LORETTO HOUSING ASSOCIATION

BOARD MEETING

Monday 28 November 2022 at 2pm
Wheatley House, 25 Cochrane Street, Glasgow
<u>**AGENDA**</u>

1. Apologies for absence

2. Declarations of interest

3. a) Minute of September 2022 and matters arising
   b) Minute of AGM
   c) Action list

4. Chair's update

   Main business and approvals

5. Customer value and insight

6. 2023/24 rent and service charges – consultation and engagement

7. East Lane: New Build Project

8. Duke Street update (presentation)

9. Annual self-assessment and governance update

10. Asset assurance approach

11. Performance report – quarter 2

    Other business

12. Equality, Diversity, Inclusion and Human Rights policy

13. Arrears and Debtors Policy

14. Finance report – quarter 2

15. Risk register

16. Assurance update

17. AOCB

Loretto Housing

Report

To: **Loretto Housing Board**

By: **Laura Henderson, Managing Director**

Approved by: **Laura Pluck, Group Director of Communities**

Subject: **Customer value and insight**

Date of Meeting: 25 November 2022

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1.   Purpose

1.1   The purpose of this report is to:

- provide an update on sector wide customer satisfaction intelligence;

- provide feedback on recent customer insight and research in relation to repairs and families and our planned response to the key findings;

- update the Board on how we will ensure the customer voice and insight being embedded in our future strategic planning and decision making; and

- set out an outline programme for how the customer voice will inform Board decision making over the next 12-18 months.

2.   Authorising and strategic context

2.1   The first priority in our Strategy is _Delivering exceptional customer experience_. We aim to deliver outstanding services with a strong focus on engagement with tenants as part of this.

2.2   We also identified as part of our strategy how we would look to tailor our services for different customer segments to respond to varying satisfaction levels, such as for families. This report sets out how we have and will continue to practically translate this into Board discussions and decision making in a structured way.

3.   Background

3.1.   Following the agreement of our 2021-26 Strategy, and the common thread within it of embedding the customer voice, we recognised the need to evolve how we engage with customers and gather insight.

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3.2. As part of this we redesigned our approach to tenant engagement, which included a combination of:

- How we would engage tenants e.g. in person, digitally and through structures such as local events and customer and scrutiny panels;

- The types of things we would engage tenants on e.g. performance, service and policy design, prioritisation of funding; and

- How the engagement would be acted on e.g. new services and service improvements

3.3. We consulted tenants on the proposed approach to engagement. Tenants strongly supported our approach with 80%+ of tenants agreeing it would '*make it more open and accessible for tenants to get involved and have their say'*.

3.4. A key strand of our approach to engagement was the greater use of digital engagement. This varied from directly engaging through digital platforms such as video conferencing, to the greater use of digital communication such as texts and emails, to the use of digital feedback channels such as digital surveys. All these forms of digital engagement are now routinely being used.

3.5. The customer voice thread and new engagement approach were subsequently formally incorporated into our strategic planning through the 2022/23 Delivery Plan. This included over 50% of strategic projects involving customer engagement and formal performance measures such as the recruitment of customer voices.

4. Discussion

4.1. A key focus for us is how the development, design and delivery of our services are informed, influenced and co-created with our tenants. We gather the insight necessary to do this through a number of methods. The key issue is how we then effect changes or inform our decision making based on it.

<u>Understanding the pandemic impact on customer satisfaction</u>

4.2. The pandemic restrictions severely impacted our, and the wider sector's ability to deliver services. This included services which are key drivers of overall satisfaction for us such as repairs and our environmental services. All legal restrictions in Scotland only ended in March this year and since then we have been addressing issues that arose during the pandemic, such as the repairs backlog and reprofiling investment work.

4.3. The Board recognised that the pandemic could fundamentally shift customer views and perceptions of our service. It was also further recognised there was the potential for this to linger after the pandemic, even when we had fully remobilised services.

4.4. Based on this, the Board agreed that we should delay our full customer satisfaction surveys until next year when our services will have been fully remobilised for an extended period.

4.5. In order to contextualise and test the impact of the pandemic on satisfaction across the wider sector we engaged the Scottish Housing Network ("SHN") to provide us with insight and analysis. They drew on a combination of the Annual Returns on Charter ("ARC") and their own engagement with landlords.

4.6. Overall satisfaction analysis showed that for RSLs and Local Authorities who carried out a new satisfaction survey in the last two year the majority saw drops in overall satisfaction, with a number of the drops significant as shown in Chart 1.

Chart 1 – % RSL/Local Authority change in overall satisfaction
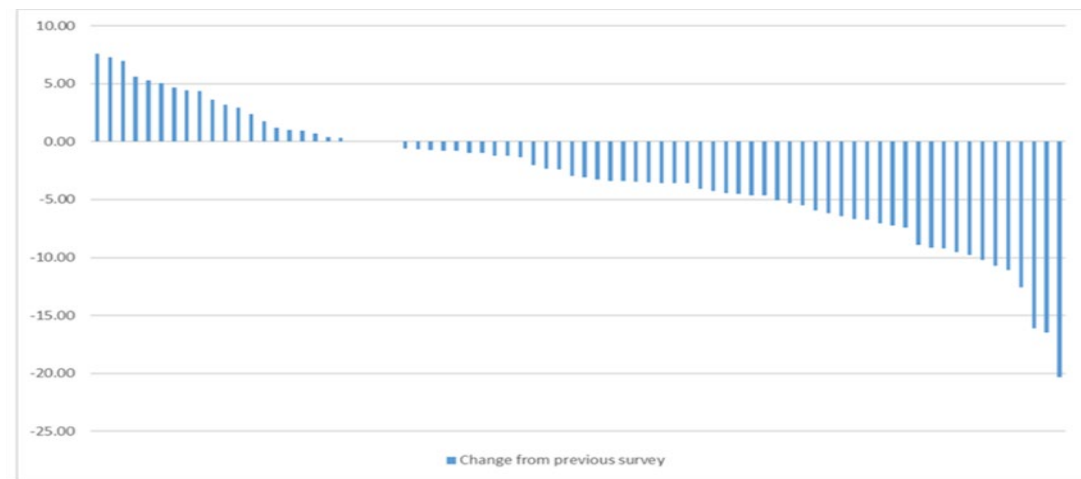
4.7. SHN analysis also indicated that, as expected given the drop in overall levels, satisfaction for RSLs and Local Authorities dropped for most measures. In particular, major drivers of overall satisfaction such as repairs, and quality of home dropped. Chart 2 shows the overarching trend for RSL and Local Authority repairs satisfaction, with Chart 3 providing changes specifically for fresh satisfaction surveys in the last two years:

Chart 2 - %RSL/Local Authority change in those satisfied with repairs
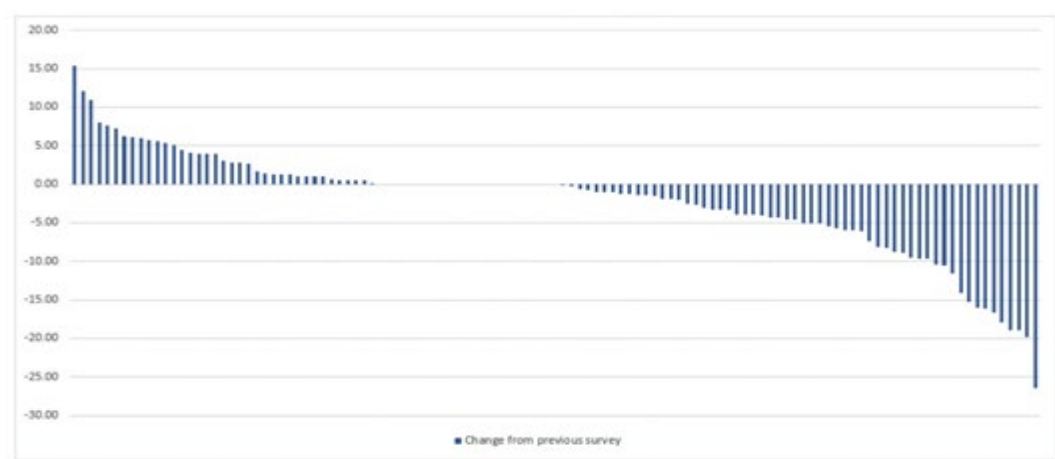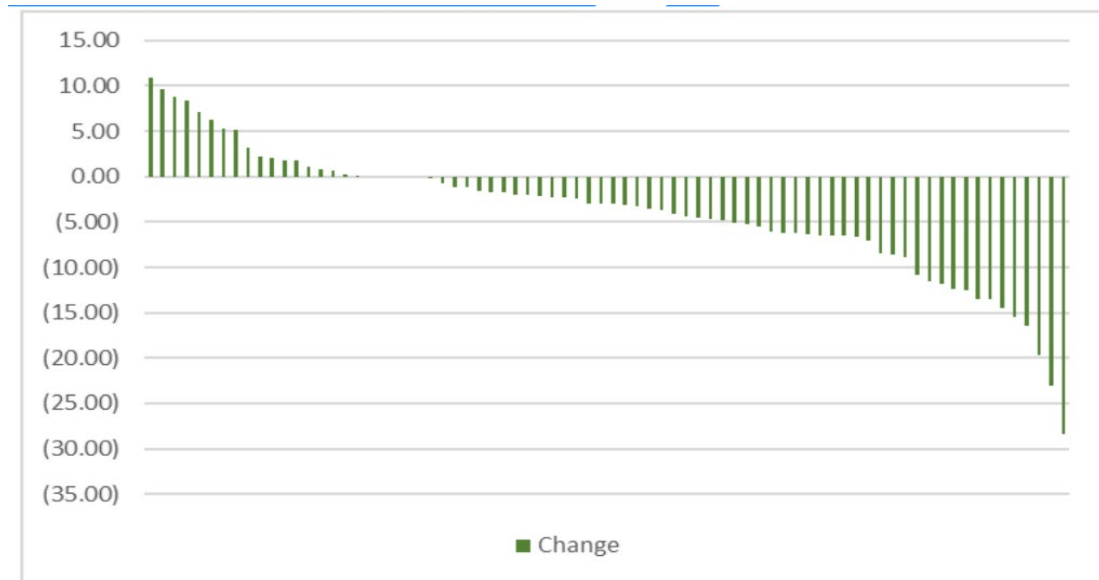
Chart 3 - % RSL/Local Authority change in those satisfied with quality of home

4.8. The SHN analysis also showed that, as would be expected with satisfaction falling, complaint levels across the wider sector have increased from 2020/21 to 2021/22.

<u>Customer insight and research</u>

Pulse survey – Headline results

4.9. Although we agreed to delay the full ARC customer satisfaction survey, we commissioned BMG to undertake a series of pulse surveys on satisfaction with repairs service, quality of home and our contribution to the management of the neighbourhood.

4.10. The pulse surveys have a smaller sample size than a full survey (approximately one third). Whilst not as statistically robust they provide us with a temperature check and insight into our customers' views which can inform our decision making.

4.11. The first pulse surveys were caried out over August and September concluded and our results were consistent with the wider trend across the sector. The headline results and key drives of each were as follows:

Satisfaction measure	%
Last repair (up to 12 months)	58
Quality of home	72
contribution to the management of the neighbourhood	73

4.12. As part of the pulse survey we also asked tenants what their top three service priorities are and the results were as follows:

1) Repairs (60%)
2) Major home improvements (30%)
3) Housing Officer (20%)

4.13. This very strongly reinforces what our repairs transformation programme and strategy priorities reflect, that repairs is the key driver of tenant satisfaction.

Pulse survey – repairs insight, analysis and action

4.14. The pulse surveys confirmed that satisfaction levels for repairs and quality of home, although two separate Annual Return on the Charter measures, are closely linked.

4.15. As part of the survey customers who were not fully satisfied with the repairs service were asked to provide feedback on the top areas for service improvements they would like to see. The priority improvements identified,:

- Better communication

- First time fix (avoiding multiple visits)

4.16. Our analysis of repairs complaints reflects these issues. The key issue for tenants is very clearly communication, specifically keeping the tenant up to date and informed from start to finish. We recognise that some repairs will require multiple visits or cannot be fixed first time, but the key underlying issue is that the way we communicate this to customers needs to be clearer. Based on this feedback we have a number of actions underway to respond to it, including:

Book it, Track it, Rate it - Improved Communication

4.17. Communication was identified as a key area of improvement in the current Transformation Programme, and work to improve the systems we have in place for communication have been at the forefront of the work carried out over the past 6 months. The most recent survey reinforced this requirement, and to reflect this we have accelerated the implementation of Localz to quarter 4, the system will deliver the Book it, Track it, Rate it processes for our customers.

4.18. A pilot has now commenced in Wheatley Homes Glasgow and will focus on improving communication, such as:

- text confirmation of appointments and subsequent reminders

- live updates on the day of their appointment

- real time tracking information of the repairs operative and how close they are to arriving

- a mechanism to provide immediate feedback on the service post appointment

- the option to request a call back to discuss the service (e.g., where they do not want to raise an issue directly with the repairs operative)

4.19 It is vital that customer feedback informs the Localz pilot, before it is rolled out more widely, including to our customers. While the new system has the potential to be transformational in terms of communications, the focus of the pilot will be testing and verifying this with customers.

4.20   There will be engagement with between 70 and 100 customers throughout the pilot in a number of different ways, both digitally and face to face through focus groups. The engagement will focus on receiving feedback from customers on what worked well and what can be refined.

4.21   The pilot will be scaled up between now and January, using customer feedback as the trigger point for expansion. For example, in the event any material issues are identified as part of the feedback the pilot will not expand until these are addressed.

4.22   As the pilot concludes in January/early February and we plan for implementation it is intended that the Board will hear direct feedback on the user experience from Customer Voices at the February all Board governance event.

First Time Fix and Follow-on Repairs

4.23   First time fix and follow-on repairs are consistent themes in all customer feedback. To improve the co-ordination and communication for follow on repairs, we are streamlining the process by co-locating repairs call handlers (our CFC staff) with CBG planners (who organise the trades resource) to create a single specialised team who will be responsible for all aspects of this co-ordination and keeping the customer informed. This team will also work closely with the Housing Officer when they are out in the community assisting a customer with a follow-on repair.

4.24   To improve customer communication for follow on visits our trades operatives will ensure that, before they leave the customer's home, they have clearly explained the detail of the remaining work to be carried out, the follow-up communications the customer will receive, and when this will happen.

4.25   Each customer will have a single, named contact for repairs which are complex such as those that have follow on works or require multiple trades from end to end. This person will be a technical specialist and their role will include maintaining communication with customers throughout, coordinating the appointments with customers and monitoring their completion.

4.26   The key principle in this process is that that one person ensures the customers interests and views are considered in the repairs process and that there are no longer any communication gaps, and the sole focus is on making sure the customer is well informed throughout.

4.27   We have also commenced an in-depth review of how we schedule, plan and organise repairs in order to improve the number of repairs we complete in one visit. This will include diagnostics and an analysis of jobs which have not been completed first time to understand if they could have been, if there had been more integrated planning.

4.28   Within the new reporting arrangements, we will track the number of jobs not completed in one visit and these will form part of a refreshed repairs performance framework. Part of this will also include a detailed analysis of the root cause, such as where it is related to a diagnostic issue or a job being more complex than anticipated. This will then provide us with the data to make improvements in areas such as diagnostics and planning.

Web self service

4.29   Following online repairs being turned back on in August, we are focussing on how the service experience can be improved. Online repairs have the ability to allow customers to book appointments and provide automatic update for customers to remind them of when their repair is due.

4.30   Web self-service has the potential to allow customers to more easily and conveniently access information on their repairs. The key focus will be to ensure that the experience is slick, easy to use, accessible and has the information customers want.

4.31   A programme of surveying and engagement commenced with an objective to get feedback from in excess of 2000 customers across Group over the next few months to inform future improvements. To date we have received over 2000 responses and will use this to shape current and future services.

4.32   Any changes will, again, have success measures attached to them, such as the number of active users, the impact on calls to the CFC requesting information available via online repairs and satisfaction with the digital service. There is also a feature within WSS to allow customers to provide feedback.

Staff development

4.33   We recognise that a key element in the delivery of our repairs service is the strong customer focus from repairs operatives, local staff and our CFC. As was always planned as part of the repairs transformation programme we are now finalising joint sessions with staff to reinforce the focus on collaborative working to achieve the best service for tenants.

Repairs improvements - Measuring success

4.34   The ultimate measure of success will be enhanced satisfaction. To maximise the range of insight and feedback we have on repairs we are also undertaking weekly customer surveys by the Customer First Centre on a sample of completed repairs.

4.35   A key focus is ensuring that we identify any common feedback from across our repairs satisfaction monitoring such as the postcards, pulse surveys and CFC sample checks. The introduction of Book It, Track It, Rate It will however give us a single common platform for collecting this feedback and see us transition to the 'Rate it' being the core satisfaction collection method.

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4.36 We are however also developing new repairs metrics which support our understanding in areas such as first time fix and the number of follow on jobs. We would also expect to see performance improve in areas such as the number of no accesses, cancellations and complaints. The metrics are:

- Number of repeat visits on same repair – set baseline and monitor reduction;

- Number of jobs with follow-on repairs – set baseline and monitor reduction;

- Number of cancelled repairs – monitor the continuing reduction of these;

- Reduce the percentage of Stage 1 repairs complaints which move to Stage 2;

- Percentage of appts kept – set baseline and monitor improvement; and

- These metrics will reported in the Q3 performance report for Board.

Management of neighbourhood

4.37 We are in the early stages of reviewing the feedback on the neighbourhood element. A report will be provided to the Board in February with a summary of the insight, any further insight we have at that time from phase 2 and specific improvement proposals for the Board to consider and approve where appropriate.

4.38 This will include areas such as: Local Authority partnership working; deployment of the NETs digital service; links to local scrutiny such as Keep Scotland Beautiful; demographic, archetype or locality variations; and how we track the impact of improvements. The new NETs mobile technology will provide data on the percentages of service delivered on the agreed day, and on repeat ad-hoc visits to the same location. The latter will enable us to focus in on problem areas with both internal colleagues and external partners such as GCC or Police Scotland.

<u>Customer Research - Families</u>

4.39 Based on our strategy commitment to enhance satisfaction levels of our families customer segment we commissioned a customer research programme to understand their key satisfaction drivers. The research was carried out independently by Neil Morland & Co and 67 of our customers (1800 group wide) responded to a survey with further people attending a focus group or interview.

4.40   The research established some clear strengths in our relationship with RSL tenant families. These included:

- A strong value placed on the relationship with the housing officer – analysis and further questions showed that if this relationship was strong satisfaction with other issues also tended to be higher;

- An appreciation of the work Wheatley Group did during the Covid pandemic, including the distribution of vouchers;

- High levels of satisfaction with the location of the home, relationships with neighbours, and the sense of safety and security;

- Many customers felt that it was straightforward to contact Wheatley and get issues resolved. No issues were raised about access through the CFC;

- Where customers knew about the wider help we could give they felt it was straightforward to access; and

- Customers valued the support the Group provide in relation to paying rents and to accessing benefits.

4.41   As part of the survey we asked the researchers to explore the extent to which satisfaction had changed following the pandemic. The results showed that 69% felt there was no change in their satisfaction. However, 22% felt that their satisfaction had declined.

4.42   Customers did also raise a number of challenges and issues which are addressed by the researchers' recommendations and which our implementation proposals seek to remedy.

4.43   The key issues were:

- Those in tenemental blocks felt that these were challenging for families but with more specific issues. These included storage, door security, sound and thermal insulation and safe play spaces/back court issues.

- Those living tenements recorded lower overall satisfaction rates and lower satisfaction across most questions than other respondents.

- Safe places for children and teenagers to play were raised as an issue across all families– this varied from areas where it was felt there were no facilities to those which were not felt to be safe. Many of these will not be directly owned or managed by Wheatley.

- Engagement in the RSL panels further backed this up with customers relatively consistently ranking it as their top priority. Another issue raised was that where there wasn't space or activities for teenagers they sometimes used playparks making these uncomfortable for young children.

- Customers identified the need for more larger family homes with issues being raised around overcrowding and the resulting difficulties this caused. The lack of larger homes in our stock means families can wait a long time for a suitable property. Larger families were on the whole more dissatisfied across a range of issues.

- Issues with repairs and maintenance were raised relatively frequently. In general, the issues were in relation to the scheduling of repairs – and keeping of appointments – and issues with recurrent visits to resolve a repair.

- While many of the respondents had no need to make a complaint there was a sense from some that making a complaint was not effective and that they remained dissatisfied with the outcome.

- There was potential to raise awareness of the range of help we can provide through our wrap around services, particularly those which are less directly related to our housing service as many families were unaware of these. Researchers did note that the level of awareness may well be impacted by whether families think they need specific services.

- While most people were satisfied with their safety, security and relationships with neighbours some felt that we could do more with our approach to anti-social behaviour.

4.44 Based on the feedback we developed a number of responses which were subsequently discussed and tested with tenants at RSL panels. Most of the responses are longer term strategic issues for us, and there are both financial and value for money constraints, coupled with existing property design factors in some cases which limit the extent of the possible response even over the longer-term. For example the design of our existing tenements does not easily adapt to the provision of open space play areas. The key areas of focus, all of which require further co-creation with customers, will be:

- Regeneration
  - Reducing the volume pre-war tenement flats
  - Creating new communities which are more liveable for families

- Development
  - Increasing the proportion of larger, family sized and adapted properties
  - Improving the level and usability of open space
  - Working with families on our design guide process

- Play and open space
  - Including this as a key part of our Wheatley Place measure which will focus priorities for the development of communities

- Local engagement
  - Work with local communities in existing tenements to make these more family friendly, where we can
  - Improving local relationships with Police Scotland for more consistency of message

- Anti-social behaviour
  - Carry out further work with families to ensure we can meet their needs more effectively
  - Consider some trial properties for improving sound proofing

4.45 As set out above we have had a strong focus on garnering customer insight and using this as a means to refine and improve our services. It is important that we have a clear structure for how and when we will update Board in future on the profile of our customer base and their views. We also need to be clear on how the customer voice will inform the updating of our strategy and determining our priorities.

4.46 An overarching strategic planning framework and inputs to this are set out below:

Theme	Board meetings	Annual strategy refresh (May/June)
1. Customer satisfaction surveys	▪ Pulse surveys (where commissioned) ▪ Customer satisfaction surveys – results and action plan	▪ Satisfaction levels relative to strategy targets and how future priorities reflect this
2. Customer segmentation data, research and analysis	▪ Updates as data evolves and new data is collected ▪ Research findings and analysis	▪ Briefing pack with all customer segmentation data eg equalities and demographics
3. Service performance, feedback and design	▪ Performance reports ▪ Complaints bi-annual updates ▪ New/updated service approach(es)	▪ Agreement of refreshed performance framework
4. Customer voice feedback	▪ Scrutiny Panel service/theme based feedback ▪ Strategic projects – approval and monitoring	▪ Focus group feedback on key priorities* * (set out in further detail later in the report)
5. Prioritisation of resources	▪ Rent consultation ▪ 5 year development programme ▪ Budget and business plan	

4.47 We have updated our board planner over the next 12-18 months to reflect these themes, in **Appendix 1**. The themes are also discussed in more detail below, along with the latest updates on the work underway on each.

4.48 A key focus is how customer feedback is being provided as part of decision making points and will be on how we track the impact of changes we make. Being guided by customer insight and feedback should enhance the likelihood of changes we make having a positive impact.

5. Customer Engagement

5.1 The report focuses on the range of ways we intend to engage with customers to develop insight to inform our decision making.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

7.1 As set out in the report, our digital services will be shaped and informed by engagement with customers.

8. Financial and value for money implications

8.1 There are no financial implications associated with this report.

9. Legal, regulatory and charitable implications

9.1 The SHR Framework and Regulatory Standards of Governance (2) set out a requirement that RSLs

seek out the needs, priorities, views and aspirations of tenants, service users and stakeholders. The governing body takes account of this information in its strategies, plans and decisions

9.2 The range of customer insight and feedback gathering set out in the report supports us in complying with this requirement.

10. Risk Appetite and assessment

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

10.2 The proposed approach seeks to enhance the stricture of how we ensure that we mitigate the risk our services are not aligned with customers' priorities.

11. Equalities implications

11.1 An element of the programme includes using our customer data on equalities to inform our decision making in the future.

12. Key issues and conclusions

12.1 A key strategic priority for us is for the tenant voice to influence our priorities and focus services to be co-created with tenants. We know, and the pulse survey has reaffirmed, that satisfaction with our repairs service is the most important driver for overall satisfaction.

12.2 This is reflected in our strategy, where a strategic outcome is developing a customer led repairs service. Since the summer a number of important improvements in our service model have taken in place in conjunction with City Building. The early testing of customer satisfaction from weekly call backs have shown an encouraging trend.

12.3 We anticipate the forthcoming rollout of the Book It, Track It, Rate It system will provide further valuable data to allow us to respond quickly and effectively to customer feedback.

12.3 Our wider insight activity will support the customer voice being further embedded in our decision making and strategic planning in a structured way. The families research is an example of where we are, as we committed to in our strategy, increasingly targeting our approach to reflect the satisfaction drivers of particular customer segments.

13. Recommendations

13.1 The Board is asked to provide feedback on the proposed customer insight programme.

LIST OF APPENDICES:

Appendix 1 – Customer insight Board planner/programme

Loretto Housing

Appendix 1

Customer insight theme	Oct - Feb 23	March-June 23	July-Sep 23	Oct-Dec 23	Jan-Mar 24
Theme 1 – Customer satisfaction surveys					
Pulse Survey results	√	√			
Full tenant satisfaction survey results and action plan				√	
Sector satisfaction data analysis				√	
Theme 2 - Customer segmentation data, research and analysis					
Customer Segmentation - Families	√				
Customer segmentation - equalities	√				
Theme 3 - Service performance, feedback and design					
Performance reporting	√	√	√	√	√
Performance framework -review and target/measure setting		√			
CFC review		√			
Digital services model		√			
Complaints		√		√	
Theme 4 – Direct customer voice					
Customer voice attendance at Group event	√			√	
Customer voice attendance at Board meetings – Repairs and NETS thematic review findings		√			√
Board agenda planning – customer voice feedback required	√				
Theme 5 – strategy and prioritisation of resources					
Strategic priorities – focus group feedback		√			
5 year development programme	√				
Rent Setting	√			√	√

Loretto Housing

Report

To: **Loretto Housing Association Board**

By: **Laura Henderson, Managing Director**

Approved by: **Laura Pluck, Group Director of Communities**

Subject: **2023/24 rent and service charges – consultation and engagement**

Date of Meeting: **28 November 2022**

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1.   Purpose

1.1   This report:

- provides an update on the Cost of Living (Protection of Tenants) (Scotland) Act and the implications for planned 2023 rent increases

- provides a further update on the planned engagement and consultation with our tenants on rent increase options in the context of this legislation

- advises that discussions with the Scottish Government and the Scottish Federation of Housing Associations on the consultation approach continue and the Board will be updated on these at the meeting

2.   Authorising and strategic context

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

2.2   The Group Board agreed the rent setting parameters at their meeting on 26 October 2022. Following this a briefing note was issued to the Board on behalf of the Chair on 2 November providing an update on the legislative position, planned approach to tenant consultation and the next steps.

3.   Background

Economic context

3.1.   The economic outlook in the UK continues to be challenging. The most recent inflation figures show October 2022 CPI of 11.1% increasing from 10.1% in September driven by the October energy price cap increase and running above the Bank of England target rate of 2% since May 2021 as show in chart 1. As well as energy prices, our own cost base has also been affected by increases in the cost of fuel, insurance and building materials.

Chart 1: CPI annual rate October 2020-October 2022
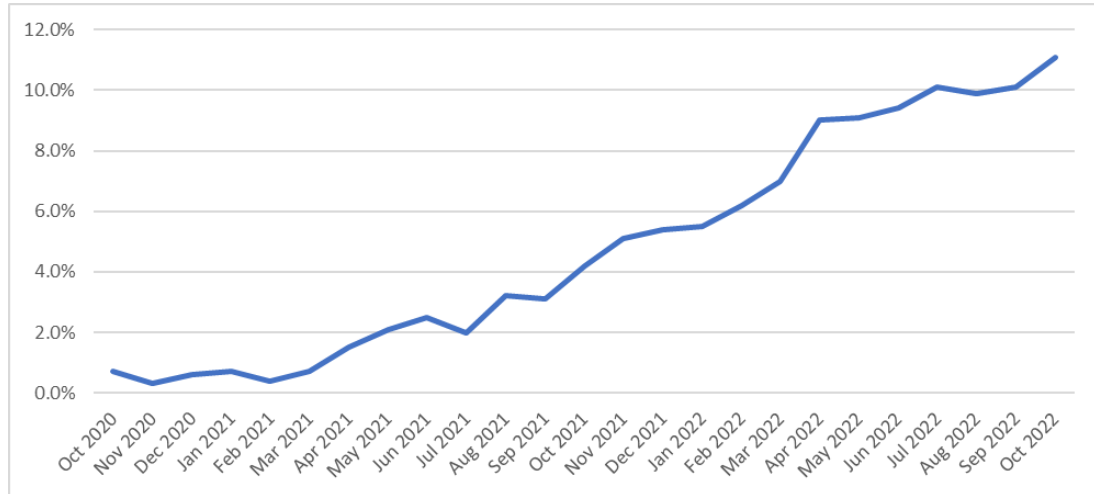
3.2.   The introduction by UK Government of the Energy Price Guarantee for domestic supply was in part, aimed at reducing the level of fuel poverty that would have arisen had the October 2022 price cap increase been passed on in full to households and it has helped to reduce October forecast peak inflation to the current 11% which had previously been predicted to be in the region of 13%. While this limits the October increase, costs are double the level of winter 2021 and the UK Government has recently announced that support for energy bills will be reviewed after six months.

3.3   In response to inflation, the Bank of England has increased its base interest rate to 3.0%. More increases are expected between now and the end of the financial year, with rates expected to peak at 4.25% - 4.50%.

UK Base rate – 2020 – 2022
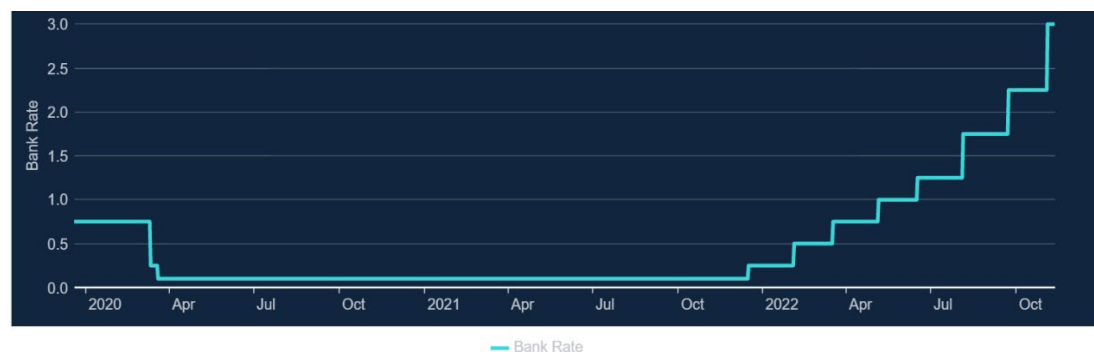
Cost of Living (Protection of Tenants) (Scotland) Act

3.4   The Cost of Living (Protection of Tenants) (Scotland) Act ("the Act") was passed by the Scottish Parliament on 6 October. It confirmed a rent freeze until March 2023 and the Scottish Government must confirm by 14 January 2023 whether it proposes to retain the rent cap at 0%, increase it or remove it entirely. The rent freeze does not extend to cover service charges for any landlord.

3.5   Our proposed approach to tenant consultation based on the confirmation by 14 January is set out in more detail in this report. We are continuing to engage with the SFHA and Scottish Government on the practical implications of the Act.

4. Discussion

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

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

4.2 At a time when affordability is an increasing challenge for our tenants due to inflation driving up the cost of living our strategic priority to keep rents affordable is particularly significant. The rent increase is considered within the context of the four principles of our rent setting framework as follows.

Affordability

4.3 Loretto average rents for 2021/22 are shown in table 1 below:

Table 1: Average rents 2021/22

	Average Weekly Rent					Total Units	Overall Average Rent
	1 Apt	2 Apt	3 Apt	4 Apt	5+ Apt		
Loretto	£113.34	£94.08	£95.29	£104.61	£117.30	2,394	£97.22

4.4 The UK minimum wage rose by 6.6% in April 2022. Over this year public sector pay has continued to be subject to industrial action and where increases have been agreed they have been higher than in previous years.

4.5 The Scottish Government has recently announced the Scottish Child Payment will rise from £20 to £25 per week, per eligible child, from 14th November 2022. Additionally, the criteria for the payment will expand for all eligible children (looked after by a guardian in receipt of a qualifying benefit) under 16, as opposed to the current age of under 6s.

4.6 The expansion of the Scottish Child Payment will have a significant impact for those families now eligible to receive £1,300 annually for each child over the age of 6. Our analysis of the numbers of children and households living in Loretto homes suggests that a further 606 children across 328 households may benefit.

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

Table 2: Affordability analysis by property type and household composition

Loretto:

Customer Group	Size			
	1 Apt	2 Apt	3 Apt	4 Apt
Single Person	39.0%	32.4%		
Single pensioner	35.5%	29.5%		
Couple 1PT 1FT/ Pensioner couple		21.6%		
Couple 2FT		16.2%		
Single parent (2 Children)			20.5%	22.5%
Small family (2 Children)			15.6%	17.2%

4.8 The tables show that consistent with previous years, one apartment bedsits (including supported communal living / hostel accommodation) and one-bedroom and two-bedroom properties occupied by single people appear to have higher rent to income ratios above 30%. For many supported tenancies, this is because service charges are in place to fund the housing support costs. These are paid for in almost all cases by housing benefit. For the remainder of the properties, our analysis highlights that all our rents consume less than one-third of average net estimated household income, which is often taken as an indicator of rent being affordable. Shelter (2015) cited in the recent Scottish Government literature review of rent affordability have quoted a figure of 35% of net household income as an affordability threshold. A UK Affordable Housing Commission report from 2019 noted that if rent is higher than 40% of net income, then serious affordability issues may arise.

4.9 We continue to offer a wide range of wraparound services and wider support to our customers who are experiencing financial hardship and in response to the cost of living crisis we have increase the amounts provided for customer welfare through the recent launch of our Here For You Fund.

Comparability

4.10 Table 3 below shows the most recent available comparison of RSL rents for specialist providers from the Scottish Housing Regulator's Annual Return on the Charter ("ARC") published data.

Table 3: Specialist provider average rents + service charges with 22/23 increase applied (Source ARC 2021/22)

Loretto - Supported Social Landlord	Average weekly rent by House Size				
	1 Apt	2 Apt	3 Apt	4 Apt	5+ Apt
Bield Housing and Care	£126.33	£138.75	£142.05	£135.96	
Hanover (Scotland) HA	£110.71	£128.65	£134.87	£121.24	£130.24
Viewpoint HA	£105.25	£123.23	£124.33	£146.94	
Ark HA	£94.03	£103.64	£116.89	£110.13	£113.98
Loretto HA	£115.49	£95.87	£97.10	£106.60	£119.53

4.11   Loretto's rents reflect the levels of service charges for specialist supported accommodation. When compared with other specialist RSL providers that focus on older people/supported housing Loretto compares favourably. Loretto's increase for 2022/23 was lower than all comparators.

4.12   Our understanding is that the rent increase proposals for comparable providers will be higher. A further update on this will be provided at the meeting.

Financial Viability

4.13   Loretto forms part of a borrowing group with other Wheatley RSLs. This means that we assess the key financial indicators of the RSLs aggregated together. The Group Board have discussed the financial implications of a rent cap on financial viability in addition to taking account of the additional provision in 2022/23 in each RSL for the Here For You Fund to help our tenants through the cost of living crisis which was funded through improved void and arrears performance in the year.

4.14   The business plan requires to maintain a balance between keeping rents affordable, maintaining the standard of our homes and ensuring we remain financially viable. The economic outlook has continued to be challenging during 2022/23 with inflation increasing to over 11%. After a period of volatility, it appears that predictions have settled somewhat with inflation expected to be at or around its predicted peak and interest rates increasing to c4.50% by the end of the 2022/23 financial year. On a standalone basis, the impact of higher inflation and interest rates across the RSL borrower group would require rents to be uplifted by 6.5% in April 2023 in order to maintain our RSL wide capital programme at the levels planned in the February 2022 business plan projections.

4.15   In looking to achieve the right balance between rent affordability and cost pressures, a number of assumptions have been made in the business plan in respect of costs we can defer or increasing savings targets. In Loretto an additional £50k of cost reductions have been identified attributable mainly to Wheatley Solutions running cost efficiencies with our share reflected in the business plan.

4.16   Beyond these changes, the remaining key variable in our cost base is the programme of major capital investment in existing homes. The financial projections presented to the Board in February this year assumed this would be £1.7m next year, and a cumulative £6.5m over the next three years being the remaining period of our strategy (figures are excluding voids, capitalised repairs, capitalised staff and adaptations). A large proportion, over 30%, of spend every year relates to building safety and compliance and therefore must be delivered to meet our duties as a landlord. Compliance work includes electrical and fire safety works, TMV installations, heat and smoke heat detector replacements and boiler breakdown replacements.

4.17   Of the remaining 70%, which equates to around £1.2m in Loretto there is some scope to defer improvement works such as kitchens, bathrooms and common works, although this may have an impact on tenant satisfaction. However, given the current cost of living crisis, the difficult decision to defer £0.1m of these works to beyond 2025/26 and into our next strategic period has been made.

4.18   We are not proposing to include a rent freeze option in our consultation as this would involve almost £0.6m of year-on-year cuts and require significant contingency measures to be enacted. These would include reductions to our capital programme, retaining only sufficient capital budget to ensure we deliver our regulatory and legal obligations to keep our properties in good repair and to invest enough to meet SHQS. Savings would also be needed from reductions to frontline services and support we are able to offer tenants. A rent freeze would reduce our capital provisions and service levels every year on a permanent basis.

4.19   On this basis, a rent increase of 3.9% is proposed as a reasonable balance between the competing challenges of affordability for tenants, in particular those who do not get their rent paid in full by the benefits system, and preserving the financial viability of the business plan. April 2023 will be the final year of the 1% rent commitment to ex Cube tenants. In line with the business plan update, the following rent increases are proposed:

RSL	2023/24 increase
Loretto Housing	3.9%
Ex Cube	1%

4.20   Based on the proposed 3.9% uplift, the average rent increase across our different property sizes is shown in table 4 below:

Table 4: average weekly rent increase by property size

	1 Apt	2 Apt	3 Apt	4 Apt	5 Apt
Per Week increase	£4.42	£3.67	£3.72	£4.08	£4.57

4.21   The 3.9% rent increase will raise almost £0.6m of rental income in 2023/24 of which around two thirds or £0.4m is funded by UK Government through the welfare benefits system, with the balance of £0.2m paid by self-funded tenants. We will continue to support tenants who pay rent without benefit support by providing a further £6m at a Group level of funding for the Here For You Fund in 2023/24, of which Loretto would contribute a share of £0.2m (in line with 2022/23).

4.22   Scottish Government rent cap legislation does not extend to service charges, and these will be raised in line with the proposed 3.9% increase irrespective of the decision on 14 January 2023.

6

4.23   Across other group RSLs similar cost efficiencies and deferral of non-compliance related investment spend have been identified. Loretto forms part of a borrower group with the other Wheatley RSLs and we assess the key financial indicators of our RSLs aggregated together. Our two key indicators of interest cover which measures whether our operating surplus covers our interest costs and debt per unit which relates to our borrowing capacity are both covenant measures in our loan agreements. Taking the rent proposals and associated changes to running costs, profile of investment spend and the continuation of the Here For You Fund, the charts below show that we continue to maintain our minimum headroom in line with our Golden Rules of 25% to the interest cover covenant and £1,000 of debt per unit and remain fully compliant with loan covenants.

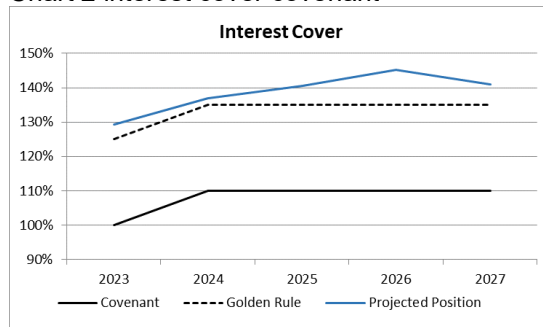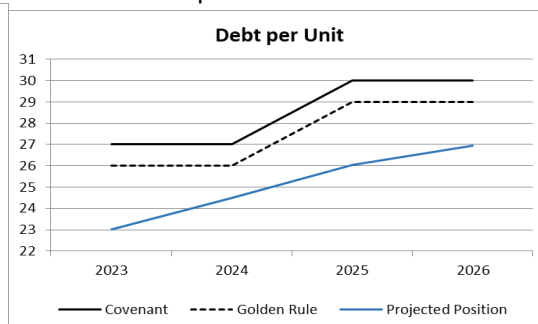Chart 2 interest cover covenant

Interest Cover

Chart 3 debt per unit covenant

Debt per Unit

Consultation

4.24   The consultation with tenants has in previous years set out the proposed increase with options for two 0.5% increments launched to initial focus groups followed by writing to all tenants. This year, the legislative context has introduced a challenge for us with discussions ongoing with Scottish Government about their expectations in terms of the form and basis of the consultation. We are contributing to this process through the sector representative body SFHA, and as part of the Scottish Government working group.

4.25   Our consultation this year will be undertaken on a two-stage approach as previously set out in the briefing note to the Board. This includes focus groups made up principally from our Customer Voices.

4.26   In addition to the focus groups, we will engage with tenants as part of the pulse surveys to seek their views on the proposed base level of increase, what services we should prioritise in the event of a cap being below the base level and the impact a freeze would have.

4.27   This will provide critical insight on our proposals, help address any confusion there may be around rents this year and allow us to more fully inform customers on the background to our proposals and the implications of a freeze.

4.28   Our focus groups are underway and are scheduled to be completed before the Board meeting. Initial feedback is favourable and a fuller update will be provided to the Board at the meeting. BMG will also be engaging tenants as part of the pulse survey over the coming weeks. We will also use this to inform our final written proposal to all tenants, following the Scottish Government's decision on 14 January.

4.29 As previously indicated, we will not commence the formal consultation until the extension of the rent cap has been confirmed by the Scottish Government. We know this will be no later than the 14 of January.

4.30 As soon as this is confirmed an additional Board meeting will be convened within a few working days. Given the speed which will be necessary this meeting will be virtual. The Board will then be asked to formally confirm what we wish to consult tenants on, agree that we initiate the consultation and the exact timescales for the consultation.

4.31 This does mean that our formal consultation period is truncated, however at the additional meeting the Board will receive full feedback on the focus groups and pulse surveys.

5. Customer engagement

5.1 Implications covered in consultation section at 4.24 onwards

6. Environmental and sustainability implications

6.1 No implications noted.

## 7. Digital transformation alignment

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

8. Financial and value for money implications

8.1 The proposed rent increase of 3.9% strikes a balance between affordability for our tenants during a period of pressure on household budgets, the preservation of appropriate levels of investment in our homes, services to tenants and the financial viability of the business. To achieve this rent proposal, additional cost efficiencies have been identified as well as a decision taken on deferment of £0.1m of core investment spend out beyond 2025/26.

8.2 As a member of the RSL borrower group financial golden rule headroom and covenants continue to be met. On an individual basis, we retain a good level of earnings which after deducting non cash items such as grant income and depreciation but taking account of capital investment (EBITDA/MRI). When compared to interest costs on our borrowings these provide a high level of headroom as shown in the chart 4 below.

Chart 4

Interest Cover (EBITDA MRI)
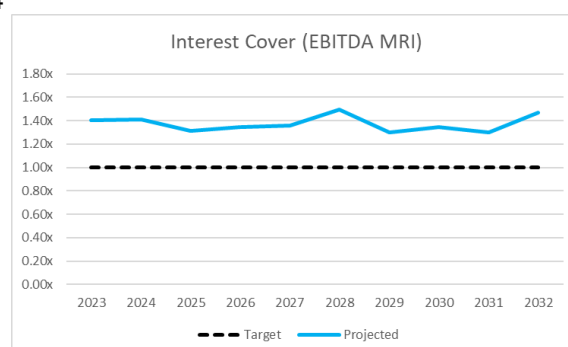
8.3 Should Scottish Government extend the rent cap at 0% beyond 31 March 2023 further financial contingency measures would require to be enacted. These would require permanent reductions in the capital programme, leaving only provision for the capital investment to meet our compliance, legal and regulatory obligations in respect of the quality of our homes only. In addition to this, the quality and frequency of core frontline services would also be adversely impacted.

