £132k favourable to budget.

Key points to note:

- Grant income of £15k for medical adaptations only is reported, which is £3k higher than budget. No grant income on new build has been recognised in the two months to May.
- Staff costs of £214k are £9k favourable to budget and include the claim made under HMRC’s Job retention scheme.
- Repairs and maintenance spend is £59k favourable to budget, due to the operation of a “life and limb” service for repairs during the period to date. Repairs spend of £174k is inclusive of an additional allocation agreed with City Building towards the fixed overheads of the repairs service after taking account of the claim by City Building for furloughed staff.
- Bad debts are currently £23k favourable to the budget, which has been set on a prudent basis. An additional provision has been made for tenants moving onto Universal Credit.

5.2 We have reported net capital expenditure £3,677k lower than budget for the period to 31 May 2020. Key points to note:

- Capital grant income of £3,621k is inclusive of a £3,600k unbudgeted receipt for Dargavel from Allia. Unlike other grants which are claimed in line with expenditure, this is a one-off donation covering the life of the project. The donation is in addition to monies due to be received from the Scottish Government for Dargavel. Consistent with the accounting for other new build grant monies received, the funds will be released to income on completion of the properties. The budgeted investment income of £974k relates to income that was expected to be claimed in line with construction works being carried out, however due to Scottish Government closure of construction sites this work has not yet taken place.
- New build expenditure currently reports spend of £203k which is £810k lower than budget. All works on site are currently suspended and the spend in the period is for settlement costs in relation to the Eriboll site which was completed in 2019/20.
- Investment programme spend at £52k is £202k lower than budget with only essential works being undertaken during the lockdown. Spend in the period to date is for medical adaptations and voids only.

5.3 SHAPs Pensions Update

[5.3 - 5.5 redacted]

6. Scottish Housing Regulator (“SHR”) Loan Portfolio Submission

- 6.1 We are required to submit our loan facilities and borrowing position, as at 31 March 2020, to the Scottish Housing Regulator via an online portal. The submission report appended contains the details which will be transferred to the portal, showing both the information and the layout.
- 6.2 The submission report contains the information relating to the intragroup funding from Wheatley Funding No. 1 Limited, being information on the debt position of the RSL as at the financial year end.
- 6.3 The key information contained within the report is that, as at 31 March 2020:
- we had total borrowings of £37.30m
 - the loan was at fixed rates, with an average rate for the year of [redacted]%
 - the value of the 1,385 units secured against the loan is £69.57m (31 March 2020 valuation)
 - 102 units remain unencumbered and available to support further debt.
- 6.4 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.”

7. Value for Money implications

- 7.1 Delivery of our cost efficiency targets is a key element of continuing to demonstrate value for money. We reported a statutory surplus, excluding interest payable, depreciation and grants for the period to 31 May 2020 of £655k, noting that a surplus of £523k was budgeted.

8. Impact on financial projections

- 8.1 The 2020/21 Business Plan was approved by the Board at the February 2020 meeting and forms the basis for the 2020/21 budget. The emergence of COVID - 19 and the lockdown imposed by the UK and Scottish Government in March 2020 has required us to make significant changes to the way we deliver services to our customers and the operation of the business. A paper updating the financial projections for these changes is presented separately.

9. Legal, regulatory and charitable implications

- 9.1 No implications.

10. Equalities impact

- 10.1 Not applicable.

11. Recommendation

- 11.1 The Board is requested to:

- 1) Note the Finance Report for the period to 31 May 2020; and
- 2) Approve the SHR Loan Portfolio Submission as at March 2020.

LIST OF APPENDICES

Appendix 1: Finance Report – year to 31 May 2020

Appendix 2: SHR Loretto Loan Portfolio Annual Return 2020 [redacted]

Appendix 1
Loretto HA Finance Report to 31 May 2020

Operating Statement – YTD May 2020



	Period To 31 May 2020			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
INCOME				
Rental Income	1,369	1,371	(2)	8,224
Void Losses	(29)	(44)	15	(266)
Net Rental Income	1,340	1,326	13	7,959
Other Income	48	47	0	283
Grant Income	15	12	3	72
Total Income	1,403	1,386	17	8,314
EXPENDITURE				
Employee Costs - Direct	214	223	9	1,338
Employee Costs - Group Services	43	45	2	269
ER / VR	0	0	0	0
Direct Running Costs	258	284	26	1,531
Running Costs - Group Services	30	29	(1)	172
Revenue Repairs and Maintenance	174	233	59	1,388
Bad debts	14	37	23	221
Depreciation	611	611	0	3,701
TOTAL EXPENDITURE	1,344	1,462	118	8,620
OPERATING SURPLUS / (DEFICIT)	58	(77)	135	(306)
Interest Payable	(329)	(330)	0	(1,978)
STATUTORY SURPLUS / (DEFICIT)	(270)	(407)	136	(2,284)
EBITDA	670	535	135	3,394
EBITDA (excluding grants)	655	523	132	3,322

Income and Expenditure account – key points

- Operating surplus of £58k and statutory deficit of £270k are both favourable to budget. Both EBITDA figures are also favourable to budget. The main driver being lower expenditure in direct running costs and repairs and maintenance operating a “life and limb” service only during the lockdown.
- Void losses in the year to date are 2.1% against a budget of 3.3%. Prior year void losses were at 1.4% for the full year.
- Grant income relates to £15k for medical adaptations only. There is no other grant income budgeted for the year since there are no completions budgeted for New Build until 2021/22.
- Employee costs report a favourable variance of £9k, owing mainly to vacant positions and the claim made under the Job retention scheme. Employees recharged from Group Services for Cube’s share of Wheatley Solutions staff is also showing favourable to budget as a result of a similar claim.
- Direct running costs are £26k favourable to budget; on various lines due to lower spend on office and staff related expenditure since the lockdown.
- Group Services Running Costs of £30k represents Loretto’s share of Wheatley Solutions running costs and include a share of the costs of unbudgeted PPE for staff.
- Revenue repairs and maintenance expenditure is £59k favourable to budget due to lower levels of spend in reactive repairs and cyclical maintenance, which is as a result of the “life and limb” service.
- Bad debts are £23k favourable to budget. A prudent approach was taken when setting the budget and provision has been included for tenants moving to Universal Credit.
- Interest is paid on £37.3m of loans due to Wheatley Funding Ltd 1 and in addition loan fees are included here.

Operating Statement (2) – YTD May 2020



	Period To 31 May 2020			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
INVESTMENT				
Total Capital Investment Income	3,621	974	2,647	8,889
Investment Works	52	254	202	1,525
New Build	203	1,013	810	11,036
Other Capital Expenditure	12	30	18	179
TOTAL CAPITAL EXPENDITURE	267	1,297	1,030	12,741
NET CAPITAL EXPENDITURE	(3,354)	323	3,677	3,851

Capital Expenditure – key points

- Capital investment income of £3,621k is favourable to budget driven by investment income received from Allia for Dargavel. No significant spend has yet been incurred on the site as a result of lockdown.
- Investment income also includes £15k for medical adaptations.
- Investment works expenditure of £52k relates mainly to voids, capitalised repairs and capitalised staff costs. There are no other works currently taking place generating a favourable variance against budget of £202k.
- New build expenditure of £203k mainly relates to Eriboll settlement agreement costs. The budget for the period to date provides for spend at the Dargavel and Hallrule sites which are still closed due to the lockdown.
- Other capital expenditure of £12k relates to Loretto contribution to Wheatley Group IT. The budget figure of £179k for the full year includes £108k budgeted for office refurb and conversion of housing properties previously used as offices by Wheatley Care, no spend is reported on this in the period to date.

Rental and Other Income – YTD May 2020



Income £'000	1 April 2020 - 31 May 2020			20/21 Annual Budget
	Actual	Budget	Variance	
Rental Income	1,369	1,371	(2)	8,224
Voids	(29)	(44)	15	(266)
Net Rental Income	1,340	1,326	13	7,958
LC Management Fee	34	35	(1)	209
Mid Market Rental Income	14	12	1	74
Miscellaneous Income	-	-	-	-
Other Income	48	47	0	283
Grant Income	15	12	3	72
TOTAL INCOME	1,403	1,386	17	8,314

Comments

Net rental income

- Rental income of £1,369k is £2k unfavourable due to lower income in P1 for service charges in our Sheltered accommodation..
- Void lost rent of £29k YTD is £15k favourable to budget and the YTD void rate is 2.1%, versus the budgeted rate of 3.3%. Prior year void losses were running at 1.4% for the full year.

Other income

- Management fee income of £34k was received from Loretto Care for their share of Lipton House admin and running costs.
- Mid market rental income relates to the lease of Barclay Phase 2 units to Lowther Homes.

Grant Income

- Grant income of £15k for medical adaptations has been accrued in line with spend. The full year budget is £72k.

Direct Running Costs – YTD May 2020



Comments

Direct Running Costs £'000	1 April 2020 - 31 May 2020			20/21 Annual Budget
	Actual	Budget	Variance	
Equipment and Furniture	0	3	2	15
Initiatives	55	57	1	164
Insurance	6	6	0	37
Misc Running Costs	6	24	18	144
Property Costs	47	46	(1)	276
Staff Related Costs	0	2	2	13
Travel and Vehicles	1	5	4	32
Group recharges	142	142	0	850
TOTAL RUNNING COSTS	258	284	26	1,531

- Direct running costs of £258k are £26k favourable to the budget of £284k. The favourable position is driven by lower spend across a number of lines, particularly in miscellaneous costs of marketing, postage and stationery.
- The second table provides a breakdown of YTD Initiatives expenditure which is broadly in line with budget.
- Note TSS costs of £6k included in Initiatives represents Loretto HA's share of Group TSS costs for the provision of the service to Loretto tenants.