9. Legal, regulatory and charitable implications

9.1 Consultation with tenants on any increases in rent or service charges is a requirement of the Housing (Scotland) Act 2001. The approach set out in this paper will meet our requirement to consult under the Act.

10. Risk Appetite and assessment

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

10.2 In relation to the statutory requirement in consulting and engaging tenants on any rent increase, our risk appetite is averse, that is "avoidance of risk and uncertainty is a key organisational objective".

10.3 The operating context is such that we need to manage the risk associated with not meaningfully consulting with tenants and the practical restrictions on how we conduct the process. To mitigate this risk to the extent possible we have an approach which:

- Ensures we have a strong customer voice in shaping our final consultation proposal;
- Does not formally consult tenants on a proposal which may be subject to change;
- Maintains agility and flexibility to respond as the Scottish Government's position solidifies; and
- Delivers Board decisions at the earliest possible point in the process.

11. Equalities implications

11.1 No implications noted.

12. Key issues and conclusions

12.1 Our consultation approach requires to be set within the context of the legislative position.

12.2 Our approach is based on maximising engagement with tenants and, to the extent possible, minimising the confusion for tenants, however our approach is subject to ongoing discussions with Scottish Government and may need to be adapted.

12.3 An update will be provided to the meeting on the status of these discussions and how that may affect our consultation plan.

13. Recommendations

13.1 The Board is asked to:

1) In the context of the current Scottish Government emergency legislation, approve the proposed rent increase level for Loretto set out in this report;
2) Note the current position in relation to ongoing discussion with Scottish Government on rent consultation; and
3) Note that an additional Board meeting will be convened once the Scottish government confirm the rent cap position for 2023/24.

Report

To:	**Loretto Housing Association Board**
By:	**Lindsay Lauder, Director of Development and Regeneration**
Approved by:	**Frank McCafferty, Group Director of Assets and Repairs**
Subject:	**East Lane, Paisley: new build approval**
Date of Meeting:	**28 November 2022**

_____

1.   Purpose

1.1   The purpose of this report is to seek approval to add 48 social rent properties at East Lane, Paisley to our 5-year development programme.

2.   Authorising and strategic context

2.1   Under our Terms of Reference, our Board has responsibility for approving our rolling 5-year development programme. Individual projects within our 5 year programme and that meet our project criteria are then scrutinised and approved by the Board of Wheatley Developments Scotland.

2.2   Any additions to the 5-year programme must be agreed by this Board and are also subject to the normal project approval process via WDSL. East Lane, Paisley is a new opportunity and is not contained in our 5-year RSL development programme as approved by the Board on 7 February 2022.

2.3   Due to the nature of the timing of this Board meeting, the project approval is being considered in parallel by the WDSL Board who considered and approved the project at its meeting on 17 November 2022. The approval by WDSL is subject to this Board agreeing that it be added to our 5-year programme.

3.   Background

3.1   We have an opportunity to develop a new site which is located at East Lane in Paisley, less than one mile east of the town centre. The site is in close proximity to Glasgow Road, a major public transport route providing connections to Paisley and Glasgow and offering a range of retail and service amenities locally. The WDSL Board was supportive of the site of which a primary school, playing fields and residential housing is close by. A site location plan is included at Appendix 1. The site was formally utilised as a car dealership and is now vacant and cleared.

3.3   The project has been brought to us by JR Construction (Scotland) Limited (JR) as a developer-led opportunity. The WDSL Board considered and supported the proposal that we enter into a back to back agreement to purchase the site from JR which is acquiring the land from Arnold Clark. Heads of Terms have been agreed with JR, suspensive on receiving all statutory consents, WDSL and Loretto Board approval and a satisfactory offer of grant funding from the Scottish Government. The acquisition contract will include a provision for JR and WDSL to agree and enter into a building contract for the delivery of the new homes simultaneously with the acquisition contract.

3.4   A total of 48 units will be developed, which Loretto will own, manage and maintain the properties for social rent. The affordable housing developed will provide a mix of 1 and 2 bedroom flatted accommodation split into two, 4 storey blocks, each containing 24 units. There will be 4 wheelchair accessible flats each with main door access and 44 general needs flats accessed from common closes. This will create a stand-alone development, entirely within our ownership and management.

3.6   As well as the WDSL Board, the Scottish Government and Renfrewshire Council are supportive of the project proposals. The project has been included in Renfrewshire Council's SHIP with a completion date for 2024/2025, anticipated around the end of Q1.

4.   Discussion

4.1   Discussions with Renfrewshire Council and our housing colleagues confirm there is high need and demand for affordable housing in this location. As the site is close to our stock in Renfrewshire and legacy developments at Hallrule Drive and Forfar Avenue in Cardonald, Glasgow, it is deemed practical for future management and maintenance considerations. The site can be served by the NETs depot at Dixon Blazes, which is approximately 10 miles east of the site, and approximately 20 minutes' drive along the M74 and M8 motorways.

4.2   A summary of proposed accommodation is set out below in Table 1:

Table 1

Type	Accommodation	No of B/room	No of B/space	No units
Flat	2apt/2person	1	2	16
Flat	3apt/3person WCHR	2	3	4
Flat	3apt/4person	2	4	28
Total		**80**	**156**	**48**

4.3   The planned rents are in line with benchmark rents as per Scottish Government's More Homes Guidance, plus 5%, and are consistent with other Loretto new build properties.

4.4   As scrutinised by the WDSL Board, the specification offered by JR has been reviewed and negotiated to meet our requirements and reflects current quality standards within the sector. The project will meet Housing for Varying Needs and Greener Standards in compliance with Scottish Government grant funding requirements.

4.5   If approved by Board, Loretto will enter into a missive with JR to acquire the site at East Lane. This will be suspensive on receiving statutory consents and a satisfactory offer of grant funding from the Scottish Government. It is anticipated that a Design and Build contract between JR and WDSL for the construction of the units can be concluded within the calendar year. The programme anticipates a site start in January 2023 and that the handovers will be achieved in the first quarter of financial year 2024/25.

4.6   The WDSL Board has approved the detail of diligence undertaken on JR and the contractual package that has been negotiated, including a Performance Bond and Collateral Warranties.

5.   Customer Engagement

5.1   The proposed housing and tenure mix has been discussed with our housing team and Renfrewshire Council and is reflective of housing needs in the area.

5.2   The site is viewed as a well-served area with local amenities and good schools that are attractive to families; we have existing stock in Paisley and other parts of Renfrewshire which allows the new properties to be efficiently serviced from both housing management and repairs perspectives under the new Group operating model.

5.3   The integration of community voices in the new build process has commenced with the aim to place the customer at the heart of how we plan and design our new build developments. This includes the implementation of a Community Engagement Framework for Development which will engage our customers and communities throughout the development process, including end of defects satisfaction surveys to inform future project design, layout and specification.

6.   Environmental and sustainability implications

6.1   The properties will be developed to meet Aspects 1 and 2 of the Silver Level Sustainability Standards which covers reduction in carbon dioxide emissions and energy use for space heating. The specification helps customers reduce their energy bills. Gas heating is proposed on this development with building warrant already having been submitted by JR Construction Scotland on this basis.

7.   Digital transformation alignment

7.1   All properties within this development will be digitally enabled. BT Fibre is being installed throughout, with the aim of improving social inclusion. Providing this infrastructure will allow our customers to access high speed internet services quickly at point of entry, without additional works having to be carried out by their internet service provider.

8. Financial and value for money implications

8.1 The individual project approval is subject to a full financial review against the criteria agreed as part of the project approval review to confirm that it provides value for money.

9. Legal, regulatory and charitable implications

9.1 Legal support for this project is being provided by our Property Legal Team and Brodies. A Report on Title has been prepared by our external solicitors and confirms a good and marketable title. The minerals on part of the site were reserved to a company that is now dissolved, although no rights were included to enter the surface of the site. A Title Indemnity Insurance policy will be put in place to mitigate this unlikely risk.

9.2 [redacted].

9.3 [redacted].

10. Risk Appetite and assessment

10.1 The risk appetite for growth is agreed as open, which is defined as: "willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.)"

10.2 To mitigate any risk, the missive will not be concluded until we have received an acceptable Offer of Grant from the Scottish Government (which is anticipated in December 2022).

11. Equalities implications

11.1 The properties have been designed to meet requirements of Part 1 of Housing for Varying Need. This includes being able to access and use the accommodation and fittings and operate the controls and services.
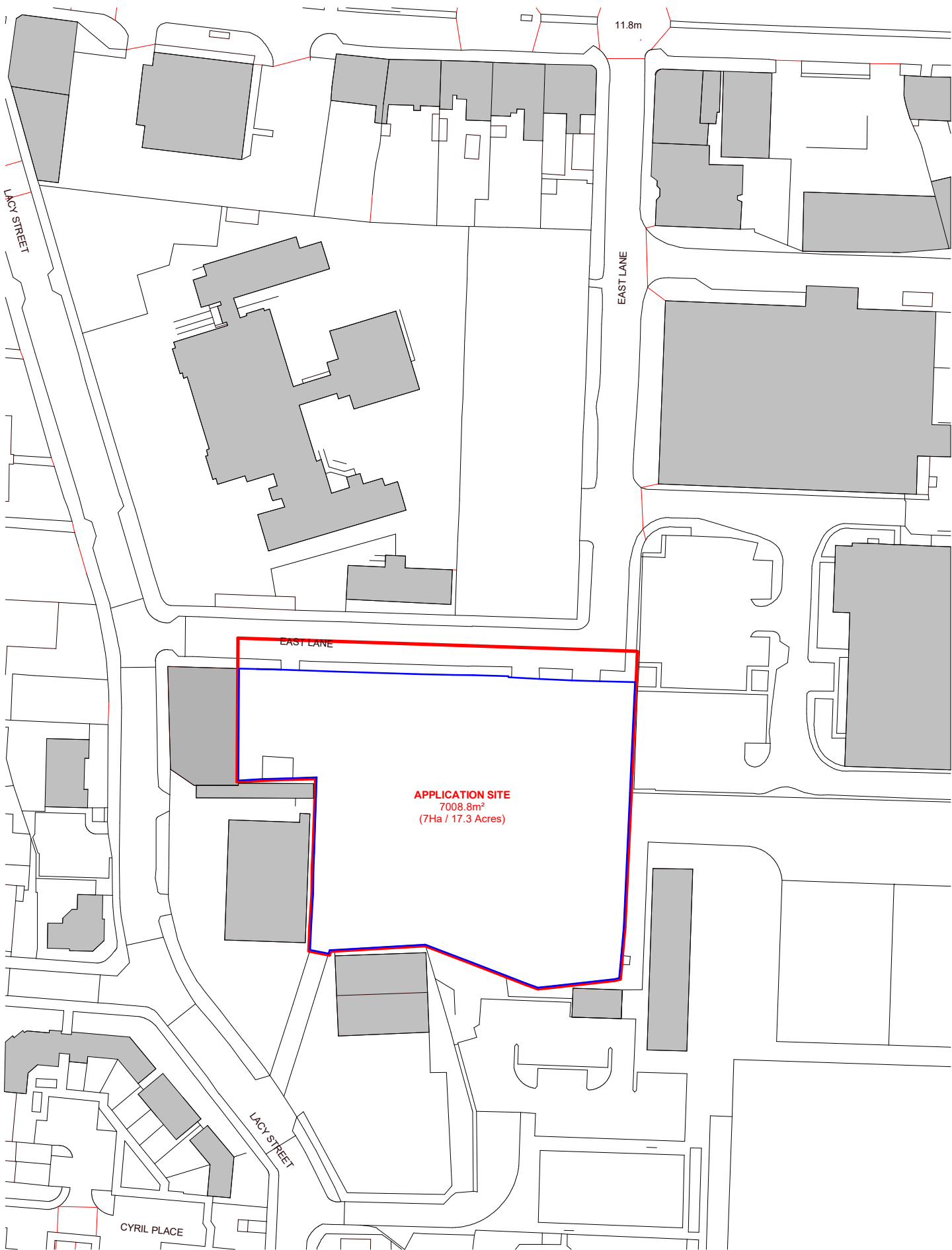
12. Key issues and conclusions

12.1 The project at East Lane, Paisley enables us to grow stock within the Renfrewshire Council local authority area and consolidate management and maintenance operations with other new build developments located in close proximity. Paisley is a popular area with a high level of demand for the type of accommodation being delivered through the development. The project has been considered and approved by the WDSL Board.

13. Recommendations

13.1 The Board is asked to approve that 48 social rent units at East Lane, Paisley, are added to our 5-year development programme and that we acquire the site, following project approval by the WDSL Board on 17 November 2022.

LIST OF APPENDICES:-
Appendix 1: Location Plan.

4

11.8m

LACY STREET

EAST LANE

EAST LANE

APPLICATION SITE
7008.8m²
(7Ha / 17.3 Acres)

LACY STREET

CYRIL PLACE

Ordnance Survey, (c) Crown Copyright 2018. All rights reserved. Licence number 100022432

Notes:

N

— Planning Boundary
— Ownership Boundary

| 0 | 0.5 | 1 | | 2.5m |

Rev	Description	Date	Issued
P01	First Issue	25.03.22	LJe

51 St Vincent Crescent
Glasgow
G3 8NQ
0141 221 6834
mast@mastarchitects.co.uk
mastarchitects.co.uk

MAST
ARCHITECTS

Client
The JR Group Ltd

Project
East Lane, Paisley

Drawing Title
Existing Site Location Plan

Scale		Originator	Checked
1 : 1250 @ A3		LJe	EP/MJJ

Job No.	Issue Date	Suitability	Revision
3229	25-03-2022		P01

Drawing Number
3229-MST-S1-XX-D-A-PM_30_10_58-1001

Report

To:	**Loretto Housing Association Board**
By:	**Stephen Wright, Director of Governance**
Approved by:	**Anthony Allison, Group Director of Governance and Business Solutions**
Subject:	**Annual Assurance Statement and governance update**
Date of Meeting:	**28 November 2022**

_____

1.   Purpose

1.1   This report updates the Board on governance related matters including;

- the Group's Annual Assurance Statement confirming material compliance with the Scottish Housing Regulator's Regulatory Framework; and
- membership update.

2.   Authorising and strategic context

2.1   Under the Group Standing Orders, the Group Board is responsible for agreeing the overall governance framework for the Group. In addition, there is a Scottish Housing Regulator requirement for our Annual Assurance Statement ("AAS") to be approved and submitted at Group rather than individual RSL level. As such, the statement is reserved to the Group Board for approval.

2.2   The AAS is a regulatory requirement; however the self-assessment process provides us with an opportunity to reflect on how we achieve the objectives and seek out opportunities to for continuous improvement.

2.3   Management of our register of members is a matter for the Board in accordance with our Rules.

3.   Background

3.1   Each year we are required to review and provide a statement about our compliance with the SHR's regulatory standards and requirements of its Regulatory Framework ("the Framework"). The Group Board considered the evidence against the Framework and approved our Annual Assurance Statement at their meeting on 26 October 2022.

3.2   In relation to membership, Rules 11.1.2 and 11.1.4 state that membership will end if the Board reasonably believes a member has failed to tell the Association of a change of address; or for five general meetings a member has not attended, submitted apologies, exercised a postal vote or appointed a representative to attend and vote on their behalf by proxy.

4. Discussion

<u>Annual assurance statement</u>

4.1. Each year we are required to provide a Group statement about our compliance with the Framework. The requirement for groups such as ours is to have one statement that covers all RSLs. It is for the Group to determine how to conduct the assurance exercise, but it should enable us to reach an objective and evidence-based judgement on compliance, with sufficient evidence and information and independent assurance where necessary.

Self-Assessment

4.2. A Group-wide self-assessment of compliance was carried out against the regulatory standards and the requirements set out in the Framework. Consistent with previous years, as part of this process we developed an evidence base to support the determinations within the self-assessment. In order to provide an additional layer of assurance, the self-assessment and supporting evidence was subject to an independent review by our Assurance Team.

4.3. The SHR requires the Group statement to be short and succinct, either confirming compliance or otherwise. The SHR's guidance also explains that it requires areas for improvement to be recorded in the statement, but only where these are of such materiality and significance that we are unable to say confidently that we are complying with a particular requirement.

4.4. In assessing materiality, we have based this on the SHR's Statutory Guidance which states we should consider whether the issue could:

- seriously affect the interests and safety of tenants, people who are homeless or other service users;

- threaten the stability, efficient running or viability of service delivery arrangements;

- bring the landlord into disrepute, or raise public or stakeholder concern about your organisation or the social housing sector; and

- in the case of RSLs, put at risk the good governance and financial health of the organisation.

4.5 A copy of the self-assessment and details of the evidence supporting the assessment is attached at Appendix 1. Following our self-assessment and review by the Assurance Team, there are no areas of material non-compliance. Having reviewed the requirements, evidence available and supporting commentary the Assurance Team concluded that:

- The commentary adequately addresses the SHR requirements;

- The evidence supports the commentary; and

- Compliance conclusions are supported by the commentary and the evidence provided

2

4.6   The Assurance Team also identified some areas for continuous improvement, which are now underway. These relate to staff training for complaints handling, annual update of staff registers of interests, and formalising a written procedure for publication of board reports and minutes.

Equalities and Human Rights

4.7   Following the introduction of the requirement to collect equality data, the SHR has worked with a number of bodies to produce guidance on equalities data collection and is working with the Scottish Human Rights Commission to develop a briefing on the risk to housing. The SHR also wrote to all landlords on 29 July 2022 and asked that landlords provide "*assurance that you have or are in the process of implementing an effective approach to the collecting of equalities information and are considering how you can adopt a human rights approach as you work*". Following the publication on 27 June 2022 of sector guidance on equalities data collection we moved quickly to issue our monitoring forms to customers – an update on this is provided in a separate agenda item.

4.8   During the period covered by the AAS we have taken significant steps as a group to enhance our approach to equalities. This has included: writing to every tenant asking them to provide us with equalities data; agreeing new diversity markers for Board composition; approving an updated Equality, Diversity and Inclusion and Human Rights Policy; agreeing the implementation of our new policy framework including Equality Impact Assessments for certain key policies; and launching, *Different Together*, to celebrate inclusion for everyone at Wheatley. As such we have taken significant steps towards enhancing our compliance with the regulatory requirement to: *pay due regard to the need to eliminate discrimination, advance equality and human rights, and foster good relations across the range of protected characteristics in all areas or [our] work, including [our] governance arrangements*.

<u>Social Housing Charter</u>

4.9   The Charter, distinct from the Framework, contains a total of 16 outcomes and standards that social landlords should aim to achieve. As two of the standards only apply to Local Authorities, 14 apply to us. The Statutory Guidance in relation to the Statement requires us to also include a statement of compliance with the Charter. A copy of the outcomes is attached at Appendix 2.

4.10   The SHR sets a wide range of specific performance measures RSLs must collect as part of compliance with the standards in the charter. The measures form what we report to the SHR each year as part of the Annual Return on the Charter.

4.11   The Charter measures are augmented by the SHR prescribing a wide range of specific questions that RSLs must ask as part of their tenant satisfaction surveys relating to the Charter standards. It is not a requirement to conduct this survey annually therefore our approach for this year does not impact our compliance.

4.12   We have in place a very robust approach to assurance and evidence of how we are performing relative to the charter through our core performance reporting framework.

4.13   The requirement to evidence renewal of EICRs has changed from a 10 year to 5 year lifecycle. Reasonable efforts including making at least two appointments have been made to complete this work for all customers. Where, despite these efforts, access was not achieved the properties are reported as in abeyance in our Annual Return on the Charter.

4.14   In relation to the AAS, the SHR has advised that given the importance of tenant and resident safety, if all due EICRs have not been carried out at the point of submitting the AAS then this should be identified in the AAS, including timeframe for completing all due EICRs.

4.15   We have included a note to confirm that approximately 2% of properties across Group are recorded as not having an up to date EICR. In all cases reasonable attempts to obtain access have been unsuccessful and enforcement action is being pursued so that all properties have a valid EICR by the end of the reporting year (31 March).

<u>All relevant legislative duties.</u>

4.16   The requirement of the statement is, by its nature, very wide ranging. Our approach to compliance in this area is a combination of the legal framework for our activities and our internal policies, which give substance to the respective laws and regulations. Policies are reviewed by expert internal staff and, where appropriate, by external advisors.

4.17   In order to monitor compliance, we operate a 3 Lines of Defence Model that provides assurance to senior management and Board members about the operation of internal controls in place to confirm the Group's meeting legal obligations.

4.18   Beyond our core 3 Lines of Defence Model, we are subject to external scrutiny for example through the annual external audit process in specific areas of legislation and spot inspections, such as HMRC.

4.19   We have not had any instances where a judgement has gone against the Group that we are materially not meeting legislative duties.

4.20   The pandemic has impacted our legislative duties, such as through new acts introduced and derogations granted to existing legislation. These changes have been monitored on an ongoing basis and have been supported by updates to the Board on the substance of the changes and how we will comply with them.

4.21 Based on the above, the Group Board approved the following Statement which has been signed by the Group Chair:

> *The Group Board considered evidence at its meeting on 26 October 2022 and confirmed we have appropriate assurance that all Registered Social Landlords which are part of Wheatley Housing Group Limited (being Wheatley Housing Group, Wheatley Homes Glasgow, Wheatley Homes East, Wheatley Homes South and Loretto Housing Association) materially comply with:*
>
> - *all relevant regulatory requirements set out in Chapter 3 of the Regulatory Framework;*
> - *all relevant standards in the Scottish Social Housing Charter; and*
> - *taking into account the guidance and restrictions relating to the Covid 19 pandemic over the course of the reporting period, all relevant legislative duties*
>
> *The Group Board confirms that we are making strong progress in relation to the collection of equalities information and human rights and have sought to collect equalities data from all tenants in line with the National guidance for Scottish social landlords.*
>
> *The requirement to carry out Electrical Installation Condition Reports has changed from 10 to 5 years. Approximately 2% of properties are recorded as not having an up to date EICR. In all cases reasonable attempts to obtain access have been unsuccessful and enforcement action is being pursued to ensure that all properties have a valid EICR.*

Membership update

4.22. Following our Annual General Meeting (AGM), we have reviewed our Register of Members. As stated at paragraph 2.3, our Rules state that members will be considered by the Board for removal from the register if they do not inform us of a change of address or fail to attend, submit apologies or submit a proxy for five consecutive AGMs. The proposed list of deletions for our register of members is therefore attached at Appendix 3 for the Board to consider.

5. Customer engagement

5.1 Customer engagement forms a significant part of our strategy. The AAS will be communicated to customers as part of the annual report to tenants.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8.   Financial and value for money implications

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

9.   Legal, regulatory and charitable implications

9.1   The report independently confirms that we have strong governance arrangements and provides evidence to support our compliance with the SHR regulatory framework.

9.2   Our Assurance Statement has been independently reviewed by our Internal Audit team and is supported by detailed evidence of our compliance.

10.   Risk appetite and assessment

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

10.2   Our strategic risk register contains the risk "*The governance structure is not clearly defined, is overly complex and lacks appropriate skills at Board and Committee levels to govern the Group effectively. Failure of corporate governance arrangements could lead to serious service and financial failures.*"

10.3   We mitigate this risk by having clearly defined roles and responsibilities across our governance framework, regularly reviewing our framework and submitting our governance arrangements to external review.

10.4   The strategic governance review engaged independent expertise to review our governance arrangements and make recommendations for how they can be further refined to continue to mitigate this risk. Additionally, our Internal Audit team, working with independent experts, have undertaken a review of our AAS self-assessment. This included reviewing the evidence which supported the self-assessment.

11.   Equalities implications

11.1   The self-assessment process for the AAS confirms that we are making strong progress in relation to the collection of equalities information and human rights.

12.   Key issues and conclusions

12.1   Following the self-assessment process and internal review by the Assurance Team, we have identified no areas of material non-compliance that require to be disclosed in the AAS.

13.   Recommendations

13.1   The Board is asked

1) to note the 2022 Annual Assurance Statement which has been submitted to the Scottish Housing Regulator; and
2) To approve the proposed deletions of our register of members attached at Appendix 3

List of Appendices
Appendix 1 – Assurance self assessment
Appendix 2 - Social Housing Charter outcomes [redacted. Available here
       Scottish Social Housing Charter Nov 2022 - gov.sco (www.gov.scot)
Appendix 3 – [redacted]

Requirements for RSLs	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
Assurance & Notification			
Prepare an Annual Assurance Statement in accordance with our published guidance, submit it to us between April and the end of October each year, and make it available to tenants and other service users.	The statement takes into account the SHR's Regulatory Framework and associated guidance in relation to the preparation of Annual Assurance Statements. Details are both are clearly set out for the Board in the report seeking approval.	Our existing Assurance statement is published and available to all tenants and other service users via our own and the SHR's website.	**Compliant**
Notify SHR during the year of any material changes to the assurance in its Assurance Statement.	There were no material changes to the previous statement during the year. There are processes in place for ongoing regulatory requirements such as notifiable events; our 5 year financial projections are included in Board agenda planning; and we begin the annual assurance statement process in April lasting till October each year. If any material changes were identified during the year we would take the necessary steps including notification.	Not applicable	**Not applicable**
Have assurance and evidence that it is meeting all of its legal obligations associated with housing and homelessness services, equality and human rights, and tenant and resident safety.	In practical terms the Group operates a 3 Lines of Defence model that provides assurance to senior management and Board members about the operation of internal controls in place to confirm the Group's meeting legal obligations in these areas. This includes an IA function that delivers risk-based audits that test operation of Line 1 and Line 2 controls in specific areas. In these particular areas where there is defined legislation, we have Group wide policies which codify how we will meet our legislative requirements. Policies are reviewed by expert internal staff and, where appropriate, by external advisors. The Group employs sufficiently qualified individuals to effect the policies, including legal, health and safety and housing. The legal implications section in all Board reports ensures any obligations are identified - supported by a team of in house solicitors and external legal advisors. This area has remained under review during the pandemic to take account prevailing legislative requirements and guidance from the Uk and/or Scottish Government. All Boards have been provided ongoing updates on these matters. Our Equality, Diversity, Inclusion (EDI) and Human Rights policy and our Group Equality Impact Assessment (EIA) template ensures that we meet our legal obligations in this area, as does online training modules for staff including an EDI Awareness course which was externally verified by an EDI expert. We have introduced a new approach to EIAs to ensure we comprehensively assess the potential impact of relevent policies/strategies/projects on the protected characteristic groups in an evidence based manner. In preparation for the release of 'Collecting Equality Information: National Guidance for Scottish Social Landlords' published by the SFHA in mid August 2021 before being reviewed an final revised gudnace published in June 2022, the Group reviewed our approach to EDI and began to develop our approach towards collecting equality data, including reviewing what we already collected and for what purpose. An update was taken to Group Board in December 2021. We obtained legal advice with regards to data protection, set up a working group and engaged our trade unions and Group Scrutiny Panel and Customer Voices focus groups for feedback on data collection plans before going on to develop a guide and equality monitoring form. We commenced the data collection exercise in August 2022. We have also extended equality data collection to staff and Boards to inform our recruitment and succession planning.	**Group policies and associated documents** - Group Board approved Health and Safety Policy detailing legal requirements - Group Policy Framework on Advice and Letting - Group Fire Mitigation Framework - Group Anti Social Behaviour Framework (reviewed in 2021) - Group Homelessness Policy (Reviewed in December 2020) - Group Equality, Diversity and Human Rights Policy **Board reporting** -Group Health and Safety policy Board report, followed by update reports - Board and Group Audit Committee update reports on Fire Safety - Board updates during the pandemic on compliance related activity - Board updates during pandemic on service levels and remobilisation relative to the then prevailing pandemic related legislation and/or restrictions - Risk appetite and analysis sections in Board reports - Strategic risk registers -Equality Implications sections in Board reports (and full EIA carried out if deemed required) - Governance update Group Board December 2021 **Independent assurance** - Internal Audit activity **External assurance** - engagement of independent experts on asbestos	**Compliant**
Notify SHR of any tenant and resident safety matters which have been reported to, or are being investigated by the Health and Safety Executive, or reports from regulatory or statutory authorities, or insurance providers, relating to safety concerns.	These circumstances have not arisen in year. Serious matters e.g. those involving HSE are escalated to Group Director level for consideration. As a landlord of systemic importance, Wheatley meets regularly with SHR. That forum is also used to highlight any particular issues and how to address same.		**Not applicable**
Make its Engagement Plan easily available and accessible to its tenants and service users, including online.	Scottish Housing Regulator Engagement Plans are available on each RSL website.	The plan can be accessed via individual RSL websites in the 'about us' and 'get involved' sections.	**Compliant**
Register all requirements for providing data to us with the Information Commissioner's Office as a purpose for which they are acquiring data under the Data Protection Act 2018.	Privacy Impact Statements confirm the purposes for which we hold and use data, including for regulatory requirements. All RSLs are registered with ICO.	ICO registration is verifiable via its website.	**Compliant**
Scottish Social Housing Charter Performance			
Submit an Annual Return on the Charter to us each year in accordance with our published guidance.	The Annual Return requires to be submitted via the SHR Portal. The ARC return is included in our Board agenda planning so as to be considered by Boards in line with the timescale for return to the SHR.The ARC return is reviewed and agreed by relevant Boards and reviewed internally against the SHR technical guidance. The Governance team can check the 'returns' section of the SHR landlord portal to confirm the 21/22 return was received within timescales.	The SHR Portal documents receipt of our ARC return and the SHR also publishes our Charter return on their website.	**Compliant**
Involve tenants, and where relevant other service users, in the preparation and scrutiny of performance information. It must: -' agree its approach with tenants -' ensure that it is effective and meaningful – that the chosen approach gives tenants a real and demonstrable say in the assessment of performance -' publicise the approach to tenants -' ensure that it can be verified and be able to show that the agreed approach to involving tenants has happened -' involve other service users in an appropriate way, having asked and had regard to their needs and wishes.	At the most senior level, we have tenants on our Boards. The ongoing level of involvement of our Local Committees, Registered Tenant Organisations, and Communities of Interest was by the pandemic, however the approach itself is established and embedded. We engage with our Group Tenant Scrutiny Panel on a bi-monthly basis. The Panel was recently involved in the preparation of our Annual Report to Tenants, provided their comments in consulation regarding the Charter 5-year review and provided valuable feedback as we developed our equality data collection approach. A Stronger Voices customer engagement team was introduced in 2021/22 which is supporting the delivery of the new engagement framework, inlcuding recruitment of Customer Voices to be involved in engagement actitivty. This further involves our customers in the scrutiny of our performance and in our decision-making to ensure our services are co-created to truly reflects their needs. All tenants were consulted on our new engagement framework. Customer Voices are involved in multiple ways inclding through walkabouts, focus groups and customer panels.	Governance Framework - RSL constitutions reserving Board places to tenant members - Tenant Group Scrutiny Panel Terms of Reference Board/Committee/Forum discussions and reporting - Group Scrutiny Panel meeting agendas Other - RSL websites publicly set out the annual report to tenants - Stronger Voices, Stronger Communities - Group Engagement Framework	**Compliant**
Report its performance in achieving or progressing towards the Charter outcomes and standards to its tenants and other service users (no later than October each year). It must agree the format of performance reporting with tenants, ensuring that it is accessible for tenants and other service users, with plain and jargon-free language.	We publish an annual report to tenants, the format of which has been agreed by Boards and the Group Scrutiny Panel. This year's report was issued in line with the SHR Regulatory Framework.	Prior year published Annual Report to Tenants in October 2021.	**Compliant**

When reporting its performance to tenants and other service users it must: - provide them with an assessment of performance in delivering each of the Charter outcomes and standards which are relevant to the landlord - include relevant comparisons – these should include comparisons with previous years, with other landlords and with national performance - set out how and when the landlord intends to address areas for improvement - give tenants and other service users a way to feed back their views on the style and form of the reporting.	Included in the last Annual Report to Tenants and will be incorporated again in this year's, due by the end of October. The relevant comparisons will be dependent on the availability ARC performance data for the sector.	Prior year published Annual Report to Tenants in October 2021.	**Compliant**
Make the SHR report on performance easily available to its tenants, including online.	This is published via our website	Performance published on RSL websites (Home/About us/How we do business/Performance)	**Compliant**
Whistleblowing			
Have effective arrangements and a policy for whistleblowing by staff and governing body/elected members which it makes easily available and which it promotes.	We have a Group Whistleblowing policy in place. The policy is easily available to all staff on our intranet. The review of the policy is reserved to the Group Audit Committee.	Governance Framework Group Whistleblowing Policy Committee reporting Audit Committee report and minute of discussion and approval of whistleblowing policy	**Compliant**
Tenants and service users redress			
Make information on reporting significant performance failures, including our leaflet, available to its tenants.	We have a link to the significant performance failure SHR leaflet available on all RSL websites (contact us/complaints and compliments) In April 2021, we updated our complaints handling procedure based on new guidnace from the SPSO. We subsequently did a full review of our complaints policy which was approved in 2022. This is avaiable publicly on our websites. The SHR leaflet also available in Local Housing Offices as part of the core leaflet suite	RSL Websites (Contact us/complaints and compliments) Complaints handling policy and procedure on websites (publication scheme) RSL Social Media (Contact us) RSL Complaints Leaflets (make reference to significant performance failures)	**Compliant**
Provide tenants and other service users with the information they need to exercise their right to complain and seek redress, and respond to tenants within the timescales outlined in its service standards, in accordance with guidance from the Scottish Public Services Ombudsman (SPSO).	The Group Complaints Policy is based on and complies with SPSO guidance. All Boards are made aware that SPSO guidance applies to the complaints handling. Our complaints procedure is set out on RSL websites, our complaints leaflet is available in Local Housing Offices as part of the suite of core leaflets	Group Complaints Policy Board report and record of Board approval Complaints Leaflets RSL Websites (Contact us/complaints and compliments)	**Compliant**
Ensure it has effective arrangements to learn from complaints and from other tenant and service user feedback, in accordance with SPSO guidance.	Our complaints policy builds in requirement to review and Boards routinely updated on this. Boards received bi-annual updates on complaints and what lessons we are learning from them. This performance data and analysis is also published on the website. There is a lessons learned field within ASTRA which should be completed to record lessons learned for every complaint received. New complaints reports will capture lessons learned and allow for further analysis of lessons learned including the information recorded by staff within ASTRA. The standard Board bi-annual report has been delayed post pandemic as business has focussed on more essential activity however complaints performance has remained under review. Boards received an update on our postion following the SPSO new model handling procedure guidnace in March 2021. A full complaints update was presented to the August 22 Boards.	Policy - Group Complaints policy Reporting and monitoring - Board performance reports which include measure on complaints handling Public reporting - Complaints data published on RSL Websites - link on performance page to published board reports containing performance information Other - ASTRA	**Compliant**
Equality and Human Rights			
Have assurance and evidence that it considers equality and human rights issues properly when making all of its decisions, in the design and review of internal and external policies, and in its day-to-day service delivery.	The SHR has worked with representative bodies, the Equalities and Human Rights Commission, (EHRC) and Scottish Human Rights Commission ("SHRC") to develop a 'guidance framework' for the collection of equality data. The impact of the pandemic led to this guidance being delayed and as was publsihed on 19 August 2021. This guidance was subsequently updated and re-released in April 22 and June 22 following additional comment from the EHRC and Information Commissioner. When the orginal guidance was published we integrated this with the existing plans already reflected from an Internal Audit advisory review, carried out last year. The Group Board was updated in December 2021 and at their workshop in March 2022. In advance of the guidance being published in autumn 2021, we had already taken a number of steps to strengthen our approach and the implemention of our Equality, Diveristy and Human Rights policy (this policy is available internally and externally on our websites and was reviewed in 2022). Initially, this included engaging external expertise via IoD Scotland to support the robust implementation of this policy. The steps taken to strengthen our organisational approach towards EDI, included a communication campaign to raise staff awareness and highly publicised staff training. Our EDI awareness e-learning module became complusory for staff and included in inductions form 2022 and we launched an EDI leanring suite on MyAcademy which also includes LGBT+ Awareness and Unconscious Bias training for staff as well as useful resources i.e. podcasts. We also have relaunched Hate Crime training available. This all helps ensure staff have a consideration of equalities and human rights within their role.We continue to raise awareness of EDI to our staff through our internal comms including awareness days and blogs. We also have an equalities section on our Group website which gives detail of our commitment to EDI, accessibility (i.e. written information and telephone), hate crime and harassment and equalities monitoring. (Home>About Wheatley>Governance>Equality and Diversity) We also implemented a more comprehensive, robust Group-wide approach towards Equality Impact Assessments to ensure we thoroughly consider the impact of our decisions, policies and service on the protected characteristic groups and remain compliant with equalities legislation. This was externally verified and our Group Policy framework now inidcates which policies require an EIA. There is also EIA online traning for staff required to complete an EIA. The EIA template and guidance is available on our staff intranet. Equalities implications is a section in all our Board reports - here it must be clear if an EIA has been required and carried out. Equalities is an area our Boards have indicated a desire for increased visibility and we plan to include this as a topic for Board CPD. Following the release of the SHR equality monitoring guidance, we developed plans to collect equality information from Board members to inform our recruitment and succession planning. Age, ethnicity and disability diversity markers, along with skills, experience and gender, will be added to our future Group Board succession planning analysis, as well socio economic diversity based on National Statistics Socio-economic Classification criteria From January 2022, we set up a staff EDI working group to implement intitatives including the collection of equality data, including for staff and job applicants. We expanded our external networks including membership to the employer's network for equality and inclusion (enei) and Business in the Community (bitc). We develped an internal action plan which was externally reviewed by an inclusion advisor at Business in the Community in March 2022. The People Services Team progressed with a number of EDI initiatives including an external review of all HR policies to ensure these are inclusive in langauage and content, a review of our recruitment approach including adverts and an enei TIDE self-assessment for which we achieved Bronze level award. We also prgressed plans to launch a new EDI brand for the Group, Different Together, which includes a Community of Excellence, a resource hub for staff, staff equality networks and training.	Policy - Group Equality, Diversity and Human Rights policy (reviewed September 2022) Reporting and monitoring - Board reports include an equality implications section - Externally verified EIA template and guidance - Group Board Governace update December 2021 - Group Board workshop March 2022 - Group Solutions update August 2022 - Group Board update September 2022 Websites - Equality and diversity section on Group website (Home>About Wheatley>Governance>Equality and Diversity) - internal staff awarness raising via intranet and training -Other - development of Different Together equality collection form and guidance	**Compliant**

To comply with these duties, landlords must collect data relating to each of the protected characteristics for their existing tenants, new tenants, people on waiting lists, governing body members and staff. Local authorities must also collect data on protected characteristics for people who apply to them as homeless. Landlords who provide Gypsy/Traveller sites must collect data on protected characteristics for these service users.	A letter to landlords on 29 July 2022 advised that in regards to this requirement we should provide 'assurance that you have, or are in the process of implementing an effective approach to the collection of equalities information and are considering how you can adopt a human rights approach in your work.' While the updated data collection guidnace was being published, we progressed with developing our approach and plans for the collection to commence in Autumn 22. At the start of 2022, this involved revewing which equality data we currently collected and for which purpose, and engaging with trade unions and our Tenant Scrutiny Panel to gain feedback to shape our approach to the full equality data collection exercise for both staff and customers. We also recieved external legal advice on data protection. We then used this feedback to develop an anonymous equality form and customer guidance (which we took through Stronger Voices customer focus groups before finalising these and our approach in summer 22). The collection exercise is now underway with all customers having received a form and guide to complete anonymously and return either via post or online. We gave a reccomended return date of 1 October 2022 and to date have received over 6,000 returns. We extended our equalities section on MyHousing to include all protected characteristics for those applying for a home, extended our equalities monitoring for our Board members and currently have an equality data exercise underway for staff following engagement with our trade union, enei and Different Together CoE.	Policy - Group Equality, Diversity and Human Rights policy (review 2022) Reporting and monitoring - Group Board Governace update December 2021 - Group Board workshop March 2022 - Group Solutions update August 2022 - Group Board update September 2022 Websites - Equality and diversity section on Group website (Home>About Wheatley>Governance>Equality and Diversity) - internal staff awarness raising via intranet and training -Other - development of Different Together equality collection form and guidance	**Compliant**
Requirements for RSLs Only			
Each RSL Must:			
Comply with the Standards of Governance and Financial Management and associated statutory guidance.	See commentary and evidence provided for each of the seven standards of governance and financial management.		**Compliant**
Comply with, and submit information to us in accordance with, our guidance on: - notifiable events - group structures - consulting tenants where tenant consent is required - financial viability of RSLs: information requirements - determination of accounting requirements - preparation of financial statements.	See commentary and evidence provided for each of the seven standards of governance and financial management.	Landlord Portal	**Compliant**
Keep up to date organisational details in the Register of Social Landlords, by maintaining the information provided through the Landlord Portal.	Organisational details up-to-date and regularly maintained via the SHR Landlord Portal All updates are monitored by Group Company Secretary and control checks are in place, specifically the portal is reviewed and updated monthly and after every Board cycle- This includes checking the organisational details and governing body member deatails are accurate for example, following retirement/appointment of Board members.	Landlord Portal SHR Website	**Compliant**
Make publicly available, including online, up to date details of: - who is on its governing body - the date when they first became a member/office holder - how to become a member of the RSL and of the governing body, and - minutes of governing body meetings.	About us section of RSL websites includes information about who is on the governing body and the date they first became an office holder. The 'getting involved' section of each RSL website sets out how to become a member of the RSL (where applicable) as does our RSLs constituions which are available on websites. Where applicable, memberhsip policies are also publsihed on relevant website. Minutes of Board meetings published following approval by Board and redaction in line with Freedom of Information. The Associations are required to send intimation of the intended date of the Annual General Meeting and information on the nomination procedure for Board Members to all our Members not less than 28 days before the Annual General Meeting.	RSL websites - 'about us' and 'get involved' sections. Published membership policy (where applicable) via website, and membership details available in Rules/Articles publsihed on websites Published minutes via website	**Compliant**

Regulatory Standards of Governance and Financial Management	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
Standard 1 The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.			
1.1 The governing body sets the RSL's strategic direction. It agrees and oversees the organisation's business plan to achieve its purpose and intended outcomes for its tenants and other service users.	The Group Standing Orders formally define the Board's role in this regard, with the approval of the strategy (strategic direction) and business plan reserved to Boards for approval. The Group Standing Orders that were live during the 21/22 financial year were approved April 2019 and contained our Group Authorsing Framework and Group Authorise, Manage, Monitor, Management Matrix- these were subsequently were reviewed during 2022 and specific Terms of Reference approved by each RSL Board. The business plan is always considered within the context of outcomes it contributes to achieving for tenants and its implementation is overseen by the budget and finance reports monitored thereafter. We have now begun implemention of the revised 5 year strategy, Your Home, Your Community, Your Future.- our Boards have an annual strategy workshop to review the RSLs strategic direction and esnure still relevant/update as necessary.	Governance Framework - Group Standing Orders (reviewed 2022) - Governing Body Members Handbook (under review) - Terms of Reference Board discussions and reporting - Board strategy workshop materials - Board reports on strategy development process and associated minutes - Board report on business plan and associated minuted confirming Board approval - Board reports detailing implications for financial projections during pandemic External validation/corroboration - Campbell Tickell 2018 governance review findings -Campbell Tickell 2021 governance review -Campbell Tickell 2021 Pandemic Response review	**Compliant**
1.2 The RSL's governance policies and arrangements set out the respective roles, responsibilities and accountabilities of governing body members and senior officers, and the governing body exercises overall responsibility and control of the strategic leadership of the RSL.	The Group Standing Orders detail respective roles and responsibilities of the Group and subsidiary Boards as well as detailing the Scheme of Financial Delegation and delegations to Group CEO. The newly approved Terms of Reference for each subsidiary Board set out the roles and responsibilities of each Board. Board member roles and responsibilities are set out in the Standing Orders and the Governing Body Member Handbook.	Governance Framework - Group Standing Orders - Governing Body Members Handbook - Terms of Reference External validation - IiP Accreditation -Campbell Tickell 2021 governance review -Campbell Tickell 2021 Pandemic Response review	**Compliant**
1.3 The governing body ensures the RSL complies with its constitution and its legal obligations. Its constitution adheres to these Standards and the constitutional requirements set out below.	The RSLs are appropriately constituted and the Group Standing Orders set out effective decision making processes. Board minutes and reports will provide details of how we ensure constitutional compliance where applicable.	**Governance Framework** - Individual entity constitutions - Group Standing Orders -Board report template **External validation** - External legal advisor engagement in the process of drafting and revising constitutions	**Compliant**
1.4 All governing body members accept collective responsibility for their decisions.	This is enshrined in the Code of Conduct as a requirement. No governing body members have breached the code of conduct in this regard, as such no action has been taken.	No issues raised or identified during the year of a Board member not accepting collective responsibility -Board appraisal forms and interviews - issue not raised -Signed Codes of Conduct	**Compliant**
1.5 All governing body members and senior officers understand their respective roles, and working relationships are constructive, professional and effective.	The respective roles are set out in the Group Standing Orders and reinforced by the Governing Body Members Handbook which sets out roles clearly and is explicit about the distinction between the role of management and the role of the Board. A comprehensive induction programme is in place, with discussion about the role of the Board and Management. This area is also explored and tested as part of the annual appraisal process. In addition, we have introduced a Group Board effectivness and appraisal policy and Group recruitment and succession planning policy. We have CPD programme and traning for our Board members as well as a Leadership development programme for senior staff. recent Institue of Directors (IoD) training was extended out to Directors in organisation as well as Board members and we will extend out further IoD CPD sessions to staff also	**Governance Framework** - Recruitment and Selection Process and Induction Programme - Group recruitment and sucession planning policy - Group Board effectiveness and appraisal policy - Group Standing Orders - Governing Body Members Handbook - Board CPD programme **External Validation** -Campbell Tickell interviews with Board members as part of previous governance review **Training** - CPD training including IoD - open to staff and Boards	**Compliant**
1.6 Each governing body member always acts in the best interests of the RSL and its tenants and service users, and does not place any personal or other interest ahead of their primary duty to the RSL.	The Standing Orders set out clearly the relationship between the parent Board and subsidiaries and the division of responsibilities. All Board Members are required to sign the Code of Conduct and complete a Governing Body Member Declaration of Interests form which covers this and the organisation maintains a register of interests, which is annually reviewed. There is a standing Board meeting agenda item regarding declaration of interests and we have introduced a Group conflicts on interests policy . Board appraisal has a specific question regarding decision making being in the best interests and no issues have been identified regarding independence of decision making.	**Governance Framework** Board Code of Conduct Group Standing Orders Arrangements in place in respect of conflicts and declarations of interest - standard Board agenda item and Register of Interests form Group conflicts of interest policy **Other** Annual Board appraisal - no issues raised by any Chair or Board member	**Compliant**

1.7 The RSL maintains its independence by conducting its affairs without control, undue reference to or influence by any other body (unless it is constituted as the subsidiary of another body).	The Group Standing Orders set out clearly the relationship between the parent Board and subsidiaries and the division of responsibilities. The composition of the Board is such that no other body exercises undue control or influence over the group and this is formally documented in Intra Group Agreements The requirement to act in the best interests of the group is reflected in the Group Code of Conduct. All Board Members complete a Governing Body Member Declaration which covers this and the organisation maintains a register of interests.	**Governance Framework** Group Code of Conduct Register of Interests form Group Standing Orders Arrangements in place in respect of conflicts and declarations of interest Group conflicts of interest policy Intra Group Agreement **External validation** Independent legal advice for RSL subs on Intra Group Agreement with Parent and on relevant transactions eg MMR stock disposal and WH Glasgow/Lowther equity	**Compliant**

Standard 2
The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.
Guidance

2.1 The RSL gives tenants, service users and other stakeholders information that meets their needs about the RSL, its services, its performance and its future plans.	Each RSL within the group has a website which includes an 'Freedom to Information' section and a Publication Scheme. This explains clearly and comprehensively what information is available (with links) and how to obtain information which is not published, including fees applicable. Provided via a combination of: - Website - annual report to tenants (published on our websites) - news section on websites - social media posts - consultations We ask tenants as part of out Tenant Satisfaction Survey what tenants think about being kept informed.	**Publications** Subsidiary and group websites Information on performance, future plans eg investment and satisfaction results published on websites Annual Report to Tenants social media posts	**Compliant**
2.2 The governing body recognises it is accountable to its tenants, and has a wider public accountability to the taxpayer as a recipient of public funds, and actively manages its accountabilities.	Governing Body Handbook recognise the Group's governing bodies' accountability to tenants and service users (section regarding the role of the Board). Each RSL subsidiary publishes an Annual Report to Tenants, setting out how it has performed. Our Publication Scheme ensures that we provide a significant amount of information , supporting accountability.	**Governance Framework** Governing Body Members Handbook Annual Report to Tenants Wheatley Group Annual Report and Financial Statements Subsidiary and group websites (investor relations section of website gives information on use of funds, including public funds) Group Code of Conduct Group Engagement Framework	**Compliant**
2.3 The governing body is open and transparent about what it does, publishes information about its activities and, wherever possible, agrees to requests for information about the work of the governing body and the RSL.	We are committed to being transparent and open about the way we work, the services we provide and the decisions we make. One of the ways we do this is through our publications scheme under The Freedom of Information (Scotland) Act 2002. We are bound by the Environmental Information (Scotland) Regulations 2004 which gives the public the right to access environmental information we hold.	**EVIDENCE:** Provided via a combination of: - Website - Annual Report to Tenants - Publishing Board reports	**Compliant**
2.4 The RSL seeks out the needs, priorities, views and aspirations of tenants, service users and stakeholders. The governing body takes account of this information in its strategies, plans and decisions.	We are progressing with our 2021-2026 Group Strategy, as well as our 2021-2026 subsidiary strategies. These seek to give tenants more power and control to effect changes in the organisation directly, and have increased involvement in decision making. Our Engagement Framework, Stonger Voices Stonger Communities, contains a commitment that customer engagement would be a key milestone in at least 50% of our strategic projects. Stronger Voices, Stronger Communities incorporates a variety of ways customers are engaged across the group to shape what the group does. We do this via a combination of: - Stronger Voices team i.e. gathering intelligence and priorties thorugh Walkabouts - governance structures - Customer Voices focus groups being involved in co-creating/reviewing policies or our appraoches e.g. to equality data collection - Tenant Scrutiny Panel - locality planning - use of complaints - annual satisfaction surveys - consultations - tenant members on Boards representing service user views Tenant board members bring customer insight to strategic decision making.. The Boards will also receive a bi-annual update on how we used the full range of our planned engagement acitvity to inform priorities. The Group operates customer segmentation to understand their customer base and shape services accordingly. We developed our appraoch to customer equality data collection jointly with customers, to gain their views and ensure they feel comfortable and trusted in this process. We will use this data to tailor our service design and delivery to the needs of our customers.	**External validation** - Meetings between senior management and stakeholders - Direct Board engagement with key stakeholders eg Housing Minister - BMG independently facilitated rent setting workshops for 2020/21 rent setting process **Decision making** - Annual Board strategy workshop briefing packs detailing background information - Board composition includes tenants - builds in feedback at decision making point - Customer Voices involved in development and review of policies/strategies - Board report on rent setting - documents extensive consultation feedback **Board reporting and monitoring** - ongoing Board reports on key areas of tenant feedback, including complaints - customer engagment section included in Board reports **Engagement Framework** - Locality plans, including the range of engagement and feedback events facilitated during the process	**Compliant**

2.5 The RSL is open, co-operative, and engages effectively with all its regulators and funders, notifying them of anything that may affect its ability to fulfil its obligations. It informs the Scottish Housing Regulator about any significant events such as a major issue, event or change as set out and required in notifiable events guidance.	We have high engagement and as such meet the SHR on a regular basis as well as having an ongoing line of communication. Regular meetings held with Funders. We notify SHR of 'Notifiable Events' in accordance with requirements of SHR Notifiable Events guidance. Notifibale events to be notified are highlighted through review of the SHR notifable events guidance. For example, this was reviewed prior to comencing our Cube transfer project (and subsequent transfers and name change projects) to ensure any notifable events were identified to be notified in the required tiemscale i.e. outcome of tenant consultation, conlcusion of transfer. This was resposonsibility of Governance team to notify and was baked into our project plans. We also maintain disposals and acqustions registers which we receieve notification from the property legal team either thorugh direct email to the Governance team or to our Board and Committees mailbox, which is checked regularly. For additional assurnace, we receieve a monthly round up of disposals and acqustions from the property legal team to check agianst our own records. It is the responsibility of the Governance team to action and notify of any relevant disposals or acquisitions and we do this monthly. We also keep a resgiter of notifiable events. Addtioanlly, in 2022 we introduced a Group Disposal and Acquisiton policy and RSL versions of this.	**Evidence** SHR Quarterly Meeting agendas Funder meeting agendas Group Engagement Plan - published by WHG and SHR Internal notifable events register and disposal and acqustions regsiter	**Compliant**
Standard 3 The RSL manages its resources to ensure its financial well-being while maintaining rents at a level that tenants can afford to pay. **Guidance**			
3.1 The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and control costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times.	The Standing Orders set out clear financial delegations and there is an appropriate Treasury Management Policy in place. The Treasury Management policy was reviewed and refined this year and financial information is regularly reported to the Board including compliance with golden rules and covenants. In addition to this we regularly report to Boards and have an extensive discussion each year on financial projections and treasury management, including liquidity. We also have a suite of policies to mitigate against the misuse of our finances including our Group Whistleblowing policy, Group Fraud, Corruption and Bribery Policy and Group AntiMoney Laundering and Counter Terrorism Financing policy	**External validation** - Review by Rathbones of core business planning assumptions - Group Treasury Management Policy (reviewed 2022) was reviewed by our external treasury advisors - External audit process **Governance and Policy Framework** - Treasury Management Policy - Group Whistleblowing Policy (reviewed 2022) - Fraud, Corruption and Bribery Policy (reviewed 2022) - Group AntiMoney Laundering and Counter Terrorism Financing policy - Group Standing Orders including financial delegations (reviewed 2022) **Ongoing reporting** - Quarterly treasury report to Group Board on funding requirements and liquidity - Covenant compliance - Internal Audit core programme of auditing key financial controls - Finance reports to Boards	**Compliant**
3.2 The governing body fully understands the implications of the treasury management strategy it adopts, ensures this is in the best interests of the RSL and that it understands the associated risks.	There is a suitable treasury management policy in place, which was reviewed by the Board during the last year. The Board skills matrix is takes into account the need for membership to include Non-Executives with relevant skills and experience in this area. Boards routinely seek sufficient external independent guidance to ensure its decisions are in our best interest, with significant input from external legal advisors.	**Board membership** -The Board succession planning specifically seeks to ensure we have individuals with skills and experience in this area - Board skills matrices **Policy Framework** - Treasury Management Policy - Quarterly treasury update to Wheatley Group Board **External validation** - Extensive external legal advice on any major funding transactions, specifically in relation to the risks	**Compliant**
3.3 The RSL has a robust business planning and control framework and effective systems to monitor and accurately report delivery of its plans. Risks to the delivery of financial plans are identified and managed effectively. The RSL considers sufficiently the financial implications of risks to the delivery of plans.	Business planning process takes into account a wide range of variables, which are reflected in Board reports eg sensitivity testing, assumptions. These were reviewed and tested during the pandemic to reflect the change in risk profile. Financial performance is reported to Board as a standing item detailing performance relative to business plans and budgets. Reports to the Board on financial projections are part of the business planning process set out comprehensive and clearly explained information including appropriate context, detailed financial projections and details of projected compliance with golden rules and covenants. Minutes demonstrate a good level of Board engagement with financial projection reporting. Regular reporting to Board provides clear information about financial performance across the group including all subsidiaries as well as performance against covenants and golden rules.	**Board reporting and monitoring** - Annual stress testing of business plan as part of Board approval process - Pandemic and wider economic impact scenario testing on financial projections - Risk register considered by the Group Audit Committee at every meeting and by each Board periodically - Risk workshops held with Boards in May/June, risk approach reviewed and updated - Board reports regarding Financial Performance - Treasury management reports -Board reports re budget proposals and financial assumptions	**Compliant**
3.4 The governing body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases.	Our assumptions are validated externally where appropriate and always subject to sensitivity analysis. As part of agreeing our financial projections each year the rent increase is subject to specific separate report which takes into account affordability for tenants.	**Board reporting and monitoring** - Board reports regarding Financial Performance and Financial Projections - Report to Group Board on treasury update and policy - Financial performance report to Group Board and Subsidiary Board meeting - Minutes of Group and Subsidiary Board meetings -Tenant rent setting consultation results	**Compliant**

3.5 The RSL monitors, reports on and complies with any covenants it has agreed with funders. The governing body assesses the risks of these not being complied with and takes appropriate action to mitigate and manage them.	We have an on-going process and report compliance as part of finance report to Group Board in addition to projected compliance being a consideration when assessing and agreeing our financial projections.	**Board reporting and monitoring** - Financial performance and treasury reports to Group Board - Report to Boards on financial projections	**Compliant**
3.6 The governing body ensures that employee salaries, benefits and its pension offerings are at a level that is sufficient to ensure the appropriate quality of staff to run the organisation successfully, but which is affordable and not more than is necessary for this purpose.	All staff gradings are subject to an internal assessment using defined criteria by Employee Relations. We also engage with our Trade Unions as part of our annual pay uplift. The pension arrangements are routinely reviewed by the Board/RAAG and this included changes for auto enrolment to not offer SPF to all incoming employees. This was on the basis that it was not necessary to attract employees. Our Group Pension Strategy was last reviewed and approved by the Group Board in December 2021. Overall staffing costs and their impact are considered as part of the financial projections	**Governance Framework** - Group Standing Orders **Board reporting and monitoring** - Confidential minute of RAAG report to Board on Chief Executive's remuneration - Financial projections - Dual pension arrangements in place for Wheatley Homes Glasgow - Group Pension Strategy	**Compliant**
3.7 The governing body ensures the RSL provides accurate and timely statutory and regulatory financial returns to the Scottish Housing Regulator. The governing body assures itself that it has evidence the data is accurate before signing it off.	All returns are submitted to the SHR. Where appropriate, we schedule our Board meetings around key Regulatory returns for sign off ahead of submission deadline, for example 5YFP, loan portfolio and ARC are included on the agendas for all RSL Board meetings in May. Governing Body requires formal Board reports to be provided with clear recommendations about sign-off. The Governance team check the SHR portal to ensure returns have been made within timescales. Return of regulatory returns within timescales is included in Business Excellence Frameworks (BEF) between Wheatley Solutions and RSLs - measures in the BEFs are reported to Boards.	**Board reporting and monitoring** - Board papers and agendas - Solutions Business Excellence Frameoworks	**Compliant**
Standard 4 The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose. **Guidance**			
4.1 The governing body ensures it receives good quality information and advice from staff and, where necessary, expert independent advisers, that is timely and appropriate to its strategic role and decisions. The governing body is able to evidence any of its decisions.	Board reports are structured in a Board approved standard format with specific headings to ensure appropriate information is contained in key areas such as finance, risk and legal/regulatory. in 2021, Campbell Tickell carried our a strategic governance review - this included the recommendation '*Efforts should be made to ensure Board and committee papers are concise, with executive summaries incorporated into the template and recommendations moved up-front in reporting* We partially accepted this reccomendation and carried out a full full review of the board template, including content and structure, in early 2022 and a new template is now in use. Board feedback on reports is received during meetings as well as part of the annual Board appraisal.	**Board reporting and monitoring** - **Board reporting template** - Board meeting papers - Board and Committee minutes **Governance Framework** - Group Standing Orders and Scheme of Delegation **External Assurance** - Campbell Tickell review of governance arrangements, including the quality of Board papers.	**Compliant**
4.2 The governing body challenges and holds the senior officer to account for their performance in achieving the RSL's purpose and objectives.	This is primarily discharged via Board meetings.	**Board reporting and monitoring** - Board Reports and associated minutes	**Compliant**
4.3 The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigation, internal control and audit.	We have a clearly defined risk management framework. This is reviewed on an ongoing basis. Risk analysis is a specific element of all Board papers and therefore embedded in our decision making at Board level. Where there is a particular risk there is an enhanced level of Board reporting on specific risks as has been in place throughout the pandemic.	**Group policies** - Risk management policy **Governance framework** - Group Standing Orders (including Board and committee Terms of Reference) and Audit Committee Terms of Reference - Reviewed 2022 as part of Strategic Governance reveiew **Board reporting and monitoring** - Reports to Group Audit Committee and all RSL Boards - Minutes relative to the above	**Compliant**
4.4 Where the RSL is the parent within a group structure it fulfils its responsibilities as required in our group structures guidance to: (a) control the activities of, and manage risks arising from, its subsidiaries; (b) ensure appropriate use of funds within the group; (c) manage and mitigate risk to the core business; and (d) uphold strong standards of governance and protect the reputation of the group for investment and other purposes	The role and controls of the Parent are codified in all subsidiary constitutions, along with the roles and responsibilities set out in Intra Group agreements and the Group Standing Orders. Examples of this include Parent approval rights over areas such as Board appointments, constitutional changes, policy and funding. In addition to this, our standard reporting arrangements are such that the Group Board always receives Group wide performance information as well as details of any material issues at individual subsidiary level.	**Governance Framework** - Constitutions - Group Standing Orders - Intra Group Agreement **Board reporting and monitoring** - Board packs	**Compliant**
4.5 The RSL has an internal audit function. The governing body ensures the effective oversight of the internal audit programme by an audit committee or otherwise. It has arrangements in place to monitor and review the quality and effectiveness of internal audit activity, to ensure that it meets its assurance needs in relation to regulatory requirements and the Standards of Governance and Financial Management. Where the RSL does not have an audit committee, it has alternative arrangements in place to ensure that the functions normally provided by a committee are discharged.	We have a clearly established Group Audit Committee with a remit including oversight of internal audit. The IA team is required to have an External Quality Assessment at least every 5 years to give the AC assurance on the quality and effectiveness of the Internal Audit function. (Last completed in 2018)	**Governance framework** - Audit Committee Terms of Reference (reviewed 2022) **Board reporting and monitoring** - Assurance Update Board Reports - Group Audit Committee reports **External** - IA EQA	**Compliant**

4.6 The governing body has formal and transparent arrangements for maintaining an appropriate relationship with the RSL's external auditor and its internal auditor.	This is clearly defined via the Group Standing Orders, mainly within the purview of the Group Audit Committee. These also include Terms of Refernece for the Audit Committee, which were reviewed in 2022. The Committee completed a self-assessment of performance this year, which included consideration of how relationship with External Audit and Internal Audit is maintained.	**Governance framework** - Audit Committee Terms of Reference (updated 2022)	**Compliant**
Standard 5 The RSL conducts its affairs with honesty and integrity. **Guidance**			
5.1 The RSL conducts its affairs with honesty and integrity and, through the actions of the governing body and staff, upholds the good reputation of the RSL and the sector.	The Wheatley Group Code of Conduct sets out expectations. Staff are also bound by the Code of Conduct and HR Policies. We have a Whistleblowing Policy , an Anti-fraud, corruption and Bribery Policy, and Anti-money Laundering policy. The Code of Conduct has been strengthened for the Group Board via stronger provisions for dealing with any suspected breaches, with the power now in place to enforce vacation of office.	**Governance framework** - Group Standing Orders - Group Code of Conduct (governing body and staff) - Whistleblowing policy - Anti-fraud, corruption and Bribery Policy, -Anti-money Laundering policy.	**Compliant**
5.2 The RSL upholds and promotes the standards of behaviour and conduct it expects of governing body members and staff through an appropriate code of conduct. It manages governing body members' performance, ensures compliance and has a robust system to deal with any breach of the code.	We operate a Group Code of Conduct which all members are required to sign up to. It includes arrangements to deal with any breach of the code. An appraisal system is in place to manage governing body performance. Similar arrangements are in place for staff via HR policies and the Staff code of conduct.	**Governance framework** - Group Code of Conduct and Conflicts Policy - Governing Body Board effectivness and Appraisal Policy (reviewed 2022) '- HR policies and staff code of conduct available on We Connect.	**Compliant**
5.3 The RSL pays due regard to the need to eliminate discrimination, advance equality and human rights, and foster good relations across the range of protected characteristics in all areas of its work, including its governance arrangements.	Our leaders empower all employees to live the Wheatley Group values; Trust, Community, Excellence and Ambition. The values are integrated into the MyAppraisal appraisal process. Our EDI and Human Rights policy outlines how we pays due regard to the need to eliminate discrimination, advance equality and human rights, and foster good relations across the range of protected characteristics in all areas of its work This is also embedded in our HR policies and in our governance arrangements through Equality Impact Assessments and inlcuding an equalities section in all Board reports to ensure equality impliactions are considered. We also ensure are staff are trained with EDI e-learning and Hate Crime training so staff are educated on the protectetd characteristics.EDI training is included in staff induction. in additon, we have staff and group governing body members Codes of Conduct which our staff and Board members must abide by.	**Group policies and associated documents** - Wheatley Group Values - HR policies including Dignity at Work and Employee Code of Conduct - Group Governing Body Member Code of Conduct and Conflicts Policy (policy reviewed 2022) - Group Equality, Diversity and Human Rights policy (currently under review) - Equality Impact Assessments inlcuding template, guidnace and training - externally validated. Equalities implications in all Board reports. - Equality, Diversity and Inclusion awareness training mandatory for all staff and included in induction - externally validated - Hate Crime training for staff	**Compliant**
5.4 Governing body members and staff declare and manage openly and appropriately any conflicts of interest and ensure they do not benefit improperly from their position.	We operate a register of interests and declarations of interest is a standing item on Board meeting agendas. Our Group policies on Gifts, Hospitality, payments and benefits have been refreshed during early 2022. This includes guidlines staff must follow to decalre an interest i.e. completing a declaration of interest form for inclusion in our staff register of interest. A new policy on Non-Executive Director Conflicts of Interest has also now been introduced.	**Group policies and associated documents** - Group Code of Conduct - Group Conflicts of Interest Policy - Register of Interests form and Group register of interests/related parties - Staff Regsiter of interests and form - Group policy on gifts, hospitality, payments and benefits (updated 2022) - Non - Executive Director Conflicts of Interest Policy (introduced 2022) Board reporting and monitoring - Minutes of Board meetings - Example of standing item on Board meeting agendas	**Compliant**
5.5 The governing body is responsible for the management, support, remuneration and appraisal of the RSL's senior officer and obtains independent, professional advice on matters where it would be inappropriate for the senior officer to provide advice.	Group CEO appraisal is undertaken by Group Chair and remuneration levels are set by the Board based on previous SHR Recommended practice such as relevant benchmarking and metrics such as pay per home. Our RAAG committee considers this for reccomendation to our Group Board. The Board accesses independent professional advice and holds discussions without the Group Chief Executive where appropriate.	**Group governance framework** - Group Standing Orders **Board reporting** - Reports to RAAG Committee and Group Board on Group CEO terms and conditions. Eg as considered by Group Board in February 2022	**Compliant**
5.6 There are clear procedures for employees and governing body members to raise concerns or whistleblow if they believe there has been fraud, corruption or other wrongdoing within the RSL.	We have specific Whistleblowing and Fraud, Bribery and Corruption and Anti-money laundering Policies in place, approved by the Group Audit Committee. These were reviewed in 2022 .	**Group policies** - Group Whistleblowing policy - Group Fraud, Corruption and Bribery policy - Group Anti money laundering and counter terrorism financing policy	**Compliant**
5.7 Severance payments are only made in accordance with a clear policy which is approved by the governing body, is consistently applied and in accordance with contractual obligations. Such payments are monitored by the governing body to ensure the payment represents value for money. Alternatives to severance must be considered including redeployment.	Our existing approach to ER/VR consists of two elements: our individual polices on Early Retirement and Redundancy and affordability criteria we apply agreeing any form of what may be classified as a 'severance payment. Any instances of severance are reported to RAAG committee.	**Group policies and associated documents** - Polices on redeployment, redundancy and early retirement linked to redundancy (WH Glasgow, Loretto, WLHP, and Dunedin Canmore) - Legal Advice regarding severance	**Compliant**
5.8 Where a severance payment is accompanied by a settlement agreement this must not be used to limit public accountability or whistleblowing. RSLs must take professional legal advice before entering into a settlement agreement.	We engage external legal advice in relation to any settlement agreements and we seek legal advice in every instance.	Legal Advice regarding severance	**Compliant**
Standard 6 The governing body and senior officers have the skills and knowledge they need to be effective. **Guidance**			

6.1 The RSL has a formal, rigorous and transparent process for the election, appointment and recruitment of governing body members. The RSL formally and actively plans to ensure orderly succession to governing body places to maintain an appropriate and effective composition of governing body members and to ensure sustainability of the governing body.	We have undertaken a comprehensive review of our succession plans in light of the pandemic to ensure we maintain an appropriate and effective composition. We have a Appraisal and Board effectiveness policy and Board recruitment sucession planning procedure (reviewed and introduced in 2022). The Board undertake an annual appraisal process. We carry out a skills self-assesment and mapping exercise against agreed skills matrices with our Boards. We also collect equalities data from our Board members. This all informs our 3 year sucessions plans which we reveiw annually. Recruitment vacancies are always advertised and subject to: - the process set out in constitutions - recruitment policy - RAAG committee agreement	**Group governance framework** - Group Standing Orders - Group Board effectivness and appraisal policy - Group Board recruitment and sucession planning procedure - Sub Board skills matrices and succession plans	**Compliant**
6.2 The governing body annually assesses the skills, knowledge, diversity and objectivity it needs to provide capable leadership, control and constructive challenge to achieve the RSL's purpose, deliver good tenant outcomes, and manage its affairs. It assesses what is contributed by continuing governing body members, and what gaps there are that need to be filled.	Annual appraisal is in place and the policy includes self assessment together with a 1-2-1 review with Chair to evaluate performance. These are reported in the August Board reports. The Group has an appropriate Succession Planning Procedure in place.	**Group governance framework** - Constitutions - Group Standing Orders - Group Board recruitment and sucession planning procedure **Board reporting and monitoring** - Board appraisal report to Group Board; - RSL Board Succession Plans - Board induction process - Subsidiary Board reports on appraisal and succession	**Compliant**
6.3 The RSL ensures that all governing body members are subject to annual performance reviews to assess their contribution and effectiveness. The governing body takes account of these annual performance reviews and its skills needs in its succession planning and learning and development plans. The governing body ensures that any non-executive member seeking re-election after nine years' continuous service can demonstrate their continued effectiveness.	An annual appraisal process is in place and the policy includes self assessment together with a 1-2-1 review with the Chair to evaluate performance.	**Group governance framework** - Constitutions - Group Standing Orders - Group Board recruitment and sucession planning procedure - Board induction process - Board CPD Programme **Board reporting and monitoring** - Board appraisal report to Group Board; - 3-year Succession Plans including specific agreement to extend beyond 9 years and assessment of continued effectiveness to support this	**Compliant**
6.4 The RSL encourages as diverse a membership as is compatible with its constitution and actively engages its membership in the process for filling vacancies on the governing body.	Our approach, as documented in our membership policies and constiutions, was reviewed last year and agreed by all relevant Boards taking into account this Regulatory Standard.	**Group policies** - Membership Policies **Group governance framework** - Constitutions **Board reporting** - reports to individual Boards regarding membership changes and assessing compliance with this standard as part of the changes agreed	**Compliant**
6.5 The RSL ensures all new governing body members receive an effective induction programme to enable them to fully understand and exercise their governance responsibilities. Existing governing body members are given ongoing support and training to gain, or refresh, skills and expertise and sustain their continued effectiveness.	We have a structured approach to board induction and CPD. In addition to this, we take into account operating context, with tailored CPD delivered during the pandemic on virtual meetings and a hybrid appraoch of both online and in-person going forward .	**Induction and training** - Induction process - CPD programme - Institute of Directors (IoD) induction programme session on the Role of a Non-Exec Director	**Compliant**
6.6 If the governing body decides to pay any of its non-executive members then it has a policy framework to demonstrate clearly how paying its members will enhance decision-making, strengthen accountability and ownership of decisions, improve overall the quality of good governance and financial management and deliver value for money.	The Group Governing Body Remuneration Policy sets out the Group's approach to remuneration - which is to remunerate non-executive positions in order to attract and retain those with the right talents, skills and experience. The remuneration is based on a number of principles, which are set out in the Policy. Currently it is only our Group Board, Group committees and Wheatley Developments that are remunerated roles - remuneration is considered by RAAG for recommendation to Group Board.	**Group policy framework** - Governing Body Remuneration Policy **Board reporting and monitoring** - Board reports eg February 2022, September 2022	**Compliant**
6.7 The governing body is satisfied that the senior officer has the necessary skills and knowledge to do his/her job. The governing body sets the senior officer's objectives, oversees performance, ensures annual performance appraisal, and requires continuous professional development.	This is overseen via the Group Chair, who undertakes and annual appraisal of the Group Chief Executive and provides feedback to the Group RAAG Committee and Group Board. Recently went through process for appointing new CEO with the recruitment process starting in early 2022 - external recruitment advisors, the Group Chair and Chair of audit were all involved to ensure correct skills and experinece of successful candidate.	**Board reporting and monitoring** - Confidential minutes of RAAG report to Group Board.	**Compliant**
Standard 7 The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants. **Guidance**			

7.1 The governing body discusses and scrutinises any proposal for organisational change and ensures that the proposal will benefit current and future tenants.	The West Lothian Housing Partnership (WLHP) transfer to Dunedin Canmore (DC) commenced early 2022 - this has been reviewed by the WLHP, DC and Group Boards taking into account the implications for tenants. Cube transferred to WH Glasgow and Loretto in May/June 2021- The Cube, WH Glasgow and Loretto Boards took all the necessary steps for transfer including review proposals and outcome of customer consulation on the proposals to ensure benefits to customers before apporving the transfer. A consulation of the re-branding of WH Glasgow following the Cube transfer took place in autumn 2021- again the WH Glasgow carefully scrutinised plans before approving the change. Name chnages for DC and DGHP took a similar approach.	**Board reporting and monitoring** - Board reports - Board minutes	**Compliant**
7.2 The RSL ensures that its governance structures are as simple as possible, clear and allow it to meet the Standards of Governance & Financial Management, Constitutional Requirements, and Group Structures guidance.	We operate a relatively flat and simple corporate structure. Governance Review with advice from Campbell Tickell, supports recent decision to rationalise the Group by dispersing activities of Cube and ultimately winding one entity up. We have now also agreed to undertake further consolidation of the Group structure and the transfer of West Lothian Housing Partnership to Dunedin Canmore is now complete. Intra-group agreements are in place between the parent and each subsidiary.	**Group governance framework** - Group Standing Orders - Intra-Group Agreements **External validation** - Campbell Tickell Governance review **Board reporting and monitoring** - Board packs	**Compliant**
7.3 The RSL ensures adequate consultation with, and support from, key stakeholders including tenants, members, funders (who may need to give specific approval) and local authorities as well as other regulators.	The Cube traansfer involved significant engagement with key stakeholders, including Local Authorities and customers. The WH Glasgow name change project also involved consulation with customers in autumn 2021 and Stakeholder engagment for the WLHP transfer commenced in March 2022, incluiding engagment with the regulator. Further name change projects also included stakeholder and regulator engagement.	**Board reporting and monitoring** - Board reports **Other** - Exchanges with Local Authorities and customers	**Compliant**
7.4 The governing body is satisfied that the new (or changed) organisation will be financially viable, efficient and will provide good outcomes for tenants.	This was assessed fully by the respective Boards in realtion to the Cube transfer and before progressing with plans for the WLHP transfer i.e. in developing proposal offer which customer were consulted and balloted on.	**Board reporting and monitoring** - Board reports - Board minutes	**Compliant**
7.5 The RSL establishes robust monitoring systems to ensure that delivery of the objective of the change and of commitments made to tenants are achieved (for example in relation to service standards, operating costs and investment levels).	We have clear monitoring arrangements in place for ensuring commitments to tenants are monitored and delivered. These will also be reported to the relevant Boards on an ongoing basis.	Board reporting including updates post-transfers, annual rent setting where there has been a rent promise made as part of partnership proposal	**Compliant**
7.6 Charitable RSLs seek consent/ notify OSCR of changes to their constitution and other changes as appropriate.	OSCR approval sought in respect of WLHP transfer and WH Glasgow name change - also for upcoming DC and DGHP name change . OSCR notified of Cube transfer within timescales i.e. within 3 months.	Formal notification documents to OSCR	**Compliant**
7.7 The governing body ensures that disposals, acquisitions and investments fit with the RSL's objectives and business plan, and that its strategy is sustainable. It considers these taking account of appropriate professional advice and a consideration of value for money - whether as part of a broader strategy or on a case by case basis.	This is not an ongoing requirement, rather a requirement to be met if and when such activity happens. Such activities remain reserved to the Board unless otherwise delegated under very clear criteria.	**Board reporting and monitoring** - Sub Board report - Group Standing Orders	**Compliant**
7.8 The RSL complies with regulatory guidance on tenant consultation, ballots and authorisation.	The three recent instances of re-structure within the Group have demonstrated proper consultation with tenants, even though nothing was conducted in the year of assessment for this statement.	Board reports and associated tenant consultation documentation	**Compliant**
7.9 The RSL notifies the Regulator of disposals in accordance with regulatory guidance.	We have a clear, robust internal process in place for ensuring that all disposals are notified to the SHR. All staff who are potentially involved in disposals are clear on where this triggers a notification requirement. The Property Legal team notify the Governance team of any disposals. The Governance team maintain a disposal register and notify the SHR of any notifiable disposals on a monthly basis usuing the SHR portal. The Governance team check their records against the Porperty Legal team records on a monthly basis to ensure all disposals are captured. An updated Disposals policy has been approved and rolled out during 2022 .	SHR Portal holds records of all notifiable disposals. Disposals register	**Compliant**
7.10 The RSL only agrees fixed or floating charges where the assets are used to support core activities. This should exclude providing security in relation to staff pensions.	The Group funding structure is split between 'RSL' and 'Others.' Wheatley Funding No. 1 Limited (WFL1) was formed as a special purpose vehicle to facilitate funding the Group RSLs from bond issuance and bank lenders. WFL1 borrows funds from the bond issuer and banks and on-lends them to the RSLs within the Group in accordance with the criteria set out in the Intercompany Loan Agreements. The Bond is secured against Group Properties. These Charged Properties are named in the Bond Trust Deed and there are requirements to notify the Trustee if the Group wants to add, substitute, release or dispose of a property charged against the Bond loan value. A Secured stock spreadsheet is maintained by the Treasury Team. Annual Valuations on the Group Assets are undertaken by JLL including separate valuations for each funder against assets. In addition, Prudential Securities provides its own report on funding against the Group Assets which Treasury reconcile quarterly against their own records.	**Corporate records** - Financial records of RSLs and WFL1 - Security spreadsheet	**Compliant**

The constitution of the RSL must comply with all legislative requirements under the 2010 Act (which are not replicated here) and the following regulatory requirements:	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
	All RSL rules take into account the SFHA Charitable Model Rules, subject to us ensurign that the reflect our own needs. All constitutions are subject to a) review by individual Boards b) review by our external legal advsiors, and c) agreement by members.		Compliant
1. It sets out clearly the RSL's purpose, objects and powers.	WH Glasgow: section 2 of Rules- Objects and purpose; 45-47 Powers Loretto: section 2 of Rules- Objects and purpose; 45-47 Powers WLHP: section 2-4 of Articles- Objects and purpose; 5 Powers WHE: section 2 of Rules- Objects and purpose; 45-47 Powers WHS- section 5 of Articles - Objects and purpose; 6 - Powers	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant
2. The RSL is able to fulfil its obligations in terms of its legal status and (if relevant) its obligations as a registered charity. These obligations and how they will be met are set out in the constitution.	Obligations and how these will be met are set out in Rules/Articles	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant
3. There is a system for keeping accounts and ensuring an independent audit by an appropriately qualified person. There is a proper procedure for appointing an auditor. The governing body should take whatever measures are necessary to ensure the continuing independence of the auditor including periodic review of the need for audit rotation. The RSL must send a copy of its accounts and the auditor's report to us within six months of the end of the period to which they relate.	The Group has established financial procedures for preparing the annual accounts. These are kept and prepared within the requirements of our RSLs Rules/Articles. The appointment of auditor is considered annually as part of the AGM. The appointment of the external auditor is also approved by Group Audit Committee who also reviews their performance as part of their annual self-assessment. Audited accounts and auditor's report are presented to the Board for approval in August Board meetings. Accounts presented to members at AGM and audit elected for the following financial year. All annual returns regarding annual accounts are made within required timescales each year including to SHR, OSCR and FCA or Companies House (as apporporate).	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant
4. It is clear what investments and borrowing the governing body can authorise.	WH Glasgow: section 18 of Rules Loretto: section 18 of Rules WLHP: section 6 of Articles DCH: section 18 of Rules DGHP- section 7 of Articles	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant
5. There is a procedure for dealing with disputes on matters contained within the constitution.	WH Glasgow: section 82 of Rules Loretto: section 82 of Rules WLHP: section 80 of Articles WHE: section 82 of Rules WHS- section 68 of Articles	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant
6. It is clear how changes can be made to the constitution.	WH Glasgow: section 88 of Rules Loretto: section 88 of Rules WLHP: section 83 of Articles WHE: section 88 of Rules WHS- section 73 of Articles	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preperation of all constitutional changes. For example, our legal advisors were engaged during the name change process for WH Glasgow which involved holding an SGM on the 29 June 2022 to pass the resolutions for the name chnage and also to update the RSLs rules. The name change was registered with the FCA on 20 July and rule change on 17 August - all other nescessary notifications including to the SHR have been/will be made within required timelines. - Evidence in folder.	Compliant
7. It is clear how the RSL can be closed down.	WH Glasgow: section 86 of Rules Loretto: section 86 of Rules WLHP: section 82 of Articles WHE: section 86 of Rules WHS- section 69-70 of Articles	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant
8. The RSL can demonstrate its governance and financial arrangements are such as to allow the Regulator to regulate effectively, and exercise our full regulatory powers.	Demonstrated through our RSL Rules/Articles, Group Standing Orders and governance policies, RSL Board Terms of Reference, Board meetings and accompanying reports and ongoing regulatory engagment with SHR as required.	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	Compliant
In relation to an RSL within a group structure:			
9. Each organisation within the group must have a distinct legal identity and separate constitution. The constitutional and financial relationships between all organisations in the group (registered or non-registered) must be documented formally and in terms that are transparent and understandable.	All RSLs have their own legal identity and Articles and Rules. Defined Group Structure and organisations enter into an Intra-Group Agreement with the Parent, which defines the relationship.	All RSL Rules/Articles of Association Model Intra Group Agreement	Compliant

10. If any of the organisations within the group are charities, the RSL's role and relationships with other group members are consistent with charity law.	As set out in RSL Rules/Articles of Association	All RSL Rules/Articles of Association	**Compliant**
11. The constitutions of group members must enable the parent to exercise control and to take corrective action where required.	Arcticles/Rules set out powers of Parent and where Parent approval is required	All RSL Rules/Articles of Association	**Compliant**
12. There are procedures in place designed to avoid conflicts of interest, particularly where members of the subsidiary's governing body are also members of the parent's governing body.	Register of of interests reviewed and updated annually, declarations of interest as standing agenda item and newly reviewed Conflicts of Interest policy	All RSL Rules/Articles of Association	**Compliant**
13. Where it is constituted as a subsidiary of another body, the RSL's constitution permits control by the parent but with sufficient independence to carry out its business, within limits set by the parent.	As per constitutions	All RSL Rules/Articles of Association	**Compliant**
With regard to the governing body of the RSL and the members of the governing body:			
14. Recruitment to the governing body is open and transparent. It is clear who is eligible to become a member of the governing body and how to become a member of the governing body whether by election, nomination, selection, etc and how membership is ended. There is a procedure for removing members from the governing body.	WH Glasgow: section 39-44 of Rules Loretto: section 39-44 of Rules WLHP: section 39-44 of Articles WHE: section 39-44 of Rules WHS- section 38-45 of Articles	All RSL Rules/Articles of Association	**Compliant**
15. There is a procedure by which members stand down from the governing body to allow for a turnover in membership. Governing body members are appointed for specific terms subject to re-election or re-appointment.	Board members are appointed for 3-year fixed terms before re-appointment required. Board members cannot serve beyond 9 consecutive years (unless extended and approved by Parent) - specific terms of this are set out in relevant constitutions	All RSL Rules/Articles of Association	**Compliant**
16. The membership of the governing body must be no fewer than seven and not normally exceed 15 members, including co-opted members. Names of the governing body members must be accessible to the public.	Composition of Board- WH Glasgow: section 37 of Rules Loretto: section 37 of Rules WLHP: section 37 of Articles WHE: section 37 of Rules WHS- section 37 of Articles All Board members avaiable on websites	All RSL Rules/Articles of Association	**Compliant**
17. The powers and responsibilities of the governing body are clearly set out.	As per constituions	All RSL Rules/Articles of Association	**Compliant**
18. The roles, powers and responsibilities of governing body office bearers are set out. And any delegation to committees or staff are clearly set out in standing orders and delegated authorities.	As per constitutions and Group Standing Orders WH Glasgow: section 59 of Rules Loretto: section 59 of Rules WLHP: section 59 of Articles WHE: section 59 of Rules WHS- section 60 of Articles	All RSL Rules/Articles of Association	**Compliant**
19. There are provisions for the RSL to remove a governing body member who does not sign up to the code of conduct and to take action against or remove a governing body member in breach of the code.	WH Glasgow: section 37.5, 37.10, 44.5 of Rules Loretto: section 37.5, 37.10, 44.5 of Rules WLHP: section 37.4, 44.5, of Articles WHE: section 37.5, 44.5 of Rules WHS- section 14 and 44 of Articles	All RSL Rules/Articles of Association	**Compliant**
20. Where the constitution allows executive staff on to the governing body, they must be excluded from holding office, and cannot form a quorum or a majority. Executive members of the governing body should not receive any additional payment for their governing body role over and above what they are entitled to under their contract of employment.	As per constitutions	All RSL Rules/Articles of Association	**Compliant**
21. It is clear what types of meetings can and should be held and their purpose. There are clear procedures to call all meetings, and it is clear what the quorum of meetings should be, how resolutions will be passed, and decisions recorded, and how many meetings should take place each year, subject to a minimum of six governing body meetings a year.	As per constitutions - procedure for Board meetings, annual general meetings and special general meetings (or extraordinary general meetings for DGHP) including calling notices	All RSL Rules/Articles of Association	**Compliant**
22. The governing body cannot act for longer than two months if its membership falls below seven. If at the end of that period it has not found new members then the only power it will have is to act to bring the governing body members up to seven.	WH Glasgow: section 49 of Rules Loretto: section 49 of Rules WLHP: section 49, of Articles WHE: section 49 of Rules WHS- section 14 and 44 of Articles	All RSL Rules/Articles of Association	**Compliant**
23. There is a clear process to identify and address any conflicts of interest on the governing body.	As per constitutions, Group conflicts of interest policy and standing item on agenda	All RSL Rules/Articles of Association	**Compliant**
24. The Chairperson's role is set out formally; the Chairperson is responsible for the leadership of the governing body and ensuring its effectiveness in all aspects of its role. There is a clear process to select the Chairperson, who cannot be an executive member, and must not hold office continuously for more than five years.	WH Glasgow: section 59.6 of Rules Loretto: section 59.5 of Rules WLHP: section 59.5-59.11, of Articles WHE: section 59.5-59.11 of Rules WHS- section 60.2-60.9 of Articles	All RSL Rules/Articles of Association	**Compliant**

25. If the RSL pays any of its non-executive governing body members then it must ensure that: a) the governing body takes account of independent guidance in setting payment amounts and can demonstrate value for money; b) the payments are linked to specified duties and there is a clear process for assessing performance in carrying out these duties; c) details of governing body payments are published in the RSL's annual accounts; and d) where an RSL has subsidiaries it must ensure any payments and benefits to subsidiary governing body members are included in the policy. Charitable RSLs must comply with the Charities and Trustee Investment (Scotland) Act 2005 and any associated guidance from the charity regulator when considering payments or benefits to charity trustees.	As per constituions - no Board member is paid in capacity of sitting on RSL Board	All RSL Rules/Articles of Association	**Compliant**
26. The role and status of co-optees is set out. Co-optees do not form part of any quorum required for meetings of the governing body and may not vote on matters directly affecting the constitution and membership of the organisation or the election or appointment of its office bearers.	WH Glasgow: section 42 of Rules Loretto: section 42 of Rules WLHP: section 42 of Articles WHE: section 42 of Rules WHS- section 43 of Articles	All RSL Rules/Articles of Association	**Compliant**
With regard to the general membership of the RSL:			
27. It is clear who is eligible to become a member of the RSL and who cannot, and it is clear how to become a member and how membership is ended. Names of the members must be accessible to any other member or anyone with an interest in the RSL's funds.	This is detailed through a combination of constitutions and membership policies	All RSL Rules/Articles of Association - Membership policies	**Compliant**
28. Membership of the RSL should reflect the purpose and objects of the RSL.	Members for WH Glasgow and WHG are the Board, so by definition reflect the purpose and objects as they set them Other RSLs have membership policy which set out the membership. Membership primarily open to tenants, Board members and the Parent . Our Board members undertake an annual skills self-assessment against agreed skills matrices to confirm members have the right skills / experience to successfully oversee delivery of the RSL prupose and objects. The skills mapping is used to identify any gaps which informs our succession planning and CPD planning.	All RSL Rules/Articles of Association - Membership policies - Skills self-assessment and skills matrix	**Compliant**
29. There is a clear procedure, including the quorum and voting procedure, for the membership of the RSL to meet and it is clear what business the membership can discuss and what decisions it can make, subject to a minimum of one annual meeting.	Clearly detailed within each constitution	All RSL Rules/Articles of Association	**Compliant**

Requirements for RSLs	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
Assurance & Notification			
Prepare an Annual Assurance Statement in accordance with our published guidance, submit it to us between April and the end of October each year, and make it available to tenants and other service users.	The statement takes into account the SHR's Regulatory Framework and associated guidance in relation to the preparation of Annual Assurance Statements. Details are both are clearly set out for the Board in the report seeking approval.	Our existing Assurance statement is published and available to all tenants and other service users via our own and the SHR's website.	**Compliant**
Notify SHR during the year of any material changes to the assurance in its Assurance Statement.	There were no material changes to the previous statement during the year. There are processes in place for ongoing regulatory requirements such as notifiable events; our 5 year financial projections are included in Board agenda planning; and we begin the annual assurance statement process in April lasting till October each year. If any material changes were identified during the year we would take the necessary steps including notification.	Not applicable	**Not applicable**
Have assurance and evidence that it is meeting all of its legal obligations associated with housing and homelessness services, equality and human rights, and tenant and resident safety.	In practical terms the Group operates a 3 Lines of Defence model that provides assurance to senior management and Board members about the operation of internal controls in place to confirm the Group's meeting legal obligations in these areas. This includes an IA function that delivers risk-based audits that test operation of Line 1 and Line 2 controls in specific areas.