Initiatives £'000	1 April 2020 - 31 May 2020			20/21 Annual Budget
	Actual	Budget	Variance	
Helping Hand	5	5	0	33
Tenancy Support Service	6	6	(0)	35
Think Yes	1	2	1	12
Wheatley Foundation	43	43	1	84
Wider Action	0	0	0	0
Total	55	57	1	164

Repairs and Maintenance – YTD May 2020

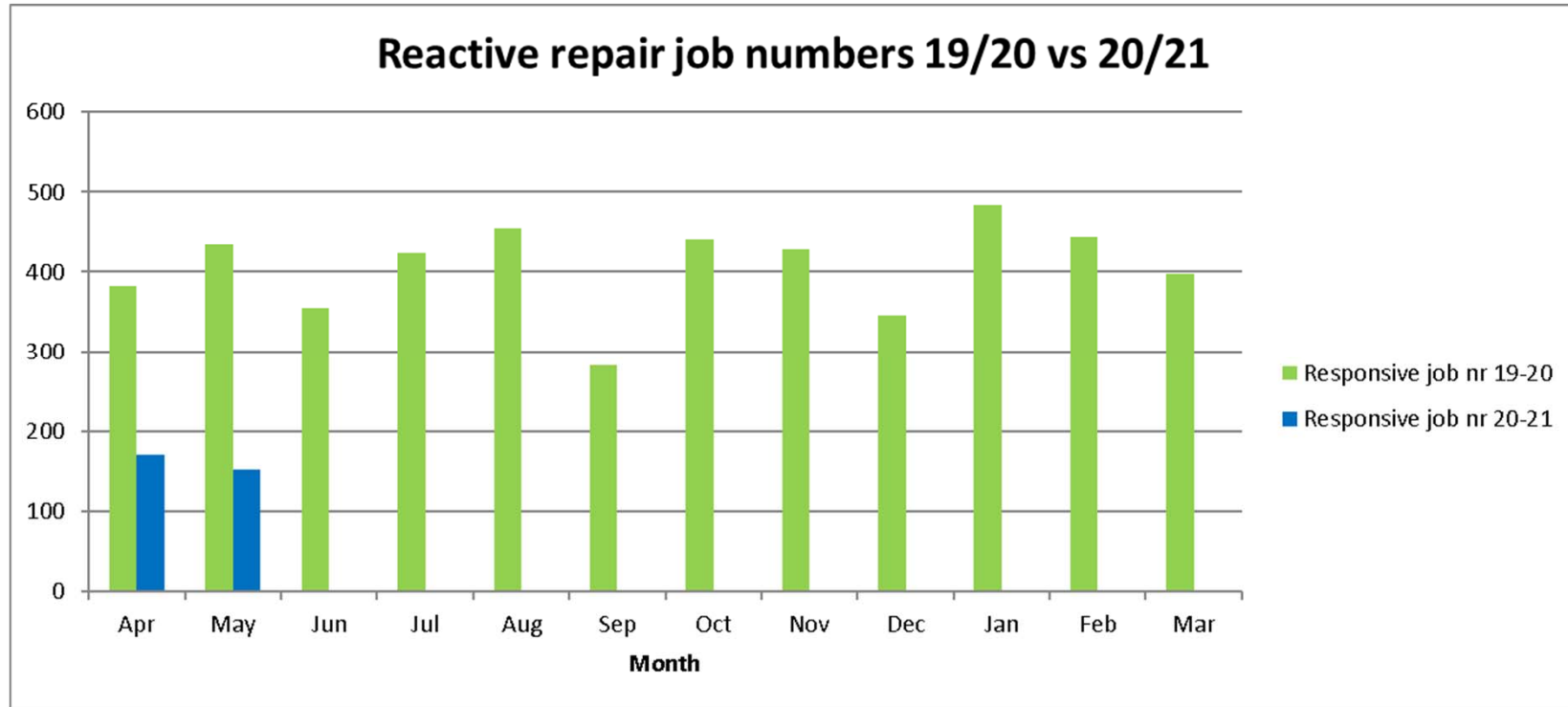


Repairs & Maintenance Expenditure £'000	1 April 2020 - 31 May 2020			20/21 Budget
	Actual	Budget	Variance	
Reactive repairs	84	117	33	700
Cyclical maintenance (compliance)	70	79	9	463
Cyclical property maintenance	0	3	3	19
Other	5	3	(2)	19
Communal Electricity	15	31	16	187
TOTAL R&M Expenditure	174	233	59	1,388

Comments

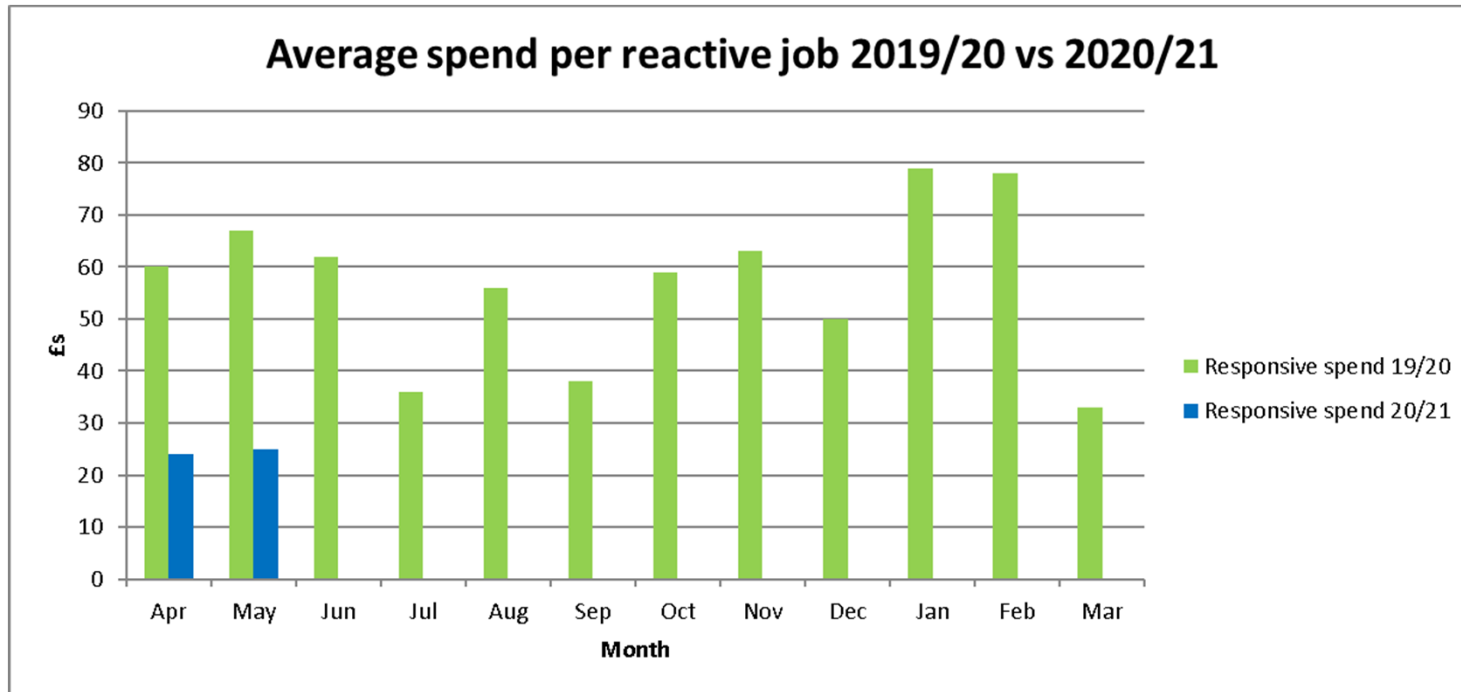
- Revenue repairs and maintenance costs of £174k are £59k favourable to the budget of £233k.
- After deduction of capitalised repairs, the reactive repairs spend is £33k favourable to budget. The spend of £84k is inclusive of an additional fixed overhead allocation agreed with City Building of £58k. This is after taking account of the claim made by City building for staff under the job retention scheme.
- Loretto's compliance based cyclical programme is for gas servicing, lifts, fire safety equipment, alarms, pumps and tanks and TMVs, currently is reporting a favourable against budget of £9k.
- Cyclical property has zero spend against a budget of £3k in the month.
- Other R&M expenditure relates to decant/removal costs, laundry equipment, alarm monitoring, key holding and small repairs jobs undertaken by contractors other than City Building.

Reactive repairs analysis (1) – YTD May 2020



Reactive job numbers	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
19-20 month	383	434	354	424	455	282	440	428	345	484	444	398
19-20 YTD	383	817	1,171	1,595	2,050	2,332	2,772	3,200	3,545	4,029	4,473	4,871
20-21 month	170	152	0	0	0	0	0	0	0	0	0	0
20-21 YTD	170	322	322	322	322	322	322	322	322	322	322	322

Reactive repairs analysis (2) – YTD May 2020



Average Spend	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
19-20 £month	157	154	175	85	123	135	134	147	145	163	176	83
19-20 £YTD	157	155	161	141	137	137	136	138	139	141	145	140
20-21 £month	141	164										
20-21 £YTD	141	152	152	152	152	152	152	152	152	152	152	152

- All data relates to completed jobs and is prior to the deduction of capitalised repairs. Broad Street (Fordneuk service) repairs are excluded from the figures as these are recharged to Loretto Care.
- YTD the volume of repairs is 160 % lower than the prior year and the YTD average cost per repair has decreased by 1.9%.