In these particular areas where there is defined legislation, we have Group wide policies which codify how we will meet our legislative requirements. Policies are reviewed by expert internal staff and, where appropriate, by external advisors. The Group employs sufficiently qualified individuals to effect the policies, including legal, health and safety and housing. The legal implications section in all Board reports ensures any obligations are identified - supported by a team of in house solicitors and external legal advisors. This area has remained under review during the pandemic to take account prevailing legislative requirements and guidance from the Uk and/or Scottish Government. All Boards have been provided ongoing updates on these matters.

Our Equality, Diversity, Inclusion (EDI) and Human Rights policy and our Group Equality Impact Assessment (EIA) template ensures that we meet our legal obligations in this area, as does online training modules for staff including an EDI Awareness course which was externally verified by an EDI expert. We have introduced a new approach to EIAs to ensure we comprehensively assess the potential impact of relevent policies/strategies/projects on the protected characteristic groups in an evidence based manner. In preparation for the release of 'Collecting Equality Information: National Guidance for Scottish Social Landlords' published by the SFHA in mid August 2021 before being reviewed an final revised guidnace published in June 2022, the Group reviewed our approach to EDI and began to develop our approach towards collecting equality data, including reviewing what we already collected and for what purpose. An update was taken to Group Board in December 2021. We obtained legal advice with regards to data protection, set up a working group and engaged our trade unions and Group Scrutiny Panel and Customer Voices focus groups for feedback on data collection plans before going on to develop a guide and equality monitoring form. We commenced the data collection exercise in August 2022. We have also extended equality data collection to staff and Boards to inform our recruitment and succession planning. | **Group policies and associated documents**
- Group Board approved Health and Safety Policy detailing legal requirements
- Group Policy Framework on Advice and Letting
- Group Fire Mitigation Framework
- Group Anti Social Behaviour Framework (reviewed in 2021)
- Group Homelessness Policy (Reviewed in December 2020)
- Group Equality, Diversity and Human Rights Policy

Board reporting
 -Group Health and Safety policy Board report, followed by update reports
- Board and Group Audit Committee update reports on Fire Safety
- Board updates during the pandemic on compliance related activity
- Board updates during pandemic on service levels and remobilisation relative to the then prevailing pandemic related legislation and/or restrictions
- Risk appetite and analysis sections in Board reports
- Strategic risk registers
-Equality Implications sections in Board reports (and full EIA carried out if deemed required)
- Governance update Group Board December 2021

Independent assurance
- Internal Audit activity

External assurance
- engagement of independent experts on asbestos | **Compliant** |
| Notify SHR of any tenant and resident safety matters which have been reported to, or are being investigated by the Health and Safety Executive, or reports from regulatory or statutory authorities, or insurance providers, relating to safety concerns. | These circumstances have not arisen in year. Serious matters e.g. those involving HSE are escalated to Group Director level for consideration. As a landlord of systemic importance, Wheatley meets regularly with SHR. That forum is also used to highlight any particular issues and how to address same. | | **Not applicable** |
| Make its Engagement Plan easily available and accessible to its tenants and service users, including online. | Scottish Housing Regulator Engagement Plans are available on each RSL website. | The plan can be accessed via individual RSL websites in the 'about us' and 'get involved' sections. | **Compliant** |
| Register all requirements for providing data to us with the Information Commissioner's Office as a purpose for which they are acquiring data under the Data Protection Act 2018. | Privacy Impact Statements confirm the purposes for which we hold and use data, including for regulatory requirements.

All RSLs are registered with ICO. | ICO registration is verifiable via its website. | **Compliant** |
| **Scottish Social Housing Charter Performance** | | | |
| Submit an Annual Return on the Charter to us each year in accordance with our published guidance. | The Annual Return requires to be submitted via the SHR Portal. The ARC return is included in our Board agenda planning so as to be considered by Boards in line with the timescale for return to the SHR.The ARC return is reviewed and agreed by relevant Boards and reviewed internally against the SHR technical guidance. The Governance team can check the 'returns' section of the SHR landlord portal to confirm the 21/22 return was received within timescales. | The SHR Portal documents receipt of our ARC return and the SHR also publishes our Charter return on their website. | **Compliant** |
| Involve tenants, and where relevant other service users, in the preparation and scrutiny of performance information. It must:
-' agree its approach with tenants
-' ensure that it is effective and meaningful – that the chosen approach gives tenants a real and demonstrable say in the assessment of performance
publicise the approach to tenants   -'
-' ensure that it can be verified and be able to show that the agreed approach to involving tenants has happened
-' involve other service users in an appropriate way, having asked and had regard to their needs and wishes. | At the most senior level, we have tenants on our Boards.

The ongoing level of involvement of our Local Committees, Registered Tenant Organisations, and Communities of Interest was by the pandemic, however the approach itself is established and embedded.

We engage with our Group Tenant Scrutiny Panel on a bi-monthly basis. The Panel was recently involved in the preparation of our Annual Report to Tenants, provided their comments in consulation regarding the Charter 5-year review and provided valuable feedback as we developed our equality data collection approach.

A Stronger Voices customer engagement team was introduced in 2021/22 which is supporting the delivery of the new engagement framework, inlcuding recruitment of Customer Voices to be involved in engagement actitivty. This further involves our customers in the scrutiny of our performance and in our decision-making to ensure our services are co-created to truly reflects their needs. All tenants were consulted on our new engagement framework. Customer Voices are involved in multiple ways inclding through walkabouts, focus groups and customer panels. | Governance Framework
- RSL constitutions reserving Board places to tenant members
- Tenant Group Scrutiny Panel Terms of Reference

Board/Committee/Forum discussions and reporting
- Group Scrutiny Panel meeting agendas

Other
- RSL websites publicly set out the annual report to tenants
- Stronger Voices, Stronger Communities - Group Engagement Framework | **Compliant** |
| Report its performance in achieving or progressing towards the Charter outcomes and standards to its tenants and other service users (no later than October each year). It must agree the format of performance reporting with tenants, ensuring that it is accessible for tenants and other service users, with plain and jargon-free language. | We publish an annual report to tenants, the format of which has been agreed by Boards and the Group Scrutiny Panel. This year's report was issued in line with the SHR Regulatory Framework. | Prior year published Annual Report to Tenants in October 2021. | **Compliant** |

When reporting its performance to tenants and other service users it must: - provide them with an assessment of performance in delivering each of the Charter outcomes and standards which are relevant to the landlord - include relevant comparisons – these should include comparisons with previous years, with other landlords and with national performance - set out how and when the landlord intends to address areas for improvement - give tenants and other service users a way to feed back their views on the style and form of the reporting.	Included in the last Annual Report to Tenants and will be incorporated again in this year's, due by the end of October. The relevant comparisons will be dependent on the availability ARC performance data for the sector.	Prior year published Annual Report to Tenants in October 2021.	**Compliant**
Make the SHR report on performance easily available to its tenants, including online.	This is published via our website	Performance published on RSL websites (Home/About us/How we do business/Performance)	**Compliant**
Whistleblowing			
Have effective arrangements and a policy for whistleblowing by staff and governing body/elected members which it makes easily available and which it promotes.	We have a Group Whistleblowing policy in place. The policy is easily available to all staff on our intranet. The review of the policy is reserved to the Group Audit Committee.	Governance Framework Group Whistleblowing Policy Committee reporting Audit Committee report and minute of discussion and approval of whistleblowing policy	**Compliant**
Tenants and service users redress			
Make information on reporting significant performance failures, including our leaflet, available to its tenants.	We have a link to the significant performance failure SHR leaflet available on all RSL websites (contact us/complaints and compliments) In April 2021, we updated our complaints handling procedure based on new guidnace from the SPSO. We subsequently did a full review of our complaints policy which was approved in 2022. This is avaiable publicly on our websites. The SHR leaflet also available in Local Housing Offices as part of the core leaflet suite	RSL Websites (Contact us/complaints and compliments) Complaints handling policy and procedure on websites (publication scheme) RSL Social Media (Contact us) RSL Complaints Leaflets (make reference to significant performance failures)	**Compliant**
Provide tenants and other service users with the information they need to exercise their right to complain and seek redress, and respond to tenants within the timescales outlined in its service standards, in accordance with guidance from the Scottish Public Services Ombudsman (SPSO).	The Group Complaints Policy is based on and complies with SPSO guidance. All Boards are made aware that SPSO guidance applies to the complaints handling. Our complaints procedure is set out on RSL websites, our complaints leaflet is available in Local Housing Offices as part of the suite of core leaflets	Group Complaints Policy Board report and record of Board approval Complaints Leaflets RSL Websites (Contact us/complaints and compliments)	**Compliant**
Ensure it has effective arrangements to learn from complaints and from other tenant and service user feedback, in accordance with SPSO guidance.	Our complaints policy builds in requirement to review and Boards routinely updated on this. Boards received bi-annual updates on complaints and what lessons we are learning from them. This performance data and analysis is also published on the website. There is a lessons learned field within ASTRA which should be completed to record lessons learned for every complaint received. New complaints reports will capture lessons learned and allow for further analysis of lessons learned including the information recorded by staff within ASTRA. The standard Board bi-annual report has been delayed post pandemic as business has focussed on more essential activity however complaints performance has remained under review. Boards received an update on our postion following the SPSO new model handling procedure guidnace in March 2021. A full complaints update was presented to the August 22 Boards.	Policy - Group Complaints policy Reporting and monitoring - Board performance reports which include measure on complaints handling Public reporting - Complaints data published on RSL Websites - link on performance page to published board reports containing performance information Other - ASTRA	**Compliant**
Equality and Human Rights			
Have assurance and evidence that it considers equality and human rights issues properly when making all of its decisions, in the design and review of internal and external policies, and in its day-to-day service delivery.	The SHR has worked with representative bodies, the Equalities and Human Rights Commission, (EHRC) and Scottish Human Rights Commission ("SHRC") to develop a 'guidance framework' for the collection of equality data. The impact of the pandemic led to this guidance being delayed and as was published on 19 August 2021. This guidance was subsequently updated and re-released in April 22 and June 22 following additional comment from the EHRC and Information Commissioner. When the orginal guidance was published we integrated this with the existing plans already reflected from an Internal Audit advisory review, carried out last year. The Group Board was updated in December 2021 and at their workshop in March 2022. In advance of the guidance being published in autumn 2021, we had already taken a number of steps to strengthen our approach and the implemention of our Equality, Diveristy and Human Rights policy (this policy is available internally and externally on our websites and was reviewed in 2022). Initially, this included engaging external expertise via IoD Scotland to support the robust implementation of this policy. The steps taken to strengthen our organisational approach towards EDI, included a communication campaign to raise staff awareness and highly publicised staff training. Our EDI awareness e-learning module became complusory for staff and included in inductions form 2022 and we launched an EDI leanring suite on MyAcademy which also includes LGBT+ Awareness and Unconscious Bias training for staff as well as useful resources i.e. podcasts. We also have relaunched Hate Crime training available. This all helps ensure staff have a consideration of equalities and human rights within their role.We continue to raise awareness of EDI to our staff through our internal comms including awareness days and blogs. We also have an equalities section on our Group website which gives detail of our commitment to EDI, accessibility (i.e. written information and telephone), hate crime and harassment and equalities monitoring. (Home>About Wheatley>Governance>Equality and Diversity) We also implemented a more comprehensive, robust Group-wide approach towards Equality Impact Assessments to ensure we thoroughly consider the impact of our decisions, policies and service on the protected characteristic groups and remain compliant with equalities legislation. This was externally verified and our Group Policy framework now inidcates which policies require an EIA. There is also EIA online traning for staff required to complete an EIA. The EIA template and guidnace is available on our staff intranet. Equalities implications is a section in all our Board reports - here it must be clear if an EIA has been required and carried out. Equalities is an area our Boards have indicated a desire for increased visibility and we plan to include this as a topic for Board CPD. Following the release of the SHR equality monitoring guidance, we developed plans to collect equality information from Board members to inform our recruitment and succession planning. Age, ethnicity and disability diversity markers, along with skills, experience and gender, will be added to our future Group Board succession planning analysis, as well socio economic diversity based on National Statistics Socio-economic Classification criteria From January 2022, we set up a staff EDI working group to implement intitatives including the collection of equality data, including for staff and job applicants. We expanded our extenal networks including membership to the employer's network for equality and inclusion (enei) and Business in the Community (bitc). We develped an internal action plan which was externally reviewed by an inclusion advisor at Business in the Community in March 2022. The People Services Team progressed with a number of EDI initiatives including an external review of all HR policies to ensure these are inclusive in langauage and content, a review of our recruitment approach including adverts and an enei TIDE self-assessment for which we achieved Bronze level award. We also prgressed plans to launch a new EDI brand for the Group, Different Together, which includes a Community of Excellence, a resource hub for staff, staff equality networks and training.	Policy - Group Equality, Diversity and Human Rights policy (reviewed September 2022) Reporting and monitoring - Board reports include an equality implications section - Externally verified EIA template and guidance - Group Board Governace update December 2021 - Group Board workshop March 2022 - Group Solutions update August 2022 - Group Board update September 2022 Websites - Equality and diversity section on Group website (Home>About Wheatley>Governance>Equality and Diversity) - internal staff awarness raising via intranet and training -Other - development of Different Together equality collection form and guidance	**Compliant**

			Compliant
To comply with these duties, landlords must collect data relating to each of the protected characteristics for their existing tenants, new tenants, people on waiting lists, governing body members and staff. Local authorities must also collect data on protected characteristics for people who apply to them as homeless. Landlords who provide Gypsy/Traveller sites must collect data on protected characteristics for these service users.	A letter to landlords on 29 July 2022 advised that in regards to this requirement we should provide 'assurance that you have, or are in the process of implementing an effective approach to the collection of equalities information and are considering how you can adopt a human rights approach in your work.' While the updated data collection guidnace was being published, we progressed with developing our approach and plans for the collection to commence in Autumn 22. At the start of 2022, this involved reviewing which equality data we currently collected and for which purpose, and engaging with trade unions and our Tenant Scrutiny Panel to gain feedback to shape our approach to the full equality data collection exercise for both staff and customers. We also recieved external legal advice on data protection. We then used this feedback to develop an anonymous equality form and customer guidance (which we took through Stronger Voices customer focus groups before finalising these and our approach in summer 22). The collection exercise is now underway with all customers having received a form and guide to complete anonymously and return either via post or online. We gave a reccomended return date of 1 October 2022 and to date have received over 6,000 returns. We extended our equalities section on MyHousing to include all protected characteristics for those applying for a home, extended our equalities monitoring for our Board members and currently have an equality data exercise underway for staff following engagement with our trade union, enei and Different Together CoE.	Policy - Group Equality, Diversity and Human Rights policy (review 2022) Reporting and monitoring - Group Board Governace update December 2021 - Group Board workshop March 2022 - Group Solutions update August 2022 - Group Board update September 2022 Websites - Equality and diversity section on Group website (Home>About Wheatley>Governance>Equality and Diversity) - internal staff awarness raising via intranet and training -Other - development of Different Together equality collection form and guidance	Compliant
Requirements for RSLs Only			
Each RSL Must:			
Comply with the Standards of Governance and Financial Management and associated statutory guidance.	See commentary and evidence provided for each of the seven standards of governance and financial management.		Compliant
Comply with, and submit information to us in accordance with, our guidance on: - notifiable events - group structures - consulting tenants where tenant consent is required - financial viability of RSLs: information requirements - determination of accounting requirements - preparation of financial statements.	See commentary and evidence provided for each of the seven standards of governance and financial management.	Landlord Portal	Compliant
Keep up to date organisational details in the Register of Social Landlords, by maintaining the information provided through the Landlord Portal.	Organisational details up-to-date and regularly maintained via the SHR Landlord Portal All updates are monitored by Group Company Secretary and control checks are in place, specifically the portal is reviewed and updated monthly and after every Board cycle- This includes checking the organisational details and governing body member deatails are accurate for example, following retirement/appointment of Board members.	Landlord Portal SHR Website	Compliant
Make publicly available, including online, up to date details of: - who is on its governing body - the date when they first became a member/office holder - how to become a member of the RSL and of the governing body, and - minutes of governing body meetings.	About us section of RSL websites includes information about who is on the governing body and the date they first became an office holder. The 'getting involved' section of each RSL website sets out how to become a member of the RSL (where applicable) as does our RSLs constituions which are available on websites. Where applicable, memberhsip policies are also publsihed on relevant website. Minutes of Board meetings published following approval by Board and redaction in line with Freedom of Information. The Associations are required to send intimation of the intended date of the Annual General Meeting and information on the nomination procedure for Board Members to all our Members not less than 28 days before the Annual General Meeting.	RSL websites - 'about us' and 'get involved' sections. Published membership policy (where applicable) via website, and membership details available in Rules/Articles publsihed on websites Published minutes via website	Compliant

Regulatory Standards of Governance and Financial Management	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
Standard 1 The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.			
1.1 The governing body sets the RSL's strategic direction. It agrees and oversees the organisation's business plan to achieve its purpose and intended outcomes for its tenants and other service users.	The Group Standing Orders formally define the Board's role in this regard, with the approval of the strategy (strategic direction) and business plan reserved to Boards for approval. The Group Standing Orders that were live during the 21/22 financial year were approved April 2019 and contained our Group Authorsing Framework and Group Authorise, Manage, Monitor, Management Matrix- these were subsequently were reviewed during 2022 and specific Terms of Reference approved by each RSL Board. The business plan is always considered within the context of outcomes it contributes to achieving for tenants and its implementation is overseen by the budget and finance reports monitored thereafter. We have now begun implemention of the revised 5 year strategy, Your Home, Your Community, Your Future.- our Boards have an annual strategy workshop to review the RSLs strategic direction and esnure still relevant/update as necessary.	Governance Framework - Group Standing Orders (reviewed 2022) - Governing Body Members Handbook (under review) - Terms of Reference Board discussions and reporting - Board strategy workshop materials - Board reports on strategy development process and associated minutes - Board report on business plan and associated minuted confirming Board approval - Board reports detailing implications for financial projections during pandemic External validation/corroboration - Campbell Tickell 2018 governance review findings -Campbell Tickell 2021 governance review -Campbell Tickell 2021 Pandemic Response review	**Compliant**
1.2 The RSL's governance policies and arrangements set out the respective roles, responsibilities and accountabilities of governing body members and senior officers, and the governing body exercises overall responsibility and control of the strategic leadership of the RSL.	The Group Standing Orders detail respective roles and responsibilities of the Group and subsidiary Boards as well as detailing the Scheme of Financial Delegation and delegations to Group CEO. The newly approved Terms of Reference for each subsidiary Board set out the roles and responsibilities of each Board. Board member roles and responsibilities are set out in the Standing Orders and the Governing Body Member Handbook.	Governance Framework - Group Standing Orders - Governing Body Members Handbook - Terms of Reference External validation - IiP Accreditation -Campbell Tickell 2021 governance review -Campbell Tickell 2021 Pandemic Response review	**Compliant**
1.3 The governing body ensures the RSL complies with its constitution and its legal obligations. Its constitution adheres to these Standards and the constitutional requirements set out below.	The RSLs are appropriately constituted and the Group Standing Orders set out effective decision making processes. Board minutes and reports will provide details of how we ensure constitutional compliance where applicable.	**Governance Framework** - Individual entity constitutions - Group Standing Orders -Board report template **External validation** - External legal advisor engagement in the process of drafting and revising constitutions	**Compliant**
1.4 All governing body members accept collective responsibility for their decisions.	This is enshrined in the Code of Conduct as a requirement. No governing body members have breached the code of conduct in this regard, as such no action has been taken.	No issues raised or identified during the year of a Board member not accepting collective responsibility -Board appraisal forms and interviews - issue not raised -Signed Codes of Conduct	**Compliant**
1.5 All governing body members and senior officers understand their respective roles, and working relationships are constructive, professional and effective.	The respective roles are set out in the Group Standing Orders and reinforced by the Governing Body Members Handbook which sets out roles clearly and is explicit about the distinction between the role of management and the role of the Board. A comprehensive induction programme is in place, with discussion about the role of the Board and Management. This area is also explored and tested as part of the annual appraisal process. In addition, we have introduced a Group Board effectivness and appraisal policy and Group recruitment and succession planning policy. We have CPD programme and traning for our Board members as well as a Leadership development programme for senior staff. recent Institue of Directors (IoD) training was extended out to Directors in organisation as well as Board members and we will extend out further IoD CPD sessions to staff also	**Governance Framework** - Recruitment and Selection Process and Induction Programme - Group recruitment and sucession planning policy - Group Board effectiveness and appraisal policy - Group Standing Orders - Governing Body Members Handbook - Board CPD programme **External Validation** -Campbell Tickell interviews with Board members as part of previous governance review **Training** - CPD training including IoD - open to staff and Boards	**Compliant**
1.6 Each governing body member always acts in the best interests of the RSL and its tenants and service users, and does not place any personal or other interest ahead of their primary duty to the RSL.	The Standing Orders set out clearly the relationship between the parent Board and subsidiaries and the division of responsibilities. All Board Members are required to sign the Code of Conduct and complete a Governing Body Member Declaration of Interests form which covers this and the organisation maintains a register of interests, which is annually reviewed. There is a standing Board meeting agenda item regarding declaration of interests and we have introduced a Group conflicts on interests policy . Board appraisal has a specific question regarding decision making being in the best interests and no issues have been identified regarding independence of decision making.	**Governance Framework** Board Code of Conduct Group Standing Orders Arrangements in place in respect of conflicts and declarations of interest - standard Board agenda item and Register of Interests form Group conflicts of interest policy **Other** Annual Board appraisal - no issues raised by any Chair or Board member	**Compliant**

1.7 The RSL maintains its independence by conducting its affairs without control, undue reference to or influence by any other body (unless it is constituted as the subsidiary of another body).	The Group Standing Orders set out clearly the relationship between the parent Board and subsidiaries and the division of responsibilities. The composition of the Board is such that no other body exercises undue control or influence over the group and this is formally documented in Intra Group Agreements The requirement to act in the best interests of the group is reflected in the Group Code of Conduct. All Board Members complete a Governing Body Member Declaration which covers this and the organisation maintains a register of interests.	**Governance Framework** Group Code of Conduct Register of Interests form Group Standing Orders Arrangements in place in respect of conflicts and declarations of interest Group conflicts of interest policy Intra Group Agreement **External validation** Independent legal advice for RSL subs on Intra Group Agreement with Parent and on relevant transactions eg MMR stock disposal and WH Glasgow/Lowther equity	**Compliant**
Standard 2 The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities. **Guidance**			
2.1 The RSL gives tenants, service users and other stakeholders information that meets their needs about the RSL, its services, its performance and its future plans.	Each RSL within the group has a website which includes an 'Freedom to Information' section and a Publication Scheme. This explains clearly and comprehensively what information is available (with links) and how to obtain information which is not published, including fees applicable. Provided via a combination of: - Website - annual report to tenants (published on our websites) - news section on websites - social media posts - consultations We ask tenants as part of out Tenant Satisfaction Survey what tenants think about being kept informed.	**Publications** Subsidiary and group websites Information on performance, future plans eg investment and satisfaction results published on websites Annual Report to Tenants social media posts	**Compliant**
2.2 The governing body recognises it is accountable to its tenants, and has a wider public accountability to the taxpayer as a recipient of public funds, and actively manages its accountabilities.	Governing Body Handbook recognise the Group's governing bodies' accountability to tenants and service users (section regarding the role of the Board). Each RSL subsidiary publishes an Annual Report to Tenants, setting out how it has performed. Our Publication Scheme ensures that we provide a significant amount of information , supporting accountability.	**Governance Framework** Governing Body Members Handbook Annual Report to Tenants Wheatley Group Annual Report and Financial Statements Subsidiary and group websites (investor relations section of website gives information on use of funds, including public funds) Group Code of Conduct Group Engagement Framework	**Compliant**
2.3 The governing body is open and transparent about what it does, publishes information about its activities and, wherever possible, agrees to requests for information about the work of the governing body and the RSL.	We are committed to being transparent and open about the way we work, the services we provide and the decisions we make. One of the ways we do this is through our publications scheme under The Freedom of Information (Scotland) Act 2002. We are bound by the Environmental Information (Scotland) Regulations 2004 which gives the public the right to access environmental information we hold.	**EVIDENCE:** Provided via a combination of: - Website - Annual Report to Tenants - Publishing Board reports	**Compliant**
2.4 The RSL seeks out the needs, priorities, views and aspirations of tenants, service users and stakeholders. The governing body takes account of this information in its strategies, plans and decisions.	We are progressing with our 2021-2026 Group Strategy, as well as our 2021-2026 subsidiary strategies. These seek to give tenants more power and control to effect changes in the organisation directly, and have increased involvement in decision making. Our Engagement Framework, Stonger Voices Stonger Communities, contains a commitment that customer engagement would be a key milestone in at least 50% of our strategic projects. Stronger Voices, Stronger Communities incorporates a variety of ways customers are engaged across the group to shape what the group does. We do this via a combination of: - Stronger Voices team i.e. gathering intelligence and priorties thorugh Walkabouts - governance structures - Customer Voices focus groups being involved in co-creating/reviewing policies or our approaches e.g. to equality data collection - Tenant Scrutiny Panel - locality planning - use of complaints - annual satisfaction surveys - consultations - tenant members on Boards representing service user views Tenant board members bring customer insight to strategic decision making.. The Boards will also receive a bi-annual update on how we used the full range of our planned engagement acitvity to inform priorities. The Group operates customer segmentation to understand their customer base and shape services accordingly. We developed our approach to customer equality data collection jointly with customers, to gain their views and ensure they feel comfortable and trusted in this process. We will use this data to tailor our service design and delivery to the needs of our customers.	**External validation** - Meetings between senior management and stakeholders - Direct Board engagement with key stakeholders eg Housing Minister - BMG independently facilitated rent setting workshops for 2020/21 rent setting process **Decision making** - Annual Board strategy workshop briefing packs detailing background information - Board composition includes tenants - builds in feedback at decision making point - Customer Voices involved in development and review of policies/strategies - Board report on rent setting - documents extensive consultation feedback **Board reporting and monitoring** - ongoing Board reports on key areas of tenant feedback, including complaints - customer engagment section included in Board reports **Engagement Framework** - Locality plans, including the range of engagement and feedback events facilitated during the process	**Compliant**

2.5 The RSL is open, co-operative, and engages effectively with all its regulators and funders, notifying them of anything that may affect its ability to fulfil its obligations. It informs the Scottish Housing Regulator about any significant events such as a major issue, event or change as set out and required in notifiable events guidance.	We have high engagement and as such meet the SHR on a regular basis as well as having an ongoing line of communication. Regular meetings held with Funders. We notify SHR of 'Notifiable Events' in accordance with requirements of SHR Notifiable Events guidance. Notifibale events to be notified are highlighted through review of the SHR notifable events guidance. For example, this was reviewed prior to comencing our Cube transfer project (and subsequent transfers and name change projects) to ensure any notifable events were identified to be notified in the required tiemscale i.e. outcome of tenant consultation, conlcusion of transfer. This was respsonsibility of Governance team to notify and was baked into our project plans. We also maintain disposals and acquistions registers which we receieve notification from the property legal team either thorugh direct email to the Governance team or to our Board and Committees mailbox, which is checked regularly. For additional assurance, we receieve a monthly round up of disposals and acquistions from the property legal team to check agianst our own records. It is the responsibility of the Governance team to action and notify of any relevant disposals or acquisitions and we do this monthly. We also keep a resgiter of notifiable events. Addtioanlly, in 2022 we introduced a Group Disposal and Acquisiton policy and RSL versions of this.	**Evidence** SHR Quarterly Meeting agendas Funder meeting agendas Group Engagement Plan - published by WHG and SHR Internal notifable events register and disposal and acquistions regsiter	**Compliant**
Standard 3 The RSL manages its resources to ensure its financial well-being while maintaining rents at a level that tenants can afford to pay. **Guidance**			
3.1 The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and control costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times.	The Standing Orders set out clear financial delegations and there is an appropriate Treasury Management Policy in place. The Treasury Management policy was reviewed and refined this year and financial information is regularly reported to the Board including compliance with golden rules and covenants. In addition to this we regularly report to Boards and have an extensive discussion each year on financial projections and treasury management, including liquidity. We also have a suite of policies to mitigate against the misuse of our finances including our Group Whistleblowing policy, Group Fraud, Corruption and Bribery Policy and Group AntiMoney Laundering and Counter Terrorism Financing policy	**External validation** - Review by Rathbones of core business planning assumptions - Group Treasury Management Policy (reviewed 2022) was reviewed by our external treasury advisors - External audit process **Governance and Policy Framework** - Treasury Management Policy - Group Whistleblowing Policy (reviewed 2022) - Fraud, Corruption and Bribery Policy (reviewed 2022) - Group AntiMoney Laundering and Counter Terrorism Financing policy - Group Standing Orders including financial delegations (reviewed 2022) **Ongoing reporting** - Quarterly treasury report to Group Board on funding requirements and liquidity - Covenant compliance - Internal Audit core programme of auditing key financial controls - Finance reports to Boards	**Compliant**
3.2 The governing body fully understands the implications of the treasury management strategy it adopts, ensures this is in the best interests of the RSL and that it understands the associated risks.	There is a suitable treasury management policy in place, which was reviewed by the Board during the last year. The Board skills matrix is takes into account the need for membership to include Non-Executives with relevant skills and experience in this area. Boards routinely seek sufficient external independent guidance to ensure its decisions are in our best interest, with significant input from external legal advisors.	**Board membership** -The Board succession planning specifically seeks to ensure we have individuals with skills and experience in this area - Board skills matrices **Policy Framework** - Treasury Management Policy - Quarterly treasury update to Wheatley Group Board **External validation** - Extensive external legal advice on any major funding transactions, specifically in relation to the risks	**Compliant**
3.3 The RSL has a robust business planning and control framework and effective systems to monitor and accurately report delivery of its plans. Risks to the delivery of financial plans are identified and managed effectively. The RSL considers sufficiently the financial implications of risks to the delivery of plans.	Business planning process takes into account a wide range of variables, which are reflected in Board reports eg sensitivity testing, assumptions. These were reviewed and tested during the pandemic to reflect the change in risk profile. Financial performance is reported to Board as a standing item detailing performance relative to business plans and budgets. Reports to the Board on financial projections are part of the business planning process set out comprehensive and clearly explained information including appropriate context, detailed financial projections and details of projected compliance with golden rules and covenants. Minutes demonstrate a good level of Board engagement with financial projection reporting. Regular reporting to Board provides clear information about financial performance across the group including all subsidiaries as well as performance against covenants and golden rules.	**Board reporting and monitoring** - Annual stress testing of business plan as part of Board approval process - Pandemic and wider economic impact scenario testing on financial projections - Risk register considered by the Group Audit Committee at every meeting and by each Board periodically - Risk workshops held with Boards in May/June, risk approach reviewed and updated - Board reports regarding Financial Performance - Treasury management reports -Board reports re budget proposals and financial assumptions	**Compliant**
3.4 The governing body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases.	Our assumptions are validated externally where appropriate and always subject to sensitivity analysis. As part of agreeing our financial projections each year the rent increase is subject to specific separate report which takes into account affordability for tenants.	**Board reporting and monitoring** - Board reports regarding Financial Performance and Financial Projections - Report to Group Board on treasury update and policy - Financial performance report to Group Board and Subsidiary Board meeting - Minutes of Group and Subsidiary Board meetings -Tenant rent setting consultation results	**Compliant**

3.5 The RSL monitors, reports on and complies with any covenants it has agreed with funders. The governing body assesses the risks of these not being complied with and takes appropriate action to mitigate and manage them.	We have an on-going process and report compliance as part of finance report to Group Board in addition to projected compliance being a consideration when assessing and agreeing our financial projections.	**Board reporting and monitoring** - Financial performance and treasury reports to Group Board - Report to Boards on financial projections	**Compliant**
3.6 The governing body ensures that employee salaries, benefits and its pension offerings are at a level that is sufficient to ensure the appropriate quality of staff to run the organisation successfully, but which is affordable and not more than is necessary for this purpose.	All staff gradings are subject to an internal assessment using defined criteria by Employee Relations.We also engage with our Trade Unions as part of our annual pay uplift. The pension arrangements are routinely reviewed by the Board/RAAG and this included changes for auto enrolment to not offer SPF to all incoming employees. This was on the basis that it was not necessary to attract employees. Our Group Pension Strategy was last reviewed and approved by the Group Board in December 2021. Overall staffing costs and their impact are considered as part of the financial projections.	**Governance Framework** - Group Standing Orders **Board reporting and monitoring** - Confidential minute of RAAG report to Board on Chief Executive's remuneration - Financial projections - Dual pension arrangements in place for Wheatley Homes Glasgow - Group Pension Strategy	**Compliant**
3.7 The governing body ensures the RSL provides accurate and timely statutory and regulatory financial returns to the Scottish Housing Regulator. The governing body assures itself that it has evidence the data is accurate before signing it off.	All returns are submitted to the SHR. Where appropriate, we schedule our Board meetings around key Regulatory returns for sign off ahead of submission deadline, for example 5YFP, loan portfolio and ARC are included on the agendas for all RSL Board meetings in May. Governing Body requires formal Board reports to be provided with clear recommendations about sign-off. The Governance team check the SHR portal to ensure returns have been made within timescales. Return of regulatory returns within timescales is included in Business Excellence Frameworks (BEF) between Wheatley Solutions and RSLs - measures in the BEFs are reported to Boards.	**Board reporting and monitoring** - Board papers and agendas - Solutions Business Excellence Frameoworks	**Compliant**
Standard 4 The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose. **Guidance**			
4.1 The governing body ensures it receives good quality information and advice from staff and, where necessary, expert independent advisers, that is timely and appropriate to its strategic role and decisions. The governing body is able to evidence any of its decisions.	Board reports are structured in a Board approved standard format with specific headings to ensure appropriate information is contained in key areas such as finance, risk and legal/regulatory. in 2021, Campbell Tickell carried our a strategic governance review - this included the recommendation '*Efforts should be made to ensure Board and committee papers are concise, with executive summaries incorporated into the template and recommendations moved up-front in reporting* We partially accepted this reccomendation and carried out a full full review of the board template, including content and structure, in early 2022 and a new template is now in use. Board feedback on reports is received during meetings as well as part of the annual Board appraisal.	**Board reporting and monitoring** - **Board reporting template** - Board meeting papers - Board and Committee minutes **Governance Framework** - Group Standing Orders and Scheme of Delegation **External Assurance** - Campbell Tickell review of governance arrangements, including the quality of Board papers.	**Compliant**
4.2 The governing body challenges and holds the senior officer to account for their performance in achieving the RSL's purpose and objectives.	This is primarily discharged via Board meetings.	**Board reporting and monitoring** - Board Reports and associated minutes	**Compliant**
4.3 The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigation, internal control and audit.	We have a clearly defined risk management framework. This is reviewed on an ongoing basis. Risk analysis is a specific element of all Board papers and therefore embedded in our decision making at Board level. Where there is a particular risk there is an enhanced level of Board reporting on specific risks as has been in place throughout the pandemic.	**Group policies** - Risk management policy **Governance framework** - Group Standing Orders (including Board and committee Terms of Reference) and Audit Committee Terms of Reference - Reviewed 2022 as part of Strategic Governance reveiew **Board reporting and monitoring** - Reports to Group Audit Committee and all RSL Boards - Minutes relative to the above	**Compliant**
4.4 Where the RSL is the parent within a group structure it fulfils its responsibilities as required in our group structures guidance to: (a) control the activities of, and manage risks arising from, its subsidiaries; (b) ensure appropriate use of funds within the group; (c) manage and mitigate risk to the core business; and (d) uphold strong standards of governance and protect the reputation of the group for investment and other purposes.	The role and controls of the Parent are codified in all subsidiary constitutions, along with the roles and responsibilities set out in Intra Group agreements and the Group Standing Orders. Examples of this include Parent approval rights over areas such as Board appointments, constitutional changes, policy and funding. In addition to this, our standard reporting arrangements are such that the Group Board always receives Group wide performance information as well as details of any material issues at individual subsidiary level.	**Governance Framework** - Constitutions - Group Standing Orders - Intra Group Agreement **Board reporting and monitoring** - Board packs	**Compliant**

4.5 The RSL has an internal audit function. The governing body ensures the effective oversight of the internal audit programme by an audit committee or otherwise. It has arrangements in place to monitor and review the quality and effectiveness of internal audit activity, to ensure that it meets its assurance needs in relation to regulatory requirements and the Standards of Governance and Financial Management. Where the RSL does not have an audit committee, it has alternative arrangements in place to ensure that the functions normally provided by a committee are discharged.	We have a clearly established Group Audit Committee with a remit including oversight of internal audit. The IA team is required to have an External Quality Assessment at least every 5 years to give the AC assurance on the quality and effectiveness of the Internal Audit function. (Last completed in 2018)	**Governance framework** **-** Audit Committee Terms of Reference (reviewed 2022) **Board reporting and monitoring** - Assurance Update Board Reports - Group Audit Committee reports **External** - IA EQA	**Compliant**
4.6 The governing body has formal and transparent arrangements for maintaining an appropriate relationship with the RSL's external auditor and its internal auditor.	This is clearly defined via the Group Standing Orders, mainly within the purview of the Group Audit Committee. These also include Terms of Refernece for the Audit Committee, which were reviewed in 2022. The Committee completed a self-assessment of performance this year, which included consideration of how relationship with External Audit and Internal Audit is maintained.	**Governance framework** **-** Audit Committee Terms of Reference (updated 2022)	**Compliant**
Standard 5 The RSL conducts its affairs with honesty and integrity. **Guidance**			
5.1 The RSL conducts its affairs with honesty and integrity and, through the actions of the governing body and staff, upholds the good reputation of the RSL and the sector.	The Wheatley Group Code of Conduct sets out expectations. Staff are also bound by the Code of Conduct and HR Policies. We have a Whistleblowing Policy , an Anti-fraud, corruption and Bribery Policy, and Anti-money Laundering policy. The Code of Conduct has been strengthened for the Group Board via stronger provisions for dealing with any suspected breaches, with the power now in place to enforce vacation of office.	**Governance framework** - Group Standing Orders - Group Code of Conduct (governing body and staff) - Whistleblowing policy - Anti-fraud, corruption and Bribery Policy, -Anti-money Laundering policy.	**Compliant**
5.2 The RSL upholds and promotes the standards of behaviour and conduct it expects of governing body members and staff through an appropriate code of conduct. It manages governing body members' performance, ensures compliance and has a robust system to deal with any breach of the code.	We operate a Group Code of Conduct which all members are required to sign up to. It includes arrangements to deal with any breach of the code. An appraisal system is in place to manage governing body performance. Similar arrangements are in place for staff via HR policies and the Staff code of conduct.	**Governance framework** **-** Group Code of Conduct and Conflicts Policy - Governing Body Board effectivness and Appraisal Policy (reviewed 2022) '- HR policies and staff code of conduct available on We Connect.	**Compliant**
5.3 The RSL pays due regard to the need to eliminate discrimination, advance equality and human rights, and foster good relations across the range of protected characteristics in all areas of its work, including its governance arrangements.	Our leaders empower all employees to live the Wheatley Group values; Trust, Community, Excellence and Ambition. The values are integrated into the MyAppraisal appraisal process. Our EDI and Human Rights policy outlines how we pays due regard to the need to eliminate discrimination, advance equality and human rights, and foster good relations across the range of protected characteristics in all areas of its work This is also embedded in our HR policies and in our governance arrangements through Equality Impact Assessments and inlcuding an equalities section in all Board reports to ensure equality impliactions are considered. We also ensure are staff are trained with EDI e-learning and Hate Crime training so staff are educated on the protectetd characteristics.EDI training is included in staff induction. in additon, we have staff and group governing body members Codes of Conduct which our staff and Board members must abide by.	**Group policies and associated documents** **-** Wheatley Group Values - HR policies including Dignity at Work and Employee Code of Conduct - Group Governing Body Member Code of Conduct and Conflicts Policy (policy reviewed 2022) - Group Equality, Diversity and Human Rights policy (currently under review) - Equality Impact Assessments inlcuding template, guidnace and training - externally validated. Equalities impliactions in all Board reports. - Equality, Diversity and Inclusion awareness training mandatory for all staff and included in induction - externally validated - Hate Crime training for staff	**Compliant**
5.4 Governing body members and staff declare and manage openly and appropriately any conflicts of interest and ensure they do not benefit improperly from their position.	We operate a register of interests and declarations of interest is a standing item on Board meeting agendas. Our Group policies on Gifts, Hospitality, payments and benefits have been refreshed during early 2022. This includes guidlines staff must follow to decalre an interest i.e. completing a declaration of interest form for inclusion in our staff register of interest. A new policy on Non-Executive Director Conflicts of Interest has also now been introduced.	**Group policies and associated documents** - Group Code of Conduct - Group Conflicts of Interest Policy - Register of Interests form and Group register of interests/related parties - Staff Regsiter of interests and form - Group policy on gifts, hospitality, payments and benefits (updated 2022) - Non - Executive Director Conflicts of Interest Policy (introduced 2022) Board reporting and monitoring - Minutes of Board meetings - Example of standing item on Board meeting agendas	**Compliant**
5.5 The governing body is responsible for the management, support, remuneration and appraisal of the RSL's senior officer and obtains independent, professional advice on matters where it would be inappropriate for the senior officer to provide advice.	Group CEO appraisal is undertaken by Group Chair and remuneration levels are set by the Board based on previous SHR Recommended practice such as relevant benchmarking and metrics such as pay per home. Our RAAG committee considers this for reccomendation to our Group Board. The Board accesses independent professional advice and holds discussions without the Group Chief Executive where appropriate.	**Group governance framework** - Group Standing Orders **Board reporting** - Reports to RAAG Committee and Group Board on Group CEO terms and conditions. Eg as considered by Group Board in February 2022	**Compliant**
5.6 There are clear procedures for employees and governing body members to raise concerns or whistleblow if they believe there has been fraud, corruption or other wrongdoing within the RSL.	We have specific Whistleblowing and Fraud, Bribery and Corruption and Anti-money laundering Policies in place, approved by the Group Audit Committee. These were reviewed in 2022 .	**Group policies** - Group Whistleblowing policy - Group Fraud, Corruption and Bribery policy - Group Anti money laundering and counter terrorism financing policy	**Compliant**

5.7 Severance payments are only made in accordance with a clear policy which is approved by the governing body, is consistently applied and in accordance with contractual obligations. Such payments are monitored by the governing body to ensure the payment represents value for money. Alternatives to severance must be considered including redeployment.	Our existing approach to ER/VR consists of two elements: our individual polices on Early Retirement and Redundancy and affordability criteria we apply agreeing any form of what may be classified as a 'severance payment. Any instances of severance are reported to RAAG committee.	**Group policies and associated documents** - Polices on redeployment, redundancy and early retirement linked to redundancy (WH Glasgow, Loretto, WLHP, and Dunedin Canmore) - Legal Advice regarding severance	**Compliant**
5.8 Where a severance payment is accompanied by a settlement agreement this must not be used to limit public accountability or whistleblowing. RSLs must take professional legal advice before entering into a settlement agreement.	We engage external legal advice in relation to any settlement agreements and we seek legal advice in every instance.	Legal Advice regarding severance	**Compliant**
Standard 6 The governing body and senior officers have the skills and knowledge they need to be effective. Guidance			
6.1 The RSL has a formal, rigorous and transparent process for the election, appointment and recruitment of governing body members. The RSL formally and actively plans to ensure orderly succession to governing body places to maintain an appropriate and effective composition of governing body members and to ensure sustainability of the governing body.	We have undertaken a comprehensive review of our succession plans in light of the pandemic to ensure we maintain an appropriate and effective composition. We have a Appraisal and Board effectiveness policy and Board recruitment sucession planning procedure (reviewed and introduced in 2022). The Board undertake an annual appraisal process. We carry out a skills self-assesment and mapping exercise against agreed skills matrices with our Boards. We also collect equalities data from our Board members. This all informs our 3 year sucessions plans which we reveiw annually. Recruitment vacancies are always advertised and subject to: - the process set out in constitutions - recruitment policy - RAAG committee agreement	**Group governance framework** - Group Standing Orders - Group Board effectivness and appraisal policy - Group Board recruitment and sucession planning procedure - Sub Board skills matrices and succession plans	**Compliant**
6.2 The governing body annually assesses the skills, knowledge, diversity and objectivity it needs to provide capable leadership, control and constructive challenge to achieve the RSL's purpose, deliver good tenant outcomes, and manage its affairs. It assesses what is contributed by continuing governing body members, and what gaps there are that need to be filled.	Annual appraisal is in place and the policy includes self assessment together with a 1-2-1 review with Chair to evaluate performance. These are reported in the August Board reports. The Group has an appropriate Succession Planning Procedure in place.	**Group governance framework** - Constitutions - Group Standing Orders - Group Board recruitment and sucession planning procedure **Board reporting and monitoring** - Board appraisal report to Group Board; - RSL Board Succession Plans - Board induction process - Subsidiary Board reports on appraisal and succession	**Compliant**
6.3 The RSL ensures that all governing body members are subject to annual performance reviews to assess their contribution and effectiveness. The governing body takes account of these annual performance reviews and its skills needs in its succession planning and learning and development plans. The governing body ensures that any non-executive member seeking re-election after nine years' continuous service can demonstrate their continued effectiveness.	An annual appraisal process is in place and the policy includes self assessment together with a 1-2-1 review with the Chair to evaluate performance.	**Group governance framework** - Constitutions - Group Standing Orders - Group Board recruitment and sucession planning procedure - Board induction process - Board CPD Programme **Board reporting and monitoring** - Board appraisal report to Group Board; - 3-year Succession Plans including specific agreement to extend beyond 9 years and assessment of continued effectiveness to support this	**Compliant**
6.4 The RSL encourages as diverse a membership as is compatible with its constitution and actively engages its membership in the process for filling vacancies on the governing body.	Our approach, as documented in our membership policies and constiutions, was reviewed last year and agreed by all relevant Boards taking into account this Regulatory Standard.	**Group policies** - Membership Policies **Group governance framework** - Constitutions **Board reporting** - reports to individual Boards regarding membership changes and assessing compliance with this standard as part of the changes agreed	**Compliant**
6.5 The RSL ensures all new governing body members receive an effective induction programme to enable them to fully understand and exercise their governance responsibilities. Existing governing body members are given ongoing support and training to gain, or refresh, skills and expertise and sustain their continued effectiveness.	We have a structured approach to board induction and CPD. In addition to this, we take into account operating context, with tailored CPD delivered during the pandemic on virtual meetings and a hybrid appraoch of both online and in-person going forward .	**Induction and training** - Induction process - CPD programme - Institute of Directors (IoD) induction programme session on the Role of a Non-Exec Director	**Compliant**

6.6 If the governing body decides to pay any of its non-executive members then it has a policy framework to demonstrate clearly how paying its members will enhance decision-making, strengthen accountability and ownership of decisions, improve overall the quality of good governance and financial management and deliver value for money.	The Group Governing Body Remuneration Policy sets out the Group's approach to remuneration - which is to remunerate non-executive positions in order to attract and retain those with the right talents, skills and experience. The remuneration is based on a number of principles, which are set out in the Policy. Currently it is only our Group Board, Group committees and Wheatley Developments that are remunerated roles - remuneration is considered by RAAG for recommendation to Group Board.	**Group policy framework** - Governing Body Remuneration Policy **Board reporting and monitoring** - Board reports eg February 2022, September 2022	**Compliant**
6.7 The governing body is satisfied that the senior officer has the necessary skills and knowledge to do his/her job. The governing body sets the senior officer's objectives, oversees performance, ensures annual performance appraisal, and requires continuous professional development.	This is overseen via the Group Chair, who undertakes and annual appraisal of the Group Chief Executive and provides feedback to the Group RAAG Committee and Group Board. Recently went through process for appointing new CEO with the recruitment process starting in early 2022 - external recruitment advisors, the Group Chair and Chair of audit were all involved to ensure correct skills and experinece of successful candidate.	**Board reporting and monitoring** **-** Confidential minutes of RAAG report to Group Board.	**Compliant**
Standard 7 The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants. **Guidance**			
7.1 The governing body discusses and scrutinises any proposal for organisational change and ensures that the proposal will benefit current and future tenants.	The West Lothian Housing Partnership (WLHP) transfer to Dunedin Canmore (DC) commenced early 2022 - this has been reviewed by the WLHP, DC and Group Boards taking into account the implications for tenants. Cube transferred to WH Glasgow and Loretto in May/June 2021- The Cube, WH Glasgow and Loretto Boards took all the necessary steps for transfer including review proposals and outcome of customer consulation on the proposals to ensure benefits to customers before apporving the transfer. A consulation of the re-branding of WH Glasgow following the Cube transfer took place in autumn 2021- again the WH Glasgow carefully scrutinised plans before approving the change. Name chnages for DC and DGHP took a similar approach.	**Board reporting and monitoring** - Board reports - Board minutes	**Compliant**
7.2 The RSL ensures that its governance structures are as simple as possible, clear and allow it to meet the Standards of Governance & Financial Management, Constitutional Requirements, and Group Structures guidance.	We operate a relatively flat and simple corporate structure. Governance Review with advice from Campbell Tickell, supports recent decision to rationalise the Group by dispersing activities of Cube and ultimately winding one entity up. We have now also agreed to undertake further consolidation of the Group structure and the transfer of West Lothian Housing Partnership to Dunedin Canmore is now complete. Intra-group agreements are in place between the parent and each subsidiary.	**Group governance framework** - Group Standing Orders - Intra-Group Agreements **External validation** - Campbell Tickell Governance review **Board reporting and monitoring** - Board packs	**Compliant**
7.3 The RSL ensures adequate consultation with, and support from, key stakeholders including tenants, members, funders (who may need to give specific approval) and local authorities as well as other regulators.	The Cube traansfer involved significant engagement with key stakeholders, including Local Authorities and customers. The WH Glasgow name change project also involved consulation with customers in autumn 2021 and Stakeholder engagment for the WLHP transfer commenced in March 2022, includuing engagment with the regulator. Further name change projects also included stakeholder and regulator engagement.	**Board reporting and monitoring** - Board reports **Other** - Exchanges with Local Authorities and customers	**Compliant**
7.4 The governing body is satisfied that the new (or changed) organisation will be financially viable, efficient and will provide good outcomes for tenants.	This was assessed fully by the respective Boards in realtion to the Cube transfer and before progressing with plans for the WLHP transfer i.e. in developing proposal offer which customer were consulted and balloted on.	**Board reporting and monitoring** - Board reports - Board minutes	**Compliant**
7.5 The RSL establishes robust monitoring systems to ensure that delivery of the objective of the change and of commitments made to tenants are achieved (for example in relation to service standards, operating costs and investment levels).	We have clear monitoring arrangements in place for ensuring commitments to tenants are monitored and delivered. These will also be reported to the relevant Boards on an ongoing basis.	Board reporting including updates post-transfers, annual rent setting where there has been a rent promise made as part of partnership proposal	**Compliant**
7.6 Charitable RSLs seek consent/ notify OSCR of changes to their constitution and other changes as appropriate.	OSCR approval sought in respect of WLHP transfer and WH Glasgow name change - also for upcoming DC and DGHP name change . OSCR notified of Cube transfer within timescales i.e. within 3 months.	Formal notification documents to OSCR	**Compliant**
7.7 The governing body ensures that disposals, acquisitions and investments fit with the RSL's objectives and business plan, and that its strategy is sustainable. It considers these taking account of appropriate professional advice and a consideration of value for money - whether as part of a broader strategy or on a case by case basis.	This is not an ongoing requirement, rather a requirement to be met if and when such activity happens. Such activities remain reserved to the Board unless otherwise delegated under very clear criteria.	**Board reporting and monitoring** - Sub Board report - Group Standing Orders	**Compliant**
7.8 The RSL complies with regulatory guidance on tenant consultation, ballots and authorisation.	The three recent instances of re-structure within the Group have demonstrated proper consultation with tenants, even though nothing was conducted in the year of assessment for this statement.	Board reports and associated tenant consultation documentation	**Compliant**

7.9 The RSL notifies the Regulator of disposals in accordance with regulatory guidance.	We have a clear, robust internal process in place for ensuring that all disposals are notified to the SHR. All staff who are potentially involved in disposals are clear on where this triggers a notification requirement. The Property Legal team notify the Governance team of any disposals. The Governance team maintain a disposal register and notify the SHR of any notifiable disposals on a monthly basis usuing the SHR portal. The Governance team check their records against the Porperty Legal team records on a monthly basis to ensure all disposals are captured. An updated Disposals policy has been approved and rolled out during 2022 .	SHR Portal holds records of all notifiable disposals. Disposals register	**Compliant**
7.10 The RSL only agrees fixed or floating charges where the assets are used to support core activities. This should exclude providing security in relation to staff pensions.	The Group funding structure is split between 'RSL' and 'Others.' Wheatley Funding No. 1 Limited (WFL1) was formed as a special purpose vehicle to facilitate funding the Group RSLs from bond issuance and bank lenders. WFL1 borrows funds from the bond issuer and banks and on-lends them to the RSLs within the Group in accordance with the criteria set out in the Intercompany Loan Agreements. The Bond is secured against Group Properties. These Charged Properties are named in the Bond Trust Deed and there are requirements to notify the Trustee if the Group wants to add, substitute, release or dispose of a property charged against the Bond loan value. A Secured stock spreadsheet is maintained by the Treasury Team. Annual Valuations on the Group Assets are undertaken by JLL including separate valuations for each funder against assets. In addition, Prudential Securities provides its own report on funding against the Group Assets which Treasury reconcile quarterly against their own records.	**Corporate records** - Financial records of RSLs and WFL1 - Security spreadsheet	**Compliant**

The constitution of the RSL must comply with all legislative requirements under the 2010 Act (which are not replicated here) and the following regulatory requirements:	Self-Assessment Commentary	Evidence and sources of assurance	Self Assessment
	All RSL rules take into account the SFHA Charitable Model Rules, subject to us ensurign that the reflect our own needs. All constitutions are subject to a) review by individual Boards b) review by our external legal advsiors, and c) agreement by members.		**Compliant**
1. It sets out clearly the RSL's purpose, objects and powers.	WH Glasgow: section 2 of Rules- Objects and purpose; 45-47 Powers Loretto: section 2 of Rules- Objects and purpose; 45-47 Powers WLHP: section 2-4 of Articles- Objects and purpose; 5 Powers WHE: section 2 of Rules- Objects and purpose; 45-47 Powers WHS- section 5 of Articles - Objects and purpose; 6 - Powers	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	**Compliant**
2. The RSL is able to fulfil its obligations in terms of its legal status and (if relevant) its obligations as a registered charity. These obligations and how they will be met are set out in the constitution.	Obligations and how these will be met are set out in Rules/Articles	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	**Compliant**
3. There is a system for keeping accounts and ensuring an independent audit by an appropriately qualified person. There is a proper procedure for appointing an auditor. The governing body should take whatever measures are necessary to ensure the continuing independence of the auditor including periodic review of the need for audit rotation. The RSL must send a copy of its accounts and the auditor's report to us within six months of the end of the period to which they relate.	The Group has established financial procedures for preparing the annual accounts. These are kept and prepared within the requirements of our RSLs Rules/Articles. The appointment of auditor is considered annually as part of the AGM. The appointment of the external auditor is also approved by Group Audit Committee who also reviews their performance as part of their annual self-assessment. Audited accounts and auditor's report are presented to the Board for approval in August Board meetings. Accounts presented to members at AGM and audit elected for the following financial year. All annual returns regarding annual accounts are made within required timescales each year including to SHR, OSCR and FCA or Companies House (as apporporate).	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	**Compliant**
4. It is clear what investments and borrowing the governing body can authorise.	WH Glasgow: section 18 of Rules Loretto: section 18 of Rules WLHP: section 6 of Articles DCH: section 18 of Rules DGHP- section 7 of Articles	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	**Compliant**
5. There is a procedure for dealing with disputes on matters contained within the constitution.	WH Glasgow: section 82 of Rules Loretto: section 82 of Rules WLHP: section 80 of Articles WHE: section 82 of Rules WHS- section 68 of Articles	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	**Compliant**
6. It is clear how changes can be made to the constitution.	WH Glasgow: section 88 of Rules Loretto: section 88 of Rules WLHP: section 83 of Articles WHE: section 88 of Rules WHS- section 73 of Articles	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes. For example, our legal advisors were engaged during the name change process for WH Glasgow which involved holding an SGM on the 29 June 2022 to pass the resolutions for the name chnage and also to update the RSLs rules. The name change was registered with the FCA on 20 July and rule change on 17 August - all other nescessary notifications including to the SHR have been/will be made within required timelines. - Evidence in folder.	**Compliant**
7. It is clear how the RSL can be closed down.	WH Glasgow: section 86 of Rules Loretto: section 86 of Rules WLHP: section 82 of Articles WHE: section 86 of Rules WHS- section 69-70 of Articles	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	**Compliant**
8. The RSL can demonstrate its governance and financial arrangements are such as to allow the Regulator to regulate effectively, and exercise our full regulatory powers.	Demonstrated through our RSL Rules/Articles, Group Standing Orders and governance policies, RSL Board Terms of Reference, Board meetings and accompanying reports and ongoing regulatory engagment with SHR as required.	All RSL Rules/Articles of Association and supporting Board papers at time of approval. Harper MacLeod are involved in the preparation of all constitutional changes.	**Compliant**
In relation to an RSL within a group structure:			

9. Each organisation within the group must have a distinct legal identity and separate constitution. The constitutional and financial relationships between all organisations in the group (registered or non-registered) must be documented formally and in terms that are transparent and understandable.	All RSLs have their own legal identity and Articles and Rules. Defined Group Structure and organisations enter into an Intra-Group Agreement with the Parent, which defines the relationship.	All RSL Rules/Articles of Association Model Intra Group Agreement	**Compliant**
10. If any of the organisations within the group are charities, the RSL's role and relationships with other group members are consistent with charity law.	As set out in RSL Rules/Articles of Association	All RSL Rules/Articles of Association	**Compliant**
11. The constitutions of group members must enable the parent to exercise control and to take corrective action where required.	Arcticles/Rules set out powers of Parent and where Parent approval is required	All RSL Rules/Articles of Association	**Compliant**
12. There are procedures in place designed to avoid conflicts of interest, particularly where members of the subsidiary's governing body are also members of the parent's governing body.	Register of of interests reviewed and updated annually, declarations of interest as standing agenda item and newly reviewed Conflicts of Interest policy	All RSL Rules/Articles of Association	**Compliant**
13. Where it is constituted as a subsidiary of another body, the RSL's constitution permits control by the parent but with sufficient independence to carry out its business, within limits set by the parent.	As per constitutions	All RSL Rules/Articles of Association	**Compliant**
With regard to the governing body of the RSL and the members of the governing body:			
14. Recruitment to the governing body is open and transparent. It is clear who is eligible to become a member of the governing body and how to become a member of the governing body whether by election, nomination, selection, etc and how membership is ended. There is a procedure for removing members from the governing body.	WH Glasgow: section 39-44 of Rules Loretto: section 39-44 of Rules WLHP: section 39-44 of Articles WHE: section 39-44 of Rules WHS- section 38-45 of Articles	All RSL Rules/Articles of Association	**Compliant**
15. There is a procedure by which members stand down from the governing body to allow for a turnover in membership. Governing body members are appointed for specific terms subject to re-election or re-appointment.	Board members are appointed for 3-year fixed terms before re-appointment required. Board members cannot serve beyond 9 consecutive years (unless extended and approved by Parent) - specific terms of this are set out in relevant constitutions	All RSL Rules/Articles of Association	**Compliant**
16. The membership of the governing body must be no fewer than seven and not normally exceed 15 members, including co-opted members. Names of the governing body members must be accessible to the public.	Composition of Board- WH Glasgow: section 37 of Rules Loretto: section 37 of Rules WLHP: section 37 of Articles WHE: section 37 of Rules WHS- section 37 of Articles All Board members avaiable on websites	All RSL Rules/Articles of Association	**Compliant**
17. The powers and responsibilities of the governing body are clearly set out.	As per constituions	All RSL Rules/Articles of Association	**Compliant**
18. The roles, powers and responsibilities of governing body office bearers are set out. And any delegation to committees or staff are clearly set out in standing orders and delegated authorities.	As per constitutions and Group Standing Orders WH Glasgow: section 59 of Rules Loretto: section 59 of Rules WLHP: section 59 of Articles WHE: section 59 of Rules WHS- section 60 of Articles	All RSL Rules/Articles of Association	**Compliant**
19. There are provisions for the RSL to remove a governing body member who does not sign up to the code of conduct and to take action against or remove a governing body member in breach of the code.	WH Glasgow: section 37.5, 37.10, 44.5 of Rules Loretto: section 37.5, 37.10, 44.5 of Rules WLHP: section 37.4, 44.5, of Articles WHE: section 37.5, 44.5 of Rules WHS- section 14 and 44 of Articles	All RSL Rules/Articles of Association	**Compliant**
20. Where the constitution allows executive staff on to the governing body, they must be excluded from holding office, and cannot form a quorum or a majority. Executive members of the governing body should not receive any additional payment for their governing body role over and above what they are entitled to under their contract of employment.	As per constitutions	All RSL Rules/Articles of Association	**Compliant**
21. It is clear what types of meetings can and should be held and their purpose. There are clear procedures to call all meetings, and it is clear what the quorum of meetings should be, how resolutions will be passed, and decisions recorded, and how many meetings should take place each year, subject to a minimum of six governing body meetings a year.	As per constitutions - procedure for Board meetings, annual general meetings and special general meetings (or extraordinary general meetings for DGHP) including calling notices	All RSL Rules/Articles of Association	**Compliant**
22. The governing body cannot act for longer than two months if its membership falls below seven. If at the end of that period it has not found new members then the only power it will have is to act to bring the governing body members up to seven.	WH Glasgow: section 49 of Rules Loretto: section 49 of Rules WLHP: section 49, of Articles WHE: section 49 of Rules WHS- section 14 and 44 of Articles	All RSL Rules/Articles of Association	**Compliant**
23. There is a clear process to identify and address any conflicts of interest on the governing body.	As per constitutions, Group conflicts of interest policy and standing item on agenda	All RSL Rules/Articles of Association	**Compliant**

24. The Chairperson's role is set out formally; the Chairperson is responsible for the leadership of the governing body and ensuring its effectiveness in all aspects of its role. There is a clear process to select the Chairperson, who cannot be an executive member, and must not hold office continuously for more than five years.	WH Glasgow: section 59.6 of Rules Loretto: section 59.5 of Rules WLHP: section 59.5-59.11, of Articles WHE: section 59.5-59.11 of Rules WHS- section 60.2-60.9 of Articles	All RSL Rules/Articles of Association	**Compliant**
25. If the RSL pays any of its non-executive governing body members then it must ensure that: a) the governing body takes account of independent guidance in setting payment amounts and can demonstrate value for money; b) the payments are linked to specified duties and there is a clear process for assessing performance in carrying out these duties; c) details of governing body payments are published in the RSL's annual accounts; and d) where an RSL has subsidiaries it must ensure any payments and benefits to subsidiary governing body members are included in the policy. Charitable RSLs must comply with the Charities and Trustee Investment (Scotland) Act 2005 and any associated guidance from the charity regulator when considering payments or benefits to charity trustees.	As per constituions - no Board member is paid in capacity of sitting on RSL Board	All RSL Rules/Articles of Association	**Compliant**
26. The role and status of co-optees is set out. Co-optees do not form part of any quorum required for meetings of the governing body and may not vote on matters directly affecting the constitution and membership of the organisation or the election or appointment of its office bearers.	WH Glasgow: section 42 of Rules Loretto: section 42 of Rules WLHP: section 42 of Articles WHE: section 42 of Rules WHS- section 43 of Articles	All RSL Rules/Articles of Association	**Compliant**
With regard to the general membership of the RSL:			
27. It is clear who is eligible to become a member of the RSL and who cannot, and it is clear how to become a member and how membership is ended. Names of the members must be accessible to any other member or anyone with an interest in the RSL's funds.	This is detailed through a combination of constitutions and membership policies	All RSL Rules/Articles of Association - Membership policies	**Compliant**
28. Membership of the RSL should reflect the purpose and objects of the RSL.	Members for WH Glasgow and WHG are the Board, so by definition reflect the purpose and objects as they set them Other RSLs have membership policy which set out the membership. Membership primarily open to tenants, Board members and the Parent . Our Board members undertake an annual skills self-assessment against agreed skills matrices to confirm members have the right skills / experience to successfully oversee delivery of the RSL prupose and objects. The skills mapping is used to identify any gaps which informs our succession planning and CPD planning.	All RSL Rules/Articles of Association - Membership policies - Skills self-assessment and skills matrix	**Compliant**
29. There is a clear procedure, including the quorum and voting procedure, for the membership of the RSL to meet and it is clear what business the membership can discuss and what decisions it can make, subject to a minimum of one annual meeting.	Clearly detailed within each constitution	All RSL Rules/Articles of Association	**Compliant**

Loretto Housing

Report

To: **Loretto Housing Board**

By: **Danny Lowe, Director of Group Repairs, Assets and Compliance**

Approved by: **Frank McCafferty, Group Director of Repairs and Assets**

Subject: **Asset assurance approach**

Date of Meeting: **28 November 2022**

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1.   Purpose

1.1   This paper updates the Board on our approach to property condition assurance.

2.   Authorising and strategic context

2.1   Under the Loretto Housing Standing Orders the Board has an ongoing role monitoring our approaches to risk and performance.

3.   Background

3.1   In July 2022 a report was published by a UK Government select committee - The Levelling Up, Housing & Communities Committee. The report was titled "Report on the Regulation of Social Housing" and the scope was the quality and regulation of social housing in England.

3.2   The report was to some extent a response to some high-profile events in the social housing sector in England, including the recent critical media investigations into the quality of accommodation that some social housing tenants are experiencing. The report made some key recommendations for social housing organisations on the management of their social housing stock. Despite the focus on the social housing sector in England, the findings and recommendations are very relevant for our consideration.

3.3   The report concluded from the evidence reviewed that the principal causes of housing disrepair seemed to be:

- the age and design of the social housing stock, aggravated by the lack of funding for regeneration and the lack of new social housing;

- the competing financial pressures on providers, particularly the need to remediate building safety defects and decarbonise the housing stock;

- fuel poverty and overcrowding, resulting in and worsening damp and mould from condensation; and

- poor housing management, which manifests itself in many different ways, including a failure to respond properly to requests for repairs.

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3.4   There was a strong view within the report that housing providers needed to be more proactive in monitoring or auditing the condition of their stock, rather than relying on tenants to report problems and recommended that housing providers put in place systems for regularly monitoring the condition of their stock.

3.5   In addition to this recent report from the select committee, the English Ombudsman published a report in 2021 on the approach to dampness following an investigation involving 142 landlords across England. This also recommended a more proactive approach and highlighted the need for better use of data, including insight from actual customer demand, and technology to better understand what is happening in our homes and to inform our approaches. Following this report, we developed a dampness mould and condensation policy which was noted by the Board in February 2022.

3.6   We have further reviewed our systems and approaches for monitoring stock condition in the light of the recommendations from the select committee report.

4.   Discussion

Stock condition surveys

4.1   Our asset management records must accurately reflect the current condition of our homes and inform future investment over the long-term to ensure we meet legal property condition requirements through the Scottish Housing Quality Standard ("SHQS") and Energy Efficiency Standard for Social Housing ("EESSH"). External validation of this data has commonly been undertaken via a detailed stock condition survey (SCS).

4.2   Undertaking periodic detailed stock condition surveys has a considerable impact on customers, staff and the business plan due to the 'big bang' nature of the review every c5 years. It also has limited value from an asset management perspective as the focus is often on the needs of external stakeholders and the survey process rather than using the findings to enhance our existing stock information.

4.3   We have therefore recently changed our approach to move to annual validation surveys rather than large, periodic SCSs. Over five years we would aim to have a minimum of 20% of stock externally surveyed. This approach will reduce the number of impacted customers per year, will be manageable from a resource planning perspective and will reduce the fees to an annual cost, rather than the one-off expense every five years.

4.4   It will also move from a relatively static, infrequent report to a more responsive annual review where we can take a risk-based approach, using the findings from external surveys to validate the information we hold on our stock and future investment requirements and making sure our business plans contain adequate provision (noting that there is a question on costs to achieve net zero). This work is being carried out for us by JLL as part of the annual valuation process. If the sample surveys identify issues that require further investigation, we may increase the sample sizes accordingly.

4.5   The outputs of a periodic SCS and stock validation survey are broadly similar, with a report prepared which will:

- Provide external validation of the asset management data held in PIMSS;

- Validate assumptions in the investment programme for Loretto Housing;

- Confirm (or otherwise) that we have sufficient provision in the business plan to support investment in our assets;

- Inform the assumptions used by JLL in their annual valuation work; and

- Remove the requirement to implement one-off stock condition surveys on a 5-yearly basis

4.6   The stock validation approach will provide the Board, with more frequent external validation of our asset data, investment programme assumptions and our sustainability/environmental impact data per archetype as we work towards EESSH2 and net zero compliance. This should provide increased confidence, on asset management data and approach for future investment.

Dampness and Mould

4.7   A common theme in a number of the cases of poor property maintenance highlighted in the media, leading to the Ombudsman's report and the Levelling Up Committee report, related to mould and damp. Following Board approval of our new policy on dampness, mould and condensation, we have been continuing to strengthen our practice to cover dampness and mould issues. This includes:

- Monitoring case data and resolution;

- Ensuring implementation of the policy;

- Tracking trends for any repeat issues in certain property types to identify any structural solutions required;

- Co-ordination of wider advice and support to customers; and

- Developing strategies for any wider assistance we can provide, particularly to support customers in managing condensation in their homes.

4.8   We have also introduced a process whereby each customer who reports a dampness or mould repair also gets an automatic visit from their Housing Officer, both when the repair is raised and also on completion of any works to ensure the customer is fully satisfied and to provide any follow up response or support required.

4.9 In light of recent events elsewhere we have reviewed our processes around damp and mould and are now strengthening these further through the following actions:

- refresh of training for staff and partners to assist the identification, reporting and remediation of damp, mould and condensation

- appointment of an external consultant to assist in the rectification of damp, mould and condensation and with the verification and validation of actions

- establishment of a customer factsheet highlighting actions that can be taken to prevent damp, mould and condensation

4.10 In addition to this it is proposed that we introduce criteria for forcing access in relation to damp and mould as follows:

- where there are three instances of no access then we will force access to the property within 14 days of the final no access;

- where our technical staff highlight concerns and we get no access to further investigate and address the concerns we apply the same criteria as above;

In addition to the above, where tenants do need decanted to allow us to undertake treatment we will aim to have suitable temporary accommodation in place as soon as practically possible.

Proactive Housing Management

4.11 Our operating model also ensures that we understand the quality of our housing stock and can identify any homes where there are outstanding repairs which have not been reported. There are a number of strands to this.

Housing Officers in Communities

4.12 Our Housing Officers are based in our communities, visiting, and supporting our customers. As well as delivering a service to customers who are making requests, they proactively contact customers on issues such as arrears, anti-social behaviour, tenancy management and welfare concerns/support. Importantly, they ensure that every customer has at the very least an annual visit which includes accessing the property.

4.13 We have a format for these visits – they are branded as "customer conversations" and they include discussion on a number of topics and also a check of the property. This picks up any outstanding repairs which have not been reported, a check of the property's condition, eg for any visible mould and damp, as well as any concerns as to how the customer is managing in their home. In regards to property condition, this is a "backstop" measure, that ensures that every property will receive at least one proactive physical inspection every year. This helps address the key criticism of the Levelling Up Committee report, that housing providers should not rely on tenants reporting issues as their only mechanism for identifying whether any issues exist in relation to property condition.

4.14   In carrying out this work in our communities, the Housing Officers are supported by our wide range of wrap around services. A few examples of these are our Repairs, Investment and Compliance (RICs) teams; our expert fuel advisors; and our tenancy support service (TSS). Our Think Yes culture ensures that the staff collaborate to find appropriate solutions to the needs and wants of our customers.

Neighbourhood Environmental Teams ("NETs") teams in Communities

4.15   Our NETs teams are present in the community every day, carrying out environmental maintenance. As well as picking up and actioning any communal repairs they also carry out fire safety checks in communal areas, ensuring that any fire risks are identified and action taken. The quality of our neighbourhoods is externally assessed through our partnership with Keep Scotland Beautiful, and we benchmark very well in terms of standards achieved, which includes communal maintenance.

Repairs operatives in Communities

4.16   We are also introducing an approach which ensures that when a repairs operative is in a property and notices any outstanding issues over and above the repair they have attended to resolve, that they feed that back via their team leader who can then raise it with our asset management team. This will allow any issue to be escalated for appropriate action.

Compliance programme

4.17   We have an extensive programme which ensures compliance with our legislative responsibilities in our housing stock. This includes an annual gas servicing programme and a five year fixed electrical installation test within the property. As part of this programme, the fire, heat and smoke detection within each property is checked.

Use of data and insight

4.18   Our asset information is held on our PIMMS system which provides reports on the condition and compliance status of our properties. We can also review repairs history within ASTRA and IWorld housing management system. This is available to Housing Officers as well as the customer first centre, repairs and asset staff and enables visibility for Housing Officers as to the repairs activity on their patch.

4.19   Our asset team will also use this data to identify any properties which may require more regular monitoring due to their archetype, location, condition etc.

4.20   We will also develop and introduce reporting measures for damp and mould and incorporate these into our performance reports to ensure there is high visibility such as the way we already report on gas and fire safety.

5. Customer Engagement

5.1   The annual "customer conversation" enables a personal and holistic discussion with the customer about the condition of their home, their services and any support needs. At this time, we also promote our Customer Voice programme with customers to encourage wider involvement and emphasising their ability within our Stronger Voices; Stronger Communities engagement framework to control and influence their services and wider neighbourhood issues.

5.2   In addition to individual customer conversations, regular walkabouts take place in neighbourhoods with our customers and Housing Officers and NETs teams. They will also be joined on some occasions by Investment and Repairs officers.

6. Environmental and sustainability implications

6.1   Maximising the lives of stock condition components in our homes, such as kitchens and boilers, has a positive impact on the environment through delaying the production of CO2 associated with manufacturing process. In addition, the interrogation and validation of our asset management data will provide the assurance that the environmental impact of our homes (as measured by EPC/SAP score) is accurate. This robust data will also support and inform decisions for the investment programme towards achieving regulatory requirements for energy efficiency standards.

7. Digital transformation alignment

7.1   The external interrogation and review of our asset management information is part of our investment in digitising our processes and data to drive efficiencies.

8. Financial and value for money implications

8.1   The proposed stock validation process augments the condition reporting undertaken by our in-house teams through repairs, investment and compliance programmes, and will provide assurance that the £17.7m we plan to invest in our customers' homes in the next 5 years is spent on the right measures, in the right properties at the right times, and provides confidence that the investment predictions in our 30-year business plan are appropriate.

8.2   Making the most of our homes and assets is one of our strategic themes and in line with our commitments to provide our customers with high quality, well maintained housing we invested over £2.9m in our customers' homes across major capital improvements and repairs in 2021/22.

9. Legal, regulatory and charitable implications

9.1 The Scottish Housing Regulator ("SHR") last issued asset management guidance in 2012, and is consulting on updated guidance. The 2012 guidance stated:

Each organisation should consider carefully how to ensure it has a sufficiently robust picture of stock condition that has been turned into a sensible set of 30-year investment assumptions. The approach to the survey, the sampling approach required, and the frequency with which it is repeated will depend on the nature of the stock. From a strategic asset management and business planning point of view, the key aim is to ensure that broadly realistic costs are assumed in the business plan over time, so that future maintenance of the stock can be said to be fully funded.

9.2 Our business plan 30 year investment assumptions are cross-checked to the independent assumptions made by JLL in their stock valuations, which are discounted cash flow calculations, including the investment they consider would be necessary to manage and maintain the stock appropriately over the period.

9.3 The outputs of the proposed stock validation survey will provide equivalent coverage of our stock over this 5-year period, to typical large, periodic stock condition surveys, albeit on a more responsive manner. Should it be necessary, we will refine our approach in light of the SHR's updated guidance when this is published.

10. Risk Appetite and assessment

10.1 Our agreed risk appetite in investing in existing homes and environments is cautious. Ongoing financial strength is crucial to enable us to continue to improve, modernise and maintain our homes. We will revise our well-established investment processes to include more focus on what creates most value for our customers. Value for money will still be the key factor in our decision making, but wider benefits, such as reducing levels of emergency and reactive repairs and customer satisfaction, will also be considered.

11. Equalities implications

11.1 There are no equalities implications arising from this report.

12. Key issues and conclusions

12.1 Following the publication of The Levelling Up, Housing & Communities Committee's "Report on the Regulation of Social Housing", this paper reviews our approaches to provide assurance that our housing stock is in good condition without outstanding repairs.

12.2 Our approaches comprise best practice in carrying out stock condition surveys supplemented by a proactive approach to engaging with each individual customer on the condition of their property. The design of our operating model enables a proactive approach and local accountability, and our Think Yes culture ensures that issues are resolved and/or escalated as required.

13.   Recommendations

13.1   The Board is asked to:

1) Approve the approach and criteria for forcing access for mould and damp as set out in 4.10; and
2) otherwise note the contents of this report.

Loretto Housing

Report

To:	**Loretto Housing Board**
By:	**Laura Henderson, Managing Director**
Approved by:	**Laura Pluck, Group Director of Communities**
Subject:	**Q2 Performance Update 2022-23**
Date of Meeting:	**28 November 2022**

_____

1. Purpose

1.1 This report presents an update on performance delivering against targets and strategic projects for 2022/23 as of the end of quarter 2.

1.2 The measures and strategic projects dashboards are presented in Appendix 1 and 2 respectively.

2. Authorising and strategic context

2.1 The Group Board approved the overarching structure for the implementation of our five year strategy via our Group Performance Management Framework ("PMF") at its meeting in June 2021. Given the need to remain agile and flexible through the life of the strategy our PMF is subject to annual review. The Group Board agreed an updated programme of strategic projects and performance measures and targets for 2022/23 at its meeting in April 2022; reflecting what has been delivered to date, our business operating context and the external operating environment. This Board subsequently agreed the Loretto Housing specific performance measures at its meeting on 30 May 2022.

2.2 Under the terms of the Intra-Group Agreement with Wheatley Group, our Board is responsible for approving regulatory returns including the Charter. It is also responsible for monitoring performance against agreed targets.

3. Background

3.1 This report outlines our performance against targets and strategic projects for 2022/23 as of the end of quarter two. This includes quarterly progress with those measures that will be reportable to the Scottish Housing Regulator as part of the Annual Return on the Charter 2022/23. It also includes new measures for 2022/23 covering areas of performance related to the implementation of our engagement model, visibility of the Customer First Centre and monitoring of the strength of our Boards and administration.

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3.2   Several strategic results were new in 2021/22 for our 2021-2026 strategies and therefore involve work to establish baselines. Active use for those with online accounts is reported from quarter 2 2022/23. Work continues on new approaches to collection, collation and reporting of the remaining outstanding measures. These measures will be reported once available and based on the appropriate frequency (quarterly or annual).

4.   **Discussion**

⊘   **Delivering Exceptional Customer Experience**

Customer First Centre

4.1   The Customer First Centre (CFC) was fully launched to customers on 1 April 2022. Quarter 2 results to the end of September demonstrate the CFC is performing well against the new measures and targets. Performance for our customers is now discussed, with Group-wide results summarised in Table 1.

4.2   The CFC answered 84.18% of calls from our customers within 30 seconds, against a target of 80%, with the average wait time 28.02 seconds within the target of 30 seconds. The call abandonment rate for our customers is only 2.75% and Group-wide 3.23%, far exceeding the target of 7%. This performance confirms we are getting to customers quickly and the very low abandonment rate reinforces that this reflects the experience of nearly every customer.

4.3   The percentage of calls to CFC resolved at first contact by Customer Service Advisors is 88.58%, marginally below our target of 90%. This reinforces that the CFC is not only responding to calls quickly but it is resolving issues for customers.   The high level of first time resolution is reflected in the low percentage of customer interactions being passed to frontline staff at only 6.33% against a target of <10%.

Table 1

Measure	2021/22	2022/23		
	Value	Value	Target	Status
Loretto - % calls answered <30 seconds (Grade of Service)	N/A	84.18%	80%	✓
Loretto - Average waiting time (seconds)	N/A	28.02	30	✓
Loretto - Call abandonment rate	N/A	2.75%	7%	✓
Group - % first contact resolution at CFC (Customer Service Advisors)	92.33% (March 2022)	88.58%	90%	⚠
Group – Percentage of CFC customer interactions that are passed to Housing and Lowther staff for resolution	N/A	6.33%	<10%	✓

<u>Tenancy Sustainment</u>

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

Table 2

Tenancy Sustainment	Charter	2022/23 Target		Revised	2022/23 Target	
Loretto	90.32%	90%		92.57%	91%	

<u>Complaints Handling</u>

4.5   We are on target for all three complaints measures in Table 3 and continue to improve compared to 2021/22. In recognition of the importance and value of complaints we are currently in the process of refreshing our staff training and internal reporting with a focus on how we identify trends and learn lessons.

Table 3

Measure	2021	2022		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - overall	5.04	5.2	6	✅
Average time for full response to all complaints (working days) - Stage 1	3.62	3.5	5	✅
Average time for full response to all complaints (working days) - Stage 2	21.33	16.91	20	✅

<u>Customer Voices</u>

4.6   Our customer voice programme has progressed well over the first half of the year. Recruitment of customer voices has been particularly successful, and has laid a strong foundation for inviting people to attend various engagement events. Our initial engagement events have shown that there is an appetite for a mix of approaches – both online and in person. As a result, we will continue to offer online events on Teams as well as in person.

4.7   Our experience shows that smaller numbers tend to work better for virtual events and also that a proportion of people will drop out on the day. We are now able to target and scale our bookings based on this experience.

4.8   We have used the Menti tool to obtain instant feedback in customer engagement sessions. It has worked well in some situations – particularly face to face where staff can help with issues.

4.9   Staff are adopting an agile approach which uses digital and manual feedback based on the customer group and nature of the event. Customers have fed back that, in addition to being involved in shaping policy and practice, they also appreciate the ability to meet staff, in particular more senior staff. Those who were involved in the family survey in the spring have appreciated the opportunity to come back to consider the implementation in later engagement sessions. By far the highest yielding methodology of digital engagement remains SMS, where quick responses can be harvested at scale.

4.10 Table 4 details our Customer Voices results introduced in 2022/23 to monitor progress against annual targets set in our commitments to tenants. We have already achieved our annual target for the number of Customer Voices involved in the programme. We are well ahead of current target for the number of activities carried out and for the number of customers involved in the geographical panels.

Table 4

Customer Voices Indicator	Target YTD	Actual YTD		Annual target
Number of Customers involved in the Customer Voices programme	26	60	🟩	50
Number of the Customer Voices activities carried out	14	22	🟩	26
Number of Geographical/ Regional panels	1	1	🟩	3
Number of customers involved in Geographical/ Regional panels	10	17	🟩	30
Number of Scrutiny panels	1	1	🟩	1

4.11 This quarter, customers worked together with staff on 11 activities which has us ahead of our target for the second quarter and has included area walkabouts with both NETS and Housing Officers in our communities, coffee mornings with residents and online focus groups. Our first Customer and Scrutiny panel in August had 17 customers attend and included our children's and families research, an overview of customer view and scrutiny on investment in our homes. We have also hosted events in our two Livingwell properties with residents joining their Housing Officer for a Coffee Morning and Queens Jubilee event which everyone enjoyed.

4.12 Customers have been very positive about their communities when carrying out our engagement events and have shared that they are glad they have a voice for shaping improvements and services within our communities and are looking forward to more opportunities in the coming months.

4.13 In Quarter 3 as well as continuing with our local engagement events, we have arranged our further Customer Panel and Scrutiny Session with customers on the 17th November at Wheatley House as well as 3 Rent Consultation Focus Groups on the 15th November 2022 which will be held with BMG both in person and online. This takes us up to 9 customer engagement events already planned in for Quarter 3 with more being scheduled including planned Christmas events and our you choose challenge launch in Westclff, West Dunbartonshire.

🏠 Making the Most of Our Homes and Assets

New Build Programme

4.14 Our target is to deliver a total of 197 new social rent homes in 2022/23; four of which were carried over from 2021/22. As of the end of September and shown in Table 5, 118 homes have been handed over.

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4.15   The Hallrule development is now complete and we anticipate we will achieve all completions within Q3. There are three projects remaining on site with handovers profiled this year; Queens Quay completed in October (remaining 15 units for social rent), Vellore Road (8 units for social rent) completed in October, Dargavel will complete in December 2022 (remaining 20 units for social rent) and Sawmillfield (remaining 30 units for social rent) will complete in March 2023.

Table 5

Sites	YTD Handovers	YTD Target	Diff.
Loretto Housing	118	127	-9
Dargavel (Social)	15	35	-20
Hallrule Drive (Social)	32	32	0
Sawmill Field (Social)	6	0	6
Queens Quay (Social)	65	65	5

Planned to Reactive Spending

4.16   We set a strategic result to achieve a ratio of 60% planned to 40% reactive spend on maintaining our properties over the life of our strategy. Spend figures are subject to investment programme profiling throughout the year. Planned Spend includes core capital programmes, cyclical maintenance, and compliance.

4.17   As shown in Table 6, our planned spend ratio has increased compared to quarter 1 when it was 39.6%. The variances for planned spend compared to full year 2021/22 are reducing as delivery on investment programmes progresses during 2022/23.

Table 6

Percentage Spend	2021/22 Planned spend	2022/23 YTD Planned	2022/23 YTD Reactive
Loretto	68.0%	54.0%	46.0%

Volume of Emergency Repairs

4.18   The table below shows our position against the strategic result to reduce the volume of emergency repairs by 10% by 2026 compared to the new agreed baseline year of 2021/22. Whilst our YTD 0.05% variance remains below target of reducing by 2.5% this year, it is an improvement from last quarter, when the variance was 16.65%.

Table 7

Completed emergency repairs to end of June 2022	YTD 21/22	YTD 22/23	Variance
Loretto	1,862	1,861	0.05%

Repairs Timescales and Right First Time

4.19   High demand for repairs has continued into this quarter and the management of this demand remains a priority. As set out in a more detailed repairs transformation programme update, our focus is on responding to customer feedback and priorities.

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4.20   This will include a range of improvements to enhance communications, repairs completed first time and follow-on repairs. As part of this we will be considering how our repairs performance measures better reflect the experience of our customers.