Investment Works – YTD May 2020

Investment Works £'000	1 April 2020- 31 May 2020		
	Actual	Budget	Variance
Investment Works Grant Income			
Adaptations	15	12	3
Total	15	12	3
Investment Works Expenditure			
Core programme	33	208	175
Void repairs	4	35	31
Adaptations	15	12	(3)
Total	52	254	202

20/21 Annual Budget
72
72
1,246
207
72
1,525

Comments

- Overall investment works expenditure of £52k for the month of May is £202k favourable to the budget of £254k.
- Core programme works are following a revised programme undertaking essential works only. Expenditure reported for the months of April and May was for capitalised repairs and capitalised staff cost.
- Void repair costs are £31k lower than budget as a result of the approach to new lets during the lockdown.
- The budget for adaptations is £72k for the year. For the 2 months to end May 2020 the spend was £15k.

Breakdown of core programme £'000	1 April 2020- 31 May 2020		
	Actual	Budget	Variance
Capitalised repairs	27	35	8
Capitalised staff costs	6	6	0
Compliance costs (capital)	0	48	48
Duke Street	0	0	0
Fire Safety	0	6	6
Internal Common Work	0	3	3
Kitchen, Bathrooms and Rewire	0	42	42
Windows	0	20	20
Doors	0	5	5
Environmental	0	15	15
Central Heating	0	28	28
Various	0	0	0
Total	33	208	175

20/21 Annual Budget
209
36
288
0
36
15
252
120
32
90
168
0
1,246

New Build Programme – YTD May 2020



Name	Contractor	Year To Date			FY Budget
		Actual £s	Budget £s	Variance £s	
Buckley Street	MACTAGGART	0	0	0	54
Muiryhall Street	CCG	0	0	0	54
Eriboll		142	0	(142)	0
Hallrule Drive	MACTAGGART	33	254	221	2,668
McDowall Street	-	0	0	0	791
Cobblebrae Farm		0	0	0	1,188
Dargavel		0	708	708	5,955
Land Acquisition	-	0	17	17	100
Feasibility	-	0	0	0	0
Loretto		175	979	804	10,810
Capitalised Staff Costs		29	34	5	202
Gross New Build Costs		203	1,013	810	11,036
Grant Income		3,606	962	2,644	8,817
Net new build costs		(3,403)	51	3,454	2,219

Capital Investment Income

Grant income reported within the capital budget represents the cash received in the YTD and outstanding claims accrued. Reported in the year to date is £3,600k funding from Allia for the Dargavel development.

New Build Expenditure

- £54k budgeted for the year in both Buckley St and Muiryhall St relates to retention payments. Both of these sites completed in 2019/20.
- **Eriboll:** Spend relates to settlement of contractor claims. Agreement has been reached that Glasgow City Council will repay £136k of this as primary claim and associated fees related to their Children's Unit that formed part of the project.
- **Hallrule Drive:** This site is owned by Loretto and demolition works are now complete. Planning Permission has been granted. Offer of grant has been accepted. Project approved by Group Development Committee in May 2020.
- **McDowall Street:** Discussions required with Renfrewshire Council to determine timelines for this site.
- **Cobblebrae Farm:** 21 social rent units. Work ongoing with the developer to agree all details ahead of reporting to Group Development Committee for project approval.
- **Dargavel:** Site acquired in December 2019 and advance drainage works carried out last financial year.
- All New Build sites are affected by lockdown and programmes are under review.
- Capitalised staff costs include the claim for furloughed New Build staff.

Balance Sheet



	31 May 2020 £k	31 March 2020 £k
Tangible Fixed Assets		
Housing Properties	60,805	61,135
Investment Properties	1,150	1,150
Other Assets	1,283	1,298
	<u>63,238</u>	<u>63,583</u>
Current Assets		
Debtors	724	2,466
Cash at Bank and in Hand	5,230	614
	<u>5,954</u>	<u>3,080</u>
Short Term Creditors		
Amounts due within one year	(2,124)	(2,067)
Deferred Grants	(4,390)	(1,649)
	<u>(6,514)</u>	<u>(3,716)</u>
Net Current Assets	(560)	(636)
Long Term Creditors		
Amounts due after one year	(37,253)	(37,253)
Deferred Income	0	0
Pension Liability	(2,222)	(2,222)
	<u>(39,475)</u>	<u>(39,475)</u>
Net Assets	<u>23,203</u>	<u>23,472</u>
Capital and Reserves		
Share Capital	-	-
Revenue Reserve - b/fwd	25,695	22,303
Current year surplus/(deficit)	(270)	3,391
Pension Reserves	(2,222)	(2,222)
	<u>23,203</u>	<u>23,472</u>
Association's Funds	<u>23,203</u>	<u>23,472</u>

Comments

The balance sheet reported reflects the 31 March 2020 year end which is still subject to final audit and year end statutory adjustments, including the revaluation of both housing and investment properties and actuarial valuation of the defined benefit pension scheme

- **Fixed Assets** - Expenditure is capitalised in accordance with our accounting policy.
- **Investment Properties** – These are the Barclay Street Mid Market Rent properties, leased to Lowther Homes.
- **Debtors** – decreased debtors due to settlement of new build grant income.
- **Cash at Bank** - The change from the year end principally reflects the timing of the settlement of Grants and the £3.6m from Allia for the Dargavel project.
- **Deferred grants** – The relates to the schemes currently on site. Upon completion of the properties this income will be released to the I&E as grant income.
- **Long-Term Creditors** - This includes £37.3m of loans due to Wheatley Funding Ltd 1.

Report

To:- Loretto Housing Board

By:- Pauline Turnock, Director of Financial Reporting

Approved by:- Steven Henderson, Group Director of Finance

Subject:- 2020/21 Financial Projections Reforecast

Date of Meeting:- 6 July 2020

1. Purpose

1.1 The purpose of this report is to provide an update on the expected impact of COVID-19 on our financial projections and on the key financial ratios of the RSL Borrower Group of which we are part.

2. Authorising context

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

2.2 Whilst the Group Board is responsible for the overall approval of the plan and parameters, the Loretto Board has autonomy to agree its individual business plan within said parameters. The Wheatley Board considered the revised financial projections for the RSL Borrower Group, of which we are part, at the meeting on 24 June.

3. Risk Appetite and assessment

3.1 Our agreed risk appetite in 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”.

4. Background

4.1 In February 2020 the Board approved the 2020/21 Business Plan Financial Projections and related key financial ratios. These financial projections set out how we would deliver the outcomes in our 2020-25 strategy while keeping rents affordable and meeting the requirements of our funding arrangements. The first year of these financial projections formed the basis of the budget for 2020/21.

- 4.2 As a result of the emergence of COVID-19 and the resulting lockdown, there has been significant disruption to our business which is expected to continue for some time. Lockdown restrictions have meant that from March all construction of new homes ceased and the majority of our investment in existing properties was put on hold. Our repairs service has been reduced to “life and limb” only and a number of other services have been either reduced or paused. We have focussed the work of the Foundation towards projects that will provide the greatest level of assistance to our most vulnerable tenants such as the provision of food parcels and emergency funding until restrictions are eased. Changes in our working practices, with increased home working and provision of personal protective equipment for frontline staff, has resulted in increased costs to the organisation. In addition to this, customers have been impacted by redundancy, seen reductions in their income through pay cuts or have been furloughed and are impacted by delays waiting for Universal Credit, all of which create risks to our rental income.
- 4.3 These changes to our business will have a significant impact on the financial projections and our funding requirements. We have therefore updated the financial projections to reflect our experience to date and expectations for the future.

5. Discussion

- 5.1 Our financial projections have been updated to reflect the following changes: -
- **Cost Inflation** – A reduction in cost inflation from 3% to 1.5% has been assumed in 2020/21 in recognition of the reduction in inflation seen over the past couple of months and the further decreases expected over the next 12 months per the Bank of England’s latest outlook scenarios. In the following three years cost inflation is assumed to return to 3% before reducing to a long term rate of 2.5%. This reflects an element of prudence relative to the market forecasts and the Bank of England’s long term CPI target of 2%.
 - **Rent Increases** – With a rise in unemployment and an increase in the number of tenants moving onto universal credit, ensuring rental income remains affordable is critical. In recognition of this we have reduced the assumed rent increases on social housing stock from 3.5% each year to 1.9% in April 2021, 2.4% in April 2022 and 2.9% from April 23 onwards. The **reduction in long term rent increases from 3.5% to 2.9%** is a significant change to the financial projections presented in February and achieves the key outcome set out in our 2020-25 strategy to deliver below 3% increases by 2025. This earlier implementation of our strategy has been made possible by efficiencies achieved to date, together with an increase in planned savings and reduced funding costs at the group level.
 - **Performance** – Increases in unemployment and a rise in tenants moving onto universal credit also creates additional challenges in terms of rent collection. Our financial projections have therefore been updated to reflect the increase in arrears observed over the past three months and to make a very conservative provision for the 2020/21 arrears increase of £220k (3% of gross rents) given the uncertainty we face. An additional

bad debt provision of £37k has been made for an increase in rental not recoverable.

- **Staff costs** – Our projections have been updated to include the claims made under HMRC’s job retention scheme to date for our furloughed staff and a prudent assumption at this stage of a total claim of £44k. We will keep our furlough list under review, including potential use of the new part-time flexibilities, to ensure we receive support from the UK government where staff are not able to carry out their normal duties due to COVID related restrictions.
- **Employee & Running Costs** – Our approved Group Business Plan assumed significant savings in employee costs over the next five years. In response to the need to ensure rents remain affordable, the Group savings target has been increased by £1m and provided for an increase in early retirement/voluntary redundancy payments to deliver this. While no direct savings are assumed within our projections a reduction in group recharges is reflected. Assumed pay increases have also been reduced from 2.2% to 1.5% for the next three years and 2% thereafter.