4.21   As expanded, refreshed set of repairs related performance measure will therefore be developed for future reporting which give us insight on the customer experience rather than just the ARC related technical measures.

4.22   For example, this will include balancing the time appointed to deliver repairs with how many repairs are fully fixed on the first visit and reducing follow on work. We will however require to continue to measure performance under the ARC methodology as set out below.

4.23   The average time taken to complete our emergency and non-emergency repairs is detailed in Table 8. We are just above target for emergency repairs and higher than target for non-emergency repairs. Emergency timescales have increased slightly between Q1 and Q2 from 2.77 hours to 3.11 hours. Non-emergency repair timescales have remained static in Q2 at 8.78 days.

Table 8

Repairs completion timescales (Charter)	Emergency (hours)		Non-emergency (days)	
	Target	Current Value	Target	Current Value
Loretto	3.00	3.11 🟧	5.50	8.78 🟥

4.24   Right first time performance is at 95.38% a small decrease on the Q1 result (96.59%). It is also just below the 97% target. Improvement in non-emergency repair timescales will positively impact performance in the right first time measure.

Table 9

Percentage of repairs right first time (Charter)	2021/22	2021/22 YTD	Target	
Loretto	94.86%	95.38%	97%	🟧

4.25   The ARC criteria for repairs being considered as 'right first time' are based mainly on whether the repair is completed without the requirement for a recall or a defect is subsequently identified within 12 months. As set out above, we will consider how we can refine this measure to incorporate the customer's view on whether the repair was completed right first time and to their satisfaction.

Repairs Satisfaction (postal returns)

4.26   Targets for satisfaction with the repairs service have been set to incrementally increase annually to 95% by 2026. The target for 2022/23 has been increased from 87% last year to 89% this year. We are just below target at 85.8% based on 332 survey responses in the last 12 months. This satisfaction measure is based on the postcards we issue after repairs, which are returned via white mail.

6

Table 10

Repairs Satisfaction	Current Value	Target
Loretto	85.84%	89%

4.27 We are developing a wider range of mechanisms to understand customer satisfaction with the overall service. This includes the ability to provide feedback through Book It, Track It, Rate It, additional surveying via the Customer First Centre, further independent pulse surveys and greater feedback on the service through our Customer Voices network.

Medical Adaptations

4.28 Time to complete medical adaptations has increased slightly from 18.3 days in Q1 to 19.00 in Q2 but is still within the targeted timescale and a significant improvement on the 2021/22 result at 61.36 days. We have completed 48 adaptations in the year to date and currently have seven households waiting.

Table 11

Medical Adaptations (Charter)	Current Households Waiting	Number Completed YTD	Average Days to Complete	Target	
Loretto	7	48	19.00 days	35	🟩

Gas Safety

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

Table 12

Gas Safety Checks Unmet	2021/22	YTD 2022/23
Loretto	0	0
Group	**0**	**0**

👤 Changing Lives and Communities

Peaceful Neighbourhoods

4.30 Our Group strategic measure is over 70% of our customers live in neighbourhoods categorised as peaceful. Peaceful communities are defined as communities where customer reported incidents of antisocial behaviour to Police Scotland are reducing and social deprivation indicators (SIMD) in the associated data zone are improving.

4.31 The most effective way to achieve this target is by reducing the incidence of customer reported antisocial behaviour by our customers to Police Scotland. To end September, Q2, 69.2% of our communities are categorised as 'Peaceful' against a target of 68.5% for 2022/23.

<u>Accidental Dwelling Fires</u>

4.32 We set a strategic result for Group to reduce accidental dwelling fires (ADFs) by 10% by 2025/26 from a baseline of 215 in 2020/21. Two fires have been recorded in Loretto homes achieving our target so far in 2022/23.

Table 13

Number of recorded accidental dwelling fires	2021/22	2022/23		
		Q1	Q2	YTD
Loretto	7	1	1	**2**

4.33 To support this reduction, there is an additional Strategy Measure to ensure 100% of applicable properties have a current fire risk assessment in place. This continues to be achieved.

Table 14

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

<u>Reducing Homelessness</u>

4.34 During the second quarter, we have made 91 lets to homeless applicants, this contributes to the Group total of 1,262 lets made this year, against the Group target of 1,000 set for the first six months.

4.35 When we consider the targeted measure of percentage of relevant lets made to homeless applicants – 'relevant lets' exclude mutual exchange, transfers and LivingWell lets for which we are limited to let to homeless applicants – we are at 46.3% against a target of 50% and only 6 lets short of target. This target is impacted by supported tenancies which have ended this year and nomination agreements in place with Local Authorities.

Table 15

Percentage Lets to Homeless Applicants	Relevant Lets			Charter	
	YTD 2022/23	Target	2021/22 Result	YTD 2022/23	2021/22 Result
Loretto	46.3%	50%	53.3%	30.8%	48.4%

🤝 Developing our Shared Capability

<u>Sickness Absence</u>

4.36 We remain over the 3% sickness target at 7.69% for the year to date. This is a result of one long term absence within the team with home/family stress, we are working closely with them to offer appropriate support.

Table 16

Sickness Rate	Target	2022/23 YTD		2021/22	
Loretto	3%	7.69%	🟥	3.50%	🟥

8

4.37 The top two reasons for absence across Group in September are Stress/Anxiety (39%) and Minor Illness (22%). All our managers and staff have access to a wide range of support from our employee relation team as well as access to wellbeing and occupational health.

Board Governance and Administration

4.38 The following measures are indicators of the underlying strength of our Boards and administration. These measures will be reported quarterly in line with the Board timelines.

4.39 In quarter two there were two vacancies across Group and Subsidiary Boards, down from six in quarter 1. Average attendance levels across Group and Subsidiary boards in Q2 was 82% up from 79% last quarter. There were also no instances where board reports were not issued 7 days in advance of Group and Subsidiary Boards within Q2, which was the same position as Q1.

Table 17

Indicator	Target	2022/23 (YTD)	
Instances where Board reports are not issued 7 days in advance of Group and Subsidiary Boards	5%	0%	🟩

🎯 Enabling our Ambitions

Gross Rent Arrears

Chart 1

Loretto Housing
Gross Rent Arrears Year to Date, Target and Projection 2022/23
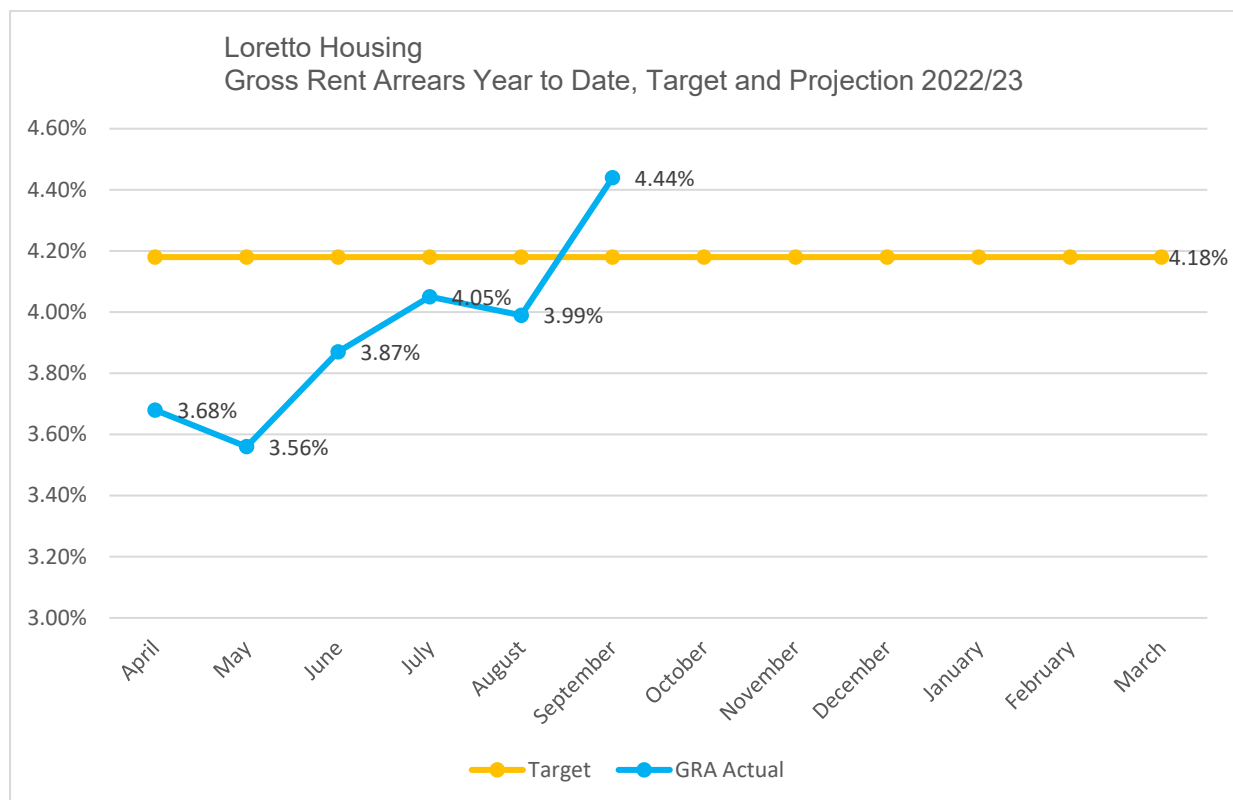
4.40   Our strategic aim is to reduce arrears to 3.25% by 2026, and our target year is 4.18% and we are currently at 4.44%. This is a result of a delayed payment from East Dunbartonshire Housing Benefit worth 34k in September, this has been received in October and brought us back under target.

4.41   We continue to outperform sector averages. The Scottish Housing Regulator published sector wide results for the Annual Return on the Charter 2021/22 on 31 August 2022. This reported Scottish average arrears levels at 6.3%.

4.42   As reported by the Regulator and Housemark, arrears increased during the pandemic and the expectation is they will continue to increase due to the higher cost of living and the impact this is having on our customers. We continue to support our customers through these challenging times. We have launched our rent campaign on the 10th October and have a localised action plan for Loretto to target customers who are facing hardship and to offer support through our here to help campaign including those customers who are out of work for the first time or are struggling with rising fuel bills.

Average Days to Re-Let (Charter)

4.43   Our letting time is just outside the target of 16 days at 16.66 days. We have met with City Building and continue to have regular meetings with our partners across our nine Local Authorities to maximise our homeless nominations to work together to reduce our average days to let. Following this work we have reduced our average days to let to meet target in October.

4.44   We continue to surpass sector and peer group averages published by the Regulator on 31 August 2022. This reported a Scottish average of 51.6 days in 2021/22.

Table 18

Average days to re-let (Charter)	2022/23 YTD		2022/22 Target	2021/22 Results
Loretto	16.66	🟧	16	17.38

Summary of Strategic Project Delivery

4.45   An update on progress with strategic projects is attached at Appendix 2. The following table summarises the current status of projects by programme stream. Four projects are now completed, nine are on track, four are slipping and no project is overdue.

Table 19

Programme Stream	Complete	On track	Slippage	Overdue
Repairs	1	2	1	0
CFC	1	1	1	0
Engagement	1	2	0	0
Assets & Sustainability	0	2	0	0
Governance	1	0	1	0
Other	0	2	1	0
Total	**4**	**9**	**4**	**0**

4.46   Three projects completed this quarter:
- Service Process and Redesign (Repairs Programme Stream)
- Wheatley Whole Family Approach (Engagement Programme Stream)
- Equality, Diversity & Inclusion (Governance Programme Stream)

4.47   As per agreement with the Group Board in August, the CFC year 1 evaluation (part of the CFC Programme Stream) project has now been redefined as the *CFC Second Interim Review*.

5.   Customer Engagement

5.1   Our new engagement model continues to embed, with good performance against quarter 2 targets. Several strategic projects facilitate opportunity for customer engagement, as reflected in the progress notes in Appendix 2. This will directly impact the way we deliver services or the way they can be drawn down by customers.

6.   Environmental and sustainability implications

6.1   We have added two new sustainability measures to support our ambitions in this area; the first to monitor the average new build CO_2 output and the second to increase the percentage of stock at EPC 'B' rating. These will be reportable annually and are therefore not included in quarterly updates.

6.2   A key project for 2022/23 is the development of a strategic sustainability framework. As part of this we anticipate further measures will be developed for future incorporation into our PMF.

7.   Digital transformation alignment

7.1   Our strategy is underpinned by digital transformation. The strategic projects for 2022/23 have been fully reviewed to ensure we have the appropriate technical and resource capacity alongside our Digital Programme.

8.   Financial and value for money implications

8.1   The measures, targets and projects included in this report were agreed as part of the PMF and Delivery Plan for 2022/23. This approach focuses service delivery and improvement on the key priorities within the Group Strategy to make sure that financial and other resources are aligned with these priorities.

8.2   There are no direct financial implications associated with this report, which are covered via the approved 2022/23 business plan.

9.   Legal, regulatory and charitable implications

9.1   The Scottish Housing Regulator requires an Annual Return on the Charter from each RSL. Key indicators within this return are also included in quarterly performance reporting. RSL Subsidiary Boards approve the returns, and the figures are included in the year-end performance report to the Board. RSLs are also required to involve tenants in the scrutiny of performance, which the Group does through its Tenant Scrutiny Panel, and to report to tenants on performance by October each year.

10. Risk Appetite and assessment

10.1 Our agreed risk appetite in relation to board governance is "cautious". This level of risk tolerance is defined as "preference for safe delivery options that have a low degree of inherent risk". We mitigate this risk by reserving the agreement of individual performance targets and strategic projects to the Board. The Board are furnished with regular updates in relation to progress against these targets and projects.

11. Equalities implications

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

11.2 There is a project under the governance programme stream dedicated to advancing our commitment to equality, diversity and inclusion.

11.3 Additionally, the expansion of our Customer Voices is focused on creating a more diverse range of voices actively participating in our engagement structures. In turn, this will support co-creation and influencing which is based on a more diverse range of perspectives.

12. Key issues and conclusions

12.1 As we face the challenges of the cost of living crisis for our Customers, we continue with strong performance in a number of key areas. Complaint response timescales are being met, tenancy sustainment is now on target and our customer voice targets are being met in Quarter 2. We are not currently meeting target with Gross Rent Arrears and Average days to let but improvement plans are underway and are already seeing improvements in these areas.

12.2 Areas remaining in focus include non-emergency timescales, social housing new build completions and staff absence percentage. We have four projects slipping during the second quarter of the year.

13. Recommendations

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

List of Appendices:

Appendix 1 - Strategic Results Dashboard
Appendix 2 - Strategic Projects Dashboard

Appendix 1 - Loretto Housing Board - Delivery Plan 22/23 - Strategic Measures

1. Delivering Exceptional Customer Experience

Measure	2021/22	YTD 2022/23		
	2021	2022		
	Value	Value	Target	Status
Average time for full response to all complaints (working days) - overall	5.04	5.2	6	✅
Average time for full response to all complaints (working days) - Stage 1	3.62	3.5	5	✅
Average time for full response to all complaints (working days) - Stage 2	21.33	16.91	20	✅
Group - % of first contact resolution at CFC	92.33% (March 2022)	88.58%	90%	⚠️
Group - Call abandonment rate	3.81% (March 2022)	3.23%	7%	✅
Loretto Housing - Call abandonment rate	NEW	2.75%	7%	✅
Group - Percentage calls passed to housing/commercial officers	NEW	6.33%	<10%	✅
Group - % calls answered <30 seconds (Grade of Service)	85.42% (March 2022)	84.93%	80%	✅
Loretto Housing - % calls answered <30 seconds (Grade of Service)	NEW	84.18%	80%	✅
Group - Average waiting time (seconds)	30s (March 2022)	27.94	30	✅
Loretto Housing - Average waiting time (seconds)	NEW	28.02	30	✅
% new tenancies sustained for more than a year - overall	88.57%	90.32%	90%	✅
Number of Regional panel sessions	NEW	1	1	✅
Number of customers involved in Customer Voices Programme	NEW	60	26	✅

Measure	2021/22	YTD 2022/23		
	2021	2022		
	Value	Value	Target	Status
Number of customer voices activities carried out	NEW	22	14	✅
Number of Scrutiny focus groups	NEW	1	1	✅
Number of customers involved in Geographical/ Regional panels	NEW	17	10	✅

2. Making the Most of Our Homes and Assets

Measure	2021/22	YTD 2022/23		
	2021	2022		
	Value	Value	Target	Status
Average time taken to complete emergency repairs (hours) – make safe	3.16	3.11	3	🔺
Average time taken to complete non-emergency repairs (working days)	6.98	8.78	5.5	🛑
% reactive repairs completed right first time	94.86%	95.38%	97%	🔺
Number of gas safety checks not met	0	0	0	✅
% of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the R&M service	88.43%	85.84%	89%	🔺
Average time to complete approved applications for medical adaptations (calendar days)	61.36	19	35	✅
% Planned repair spending	67.96%	54.0%	60%	🔺
% Reactive repair spending	32.04%	46.0%	40%	🛑
Number of HSE or LA environmental team interventions	0	0	0	✅
Number of accidental fires in workplace	0	0	0	✅
Group - Number of open employee liability claims	8	8	Contextual	

| Measure | 2021/22 | YTD 2022/23 | | |
| | 2021 | 2022 | | |
	Value	Value	Target	Status
Group - Number of days lost due to work related accidents	258	221	Contextual	
Number of new employee liability claims received	0	0	0	✅

3. Changing Lives and Communities

| Measure | 2021/22 | YTD 2022/23 | | |
| | 2021 | 2022 | | |
	Value	Value	Target	Status
% ASB resolved	100%	97.62%	98%	🔺
% Lets Homeless Applicants - overall (ARC)	48.4%	30.8%	Contextual	
% Relevant lets to Homeless Applicants	53.29%	46.25%	50%	🔺
Number of lets to homeless applicants (10,000 for Group by 2025/26)	88	91	Contextual	
Loretto Housing - Total number of jobs, training places or apprenticeships created including Wheatley Pledge	5	1	4	🛑
Group - Over 70% of our customers live in neighbourhoods categorised as peaceful	70.1%	69.2%	68.5%	✅
Group - 100% of relevant properties have a current fire risk assessment in place	100%	100%	100%	✅
Group - The percentage of non-relevant properties that have a current fire risk assessment in place	100%	100.56%	100%	✅
Number of accidental dwelling fires recorded by Scottish Fire and Rescue	7	2	Contextual	

4. Developing Our Shared Capacity
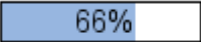
| Measure | 2021/22 | YTD 2022/23 | | |
| | 2021 | 2022 | | |
	Value	Value	Target	Status
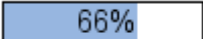
Measure	2021/22	YTD 2022/23		
	2021	2022		
	Value	Value	Target	Status
Group - Number of vacancies across Group and Subsidiary Boards	NEW	2	Contextual	
Group - Attendance levels across Group and Subsidiary Boards	NEW	80.5%	Contextual	
Group - Instances where Board reports are not issued 7 days in advance of Group and Subsidiary Boards	NEW	0%	5%	✅
Sickness Rate	3.5%	7.69%	3%	🔴

5. Enabling Our Ambitions

Measure	2021/22	YTD 2022/23		
	2021	2022		
	Value	Value	Target	Status
% lettable houses that became vacant	7.48%	7.24%	8%	✅
% court actions initiated which resulted in eviction - overall	100%	0%	25%	🔴
Average time to re-let properties	17.38	16.99	16	✅
Loretto C - Gross rent arrears (all tenants) as a % of rent due	3.67%	4.44%	4.18%	🔺
Loretto A - Gross rent arrears (all tenants) as a % of rent due	3.4%	4.28%	Contextual	
Loretto B - Gross rent arrears (all tenants) as a % of rent due	3.97%	4.62%	Contextual	

Appendix 2 - Loretto Housing Board - Delivery Plan 22/23 - Strategic Projects

A. Repairs Programme Stream

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Improve Customer Contact & Communications (b)	31-Dec-2022	▶	66%	01. Taking into account customer feedback, implement revised customer comms for all repair types (including owner repairs)	30-Jun-2022	Yes	The Localz pilot is scheduled to go live on 21 November in WH Glasgow following business process and readiness activities as the critical focus in recent weeks/months.
				02. Proposals for customer feedback to Boards developed and agreed	30-Jun-2022	Yes	
				03. Approach to real time repairs feedback on repairs agreed	31-Dec-2022	No	
Develop IT & Systems (b)	31-Dec-2022	⚠	33%	01. CBG Servitor upgrade implemented	31-May-2022	Yes	The Localz pilot is scheduled to go live on 21 November in WH Glasgow.
				02. Localz phase 1 installation (pilot with CBG)	31-Oct-2022	No	
				03. Localz phase 1 full roll out programme agreed	31-Dec-2022	No	
Service & process redesign (b)	30-Jun-2022	✅	100%	01. DGHP improvement plan defined and agreed	31-May-2022	Yes	Project is complete with the outputs also being aligned into the wider repairs transformation programme such as communications improvements.
				02. Quick wins for the repairs service in the West implemented (opening up appts, better communication between CBG and CFC, approach to customer comms)	30-Jun-2022	Yes	
				03. Planning complete for implementing redesigned	30-Jun-2022	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				repairs delivery model			
				04. DC approach to migrate to Group Servitor agreed	30-Jun-2022	Yes	
Meet the needs of owners (b)	31-Mar-2023	▶	66%	01. Review owner billing inc. suitability of existing SoRs and approach to lower value jobs	30-Jun-2022	Yes	Milestones 1 to 4 are now complete.

Work is underway to implement revised processes that address areas of improvement. |
				02. Review current approach to owner repairs and define & agree reshaped owner repairs service delivery model	30-Jun-2022	Yes	
				03. Review processes that support owner repairs service and refine	30-Jun-2022	Yes	
				04. Design and deliver customer engagement focus groups involving Lowther Tenants, that will improve communication and shape Lowther's repair service	31-Jul-2022	Yes	
				05. Implement revised processes to support owner repairs	31-Dec-2022	No	
				06. Deploy revised owner repair service delivery model	31-Mar-2023	No	
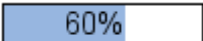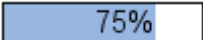
B. CFC Programme Stream

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
CFC interim review (b)	31-May-2022	✅	100%	01. External interim review concluded	30-Apr-2022	Yes	Project is complete.

Full external interim review now concluded, and |
| | | | | 02. Present findings of interim review to Group Board | 30-Apr-2022 | Yes | |

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				03. Present findings of interim review to RSL Boards	31-May-2022	Yes	findings reported to Group and subsidiary Boards.
CFC second interim review (b)	31-Mar-2023	▶	0%	01. Scope of second interim review finalised	31-Dec-2022	No	The scope and delivery of the second interim review will focus on the CFC 1 year on from 'soft' launch, ahead of a more complete review next calendar year.
				02. Undertake second interim review	28-Feb-2023	No	
RSL digital services model (b)	31-Mar-2023	⚠	25%	01. Review existing digital services offering with customers, including existing usage rates, functionality, and projected future lifespan	31-Aug-2022	Yes	A draft service catalogue has been created and linked to ongoing work across customer journey mapping activities.

A programme of customer engagement has now commenced on our model to inform future themed discussions. |
				02. Scope future RSL digital services model, including role of apps, online services, repairs digital offering and self-service	31-Oct-2022	No	
				03. Undertake themed engagement discussions with Glasgow 1000 Panel on digital services	28-Feb-2023	No	
				04. Present recommendations to ET for next 3 years	31-Mar-2023	No	
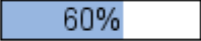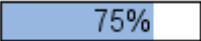
C. Engagement Programme Stream

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Wheatley Whole Family approach (b)	30-Sep-2022	✅	100%	01. Complete the research phase, including survey of households with children and follow up focus groups	31-May-2022	Yes	This project is now complete and an update on the outcome of the research and our response was included in a report to this November Board
				02. Present findings and proposed approach to ET	30-Jun-2022	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				03. Engagement with customer voices on the proposed Whole Family approach	31-Aug-2022	Yes	meeting.
				04. Final implementation approach agreed by ET	30-Sep-2022	Yes	
Engagement Framework – Phase 2 (b)	31-Mar-2023	▶	60%	01. Develop a programme of engagement using customers' preferred methods	31-May-2022	Yes	Outline plan for learning and development programme for Stronger Voices staff and customers developed and implementation is now underway.

Targeted recruitment of Customer Voices is being progressed at a patch level.

Planning for Customer Voices attendance at February's group wide governance event is underway. |
				02. 2022/23 Engagement plans, including mechanisms for allocation of funding, agreed by Boards	31-May-2022	Yes	
				03. Develop learning and development programme for staff as well as Customer and Community Voices	30-Sep-2022	Yes	
				04. Customer voices feedback to group wide governance event(s)	31-Mar-2023	No	
				05. Complete recruitment of Customer and Community Voices	31-Mar-2023	No	
Customer data collection exercise (Contact info, equalities and communication preferences) (b)	30-Nov-2022	▶	75%	01. Project approach and proposed resource requirements agreed Group Executive	31-May-2022	Yes	The data collection exercise has now been undertaken.

94% of customers were verified by the 01/11/22. |
| | | | | 02. Data collection exercise undertaken (RSL tenants, Lowther tenants & Care customers) | 30-Sep-2022 | Yes | |
| | | | | 03. Update to Group Executive on outcome of data | 31-Oct-2022 | Yes | |

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				collection exercise and proposed actions			
				04. Update to Boards on outcome of data collection exercise	30-Nov-2022	No	

D. Assets & Sustainability Programme Stream

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Corporate Estate (b)	31-Mar-2023	▶	60%	01. East Glasgow and Bathgate Hubs complete	31-Jul-2022	Yes	Work is now complete at several sites.
				02. West Glasgow Hub complete	30-Sep-2022	Yes	
				03. East Hub (NMR) complete	30-Sep-2022	Yes	
				04. CFC Lipton House complete	31-Dec-2022	No	
				05. South Hub (Dumfries) complete	31-Mar-2023	No	
Strategic Sustainability Framework (b)	31-Jan-2023	▶	75%	01. Pathway to Net Zero Advisory Group recruited and in place	31-May-2022	Yes	Wheatley Group Board considered draft strategic framework at its August residential. Partner boards were subsequently updated during September. The updated draft was considered at the Wheatley Solutions Board in November. It will be brought to Group Board in December.
				02. Commission an independent review of energy efficient technologies and low emission heating systems installed to date	31-May-2022	Yes	
				03. Draft framework reviewed by Advisory Group	31-Jul-2022	Yes	
				04. Update on sustainability framework and independent review to Group Board	31-Aug-2022	Yes	
				05. Independent review	30-Sep-2022	Yes	
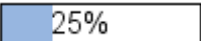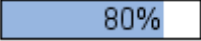
Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				complete			
				06. Draft framework and outcome of independent review to ET	31-Oct-2022	Yes	
				07. Draft framework approved by Group Board	31-Dec-2022	No	
				08. Group wide launch of strategic sustainability framework	31-Jan-2023	No	

E. Governance Programme Stream

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Equality, Diversity & Inclusion (b)	31-Oct-2022	✅	100%	01. ET agree proposed survey approach for staff and tenants	31-May-2022	Yes	Annual Assurance Statement presented to Group Board at its meeting on 26th October and submitted to SHR on 31st October 2022. This included update on progress regarding equalities data collection.
				02. EDI update to Group Board, including revised Equality, Diversity and Inclusion Policy for approval	31-Aug-2022	Yes	
				03. Equalities results from customer data collection exercise analysed and proposed actions to Group Executive	30-Sep-2022	Yes	
				04. Update SHR Annual Assurance Statement on progress with equalities	31-Oct-2022	Yes	
Updated Strategic Agreement with GCC (b)	31-Mar-2023	⚠️	0%	01. Group Executive agree an outline updated strategic agreement for discussion with GCC	30-Sep-2022	No	Engagement with GCC is ongoing, including at CEO level. An update on progress was provided at the October Group Board meeting. A verbal update
				02. Present outline strategic agreement to Group Board for	31-Oct-2022	No	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				consideration			will be provided at the November Loretto Board.
				03. Update to Wheatley Homes Glasgow Board	30-Nov-2022	No	
				04. Board approvals of draft strategic agreement with GCC	28-Feb-2023	No	
				05. Present to GCC for approval	31-Mar-2023	No	

H. Other - Changing Lives & Communities

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Implement year 2 of the Group Homelessness Framework (b)	31-Mar-2023	▶	25%	01. Undertake a review of existing customer engagement in homelessness service design and delivery	30-Jun-2022	Yes	Milestones 2 and 3 are progressing with work to review tenancy sustainment ongoing.
				02. Develop an action plan to maximise engagement opportunities	30-Nov-2022	No	
				03. Undertake a review of existing tenancy sustainment performance reporting and develop and agree a new consistent group wide approach to reporting	31-Dec-2022	No	
				04. Proposal drafted and available for ET review	31-Mar-2023	No	
Review of group allocations policy and systems (b)	31-Mar-2023	▶	80%	01. Updates to policy agreed by ET and RSL Boards for consultation with tenants	31-May-2022	Yes	Milestone 4 complete on target. All RSL boards provided with an update and new policy adopted by them. Demonstration of MyHousing also presented
				02. Undertake customer consultation	31-Jul-2022	Yes	
				03. Present findings to	31-Aug-2022	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				Wheatley Board			to boards. Work is ongoing to prepare for final milestone.
				04. Present findings to RSL Boards	30-Sep-2022	Yes	
				05. Undertake testing of the new system in D&G	31-Mar-2023	No	

J. Other - Enabling our Ambitions

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
NETs Digital service (b)	30-Nov-2022	⚠️	40%	01. Undertake build phase	31-Jul-2022	Yes	User Testing identified some bugs within the Management Console that required to be addressed prior to the pilot commencing. The pilot was expected to commence during early November, however further development work is having to be undertaken prior to this to help ensure functionality is as required.
				02. Undertake testing of the product	31-Aug-2022	Yes	
				03. Commence pilot	30-Sep-2022	No	
				04. Go Live	30-Nov-2022	No	
				05. Provide update to Board	30-Nov-2022	No	

Report

To: **Wheatley Housing Group Board**

By: **Stephen Wright, Director of Governance**

Approved by: **Anthony Allison, Group Director of Governance and
                                  Business Solutions**

Subject: **Group EDI and Human Rights policy**

Date of Meeting: **28 November 2022**
_____

1.   Purpose

1.1   This report provides an update on Equality, Diversity and Inclusion ("EDI")
        activity across the group and presents the updated Group EDI and Human
        Rights policy which has been approved and designated as group wide by the
        Group Board at its meeting on 28 September.

2.   Authorising and strategic context

2.1   Under the Group Standing Orders, the Group Board is responsible for
        approving group policies and their designation as applying group wide. This is
        also affirmed in our Intra Group Agreement.

2.2   Our 5 year strategy sets out our desire to increasingly tailor services across the
        Group to suit the needs of our customers, diversify our customer voices and
        consider how our workforce will more closely reflect our communities.

3.   Background

3.1   As a Group we are committed to EDI. This was reaffirmed as part of the
        strategic governance review, including the enhanced level of oversight of this
        area within our governance

3.2   We already undertake a number of activities across the Group to support our
        EDI agenda such as our employability programmes, work to support New
        Scots, established Hate Crime approach, gender pay gap monitoring, externally
        validated approach to Equality Impact Assessments and employee
        communications and training.

3.3   The Scottish Housing Regulator ("SHR") also requires that each RSL should:

        "*Have assurance and evidence that it considers equality and human rights
        issues properly when making all of its decisions, in the design and review of
        internal and external policies, and in its day-to-day service delivery*".

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

4.   Discussion

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

4.2.   An update is provided in more detail on key elements of our EDI and human rights activity, followed by the revised policy which reflects our public facing commitments. We have engaged with Business in the Community and the Employers Network for Equality and Inclusion ("ENEI") in the work to date; their feedback has been very positive and they have allowed us to draw on good practice in other sectors.

Diversity in our workforce and Boards

4.3.   As a Group, we recognise the importance of diversity within our workforce and governing bodies. At its discussions in March 2022, the Group Board recognised that achieving this requires both a structured approach and a cultural focus.

Workforce diversity

4.4.   Workforce diversity promotes a wider range of perspectives and experiences informing the way our services, policies and processes are developed and delivered. This, in turn, should improve the way we operate, innovate and meet customer needs and priorities.

4.5.   We already hold a range of protected characteristics data for our staff such as age, sex, disability and pregnancy. We recently asked all staff in Loretto and the wider Group to complete an equalities monitoring survey to allow us to better understand our staff profile across all protected characteristics. In developing our approach, we engaged with our trade union partners and the ENEI who were supportive of our plans. The survey is still open and to date we have received 1711 (59%) returns from staff across Group. Due to the small number of staff we have, we have not aggregated Loretto specific staff in order to protect their anonymity.

4.6.   Collecting equality data from employees will allow us to better understand how our staff characteristics reflect our communities. It will also provide us further insight which may feed into our EDI learning framework, our staff benefit and support packages and future staff recruitment.

4.7.   As a Group, we do however already recognise that we have diversity across the protected characteristics in our workforce and our range of activities, in particular inclusiveness, reflect this. Further detail is set out from paragraph 4.17.

4.8.   A key element of supporting our workforce diversity, and our communities more widely, is the work undertaken by the Wheatley Foundation.   The Foundation has a very strong focus on socio-economic diversity and disability in particular.

4.9.   Our Modern Apprentice programme has 10% of places set aside for young people with disabilities. Our 2021 intake had 15.8% of new apprentices with some form of disability. Additionally, almost 5% of customers supported across the Group by the Wheatley Works programme had a disability or long standing health issue.

4.10.   Our graduate programme, Ignite, whilst not restricted to any age group, has also played an important role in bringing young talent into the Group. Combined with the apprenticeship programme this supports age diversity within our workforce.

4.11.   The Foundation apprenticeship programme extends to different areas of our business, such as housing, corporate services and our environmental apprentices. This supports the diversity these programmes bring being spread across our business.

4.12.   In addition to age, we also routinely review staff gender split to understand the gender balance in key service areas. In Housing Officer and Environmental Operative roles we have taken steps to review our recruitment approach and pathways to ensure that these roles are attractive to all genders.   As a result of this, over the last three years the gender balance in both areas has improved.

4.13.   Through our Group Wheatley Works programme more widely we have also supported over 1400 people to access jobs and training opportunities, including 865 living in the 20% most deprived areas. Last year, this included 5 opportunities for our customers to get into work or training, with all 5 customers benefitting. Although not directly part of our own workforce the programme supports our communities to access opportunities.

Board diversity

4.14   We now undertake monitoring of Board diversity and have agreed that we should be cognisant of diversity in our recruitment. This has now been formalised as part of our recruitment process and we have undertaken a baseline of diversity across the wider Group.

4.15   The results indicate that we have a good balance of gender, individuals with disabilities, ethnicity and age range across our governing bodies.   The results also indicate a diverse range of socio-economic backgrounds. We already know that we have strong diversity of skills and experience for our Board skills self assessments.

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

Inclusiveness and culture

4.17 Culture plays a key element in EDI , in particular the message we send to staff in both what we say and what we do. Last year we created a new EDI Learning suite available via our MyAcademy staff development platform, with the core training becoming mandatory for all staff.

4.18 The high profile internal campaign launching our brand promoting EDI, *Different Together*, was testament to our EDI commitment. This included the launch of a resource hub for staff as well as a Community of Excellence ("CoE"), which has saw high engagement from staff.

4.19 The launch of the brand was supported in a number of ways, including:

- a new Community of Excellence, led by the Director of People Services, was launched;

- highly visible placement on our staff intranet, communications and in our visuals across our Centres of Excellence; and

- TalkTogether manager briefings with updates on inclusiveness activities and key messages to be discussed at team meetings

4.20 Leadership and tone from the top are essential elements in diversity and inclusivity becoming embedded in organisational culture. To support this, we are incorporating and threading EDI through all our leadership development programmes. In addition to this we will maintain highly visible leadership, with the Chief Executive having attended the CoE in October and the Group Chair will be attending annually.

4.21 The CoE is underpinned by our refreshed staff equality networks, which will feed into its activity. Following discussion from the launch meeting of the CoE, the following were agreed as being the initial characteristics the equality networks to focus on; LGBTQ+, neurodiversity & disability and carers. The networks launched during National Inclusion Week 2022 (26th – 30th September) and we plan to soon launch a further three networks focussing on; race and multicultural; age; and perimenopausal and menopausal.

4.22 Our staff equality networks are each sponsored by a member of our Executive Team, reinforcing our commitment to EDI from all levels of the organisation. These groups will provide representation, support and guidance and help raise awareness through the lens of their network. This supports us both ensuring as wide a range of perspectives as possible and sending a clear message to staff that their voice can and will be heard. For example, members from the neurodiversity & disability group were involved in the review of our reasonable adjustment passport.

4.23 The Community of Excellence members have received in-depth, face-to-face EDI training to increase their own knowledge and learning. Going forward, the Community of Excellence will support the review of Equality Impact Assessments, feed into the refresh and promotion of our Reasonable Adjustment Passport and help draft a Statement of Commitment for us to publish on our websites. This follows best practice to signal our commitment to EDI as an employer, and of our Boards and Group Executive Team.

4.24 We also have and will continue to have a strong focus on promoting inclusiveness through spotlighting and awareness raising using blogs and staff stories on areas such as menopause, neurodiversity, men's health and wider events such as International Non-Binary day and Pride.

4.25 We annually review our employee benefits package from an inclusivity perspective, having recently enhanced our support for mental health through introducing specialist counselling, 1-2-1 help and Cognitive Behavioural Therapy workshops. In addition, we have introduced menopause workshops with support targeted at anyone experiencing menopause or anyone who knows someone experiencing menopause.

4.26 We are now working towards the 'Menopause Friendly' organisational accreditation, to add to our accreditation as a Disability Confident employer and Mindful Employer charter. We have also recently achieved 'Bronze' level employer status from ENEI following our Talent Inclusion and Diversity Evaluation self-assessment.

Data collection, monitoring and processes

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

Tenant equalities data

4.28 We have a regulatory obligation to collect equalities data for our tenants, although it is not mandatory for tenants to provide us with this information. In September we commenced a data collection exercise, writing to every tenant to ask them to complete an equalities monitoring form.

4.29 Our approach to data collection was co-created with tenants. We engaged our Tenant Scrutiny Panel and sought feedback from Customer Voices focus groups on our approach, with a particular focus on the content of our communication and branding. This included the focus groups reviewing a range of options for how we collected the data, the guide to be issued to tenants and giving feedback on the types of issues tenants would want to understand.

4.30 The focus groups confirmed the guide covered the areas that would be most important to tenants (advising why we are collecting data, what we will do with it and how we will respect their privacy). The guides were also updated to reflect feedback from the focus groups. The focus groups indicated that they would have more trust in their landlord carrying out this exercise directly, rather than through an independent party i.e. Civica.

4.31   The equalities guide and form have now been sent out to all RSL customers under our new EDI *Different Together* branding:
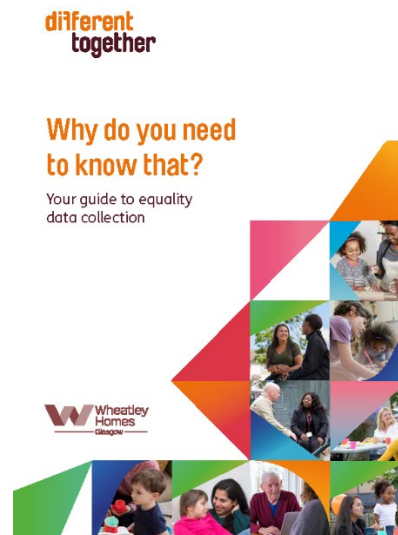
4.32   Customers were reminded to complete this through social media posts, and text or email reminders (depending on the customer's contact preference). To date we received nearly 250 responses from our tenants, with over 10,000 responses being received across the wider group.

4.33   We will consider the results relative to the national census results, when available, to understand how they compare. The results of the equality data collection exercise will be presented to the Board at the meeting.

4.34   In terms of an immediate steps with the date we have, we will:

- Inform our Equality Impact Assessments, ensuring we consider the demographic makeup of our customer base when designing/reviewing our policies and service delivery;
- Provide the data to service leads to consider in their future locality planning and engagement;
- Incorporate the data into our future Board strategy workshop briefing packs; and
- Engage with service leads to consider if the results identify any immediate service issues, particularly in relation to disability

4.35   Additionally, we have developed a Group EDI Action Plan which outlines our plans of how we will use the equality data. This was reviewed and approved by the Wheatley Solutions Board at its November meeting.

Recruitment

4.36   We routinely collect protected characteristic data for job applicants and these will be reviewed by the People Services and Group Executive teams on a quarterly basis. We are also refining our approach to track the data by protected characteristics through to areas such as:
- % who were selected for interview
- % who were appointed

6

4.37 We have also made a range of refinements to our recruitment and induction approach this year, including:

- Reviewing and refreshing our recruitment approach, drawing on good practice such as the Scottish Government ethnic minority recruitment toolkit and including members from our Disability and Neurodiversity group in a review;

- Refreshing our job profile adverts, ensuring they communicate our commitment to EDI and are fully inclusive;

- When relevant, advertising our intention to increase the presence of an under-represented group, showing applicants from diverse backgrounds are encouraged; and

- Enhancing the visibility of EDI in our induction process (including mandatory training), showing the importance and commitment of the Group and expectations of employees

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

Policy and services – impact assessments and monitoring

4.39 We have a group wide Equality Impact Assessment ("EIA") approach, which was independently validated by an external expert. Our policy framework clearly identified which policies require an EIA. This provides us with a consistent, structured approach to ensuring that we have considered the implications across all protected characteristics.

4.40 We are also in the process of enhancing our equalities monitoring for services. It is intended that we will initiate or expand equalities monitoring for the drawdown of wraparound services and the Wheatley Foundation. This will support us understanding how these services are consumed and whether we should take any action to promote them differently.

Human rights

4.41 We have a strong track record of promoting human rights, including our New Scots Action plan supporting the integration of refugees, providing homes and opportunities for Ukrainian refugees and our work within Group protection in areas such as Hate Crime and anti-social behaviour.

4.42 Our EIAs and policies are designed to ensure that all our services incorporate equal access and comply with the law. For example, our allocations policy is reviewed by our legal team to ensure that it complies with the law in how we allocate properties. Our tenancy agreements are in a standard form and place no specific conditions which are discriminatory. Similarly, we have clear policies and processes in areas such as accessing repairs and adaptations.

4.43   The revised policy is attached at Appendix 1. The policy sets out broad commitments on our approach to EDI and Human Rights. It sets out how we will further strengthen the consideration of equalities in our decision-making, policies and service design and delivery - for example through using the equality data collected.   By its nature it is not exhaustive and we have a clear plan of areas we intend to refine and improve in the next 12 months.

4.44   The policy also includes a commitment to publish an annual equalities report. The form of the annual report will be developed and subject to review by our partner Board, Wheatley Solutions. It will include a combination of statistical data, actions we have taken in the previous year and plans for the year ahead.

5.   Customer Engagement

5.1   The collection of equalities data requires extensive customer engagement as we are required to ask all waiting list applicants, new tenants and existing tenants for protected characteristic data.

5.2   We co-created our approach towards this with customers through focus groups as it is critical that as part of asking for this information, we were clear on why we were collecting it, what we will do with it and that provision of this information was voluntary and anonymous. By involving customers in the design of our approach, this supported a higher response rate.

6.   Environmental and sustainability implications

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

7.   Digital transformation alignment

7.1   We collected equality data through MS forms. Customers had the option to return the equality form to us via post or by using the link/QR code provided in their form. We emailed reminders using our digital marketing platform or text our customers a reminder to complete the form.

7.2   This depended on the contact preference our customers have told us ensuring we are contacting customers in a way that suits them. Our priority with any digital platform will continue to be the privacy by design principle.

8.   Financial and value for money implications

8.1   There are no financial implications associated with this report.

9.   Legal, regulatory and charitable implications

9.1   The progress made and highlighted in the report, as well as our reviewed EDI and Human Rights policy, provide us with a clear basis for evidencing our compliance with our legal and regulatory obligations.

9.2   We were required to update the Scottish Housing Regulator ("SHR") on our plans for meeting their regulatory requirement with regards to equality data collection as part of the Annual Assurance Statement. We submitted this in October.

10.   Risk Appetite and assessment

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

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

11.   Equalities implications

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

12.   Key issues and conclusions

12.1   As a Group we are strongly committed to EDI and Human Rights.   We have a strong focus on continuous improvement and ensuring this is reflected in our organisational culture.