In addition to savings in employee costs, our projections include running cost savings from procurement, rationalisation of office accommodation and related cost efficiencies. We are carrying out a detailed review of our office estate and operating models at present and a further update of the business plan to reflect these is anticipated later in the year.

- **Repairs & Investment** – In mid-March, we moved to a “life and limb” only repairs service and all non-essential investment work was suspended. This has resulted in a significant reduction in both repairs and investment spend over the last few months. As restrictions begin to be lifted we anticipate being able to expand the works we can undertake. For repairs this will likely mean an initial move to expand the service to “life and limb plus” and increased spend on voids and compliance work, with business as usual unlikely to return before the end of the calendar year. For investment we anticipate recommencing external investment works first with projects already in progress and compliance/safety works given priority. Our projections therefore reflect a reduction of £260k in repairs spend in the current year and deferment of £420k of investment works to future years.
- **Development programme** – As a result of lockdown restrictions, all construction sites were shut down on the 23 March. While restrictions on development works are beginning to be eased and (at the time of writing) we expect construction to resume soon, we have updated our financial projections to reflect the impact of these site closures and the potential impact on development periods of the new working methods to be put in place to enable social distancing once sites re-open. Gross development cost has been assumed to reduce by £6.9m in the current year and expected completions in 2021/22 have been reduced. Over the five-year period to 2025 we still anticipate Loretto completing 176 new properties for social rent as shown in the table below.

Units Completed	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Revised	-	-	146	30	-	176
<i>Per February</i>	-	90	56	30	-	176

In the short term, it is likely that there will be further movements in the development programme once plans for restarting construction and the implications of new working methods are fully understood. This will be reflected in the next update of the business plan.

- 5.2 The revised forecast statement of comprehensive income for the five-year period to 2024/25 is shown in Figure 1 below. Over the period presented, our statutory surplus fluctuates due to property valuation movements and grant recognition on completed units.

Figure 1: Statement of comprehensive income

	2020/21	2021/22	2022/23	2023/24	2024/25
Turnover	7,411	7,662	19,658	11,276	9,266
Operating Expenditure	(7,616)	(7,911)	(7,995)	(8,535)	(8,785)
Gain on Investment Properties	23	23	24	24	25
Operating Surplus	(183)	(225)	11,687	2,765	506
Operating Margin (%)	(2%)	(3%)	59%	25%	5%
Finance Costs	(1,821)	(1,993)	(2,287)	(2,596)	(2,678)
Housing Property Valuation Movement	2,953	2,938	(12,068)	532	4,264
Total Comprehensive Income	948	720	(2,668)	701	2,091

- 5.3 Our revised Statement of Financial Position, set out in Figure 2 below, shows a strong net asset position which improves over the first five years of the projections. The delivery of 176 new social housing properties will help to strengthen our net asset base.

Figure 2: Statement of Financial Position

Statement of Financial Position	2020/21	2021/22	2022/23	2023/24	2024/25
Housing & Investment Properties	61,372	75,457	69,225	70,063	74,875
Other Fixed Assets	1,070	908	750	587	512
Total Fixed Assets	62,442	76,365	69,975	70,650	75,386
Current Assets	1,471	1,516	1,517	1,486	1,458
Current Liabilities	(7,116)	(13,280)	(4,531)	(2,848)	(4,336)
Net Current Liabilities	(5,645)	(11,764)	(3,014)	(1,362)	(2,878)
Long-Term Liabilities	(36,837)	(43,921)	(48,949)	(50,574)	(51,704)
Pension	(2,222)	(2,222)	(2,222)	(2,222)	(2,222)
Net Assets	17,738	18,458	15,790	16,491	18,582
Retained Earnings	17,738	18,458	15,790	16,491	18,582
Total Reserves	17,738	18,458	15,790	16,491	18,582

- 5.4 The value of housing assets increases by £18.3m over the five years as a result of investment in existing and new properties. The new build programme is funded by debt (and grant subsidy) which increases £14.1m over the same period. This additional debt and asset value results in a growth in net assets of £1.8m over the period. Fluctuations in current liabilities are due to the inclusion of new build grant income. This is reported as deferred income until completion of the units at which point it is transferred to Turnover in the Statement of Comprehensive Income.
- 5.5 While we are funded via an intra group loan from WFL1 and are not subject to covenants on a standalone basis it is important to assess our cash generation ability and contribution to the RSL borrower group financial position. A key measure used within the Group to determine this is interest cover, with this defined as EBITDA MRI (earnings before interest, tax, depreciation and amortisation with major repairs investment spend taken into account) over net interest payable. Ideally this should be >1 meaning that sufficient cash is generated from operating activities to cover both investment in existing assets and cost of funding. Figure 4 shows the revised projected for interest cover, including a comparison to the figures presented in February.

Figure 4: EBITDA MRI interest cover ratio

£'000	2020/21	2021/22	2022/23	2023/24	2024/25
Turnover (excl Grant)	7,411	7,662	8,222	8,887	9,266
Operating Costs (excl Depreciation)	(3,927)	(4,146)	(3,826)	(3,929)	(4,061)
EBITDA	3,484	3,516	4,396	4,957	5,205
Investment	(1,402)	(1,616)	(2,255)	(1,590)	(1,600)
EBITDA (MRI)	2,081	1,900	2,140	3,367	3,605
Interest (net)	(1,821)	(1,993)	(2,287)	(2,596)	(2,678)
Interest Cover	260	(92)	(147)	770	926
Interest Cover (x)	1.14x	0.95x	0.94x	1.30x	1.35 x
Per February Plan	0.72x	0.91x	0.93x	1.28x	1.37x

- 5.6 This demonstrates that compared to the financial projections approved in February, interest cover is higher in the early years. In 2020/21 in particular, the reduction in investment spend of £420k combined with savings in repairs pushes the ratio above 1x, previously 0.72x. Over the following three years the improvement in the ratio is primarily due to reduced funding costs from delays in the new build programme. By 2024/25 the lower rent increase results in a slight worsening in the ratio however, as this is comfortably above 1, sufficient income is generated from assets to cover investment and funding costs. Over the longer term, the revised projections show that all funding can be repaid within 30 years.
- 5.7 Loretto, together with GHA, Dunedin Canmore, Cube and West Lothian Housing Partnership and WFL1, the entity that raises borrowing and lends to them, is part of the RSL Borrower Group. The financials of each of these entities is aggregated and used to calculate the covenant ratios we are required by our funders to meet. The Wheatley Board considered the revised consolidated RSL borrower group financial projections and resulting covenant ratios at meeting on 24 June 2020. The key covenants are shown in Figure 5 below.

Figure 5: RSL borrower group projected covenant ratios

		2021	2022	2023	2024	2025	2026
Interest Cover	RSL GROUP	163.5%	143.0%	139.8%	143.0%	146.9%	153.7%
	Target(> than)	110.0%	100.0%	100.0%	110.0%	110.0%	110.0%
	<i>Headroom</i>	<i>£32.0m</i>	<i>£26.1m</i>	<i>£25.5m</i>	<i>£22.5m</i>	<i>£25.9m</i>	<i>£31.2m</i>
Debt per Unit	RSL GROUP	£23,580	£24,173	£25,040	£25,346	£25,671	£25,841
	Target(< than)	£26,500	£27,000	£27,000	£27,000	£27,000	£27,000
	<i>Headroom</i>	<i>£152.9m</i>	<i>£149.6m</i>	<i>£105.3m</i>	<i>£90.2m</i>	<i>£73.1m</i>	<i>£64.4m</i>

- 5.8 This demonstrates that based on the revised financial projections all covenants can be met. Compared to the approved RSL borrower group, maximum debt per unit has reduced from £26,070 to £25,841 in 2025/26, with minimum headroom in debt terms increasing by £12.7m to £64.4m. This meets our golden rule of £50m headroom with the reduction driven by savings in investment and repairs and changes to our funding arrangements which

reduced debt and funding costs. Interest cover also meets golden rules with minimum headroom of £22.5m and a ratio of 143% versus the target of 135%. In the first three years' interest cover is higher than in the approved plan due to savings in repairs and reduced funding costs however in later years lower rent increases result in lower headroom.

6. Key Issues and Conclusions

6.1 The revised projections show that we remain financially strong, and that the RSL borrower group of which we are part, is able to comply with loan covenants. Given the unprecedented level of uncertainty, these financial projections will be subject to further review and this will be reported back to the Board as part of the five-year financial projections regulatory return in August.

6.2 In addition to reflecting the short term volatility arising from COVID-19, the projections make a very significant change in respect of rent increases, with the reduction of the long term rate from 3.5% to 2.9%. Our 2020-25 strategy set a target of reducing rent increases to below 3% by 2025. The earlier achievement of this has been possible due to efficiencies achieved to date, additional planned savings and a reduction in funding costs at the Group level.

7. Value for Money implications

7.1 The financial projections incorporate cost efficiency measures, which are a key element of continuing to demonstrate value for money. As part of the reforecast the long term rent increase assumption has been reduced from 3.5% to 2.9% each year.

8. Impact on Financial Projections

8.1 The update on the expected impact of COVID-19 on our financial projections is outlined in the body of the paper. The updates to the projections provided will be reviewed as the situation becomes clearer in the coming months and a further update will be provided to the Board in August.

9. Legal, regulatory and charitable implications

9.1 The Scottish Housing Regulator has requested a copy of these financial projections following the Board's review. The deadline for submission of the five-year financial projections regulatory return has been extended from June to the end of September. The financial projections will be reviewed and updated to reflect any changes prior to the Board in August and the regulatory return provided for approval.

10. Equalities Impact

10.1 Not applicable

11. Recommendations

11.1 The Board is requested to:

- Note the update to our financial projections, including the reduction in the long term rent increase to 2.9%; and
- Note that a further revision to the projections will be brought back to the Board in August.