13.   Recommendations

13.1   The Board is asked to:

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

LIST OF APPENDICES:

Appendix 1: Group EDI and Human Rights policy [redacted. Available here Wheatley Group EDI and Human Rights Policy

Report

To:	**Loretto Housing Association Board**
By:	**Laura Henderson, Managing Director, Loretto Housing**
Approved by:	**Laura Pluck, Group Director of Communities**
Subject:	**Arrears and Debtors Policy**
Date of Meeting:	**28 November 2022**

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1. Purpose

1.1 This report updates Loretto Housing Board on the review of the Group Arrears and Debtors Framework ("the Framework").

1.2 We have updated the Framework and now seek Loretto Housing Board's approval for the updated Loretto Housing Arrears and Debtors policy

2. Authorising and strategic context

2.1 Under the Intra Group Agreement, the Group Board is responsible for approval of policies and designation as Group policies. Subsidiary boards are responsible for the implementation of individual operational policies and implementing Group policies to reflect local circumstances.

2.2 The Group Board approved the Group Framework and model Policy on 28 September 2022 and designated it as a Group Framework.

3. Background

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

4. Discussion

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

1

4.2 The aim of the Policy is to prevent debt accruing where possible and to reduce it quickly and effectively where it does occur. We will achieve this by quickly identifying customers who are having challenges with payment and ensuring that they have access to the appropriate personalised wraparound and support services. We will continue to support our customers throughout their journey to help them move back to a positive payment status as quickly as possible.

4.3 The updated Policy, attached at Appendix 1, reaffirms that our desire for customers to understand the importance of starting their agreements positively and continuing in this manner during their relationship with us, including customers who are living in our supported accommodation.

4.4 It is therefore essential that we demonstrate how we will secure income and clearly set out our expectations from the outset around payment of charges and rent in advance and from day one of an agreement, using our preferred method of Direct Debit where possible.

4.5 The amended Policy is more reflective of our current operating model. We want our customers and our business to be financially resilient and able to withstand any challenges that come up in terms of rent and income collection/payment.

4.6 The language in the Policy has been updated throughout. Sections of the Policy have also been reorganised and amended to ensure clarity, with some additional information and sections added to support this, including legislative changes and links to other policies. Other key changes include:

- **Aims & Objectives** – has been updated to reflect our current position and approach, and a **Key Principles** section has been added.

- **Starting the Customer Relationship** and **Building on the Relationship** – the key statements in both these sections have been streamlined and the language has been updated. A section that had been in the original Framework related to 'time limited benefits' (potentially to cover incentives) has been removed as it is no longer relevant.

- **Our Approach to Debt Recovery** – this section has been created to show more detail on how we will approach recovery of debt and deliver wraparound support services. The language has been refined and updated and it highlights the key steps we will aim to take to support our customers and recover income due to us. The content has also been streamlined to avoid duplication within the Policy and to provide clarity. It also details how our staff will take decisions on a case-by-case basis and outlines the support that we will provide, with some examples provided. It adds clarity on the potential for sanctions and enforcement action to be taken on our part where a customer fails to pay or engage with us to address the outstanding debt and also outlines and refines the detail on the role of the Group Debt Recovery Team in this process.

- **Ending the Relationship** – Further detail relating to the former tenant arrears recovery process and the role of the Group Debt Recovery Team has been included, as well as noting the consequences of continued non-payment of former tenant debt, particularly where a customer may want to draw down services from us in future.

4.7 The Policy has also been updated to reflect recent data protection legislation and information regarding Group policies and privacy notices. Confidentiality has been updated to reflect the Data Protection Act 2018 and Wheatley Group Data protection policy, with a link to Loretto Housing privacy notices.

5. Customer Engagement

5.1 Customers gave their views on their experience as a customer and their own journey in relation to rent, income and making payments. Topics covered included 'transforming payments', 'accessing their online account', 'rent arrears', 'wraparound services,' and the various other support services provided.

5.2 Communication and early intervention were highlighted to get the customer the right support and to engage them early on. Customers felt the services provided were excellent and covered nearly everything a customer might need and with a high standard of support. Customers that hadn't accessed our various services expressed an interest in learning more.

5.3 We will continue to engage with our customers, taking account of their views and experiences to shape and co-create our services, helping us to build on and sustain positive relationships with customers.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

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

The relevant legislation is as follows:

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

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

10.   Risk Appetite and assessment

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

10.2   The primary risk arising from our Arrears and Debtors Policy would be that if it is not reviewed and updated, we risk having an approach that would negatively impact income collection and could become non-compliant with changing legislative requirements. This is mitigated by undertaking this current review and maintaining a regular review cycle.

11.   Equalities implications

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

12.   Key issues and conclusions

12.1   The Arrears and Debtors Policy has been reviewed and updated to better reflect our practices and our current operating model. Further emphasis has been given to the effective management of income and prevention of customer debt. The stated aim is to prevent debt accruing where possible and to reduce it quickly and effectively where it does occur. This will be done by providing personalised support for customers to help them move back to a positive payment status as quickly as possible.

12.2   The Policy also sets out the importance of customers starting their agreements positively and continuing in this manner during their relationship with us. We will do this by clearly setting out expectations from the outset regarding the payment of rent in advance and from day one of an agreement, using our preferred payment method of Direct Debit.

12.3   We want our customers and our business to be financially resilient and able to withstand challenges that come up around rent and income. We want customers to feel supported too and to be able to share their own and benefit from the lived experience of others, to show a positive route forward and out of debt.

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

13. Recommendations

13.1 The Board is asked to:

1) Note the content of the report and updates to the Policy; and
2) Approve the Loretto Housing Arrears and Debtors Policy that has been developed based on the Group Framework

LIST OF APPENDICES:

Appendix 1 - Updated Draft Loretto Housing Arrears and Debtors Policy [redacted. Available here Wheatley Group Arrears and Debtors Policy

Loretto Housing

Report

To: **Loretto Housing Association Board**

By: **Sarah Stocks, Finance Manager**

Approved by: **Lyndsay Brown, Director of Financial Reporting**

Subject: **Finance Report to 30 September 2022**

Date of Meeting: **28 November 2022**
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1.   Purpose

1.1   The purpose of this paper is:

- to provide the Board with an overview of the financial results for the period to 30 September 2022 and the Q2 forecast, and

- an update on the review of new build appraisal target return rate and seek agreement this be updated on the new build approval criteria for Loretto project approvals by Wheatley Developments Scotland.

2.   Authorising and strategic 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.

2.2   The strategic context is one of a challenging external environment, with inflation rising rapidly on fuel, utilities and construction materials and most recently the Cost of Living (Protection of Tenants) (Scotland) Act ("the Act") passed by the Scottish Parliament on 6 October. It confirmed a rent freeze until March 2023 and the Scottish Government must confirm by 14 January 2023 whether it proposes to retain the rent cap at 0%, increase it or remove it entirely.

2.3   Wheatley Developments Scotland approves new build projects on our behalf. This is on the basis of them meeting a range of criteria set by this Board, including the appraisal target and being progressed on the basis of our agreed a legal contracting framework.

3. Background

Financial performance to 30 September 2022

3.1 The results for the period to 30 September 2022 are summarised below.

£000	Year to Date (Period 6)		
	Actual	Budget	Variance
Turnover	19,915	19,878	37
Operating expenditure	(7,174)	(7,257)	83
Operating surplus	**12,741**	**12,621**	**119**
Net interest payable	(1,614)	(1,714)	100
Surplus	**11,127**	**10,907**	**220**
Net Capital Expenditure	**4,068**	**4,371**	**303**

4. Discussion

4.1 *Period to 30 September 2022*

We have reported a statutory surplus of £11,127k for the period to 30 September 2022, which is £220k favourable to budget. The key driver for the variance is lower bad debt costs and interest payable.

Key variances against budget include:

- Void lost rent is £134k favourable to budget, with a year to date void rate of 1.43% against the budgeted rate of 3.26%. This offsets the unfavourable variance of £50k reported against rental income, linked to the timing of new build completions.

- At 30 September grant income is £116k unfavourable to budget, with completion of new build units at Dargavel behind the budget profile partially offset by early completion of a small number of units at Queens Quay and Sawmill Field plus the completion of 4 Dargavel units delayed from 2021/22.

- Running costs (direct and group services) are £81k favourable to budget, linked to the timing of spend.

- Repairs and maintenance costs of £1,381k are £131k higher than budget as a result of an increase in customer demand and clearance of the backlog in programmed repairs. There is a 20% increase in job numbers compared to the same period in 2019/20.

- Bad debt costs are £105k favourable to the budget.

- Interest payable is £100k lower than budget, linked to lower loan balances drawn than assumed in the budget.

- Net capital expenditure is £303k lower than budget, mainly due to an underspend on the investment programme, following diversion of CBG resources to the repairs service. The new build programme reports both lower costs and grant income due to delays in the site start dates at the Maddiston and the Forfar Avenue developments.

4.2 *Q2 Forecast out-turn*

The forecast reports a statutory surplus of £16,441k for the full year out-turn to March 2022, which is £871k favourable to budget. The Q2 forecast has been prepared on a prudent basis and is reported after including provision for additional support to customers facing financial hardship through the launch of the new Here for You Fund.

Key variances against budget include:

- Total income is forecast to be £909k favourable to budget, as a result of an expected continuation of the favourable void performance and additional grant income from the handover of the Vellore Road turnkey development which is due to be completed earlier than assumed in the budget.

- Total expenditure is forecast to be £38k unfavourable to budget:

  ☐ Bad debt costs have been forecast £195k lower reflecting performance in the year to date and 2021/22, whilst retaining a provision for higher arrears around the Christmas period.

  ☐ Running costs (direct and group services) are forecast to be £128k higher than budget, reflecting Loretto's contribution to the Here For You fund.

  ☐ Increased customer demand for repairs is expected for the remainder of the year and costs have been forecast £105k higher than budget with higher spend on reactive works offset in part by lower cyclical maintenance spend.

- Net capital expenditure is forecast to be £3,184k lower than budget, mainly linked to the investment programme with the Duke St works moving to 2023/24. Whilst new build spend is forecast to be lower, this is offset by a related forecast reduction in grant income.

- It is our aim to manage the forecast variations to budget on individual lines within the parameters of the overall budget for 2022/23. The Q2 forecast presented to the Board has been prepared on a prudent basis and reports an underlying surplus (ie excluding the impact of new build grant income and including cash spent on our existing properties in place of depreciation) of £1,944k. This is £3,268k favourable compared to the budgeted underlying deficit of £1,324k driven by lower investment spend and the timing of Duke Street works.

<u>4.</u>3   [redacted]

4.4   <u>SHAPS Pension Update</u>

- The results of the formal triennial SHAPS actuarial valuation at 30 September 2021 are now available. The valuation reports a reduction in the funding deficit of the scheme from £121m at 30 September 2018 to £27m; an improvement in the funding level to 98%, an increase from 88% at the 2018 valuation.

- The Employer's Committee and Scheme Committee have agreed that the reduced deficit of £27m arising from the 2021 valuation will be cleared by the deficit contributions payable under the current Recovery Plan. Therefore, deficit contributions continued until 30 September 2022 and then stopped. From 1 October 2022 no further deficit contributions are due. Note that Loretto Housing accelerated deficit payments in earlier years so there were no cash payments for the deficit contribution from 1st April 2022 -30th September 2022.

- The position will be reassessed at the next valuation in 2024, noting the possibility that deficit contributions could be re-introduced in the future, if required.

5.   Customer Engagement

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

6.   Environmental and sustainability implications

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

7.   Digital transformation alignment

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

8.   Financial and value for money implications

8.1   The statutory surplus for the period to 30 September 2022 is £220k favourable to budget, which is linked to lower void losses and interest payable. Delivery of our cost efficiency targets is a key element of continuing to demonstrate value for money. The underlying result for the period to 30 September 2022 is £949k favourable to budget ensuring that these efficiency targets are met.

9.   Legal, regulatory and charitable implications

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

10.   Risk Appetite and assessment

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

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

11. Equalities implications

11.1 There are no equalities implications arising from this report.

12. Key issues and conclusions

12.1 This paper presents the financial performance position for the period to 30 September 2022.

13. Recommendations

13.1 The Board is requested to:

1) Note the management accounts for the period ended 30 September 2022 at Appendix 1.
2) Note the revision to the target return rate for new build social and mid market rent developments and agree the criteria for Wheatley Development Scotland approving projects on our behalf is updated to reflect this.

LIST OF APPENDICES:-

Appendix 1: Period 6 – 30 September 2022 Finance Report with Q2 full year 2022/23 forecast

Finance Report
Appendix 1 – period to 30 September 2022

1a. Operating Statement – YTD September 2022

Loretto Housing

| | Period To 30 September 2022 | | | Full Year |
	Actual £k	Budget £k	Variance £k	Budget £k
INCOME				
Rental Income	7,243	7,293	(50)	14,823
Void Losses	(104)	(238)	134	(478)
Net Rental Income	**7,139**	**7,056**	**84**	**14,345**
Grant Income	**12,548**	**12,664**	**(116)**	**18,875**
Other Income	**227**	**158**	**69**	**315**
Total Income	**19,915**	**19,878**	**37**	**33,535**
EXPENDITURE				
Employee Costs - Direct	666	692	26	1,384
Employee Costs - Group Services	295	298	3	596
ER / VR	0	0	0	185
Direct Running Costs	907	968	61	1,812
Running Costs - Group Services	173	192	20	385
Revenue Repairs and Maintenance	1,381	1,250	(131)	2,569
Bad debts	92	197	105	394
Depreciation	3,660	3,660	0	7,320
TOTAL EXPENDITURE	**7,174**	**7,257**	**83**	**14,645**
OPERATING SURPLUS / (DEFICIT)	**12,741**	**12,621**	**119**	**18,890**
Interest Payable	(1,614)	(1,714)	100	(3,320)
STATUTORY SURPLUS / (DEFICIT)	**11,127**	**10,907**	**220**	**15,571**

| | Period To 30 September 2022 | | | Full Year |
	Actual £k	Budget £k	Variance £k	Budget £k
INVESTMENT				
Total Capital Investment Income	**1,041**	**1,931**	**(891)**	**8,088**
Investment Programme	1,132	1,745	614	5,339
New Build Programme	3,876	4,390	514	14,115
Other Capital Expenditure	101	167	66	434
TOTAL CAPITAL EXPENDITURE	**5,109**	**6,303**	**1,194**	**19,888**
NET CAPITAL EXPENDITURE	**4,068**	**4,371**	**303**	**11,800**

Income and Expenditure account – key points

- Net operating surplus of £12,741k is £119k favourable to budget. Statutory surplus for the year is £11,127k, £220k favourable to budget. The main driver of the favourable variance is lower void loses and interest payable.

- Gross rental income of £7,243k is £50k unfavourable to budget. Inchyra service charge income was reconfigured this year, with the actual income YTD £27k higher than budget. This increase has been offset by reduced rental income linked to delays in new build completions for Dargavel, Hallrule, and Queens Quay.

- Void losses in the year to date are 1.43% against a budget of 3.26%.

- Grant income mainly relates to the release of grant for new build completions; YTD grant has been released for 4 units at Dargavel delayed from 2021/22 plus a further 11 (out of a total of 31 budgeted YTD), 32 units at Hallrule, 65 units at Queens Quay (5 completed ahead of schedule) and 6 units at Sawmill (completed ahead of schedule).

- Employee costs are £26k favourable to budget due to landlord services income, linked to the Nets service provided to owners in Loretto mixed tenure blocks. Employees recharged from Group Services are for Loretto's share of Wheatley Solutions staff.

- Direct running costs are £61k favourable to budget, with most budget lines showing underspends. Group Services running costs are favourable to budget due to a number of departments currently reporting lower costs across Wheatley Solutions, contributing to the underspend against budget.

- Revenue repairs and maintenance expenditure is £131k unfavourable to budget due to an overspend on reactive maintenance, reflecting an increase in customer demand where there is a 20% ytd increase in job numbers v ytd 2019/20.

- Bad debts are £105k favourable to budget. A prudent approach was taken when setting the budget.

- Gross interest payable of £1,614k represents interest due on the loans due to Wheatley Funding Ltd. Costs are £100k lower than budget linked to lower loan balances drawn than assumed in the budget and a lower variable rate than assumed for the first six months of the year

- Net capital expenditure of £4,068k is £303k favourable to budget, mainly due to an underspend on the investment programme.

- Capital investment income (grants) is £891k lower than budget due to delay at two sites. Maddiston grant claims were delayed by 5 months due to a later site start. Forfar Avenue has been delayed due to GCC planning issues with site start likely to move to 2023/24. The impact of the delays is partially offset by the first grant claim for Sawmill Field being a month ahead of schedule.

- Investment programme expenditure of £1,132k relates to core programme works, capitalised repairs and voids. The budget profiled increased spend in Q2 on KBR and W&D programmes.

- Other capital expenditure of £101k relates to the Loretto contribution to Wheatley Group IT and office refurbishments.

1b. Underlying surplus – P6 September 2022

Loretto Housing

Key comments:

- The Operating Statement (Income and Expenditure Account) on page 2 is prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2014).

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

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

- In the period to September 2022, an underlying surplus of £1,107k has been generated using this measure which is £949k favourable to budget. The variance is primarily driven by lower levels of expenditure on the investment programme. The full year budget reflects an underlying deficit of £1,324k.

Loretto Underlying Surplus/(Deficit) - September 2022				
	YTD Actual £k	YTD Budget £k	YTD Variance £k	FY Budget £k
Net operating surplus	12,741	12,621	119	18,890
add back:				
Depreciation	3,660	3,660	0	7,320
less:				
Grant income	(12,548)	(12,664)	116	(18,875)
Net interest payable	(1,614)	(1,714)	100	(3,320)
Total expenditure on Investment Programme	(1,132)	(1,745)	614	(5,339)
Underlying surplus/(deficit)	**1,107**	**158**	**949**	**(1,324)**

2a. Repairs & Investment Programme – YTD Sept 2022

Loretto Housing

Repairs & Maintenance Expenditure	1 April 2022 - 30 September 2022			22/23
	Actual £k	Budget £k	Variance £k	Budget £k
Reactive repairs	779	614	(165)	1,052
Cyclical maintenance (compliance)	465	456	(9)	877
Cyclical property maintenance	19	41	21	82
Communal Utilities	117	139	22	558
Total	**1,381**	**1,250**	**(131)**	**2,569**

Investment Programme	1 April 2022- 30 September 2022			22/23 Annual
	Actual £k	Budget £k	Variance £k	Budget £k
Investment Programme Grant Income				
Adaptations	78	55	23	110
Total	**78**	**55**	**23**	**110**
Investment Programme Expenditure				
Adaptations	78	55	(23)	110
Core programme	719	1,330	611	1,553
Capitalised repairs	167	95	(72)	191
Capitalised staff	45	45	0	91
Duke Street	0	0	0	2,954
Void repairs	122	220	98	440
Total	**1,132**	**1,745**	**614**	**5,339**

Repairs and maintenance

- Revenue repairs and maintenance spend of £1,381k is £131k unfavourable to the budget of £1,250k.

- Reactive repairs are £165k unfavourable to budget, reflecting an increase in customer demand.

- Cyclical Maintenance - Compliance spend relates to gas servicing and the maintenance and repair of any mechanical and electric equipment in Loretto's properties, such a lifts, fire safety equipment and pumps and tanks. Reported costs are £9k higher than budget at present due to the timing of the programme.

- Cyclical property maintenance was programmed to commence in June this year but was delayed slightly leading to an underspend at P6.

- Communal Utilities costs are £22k favourable to budget.

Investment Programme

- Overall investment Programme expenditure of £1,132k for the year is £614k favourable to the budget of £1,745k.

- Core programme works are £611k lower than budget with the KBR and W&D programmes started in late Q2.

- Note that the Duke St budget of £2,954k has been phased over the last three months of the year. We currently forecast that £2.8m of this spend will move to 2023/24.

- The cost of adaptations is offset by grant income.

2b. New Build Programme – YTD September 2022

Loretto Housing

	*Status	Contractor	Year To Date Actual	Budget	Variance	Full Year Budget
Cobblebrae Farm	Complete	Sim Building	2	0	(2)	42
Dargavel	On site	Robertson's	1,616	1,452	(164)	1,548
Duke St	TBC	TBC	0	0	0	347
Forfar Avenue	TBC	TBC	33	924	891	2,814
Gartcosh	TBC	TBC	0	0	0	897
Hallrule Drive	Complete	MCTAGGART	680	288	(392)	288
Main St-Maddiston	On site	Miller Homes	250	952	702	2,322
Queens Quay	On site	CCG	323	555	232	593
Sawmill Field	On site	Bellway Homes	713	0	(713)	4,661
Vellore Road	On site	Turnkey	1	0	(1)	0
Prior year schemes	-	-	19	0	(19)	0
Feasibility			0	0	0	0
Total Social Rent			**3,637**	**4,171**	**534**	**13,512**
Property Acquisition	-	-	71	0	(71)	0
Land Acquisition	-	-	0	50	50	100
Capitalised Interest	-	-	0	0	0	166
Capitalised Staff Costs	-	-	168	169	1	337
Total New Build Investment			**3,876**	**4,390**	**514**	**14,115**
Grant Income			**963**	**1,876**	**(913)**	**7,978**
Net New Build Costs			**2,913**	**2,514**	**(399)**	**6,137**
Grant Income Completions (Recognised in OPS)			**12,470**	**12,609**	**(139)**	**18,765**

New Build Programme Expenditure

[redacted].

Forfar Avenue c.30 units for Livingwell. GCC did not approve the tender and require savings. Planning also requested design change. New brief established with Livingwell and re-design work commencing with design team.

Gartcosh: 18 SR units. The developer has now obtained planning; however, the land acquisition has not concluded, and the contract will not proceed within the financial year.

Hallrule Drive: 32 SR units for over 55s. Start on site 16 November 2020. The project completed in September 2022 and is now in defects.

Maddiston Fire Station: 24 SR units. S75 with Miller Homes. Tender approved March 2022. Contract concluded. First golden brick tranche concluded in September (£250k grant claimed), next tranche in October. Completions phased February 2023 – June 2023.

Queens Quay: 80 SR units as part of wider regeneration project with West Dunbartonshire Council and Clydebank HA. All residential handovers completed by 6 October 2022. Commercial units still to be handed over.

Sawmill Field: 36 SR units. Turnkey development commenced with 6 units in August and 6 in October and will continue in phases to March 2023 (£1.4m grant claimed in October and September).

Vellore Road: 8 SR units, S75 Turnkey proposal with Lovell in Maddiston, Falkirk. Handover anticipated 13 October 2022 and grant to be drawn down in full, along with payment on date of entry due to contract structure.

Future schemes
South Crosshill Rd, Bishopbriggs: 38 SR units, (recent discussions increased to 44 units) S75 with Barratt Homes. Developer now intimating Golden Brick in 22/23 but price negotiations continue.

Crofthead Rd, Bishopbriggs: The developer is reviewing its position due to the tender return for infrastructure works across the wider site. The project will no longer progress this financial year whilst the developer considers its strategy.

East Lane, Paisley: 48 SR units. Approved at WDS Board in November, site start will be delivered in 22/23, fully grant funded.

3. Balance Sheet

	30 September 2022 £k	31 March 2022 £k
Tangible Fixed Assets		
Housing Properties	142,429	141,082
Investment Properties	1,300	1,300
Other Assets	1,174	1,072
	144,903	143,454
Current Assets		
Rent and service charge arrears	193	97
Intercompany balances	312	13
Other debtors	1,966	2,086
	2,471	2,196
Cash at Bank and in Hand	1,529	(430)
	4,000	1,766
Short Term Creditors		
Amounts due within one year	(9,576)	(8,757)
Deferred Income	(4,972)	(16,479)
	(14,548)	(25,236)
Net Current Assets	(10,548)	(23,470)
Long Term Creditors		
Amounts due after one year	(77,420)	(74,176)
Deferred Income	(302)	(302)
Pension Liability	(383)	(383)
Net Assets	**56,250**	**45,123**
Capital and Reserves		
Share Capital	-	-
Revenue Reserve - b/fwd	45,506	24,345
Current year surplus/(deficit)	11,127	21,161
Pension Reserves	(383)	(383)
Association's Funds	**56,250**	**45,123**

Comments

The balance sheet reported reflects the 31 March 2022 year end, 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** – Other Debtors have decreased from March 2022 position resulting from the timing of grant claims. The level of tenant arrears (net of bad debt provision) has increased from the year end position of £97k to £193k due to timing of housing benefit payments.

- **Cash at Bank** - The change from the year end principally reflects the timing of the supplier payments and loan drawdowns.

- **Deferred grants** – This 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 £77.5m of loans due to Wheatley Funding No 1 Ltd, excluding deferred loan fees.

6

4. Q2 2022/23 Forecast

	Full Year 2022/23		
	Forecast £k	Budget £k	Variance £k
INCOME			
Rental Income	14,823	14,823	0
Void Losses	(213)	(478)	265
Net Rental Income	**14,610**	**14,345**	**265**
Other Income	**315**	**315**	**0**
Grant Income	**19,519**	**18,875**	**644**
Total Income	**34,444**	**33,535**	**909**
EXPENDITURE			
Employee Costs - Direct	1,384	1,384	0
Employee Costs - Group Services	596	596	0
ER / VR	185	185	0
Direct Running Costs	1,962	1,812	(150)
Running Costs - Group Services	363	385	22
Revenue Repairs and Maintenance	2,674	2,569	(105)
Bad debts	199	394	195
Depreciation	7,320	7,320	0
TOTAL EXPENDITURE	**14,683**	**14,644**	**(38)**
OPERATING SURPLUS / (DEFICIT)	**19,761**	**18,890**	**871**
Interest Payable	(3,320)	(3,320)	0
STATUTORY SURPLUS / (DEFICIT)	**16,441**	**15,570**	**871**

	Full Year 2022/23		
	Forecast £k	Budget £k	Variance £k
INVESTMENT			
Total Capital Investment Income	**6,262**	**8,088**	**(1,826)**
Investment Programme	2,298	5,338	3,040
New Build	12,195	14,115	1,920
Other Capital Expenditure	384	434	50
TOTAL CAPITAL EXPENDITURE	**14,877**	**19,887**	**5,010**
NET CAPITAL EXPENDITURE	**8,615**	**11,799**	**3,184**

Classified as Internal

Loretto Housing

Comments:

- This table shows the 2022/23 budget presented to the Board compared to the Q2 forecast for 2022/23, compiled following the September year to date results.

- Forecast operating surplus of £19,761k is £871k favourable to budget and statutory surplus of £16,441k is £871k favourable to budget, mainly driven by recognition of grant income relating to the Vellore Road turnkey new build development earlier than anticipated and lower void losses.

Key points to note:

- Void losses are £265k favourable to budget, with the forecast reflecting a continuation of the favourable performance YTD.

- Grant income is £644k favourable to budget, due to the anticipated earlier handover of the Vellore Road turnkey new build development.

- Direct running costs are expected to be £150k unfavourable to budget after making provision for additional Here For You crisis fund spend. Group running costs are favourable by £22k due to central cost savings which have been allocated appropriately across the Group.

- Revenue repairs and maintenance forecasts an unfavourable variance of £105k, due anticipated higher reactive repairs costs over the coming months with the increase in customer demand experienced in the first two quarters expected to continue for the remainder of the year partially offset by lower cyclical maintenance spend.

- Bad debts are £195k favourable to budget, with the forecast reflecting bad debt costs at levels similar to those experienced YTD and in the prior year.

- Interest is forecast to be in line with budget with lower costs in the first six months providing capacity to absorb any increases in the variable rate in the second half of the year.

- New build expenditure and capital investment income (grant) are both forecast to be lower than budget due to changes in the profile of the programme.

- Investment programme spend is forecast to be £3,040k lower than budget, mainly as a result of Duke St works being reprofiled to 2023/24.

Loretto Housing

Report

To:	**Loretto Housing Board**
By:	**Laura Henderson, Managing Director**
Approved By:	**Laura Pluck, Group Director of Communities**
Subject:	**Risk Register**
Date of Meeting:	**28 November 2022**

1. Purpose

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

2. Authorising and strategic context

2.1. In accordance with the Group Standing Orders, the Board is responsible for managing and monitoring its Corporate Risk Register and Risk Appetite. The Group Board is responsible for managing and monitoring the Group Risk Management Framework.

2.2. Risk registers are in place across the Group and are reported to each subsidiary board on a quarterly basis. These capture risks that may impact on the delivery of the Board's strategic aims.

2.3. The Scottish Parliament passed the Cost of Living (Protection of Tenants) (Scotland) Act on 6 October, which introduces uncertainty around the level of rent increases for 2023/24. The Scottish Government has undertaken to confirm the position in relation to the extent of any potential rent freeze or rent cap for social landlords by 14 January 2023.

2.4. This legislation may impact on the achievement of a number of the Group's strategic objectives, by potentially creating financial pressures on the delivery of services and investment and on the viability of our new build programme. A new risk has been added to the Group's Strategic Risk Register to capture this change in the policy environment.

3.   Background

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

A. Risks outwith risk appetite; and

B. Risks with a residual risk score of 12 of more or an inherent risk score of 20 or more, for which the Board has not received an update on the operation of the controls in the last 6 months.

3.2.   In addition, risks highlighted by management for consideration by the Board are also set out from Section 4.7 – Horizon Scanning. This will include new risks, risks to be removed from the Risk Register, or risks with a significant change in scoring. This also includes brief details of any significant changes to the external environment that may impact on the Board's risk profile.

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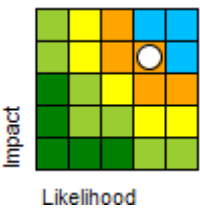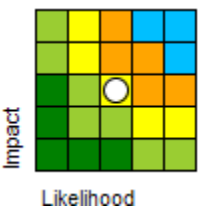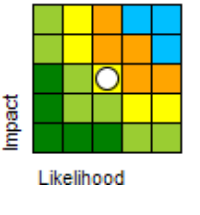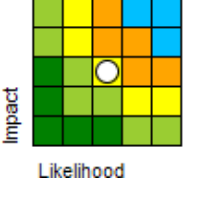
4.1.   The chart below shows all risks within the Corporate Risk Register. These are colour-coded as follows:

- Red font – risks highlighted for Member consideration (as set out in paragraphs 3.1 and 3.2) and discussed further below;

- Purple font – risks with a high residual risk or inherent risk score where Boards have received an update on the operation of the controls in the last 6 months;

- Black font – lower scoring risks that have remained stable within the current period.

Risk matrix — Impact (vertical) vs Likelihood (horizontal)

Impact \ Likelihood	1	2	3	4	5
5					
4		• Failure to recruit, develop, retain and succession plan		• Cyber Security (A) • Financial impact of rent control legislation (A) • Impact on our customers of the Cost-of-Living crisis • Reduced availability of financial support from SGov't/Local Govt	
3	• Business Continuity/ DR • Rent Arrears arising from UC • Group Development Programme • Pension Contributions (Section 5)	• New operating model implementation • Future waves of pandemic • Fire Safety (A) • Compliance with funders • Customer Satisfaction • Governance Structure • Securing new fundings and adverse market changes • Political and Policy changes • Customer Satisfaction of Shared Owners • Group Credit Rating (A) • Care & support services (A)		• Climate change impact on Group assets and services	• Supply chain disruption (B)
2				• Laws and Regulations	
1					

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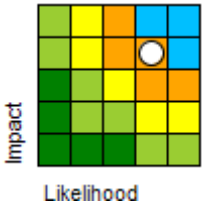
Section A - Risks outwith risk appetite

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

Risk	Residual Risk Score	Risk Appetite Level	Commentary
[redacted	[redacted]	[redacted]	[redacted]
RISK022 – Financial impact of rent control legislation		Minimal	**NEW RISK** – This risk has been added following the Cost of Living (Protection of Tenants) (Scotland) Act passed by the Scottish Parliament on 6 October. The extent of the impact will not be certain until the Scottish Government's changing policy position is confirmed. Further detail on this risk is set out in section 5 below.
RISK 010 – Group Credit Rating		Minimal	The residual risk score has increased due to the uncertainty within the external economic and policy environment. Management will continue to monitor the potential impact on business plans and keep the scoring of this risk under review.
RISK005 – Care and support services		Minimal	Management will review the scoring of this risk following the full roll out of the Care Quality Framework, approved by the Care Board in April 2022. It is anticipated that the fully embedded Framework will result in a reduced residual risk score.
RISK003 – Fire Safety		Minimal	The residual risk scoring reflects the high potential impact associated with fire and the Group's limited ability to influence the behaviour of those external to the organisation.

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

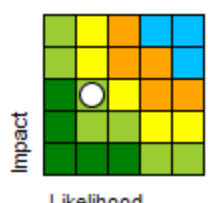*Section B – High scoring risks with controls due for review.*

4.5. There is one risk with a residual risk score that is greater than 12, and an inherent risk score of 20 or more, for which the Board has not received an update on the operation of the controls in the last 6 months.

Risk	Residual Risk Score	Risk Appetite Level	Commentary
RISK018 Supply chain disruption	Impact / Likelihood	Open	This risk score reflects ongoing uncertainty to due global events including the war in Ukraine, the UK cost-of-living crisis and rising inflation. Wheatley Developments Scotland and subsidiary Boards will continue to receive regular updates on performance and financial exposure within standing agenda items.

4.6. Management will review the controls in place and provide updates to relevant Boards as outlined above.

Horizon Scanning

4.7. Following management's review of the operating environment, the following risks have been highlighted for consideration by the Board. We will no longer ask the Board to approve minor changes. The table below summarises the key changes to the risks within the Corporate Risk Register:

Risk	Residual Risk Score	Risk Appetite Level	Commentary
Flagged for removal from SRR: RISK017- Pension contributions	Impact / Likelihood	Minimal	This risk has an inherent score of 9, residual score of 6 and is being managed within risk appetite. A Group Pensions Policy is in place, the Group Pension Strategy was reviewed by the Group Board in December 2021 and Business plans with sensitivity analysis are reviewed annually. At the last valuation the Group's DB schemes were either fully funded or close to a fully funded position and the funding position is monitored annually. We propose this risk should be removed from the Corporate Risk Register and monitored at an operational level.

4.8. As noted in the table at 4.3 above, management has recorded a new risk in this period, in relation to the potential financial impact of rent control legislation. The Scottish Government's legislation in the Cost of Living (Protection of Tenants) (Scotland) Act which was passed by the Scottish Parliament on 6 October. This introduces uncertainty around the level of rent increases for 2023/24. Scottish Government have undertaken to confirm the position for social landlords by 14 January 2023.

4.9. The Group has reviewed the business plan to confirm it maintains a balance between keeping rents affordable, maintaining the standard of our homes, and ensuring the organisation remains financially viable. The resulting below inflation rent increase proposal of 3.9% has been achieved through identification of cost efficiencies as well as a decision taken on deferment of core investment spend out beyond 2025/26.

4.10. Should Scottish Government extend the rent cap beyond 31 March 2023 at a level below the proposed increase for 2023/24, further financial contingency measures would require to be enacted. Discussions are ongoing with Scottish Government, both directly and through the Scottish Federation of Housing Associations. Given the ongoing uncertainty we will keep this risk under review and provide updates to Board as more information becomes available.

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

5. Customer Engagement

5.1. No customer engagement implications arise directly from this report.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

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

10. Risk Appetite and assessment

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

11. Equalities implications

11.1. This report does not require an equalities impact assessment.

12. Key issues and conclusions

12.1. Management's review of the Corporate Risk Register has identified five risks that are outwith risk appetite for Board consideration.
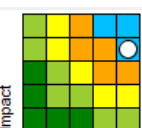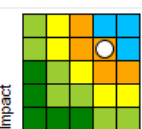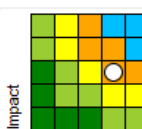
13. Recommendations

13.1. The Board is asked to:

1) Approve the updates in this report; and

2) Identify any further changes to the Corporate Risk Register arising from discussion at the meeting.

LIST OF APPENDICES:

Appendix 1 – Summary status of Loretto Housing Corporate Risk Register

Appendix 2 – Loretto Housing Detailed Highlighted Risks

Appendix 1 – Summary status of Loretto Housing Risk Profile (full details available on Pentana)

Code	Title	Original Score	Risk Appetite	Current Risk Score	Owner	Strategic Outcome	Ref to Appendix 2
[redacted]							
RISK 001	Impact on our customers of the cost of living crisis		Risk Appetite is **HUNGRY** (Blue)		Group Director of Communities	Supporting economic resilience in our communities	N/A (High inherent and residual risk scores; Boards have received an update within the last 6 months)
RISK 021	Reduced availability of financial support from Scottish Government and / or local government		Risk Appetite is **OPEN** (Orange)		Group Director of Finance	Raising the funding to support our ambitions	N/A (High inherent and residual risk scores; Boards have received an update within the last 6 months)
RISK 022	Financial impact of rent control legislation		Risk Appetite is **MINIMAL** (Light Green)		Group Director of Finance	Maintaining a strong credit rating and managing financial risk	Page 12 (New risk and outwith risk appetite)
RISK 018	Supply chain disruption		Risk Appetite is **OPEN** (Orange)		Group Director of Governance & Business Solutions	Increasing the supply of new homes	Page 13 (High inherent and residual risk scores)
RISK 015	Failure to recruit, develop, retain and succession plan		Risk Appetite is **HUNGRY** (Blue)		Group Director of Finance	W.E. Work – strengthening the skills and agility of our staff	N/A (High residual risk score; Boards have received an update within the last 6 months)
RISK 023	Climate change impact on Group assets and services		Risk Appetite is **OPEN** (Orange)		Group Director of Repairs and Assets	Setting the benchmark for sustainability and	N/A (High residual risk score; Boards have received an update within the last 6 months)

Code	Title	Original Score	Risk Appetite	Current Risk Score	Owner	Strategic Outcome	Ref to Appendix 2
						reducing carbon footprint	
RISK 004	New operating model implementation		Risk Appetite is **HUNGRY** (Blue)		Group CEO; Group Director of Finance	W.E. Work-strengthening the skills and agility of our staff	N/A (High inherent risk score; Boards have received an update within the last 6 months)
RISK 005	Care and support services		Risk Appetite is **MINIMAL** (Light Green)		Group Director of Communities	Shaping Care Services for the future	Page 14 (Outwith risk appetite)
RISK 002	Ongoing threat of future waves of COVID-19 and / or another pandemic		Risk Appetite is **HUNGRY** (Blue)		Group Director of Repairs and Assets; Group CEO	W.E. Work-strengthening the skills and agility of our staff	N/A
RISK 003	Fire Safety		Risk Appetite is **MINIAL** (Light Green)		Group Director of Repairs and Assets	Developing peaceful and connected neighbourhoods	Page 15 (Outwith risk appetite)
RISK 008	Compliance with funders' requirements		Risk Appetite is **OPEN** (Orange)		Group Director of Finance	Raising the funding to support our ambitions	N/A
RISK 006	Customer Satisfaction		Risk Appetite is **OPEN** (Orange)		Group Director of Housing & Property Management	Enabling customers to lead	N/A

Code	Title	Original Score	Risk Appetite	Current Risk Score	Owner	Strategic Outcome	Ref to Appendix 2
RISK 009	Governance Structure		Risk Appetite is **CAUTIOUS** (Yellow)		Group Director of Governance & Business Solutions; Group CEO	W.E. Work– strengthening the skills and agility of our staff	N/A
RISK 011	Securing new funding and adverse market changes		Risk Appetite is **OPEN** (Orange)		Group Director of Finance	Raising the funding to support our ambitions	N/A
RISK 014	Political and Policy changes		Risk Appetite is **OPEN** (Orange)		Group Director of Governance & Business Solutions; Group CEO	Influencing locally and nationally to benefit our communities	N/A
RISK 173	Customer Satisfaction of Shared Owners		Risk Appetite is **OPEN** (Orange)		Group Director of Housing & Property Management	Enabling customers to lead	N/A
RISK 010	Group Credit Rating		Risk Appetite is **MINIMAL** (Light Green)		Group Director of Finance	Maintaining a strong credit rating and managing financial risks	Page 16 (Outwith Risk Appetite)
RISK 016	Laws and Regulations		Risk Appetite is **CAUTIOUS** (Yellow)		Group Director of Governance & Business Solutions	Progressing from Excellent to Outstanding	N/A
RISK 012	Business Continuity / Disaster Recovery		Risk Appetite is **HUNGRY** (Blue)		Director of People Services	W.E Work – Strengthening the skills and agility of our staff	N/A
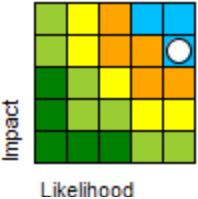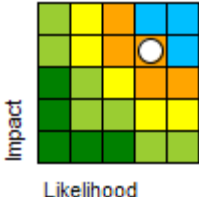
Code	Title	Original Score	Risk Appetite	Current Risk Score	Owner	Strategic Outcome	Ref to Appendix 2
RISK 007	Rent Arrears arising from Universal Credit		Risk Appetite is **MINIMAL** (Light Green)		Group Director of Housing & Property Management	Maintaining a strong credit rating and managing financial risks	N/A
RISK 172	Group Development Programme		Risk Appetite is **MINIMAL** (Light Green)		Group Director of Repairs and Assets	Increasing the supply of new homes	N/A
RISK 017	Pension contributions		Risk Appetite is **MINIMAL** (Light Green)		Group Director of Finance	Maintaining a strong credit rating and managing financial risks	Page 17 (Proposed for removal from Corporate Risk Register)

Appendix 2 – Detailed risks highlighted for Board consideration
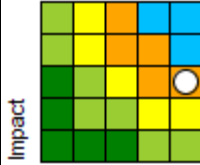
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Strategic Outcome	Evolving digital platforms to support our activities	Risk type	Compliance: Legal/Regulatory	Risk owner	Group Director of Governance & Business Solutions
Description			*Controls*		
Inherent risk	**Residual risk**	**Risk Appetite level:**	**Previous / Next detailed Board update on operation of controls listed above:**		

RISK 022 Financial impact of rent control legislation – *NEW RISK and Outwith Risk Appetite*

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

Description	Controls
There is a risk that the Group is required to significantly curtail future planned expenditure as a result of rent controls imposed by the Scottish Government, resulting in reduced spend on the new build programme, reduced capital investment in existing properties, and reduced services to customers, all of which may reduce customer satisfaction.	The Group is involved in discussions with the Scottish Government, both directly and through the Scottish Federation of Housing, about its plans in relation to the extent and period of any rent controls applied after 1st April 2023. This includes the Group Chief Executive's membership of a Scottish Government-convened working group. The Group has developed a flexible approach to the rent consultation so that customers contribute to the process in a meaningful way, within the constraints of the current period of uncertainty. The Finance team has reviewed financial plans against a variety of assumptions and will continue to review business plans as additional information becomes available.

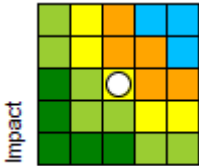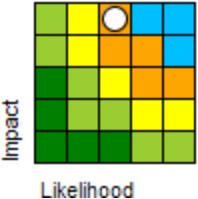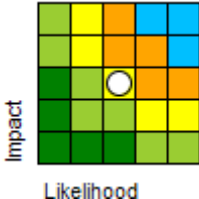| Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:
		Risk Appetite is **MINIMAL** (Light Green) **Outwith Risk Appetite**	• Group Board workshop including discussion of cost-of-living crisis (August 2022) • Group Board paper on rent setting approach (October 2022)

RISK 018 Supply chain disruption – *High Inherent and Residual risk scores*

Strategic Outcome	Increasing the supply of new homes		Risk type	Operational Delivery	Risk owner	Group Director of Governance & Business Solutions

Description	Controls
There is a risk that the Group faces disruption to its supply chain (including delays to supply deliveries, increased costs of supplies, or supplier business failure) due to global events such as the war in Ukraine, ongoing post-Covid manufacturing challenges, the UK cost of living crisis and rising inflation, resulting in delays or an inability to deliver operational targets and potential financial loss or reputational damage.	**General:** Procurement procedures include assessment of suppliers' financial health. Contract and supplier management guidance and e-learning module available. Active use of Contract Management System which contains system generated alerts to flag risk. Proactive monitoring of supply chains by Operational leads with regular contract management meetings. Regular engagement with Scottish Government on cost or delay impact as potential issues emerge. In the event of supplier insolvency, procurement frameworks / approved supplier listings would be used to identify alternative suppliers. **Repairs Service:** Manage stock levels including, where possible, advance purchase of components and materials. Engagement with key suppliers. Specific contingency plans for key services e.g. lifts. Local staff directly employed by CBG or DCPS. **Investment Programme:** Manage stock levels of components and materials. Engagement with key suppliers. **New Build**: Regular engagement with new build contractors where the Group's financial exposure is greatest to test financial standing. Monitor on a site basis the availability and adequacy of contactor's resource on site – consider increased clerk of works site monitoring to ensure quality of workmanship. **Operational Supplies**: Utilisation of Group and 3rd party frameworks to minimise price increase risk. Engagement with key suppliers on stock levels. **Wheatley Care:** Working with SG via membership organisations to understand potential level of risk. Contingency plans to mitigate locally and maintaining a 15-week stock of PPE.

Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:
		Risk Appetite is **OPEN** (Orange)	Group DevCo - tenders/ programme performance/ Contractor financial exposure. These are standing items at each meeting. (Ongoing) Wheatley Solutions Board (Procurement strategy) (Jan/Feb 22) All Boards performance, finance and development updates (Ongoing standing items)
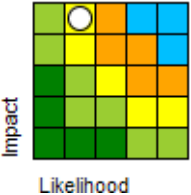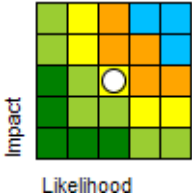
RISK 005 Care and support services – *Outwith Risk Appetite*

Strategic Outcome	Shaping Care Services for the future	Risk type	Compliance: Legal/Regulatory	Risk owner	Group Director of Communities

Description	Controls
A failure in the care of an individual could result in serious personal harm, leading to risk to life and limb, financial liability and loss of future work due to reputational damage. The commissioning environment relating to care and support services creates risks that funding is insufficient to allow services to break-even while paying staff fair wages.	Care and support services governance arrangements, including the authorising environment, are clear and have been approved. These include regular reviews of service financial positions and processes to hand back services which cannot be delivered in a financially viable manner. Care Assurance Framework (which includes monitoring the results from Care Inspectorate service visits and Group Assurance inspections) in place which assesses the quality of care and adherence to Care policies and procedures across Group. Care Quality Framework approved by Care Board April 2022 is being implemented. The Care Inspectorate has remobilised inspections of registered services as part of its scrutiny arrangements. Regular management review of service users' care packages to monitor where people are leaving the services and how to redeploy resources or attract new users. The Protecting People Policy Framework sets out arrangement for protecting the People We Work For, including those considered to be vulnerable. Work to deliver against the Framework is reported to the Wheatley Care Board.

Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:
		Risk Appetite is **MINIMAL** (Light Green)	Finance reports are standing items at the Wheatley Care and Group Boards. (Ongoing) Care business plan and ongoing care performance reporting to Group and Wheatley Care Board (minimum quarterly)
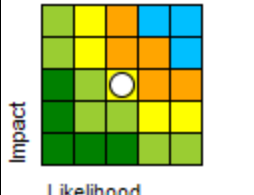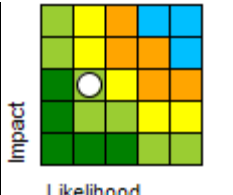
RISK 003 Fire Safety – *Outwith Risk Appetite*

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

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

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

RISK 010 Group Credit Rating – *Outwith Risk Appetite*

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

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

Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:
		Risk Appetite is **MINIMAL** (Light Green) **Outwith Risk Appetite**	Business plan projections for all Boards set out how we will maintaining financial position (Feb 22) The Group and WFL1 Boards receive quarterly treasury reports on the current credit market conditions and any credit rating updates. (Quarterly through 2021 and 2022)

17

RISK 017 Pension contributions *– Proposed for removal from Corporate Risk Register*

Strategic Outcome	Maintaining a strong credit rating and managing financial risks	Risk type	Financial or VFM	Risk owner	Group Director of Finance
Description		**Controls**			
Increases in the required pension contributions for all Group pension funds may lead to potential cost pressures for the Group.		The Group's Pensions Policy sets out a range of measures to manage pension costs. We have established a Wheatley Group defined contribution scheme which is the default arrangement for new joiners and auto-enrolment for most subsidiaries. We are also consolidating SHAPS and LGPS schemes where possible to reduce the risk of cessation liabilities being triggered.			

Inherent risk	Residual risk	Risk Appetite level:	Previous / Next detailed Board update on operation of controls listed above:
		Risk Appetite is **MINIMAL** (Light Green)	Group pensions strategy was reviewed at Group Board. (Dec 21) Business plans with sensitivity analysis are reviewed by all Board who are members of pension schemes annually. (Feb and Sept 2021 and 2022)

Report

To: **Loretto Housing Board**

By: **Ranald Brown, Director of Assurance**

Subject: **Group Assurance Update**

Date of Meeting: **28 November 2022**
_____

1.   **Purpose**

1.1.   This report provides the Loretto Housing Board with an update for noting of the following matters:

   ▪   internal audit work performed during the first two periods of 2022/23; and

   ▪   the rolling Internal Audit Plan 2022/23.

2.   **Authorising and strategic context**

2.1.   Under the Group Standing Orders, the Board is responsible for managing and monitoring its compliance arrangements and operational performance. The activities undertaken by the Assurance Team provide the Board with independent assurance to support the Board in this role.

2.2.   The Group Audit Committee is responsible for monitoring the Group's assurance activities. The Group Audit Committee has responsibility for instructing and keeping under review the rolling internal audit plan for the Group, and monitor results as presented in quarterly Assurance Updates. The current schedule of work within the rolling Internal Audit Plan 2022/23 was approved by the Group Audit Committee at its meeting on 2 November 2022.

3.   **Background**

3.1.   In June 2022 and August 2022, the Group Audit Committee approved delivery of the following reviews, as part of the rolling Internal Audit Plan. The reviews highlighted in **blue font** are those relevant to this Board:

   ▪   **IT General Controls**
   ▪   **Cyber Security**
   ▪   **Repairs- Follow Up**
   ▪   **Cost of Living/Wrap around services**
   ▪   **SHR Assurance Statement**
   ▪   Lowther- Follow- Up

   ▪   Legislative Compliance Mapping:
      ▪   **Housing**
      ▪   Care
      ▪   **Technical**
      ▪   **NETs**
      ▪   CFC
      ▪   Lowther
   ▪   **Data Analytics**

3.2.   The Internal Audit team has now completed these reviews, and details of the findings are set out in the Group Assurance Update report at **Appendix 1**.

4.   Discussion

Summary of work in first two periods of 2022/23

4.1.   The table below summarises the results of internal audit work completed in the period since our last report. The coloured pie-charts represent our assessment of the extent to which the control objectives we audited were achieved.

IT General Controls	Cybersecurity
•Loretto Housing •Lowther •Wheatley Care •Wheatley Development Scotland •Wheatley Foundation •WH-East •WH-Glasgow •WH-South •Wheatley Solutions	•Loretto Housing •Lowther •Wheatley Care •Wheatley Development Scotland •Wheatley Foundation •WH-East •WH-Glasgow •WH-South •Wheatley Solutions
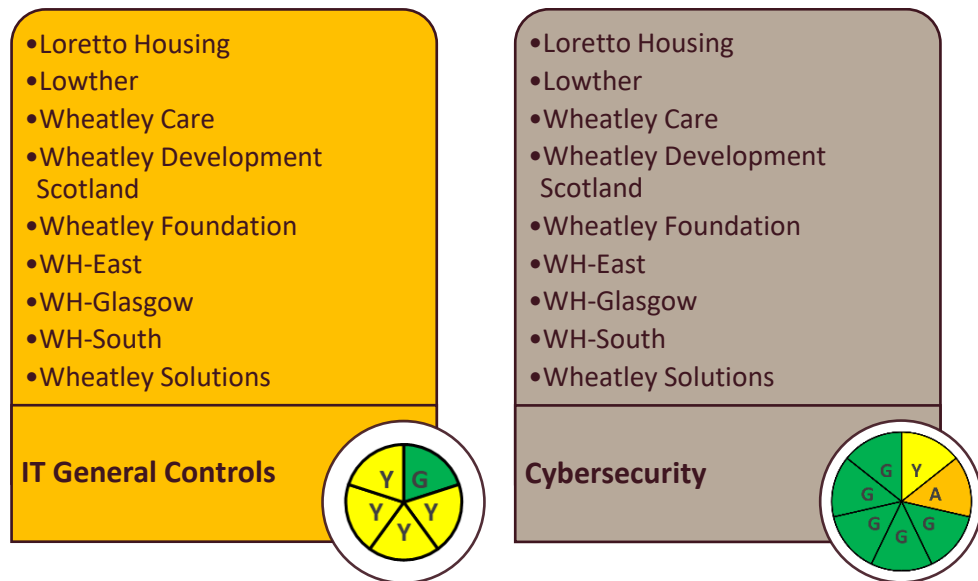
4.2.   The control objective ratings are defined below:

Red	Amber	Yellow	Green
•Control objective not achieved. •Control weaknesses identified would have a significant and immediate impact on the risks to achievement of the organisation's objectives.	•Control objective not achieved. •Control weaknesses identified would have a significant impact on the risks to achievement of the organisation's objectives.	•Control objective achieved. •Control weaknesses identified would have some impact on the risks to the achievement of the organisation's objectives.	•Control objective achieved. •Any control weaknesses identified would have limited impact on the risks to the achievement of the organisation's objectives.

4.3.   In addition, the following reviews have also been completed. We can confirm there were no significant issues arising in these reports that we would need to highlight to the Board:

Repairs- Follow Up	Cost of Living / Wrap-around services	SHR Assurance Statement	Lowther Homes Follow Up
WH-East WH-South WH-Glasgow Loretto Housing Lowther Wheatley Solutions	Loretto Housing Lowther Wheatley Foundation WH-East WH-South WH-Glasgow Wheatley Solutions	WH-East WH-South WH-Glasgow Loretto Housing	Lowther

Legislative compliance mapping Phase 1	Legislative compliance mapping Phase 2	Data Analytics
WH-Glasgow WH-South WH- East Loretto Housing Wheatley Solutions Wheatley Care	Loretto Housing Lowther Wheatley Care WH-East WH-Glasgow WH-South Wheatley Solutions	Wheatley Care – SSSC staff registration Wheatley Solutions – payroll & purchase cards

4.4. More detail on the key findings for each review are set out in the Group Assurance Update at **Appendix 1**. Full reports are available to all Board members upon request.

Rolling Internal Audit Plan to February 2023

4.5. The Group Audit Committee reviews the rolling Internal Audit Plan at each of its meetings, approving the work scheduled for the coming quarter. In November 2022, the Group Audit Committee approved the programme of work set out in **Appendix 1**.

5. Customer Engagement

5.1. No customer engagement implications arise directly from this report although action owners may engage with customers to inform decision-making arising in the course of completing assigned actions.

6. Environmental and sustainability implications

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

7.   Digital transformation alignment

7.1.   The reports on IT General Controls and Cybersecurity provide assurance on the Group's IT control environment and the planned reviews of Digital Strategy and Digital Maturity Self-Assessment Validation will help management to identifying and implement potential improvements in the way digital transformation is delivered across the Group.

8.   Financial and value for money implications

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

9.   Legal, regulatory and charitable implications

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

10.   Risk Appetite and assessment

10.1. This report is designed to inform the Board members of specific risks arising from internal audit reviews, in order that members can make informed governance decisions. The relevant risk appetite statements are dependent on the nature of each specific risk arising from those internal audit reviews.

11.   Equalities implications

11.1. This report does not require an equalities impact assessment.

12.   Key issues and conclusions

12.1. The Internal Audit team has completed the listed reviews. No significant matters were noted to bring to the attention of the Board members and management have agreed actions to address the improvement actions identified during each review. The Internal Audit team will monitor completion of these actions and report progress to future meetings of the Group Audit Committee and this Board.

12.2. The Group Audit Committee has approved the Internal Audit team's current programme of work and will continue to oversee and approve the work programme on a quarterly basis.

13.   Recommendations

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

LIST OF APPENDICES:

Appendix 1 – Group Assurance Update November 2022

Group Assurance Update
November 2022

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Wheatley Group

Status of Reviews

This section summarises the results of Internal Audit activity completed during this period.

IT General Controls – section 2
- Loretto Housing
- Lowther
- Wheatley Care
- Wheatley Development Scotland
- Wheatley Foundation
- WH-East
- WH-Glasgow
- WH-South
- Wheatley Solutions

Cybersecurity - section 3
- Loretto Housing
- Lowther
- Wheatley Care
- Wheatley Development Scotland
- Wheatley Foundation
- WH-East
- WH-Glasgow
- WH-South
- Wheatley Solutions

Repairs Follow Up – section 4

WH-East

WH-South

WH-Glasgow

Loretto Housing

Lowther

Wheatley Solutions

Cost of Living / Wrap-around services – section 5

Loretto Housing

Lowther

Wheatley Foundation

WH-East

WH-South

WH-Glasgow

Wheatley Solutions

SHR Assurance Statement – section 6

WH-East

WH-South

WH-Glasgow

Loretto Housing

Wheatley Solutions

Lowther Homes Follow Up – section 7

Lowther

Legislative compliance mapping Phase 2 – Section 8

Loretto Housing

Lowther

Wheatley Care

WH-East

WH-Glasgow

WH-South

Wheatley Solutions

Data Analytics – section 9

Wheatley Care – SSSC staff registration

Wheatley Solutions – payroll & purchase cards

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Wheatley
Group

Control Objective Classification:

Each control objective is assigned a classification based on an assessment of the impact of individual findings within the report, as follows:

Red	**Amber**	**Yellow**	**Green**
• Control objective not achieved. • Control weaknesses identified would have a significant and immediate impact on the risks to achievement of the organisation's objectives.	• Control objective not achieved. • Control weaknesses identified would have a significant impact on the risks to achievement of the organisation's objectives.	• Control objective achieved. • Control weaknesses identified would have some impact on the risks to the achievement of the organisation's objectives.	• Control objective achieved. • Any control weaknesses identified would have limited impact on the risks to the achievement of the organisation's objectives.

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Report Conclusion

IT general controls are an essential part of the successful operation of a secure IT environment. Effective processes in these areas help reduce the risk of unauthorised access to data.

We found that the organisation has, in the main, effective controls over the joiners, movers and leavers processes, including the allocation of privileged accounts. There are well established procedures, and we did not identify any exceptions from our audit testing.

We identified several areas where there is scope to enhance the IT general control environment, including:

- Completing the ongoing implementation of the privileged account management solution to cover generic/default privileged accounts.

- Updating the Group IT Access Control Policy to reflect the revised technical and operational approaches taken in response to COVID-19.

- Creating user access matrices to ensure the 'need to know' and 'least privilege' elements of policy are complied with.

- Use of SharePoint functionality to mandate the application of retention requirements (using 'retention labels') to individual documents.

Control Objective Classification

Green — There are adequate and effective policies and procedures for joiners, movers and leavers, including the issue and recovery of IT hardware. There are adequate processes for determining hardware requirements for joiners.

Yellow — There are effective arrangements in place for management, control and monitoring of privileged user accounts.

Yellow — Access to the network and publicly accessible services, e.g., Office365, is adequately controlled and requires the use of multi-factor authentication.

Yellow — Access to network resources, including Teams and SharePoint, is based on the principle of least privilege, and is aligned to the movers process.

Yellow — There are adequate controls to apply retention dates to records held on SharePoint and assurance sought that records are being automatically deleted/archived when retention date is reached.

2. IT General Controls

Areas of Good Practice

- ✓ There is an effective Joiners, Movers and Leavers process which reduces the risk of unauthorised users having access to the corporate network and systems.

- ✓ Privileged access is only granted where there is a legitimate business need. Those users with privileged accounts also have separate accounts for normal access.

- ✓ The organisation has detailed data retention policy and procedure in place which provides guidance on different record types.

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Opportunities to Improve

Continuous Improvement Opportunities

➢ Completing the full implementation of the Delinea privileged access solution. This is a password vault solution that will provide better management and accountability for the use of generic and default privileged accounts.

➢ The Group IT Access Control Policy should be updated to reflect revised technical and operational requirements that have arisen from the response to COVID19. For example, there is no reference to requirements for the use of Multi-Factor Authentication (MFA) and password expiry requirements do not reflect that the organisation now aligns with guidance from the National Cyber Security Centre (NCSC). Management should also take the opportunity to conduct a wider review of IT policies to confirm that align to organisational requirements.

➢ At present, IT will grant user network access rights based on the request from a line manager. To reduce risk, the organisation should develop and implement network access matrices to determine user access rights. Management should also ensure that user access rights are subject to at least annual review.

➢ Development of monitoring and reporting to confirm retention labels are applied within SharePoint to ensure all documentation is managed in line with retention policy requirements.

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3. [redacted]

Summary of findings

This follow up review has assessed the progress made by management in implementing the actions from our End-to-End Repairs review completed in May 2022. These were to be delivered as part of the Repairs Transformation Programme. We have also assessed the extent to which management has defined how successful delivery of the Repairs Transformation Programme outcomes will be measured and has captured baseline information from which to measure progress.

In following up our original report, we have assessed the status of the 6 agreed management actions. The report also contained a diagram showing 17 improvement opportunities identified by either the internal audit team or management during the course of the original review. The diagram on the next slide shows how those 17 actions map to the 6 summary actions (i.e. A1 – A6 on the following slide).

We found that, while none of the 6 summary actions within the report have been fully completed, management has made progress against each the improvement opportunities. A key step in making further progress with the Repairs Transformation Programme will be the implementation of Localz, which will enable collection of live customer feedback. A pilot for this software is currently planned for November 2022, with full roll-out in January 2023.

While reviewing the delivery of the Outcomes approved by the Group Board at its meeting in February 2022, we found that there is no clear link between the approved outcomes and the actions contained within the Repairs Transformation Plan. Management's focus has been on delivery of the Servitor upgrade and, now that the upgrade has been delivered, management should review both the outcomes and the remaining actions within the plan to determine whether all outcomes remain relevant, and the remaining actions required to deliver those outcomes. The agreement of the revised action plan should include allocation of responsibilities and timelines, with consideration given to available resources when setting due dates.

4. Repairs Follow Up

Stage 1:
Logging the repair:

Accurate diagnosis and logging of repair at CFC and clear communication with customer

- Additional training for CFC and housing staff to ensure each repair is diagnosed and entered correctly in MyRepairs (A1)*
- Ensure customers are aware of appointment times and that these are at times suitable for the customer (A1)
- Develop guidance for CFC staff on use of repairs systems to ensure optimal appointments & improve the efficiency of the repairs service (A1)
- Regular review of cancellations and reasons for these to ensure they are appropriate and necessary (A2)
- Use of data analytics to identify performance trends or additional training needs (A5)

Stage 2:
Appointing the repair:

Allocation of repairs to correct trades and work orders and keeping customer informed

- Additional training for CFC staff on how to accurately log the repair in ASTRA with sufficient detail to inform the allocation of trade and materials required (A1)
- Ensure repairs are tagged correctly to the original service request to allow issues to be monitored and provide true information about the end to end repair (A1)
- Communication with customers about repair appointments & work should be improved to ensure customer expectations are properly managed (A1)
- Communication between all staff working around repairs should be improved so joint working is more effective & consistent information is available for customers (A1)

Stage 3:
Delivering the repair:

Completion 'right first time' and within timescale, recording of activity and use of cancellations

- Consider the re-categorisation of repairs appointments into more achievable and realistic timeframes, considering actual work required, limitations on resource i.e. trade or material availability (A2)
- Ensure CFC staff are given sufficient training and direction to process any cancellation or additional CBG work order requests, or escalate to the appropriate housing lead for agreement where required (A2)
- Review the process around cancellations to ensure that both staff and customers have been informed of any changes to existing repairs and information on ASTRA is up to date (A2)

Stage 4:
Completion of the repair:

Quality assurance of call handling and repairs service, customer feedback and lessons learned

- Reintroduce quality assurance monitoring of repairs call handling to identify any training needs (A3)
- Determine what level of landlord assurance / post inspections checks are required to provide sufficient comfort over the quality & VfM the Group receives (A4)
- Ensure methods of obtaining customer feedback are customer friendly and communicated to customers (A6)
- Collate all customer feedback in a format which enables lessons learned and actions to be identified (A6)
- As part of the transformation programme ensure lessons learned are obtained from all Group repairs related complaints (A6)

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* The (A1) to (A6) references added to each improvement opportunity relate to the number of the action within the original e.g. A1 = Action 1.

Areas of Good Practice

✓ Six City Building Glasgow ("CBG") staff are working with the CFC Specialist Repairs team, using a dedicated phone line and email address. Team managers review demand for this team's services weekly.

✓ The majority of CFC staff have received training in processing of repairs. The training programme emphasises that effective communication with the customer is important to correctly diagnose and book the repair. The training programme is also supported by accompanying notes provided further explanation/background on the types of repairs and appointments.

✓ The CFC Repairs team has developed videos for the most common types of repairs for use by other staff and customers. These are available on W.E.Connect and the Group's Website.

✓ Development work on RSL customer communications is underway in preparation for the Localz pilot.

✓ The Wheatley Repairs team has reviewed and revised key repairs processes to simplify and improve delivery of these for customers. This has included review of 64 emergency repairs types to establish if any of these can be moved to next day appointment, and review of the cancelled repairs types. "No access" cancelled repairs are currently reviewed by the CFC compliance team using an interim manual process, whereby the team contacts customers daily to determine the reason for the "no access".

✓ The new landlord assurance guidance defines performance information that will be used to repairs team performance and be discussed at 'contract' performance meetings with CBG to address issues arising from inspections and trends.

✓ Customer satisfaction survey data is collected for Web Self Service repairs and the results are reported in a format that facilitates identification of lessons learned. The CFC compliance team is completing customer satisfaction pulse surveys via outbound calls to customers with recently completed repairs. Results of the surveys is reported to senior management and used to inform further improvement within the repairs project.

Opportunities to Improve

We have identified two new actions arising from this review. The remaining continuous improvement actions relate to ongoing work required in order to complete the 6 actions within our original report.

Priority Actions

➤ *New*: The planned revision of the Repairs Transformation Plan should include an assessment of whether the 20 desired outcome approved by the Group Board in February 2022 remain appropriate. Where they are relevant, the outcomes should be mapped to specific actions within the revised Improvement Plan so it is clear how they will be achieved. If outcomes are no longer relevant, this information should be shared with the Board as part of the process to approve the revised Improvement Plan.

➤ Preparations for the pilot of the Localz system should be completed and, once complete, the results of the pilot should be reported to the Group Board.

Continuous Improvement Opportunities

➤ *New:* Staff involved in user acceptance testing or processing changes to Astra should record all results or changes in a central location.

➤ The remaining areas relate to workstreams included within the original Repairs Transformation Plan. These include further staff training, develop working arrangements with the CFC to ensure services are delivered efficiently and effectively, ongoing review of the recently updated Servitor system to ensure the intended functionality is being delivered, ongoing review of Repairs performance information and the current interim reporting on customer feedback should be reviewed and updated following the implementation of the new customer feedback system.

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Report Conclusion

In preparation for the submission of the Group's Annual Assurance Statement to the SHR in October 2022, Internal Audit has reviewed the Governance team's self-assessment commentary. This involved assessing whether:

- the commentary provided adequately addressed the SHR requirement,

- the evidence provided supported the commentary, and

- both the commentary and the evidence supported the Governance team's conclusion about compliance with the SHR requirement.

We raised queries during the review process, which were clarified by the Governance team. We also identified a small number of continuous improvement opportunities, which were not significant enough to equate to material non-compliance with the relevant SHR requirements. Management were already aware of these areas.

Further details of these improvement opportunities are set out on the next slide.

Having completed the review, the Internal Audit team has concluded that:

- The commentary adequately addresses the SHR requirements;

- The evidence provided supports the commentary; and

- The Governance team's compliance conclusions are supported by the commentary and the evidence provided.

The Assurance Statement and supporting documentation will be presented to the Board for approval in October 2022, before submission to the SHR in line with the regulatory deadline of 30 October 2022.

Opportunities for Improvement

Continuous Improvement Opportunities

- We noted that the arrangements in place for complaints handling procedures are sufficient to achieve material compliance. However, we noted that one of six management actions to address improvement opportunities from an internal audit review of complaints handling remains in progress. This action should be completed to strengthen this process for subsequent years.

- We noted arrangements in place for Board members and Senior Officers to record their interests. We reviewed the Register of Interests and noted it had not been updated for the new Executive Team. We also noted the Staff Register of Interests had not been recently updated. The Governance team are now arranging for these documents to be updated.

- As reflected in the Governance team's self-assessment, work continues to fully embed processes for management of Equalities, Diversity and Human Rights. Management should continue to progress this work, in particular with the collection of staff and customer data.

- We acknowledge that Board papers are being published and would suggest that consideration be given to clearly writing the process for publishing Board papers and minutes.

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Report Conclusion

The Here For You (HFY) Campaign went live for staff on 1 October 2022 and will run until 31 March 2023. This advisory review was focused on confirming whether the design and rollout of arrangements to deliver the campaign incorporated good practice in relation to key areas of risk, including fraud and delivery risks. Management had to design and embed an approach in a short timescale in order to deliver these arrangements before the campaign's 'go-live' date of 1 October 2022. We worked with the HFY Lead and working group as the arrangements to deliver the campaign evolved and we have seen evidence that key risks and potential issues are being considered. Where we raised queries or challenged the design of proposed arrangements, the working group was responsive to our input. As the campaign was not live at the time of our review, we have been unable to test the operating effectiveness of controls, therefore our conclusions are based on the design adequacy of the planned arrangements.

Management has requested updates to ASTRA (the Group's Customer Relationship Management system) which should provide detailed reporting of all wrap-around support provided to individual customers, if implemented as planned. Information including the number of customers receiving HFY support, reasons for fund referrals, and wrap-around support offered will be captured in ASTRA. However, this was not available until 1 October 2022 and therefore we have not been able to assess the effectiveness of the planned reporting. A key area for development will be to determine how qualitative outcomes, such as the impact of use of the fund on customers, will be measured and reported.

The HFY campaign is expected to help 20,000 customers through advice and referrals to alternative sources of support, as well as access to the £6m of direct financial support the Group has made available for the duration of the campaign. In order to target the Group's £6m of support to those customers most in need, it is vital that frontline staff follow the campaign guidance to direct customers to alternative wraparound support, as well as assessing the need for help with food, fuel or rent if a customer is at a real crisis point. There is clear guidance on the importance of this, the system asks staff to refer customers to other sources of support before allocating vouchers, and weekly meetings to monitor spend are in place. However, the reporting that would allow management to identify instances where the guidance is not followed has yet to be developed. There is therefore a risk that the £6m allocated by the Group to support the campaign will be allocated to customers before the end of the winter period, when customers are expected to be most affected.

Areas of Good Practice

✓ A working group was established to deliver the HFY campaign including representatives from key areas of the Group, including Housing, Wheatley 360, the Foundation, the CFC, Communications, Finance, IT and Performance.

✓ Guidance is available to all staff on W.E.Connect, including a Digital Directory of external support options to which customers should be signposted.

✓ Manager briefing sessions have been held to launch the campaign and briefing packs issued for these managers to cascade the learning to their teams.

✓ HFY process has been created in ASTRA to enable HFY fund referrals to be clearly identified and recorded as separate cases in the system, giving visibility of actions taken against each case.

✓ HFY ASTRA process has been tested by working group members to ensure cases can be appropriately raised against the customer and progressed to the appropriate stage of the referral process.

✓ HFY ASTRA case will ask staff to confirm they have consulted the Digital Directory of available support as a first step in the referral process, including details or support accessed or reasons why it could not be used. The ASTRA case will also prompt staff to complete any missing information.

✓ Managers will be required to sign off all fund referrals once these reach set values, as per the existing Helping Hands process, providing an opportunity for management to confirm that adequate wrap-around support has been provided to the customer and that the fund is being used appropriately.

✓ Progress updates have been provided to ET throughout the design of the campaign.

7. Cost of Living / wrap-around services

Opportunities to Improve

Priority Actions

➢ Management should document the desired outcomes for the HFY scheme and define how these will be measured and reported. This should include quantitative measures and qualitative measures such as the impact of use of the fund on customers.

➢ Reports using ASTRA information that allow effective monitoring of the funds the Group has allocated to the HFY scheme must be developed as soon as possible so that the nature of expenditure against these funds can be monitored closely to ensure funds will be available to meet demand throughout the winter period.

Continuous Improvement Opportunities

➢ Formal reviews should be scheduled during the life of the fund to confirm funds are allocated in line with guidance, such as reviewing a sample of cases to confirm the correct actions are being taken, identifying any trends or themes and sharing lessons learned.

➢ As delivery of the fund will involve staff working across teams and directorates, the roles and responsibilities of managers across the Group that are involved in the delivery and oversight of the fund should be documented and approved by ET. This will provide clarity about who will monitor and control fund use, challenge staff actions, report concerns, and amend budgets or remove access to the fund, if required.

➢ Planned actions for further development of the HFY scheme administration should be documented, including due dates and action owners. This could be delivered through allocation of tasks / actions on the existing HFY working group Teams site.

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8. Legislative compliance mapping advisory review

Report Conclusion

Prior to April 2020, management completed a series of local checks to confirm compliance with key procedures. The introduction of home-working across the Group as a result of COVID-19, resulted in some of the compliance checks being suspended. As the Group moved back to a full service-delivery model, the way in which services are now delivered has changed significantly for many teams across the Group. As a result, the compliance checks previously completed may no longer be the most effective way to assess compliance with current or planned procedures.

The Internal Audit team was asked to review the status of compliance checking across the Group. In order to do so, the team has developed a staged approach, to be rolled out in four phases across the Group. There are 3 stages: 1) Internal Audit review of compliance areas; 2) Management review and identification of additional compliance checking; 3) Design and roll-out of updated compliance checking.

During phase 1, the Internal Audit team has worked with Housing, Care and Technical Compliance management to complete Stage 1. This involved mapping areas in which the Group is required to comply with legislation or regulation; assessing the potential consequence of any failure to comply; and identifying existing or planned compliance checking that would provide assurance about the extent of compliance.

During phase 2, the Internal Audit team has worked with Environmental Services, Lowther and Customer First Centre (CFC) management to complete Stage 1. This involved mapping areas in which the Group is required to comply with legislation or regulation; assessing the potential consequence of any failure to comply; and identifying existing or planned compliance checking that would provide assurance about the extent of compliance. Phase 2 included confirmation that Housing, Care and Technical Compliance management teams had reviewed the provided compliance maps and concluded on additional controls to be introduced, where relevant.

Further detail about the stages and phased approach to this work is set out on subsequent slides.

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Key findings

- All expected areas of **technical compliance** are monitored, with development work underway to capture all technical compliance records in one system across the Group. The recently set up Group Compliance Steering Group will provide additional oversight of these arrangements.

- Wheatley **Care** management developed a Compliance Framework during 2021/22, which addresses all expected areas of compliance. Work is underway to roll-out the new Framework, which will include compliance testing by all tiers of management at scheduled points during the year.

- Previous compliance checks operated within **Housing** have been reintroduced. The draft compliance map highlights some additional areas, such as lone working, violence and aggression and Anti-Social Behaviour, where management may wish to consider introducing additional compliance checks. These new areas for consideration arise in part from the Group's new operating model. During Phase 2, the Internal Audit team will work with management to progress the review and identification of additional compliance checking to be introduced.

- Substantially all expected areas of **Environmental Services** compliance are monitored, with development work underway to allow aspects of this to be digitalised, improving the efficiencies of monitoring controls and management information with the introduction of the new NETs Mobile app. Management plans to develop a tree survey management plan for the Group and a proposed approach will be taken to the September 2022 meeting of the Group Compliance Steering Group for further discussion.

- The **CFC** has controls in place to monitor compliance with the majority of its identified legislative requirements. We did identify some opportunities to improve the arrangements for monitoring compliance around Group and CFC-specific mandatory training, payment handling and when using paye.net (the Group's back-up payment process) and data handling, including the development of a retention schedule for CFC owned documents.

- The work completed at **Lowther** has identified that some areas of Lowther compliance are monitored, with development work underway for a number of planned controls identified by Management. This includes the design and implementation of formal monitoring and ad hoc assurance checks, primarily focussing on the end-to-end tenancy procedure; with an ongoing focus on improving the management of deposits. This will allow checks to be digitalised where possible, improving the efficiencies of monitoring controls and management information.

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Methodology detail

- The assessment of the high/medium/low consequence for each compliance area involves considering the potential impact on the Group of "worst case" scenario. For example, could a compliance failure to meet a requirement result in removal of licence to conduct business/ material fine / corporate or individual manslaughter charge?

- The review has focussed on mapping detective controls relating to legal / regulatory compliance, and it is worth noting that there may be additional controls or performance information in place that is required for efficient process delivery or quality purposes.

- The Internal Audit team has used a "show me" approach to confirm control descriptions, for example completing one walkthrough / viewing one instance of a report to confirm understanding of control. This work does not assess i) whether the control is adequately designed to mitigate the identified risk or ii) operating effectively.

- Stage 2 requires management to review the draft compliance map and form a view on whether existing compliance controls provide adequate assurance to facilitate effective local management of the compliance area. The review should reflect that the map captures controls designed to detect instances of non-compliance with laws and regulations. Each compliance area is likely to have additional controls that will inform the decision about where best to focus the limited resource available for compliance checking.

- A high-consequence compliance area may not require compliance checking if management is undertaking additional controls; e.g. the workflow built into a system requires completion of the required steps in a process and no manual override is possible. Management may wish to continue existing checks in a low-consequence compliance area because the check also facilitates achievement of business objectives.

- In order to preserve the team's independence, and in line with IIA Standards, the Internal Audit team can provide advice on the design of controls but the decision to introduce or remove any controls remains with management.

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Review methodology

The internal audit team will work closely with management to complete this advisory review in the following stages:

Stage 1
- IA team identifies existing legislative / regulatory requirements and compliance checks.
- IA team assesses potential consequence of non-compliance for each risk area.
- IA team develops draft map of compliance checks, including potential gaps.

Stage 2
- Management to review draft compliance map to confirm completeness and accuracy.
- Management to identify requirements for new compliance checks where additional assurance is required.
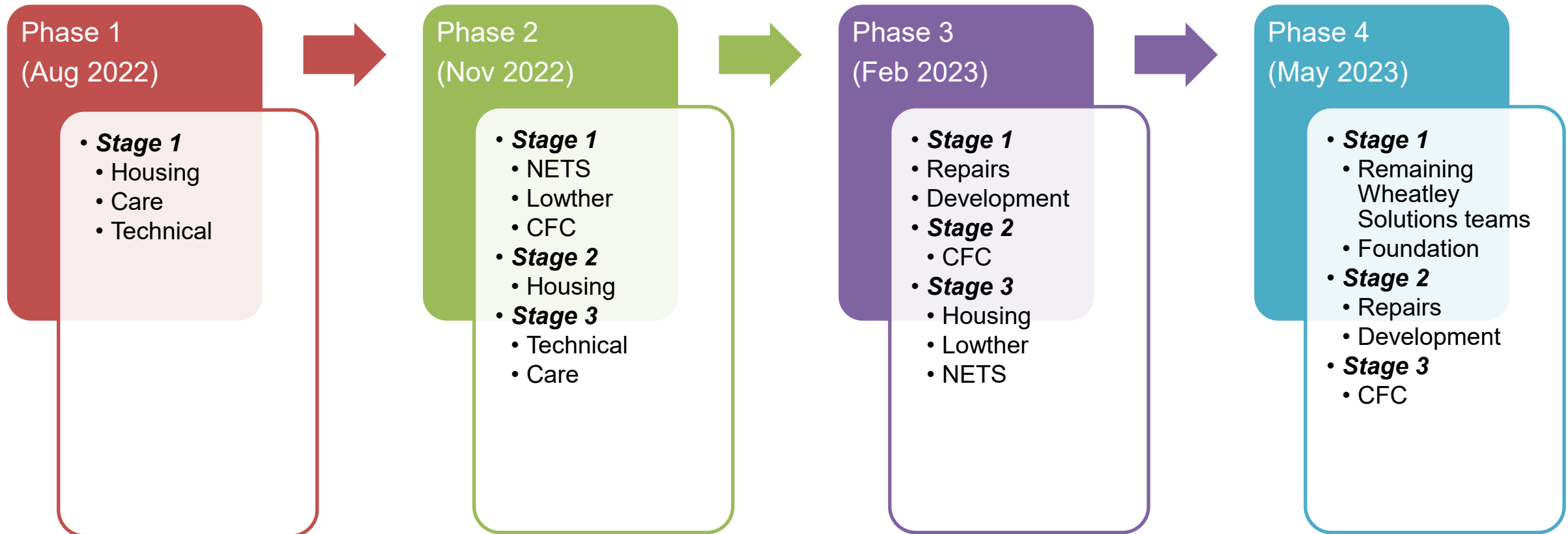
Stage 3
- Management reviews control design for existing and identified additional checks, with assistance / advice from IA team.
- Management confirms reporting arrangements.

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Wheatley Group

Summary of work performed

The Internal Audit team has developed a planned approach to produce continuous analysis of SSSC registration compliance. Areas for analysis have been agreed to improve efficiency of Care management checks. Testing methods have been confirmed and cross-checked with Care's own analysis. Any exceptions as a result of analytics provided will be reviewed by Care management. Confirmed areas for analysis are as follows:

Registration

- New starts not applied to register with SSSC within 4 weeks
- Staff with registration condition due to expire within the next year
- Registrations due for renewal in next month
- % staff registered with SSSC within first 6 months

Annual Fees

- Staff with overdue annual fees
- Annual Renewal Fees due in next month

Qualification Requirements

- % of relevant staff compliant with SSSC qualification
- % of staff with a registration condition currently working towards a qualification

Analytics covering these areas were completed using data obtained for the months April to September 2022. Results have been returned to the Care Services Innovation and Improvement Manager to review any exceptions noted. No significant issues were identified from the exercise.

We are currently developing scripts in IDEA to allow continuous analysis of these areas to improve the efficiency of Care management checks.

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9. Data Analytics- Payroll Review

Summary of work performed

The Internal Audit team has developed a planned approach to payroll testing that identifies those controls to be tested through development of continuous auditing and those where a periodic testing approach remains more appropriate. We have confirmed the operation of the controls through a walkthrough test and have developed continuous audit testing scripts.

Using the data available for Q1 and Q2 2022/23 we have used IDEA to confirm:

1. There are **no duplicate employee numbers being used** (across all payrolls)

2. We identified **17 duplicate bank account numbers in use during Q1 and 27 in Q2** (across all payrolls). These were matched to the annual remuneration reports and HR spreadsheet of changes and most are clearly joint accounts, with the remainder relating to a change in role or employment status.

3. Our testing confirmed that **none of the duplicate bank accounts belong to Payroll staff**.

4. There were 42 employees who received no Gross Pay in a payroll run during Q1 and 22 in Q2. These relate to leavers, staff on maternity leave, staff on long term sick and some relief staff. We have confirmed with the payroll team that this is due to the nature of the contracts in place for these staff members.

Following an accounts payable data analytics exercise in Q4 2021/22, the Finance team agreed an action to consider use of additional analytics for monitoring expenditure. This purchase card analytics exercise was completed as a pilot exercise to determine what reporting could be completed on a regular basis and which analyses would be of most use for the Finance team as recurring reporting.

The Internal Audit team obtained the Purchase Card Guidance for Managers available on W.E.Connect and used this guidance to identify key rules in relation to the use of Purchase Cards.

We found potential exceptions against some of rules listed within the Purchase Card Guidance, indicating a potential weakness of management controls over the use of purchase cards. These potential exceptions were shared with the Finance Team and they have agreed the following actions.

➢ Review the potential exceptions identified to determine whether the expenditure is appropriate.

➢ The Purchase Card Guidance should be reviewed and, if required, updated to reflect the Group's approved approach to Purchase Card expenditure.

➢ Once finalised, the guidance should be issued to all cardholders and managers responsible for approving Purchase Card spend as a mandatory read.

➢ The Finance team should continue to monitor monthly spend analyses, to confirm whether the revised guidance is implemented by managers and staff.

➢ Where managers are not reviewing card expenditure effectively prior to approval of the expenditure, access to the cards should be stopped, in line with current agreed procedures. We acknowledge that this control has recently be introduced.

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10. Follow Up

 Wheatley Group

Group-wide action status at 30 September 2022

Overall, there has been good progress in implementing actions during Q2 2022/23, with 18 of the 33 actions followed up being confirmed by Internal Audit as complete, with a further 5 found to be no longer applicable. There are 9 actions where the completion date is not yet due.

One action is overdue which relates to the further development and roll out of new eLearning complaints training for frontline staff.

Status	Actions
Actions brought forward	17
New actions agreed	16
Total Actions followed up	**33**

The chart below summarises our assessment of the status of the 33 actions followed up in the first two periods of this year.

Status of Actions at 30 September 2022
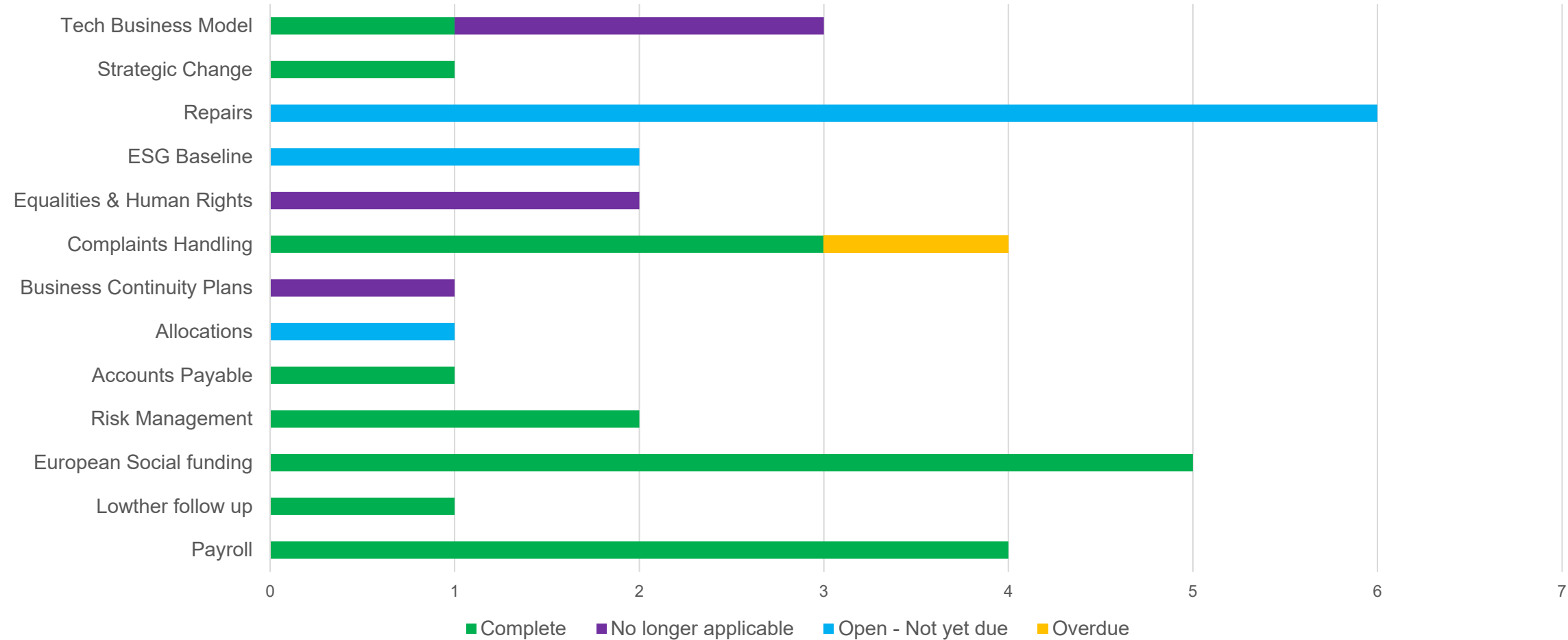

Review	Overdue actions	Revised due date
Complaints Handling	1	31/12/2022

The graph on the next slide shows the status of the actions we followed up by review.

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Internal Audit Rolling Plan

Development of Internal Audit Plan

Identification of internal audit areas of focus

As previously agreed by the Group Audit Committee, the Internal Audit team has reviewed the rolling plan during the current period, as indicated by the diagram below.

This has resulted in identification of areas of audit focus over a rolling 12-month period, from which reviews for the next period have been prioritised, for approval by Committee members.

The following slides detail the current list of Internal Audit Areas of Focus for the next 12 months. The plan is updated prior to each Group Audit Committee meeting to reflect the Internal Audit team's review, as follows:

Red font

- Reviews which have been added to the plan, amended, or deleted as no longer applicable

Blue font

- Proposed reviews for the next three months

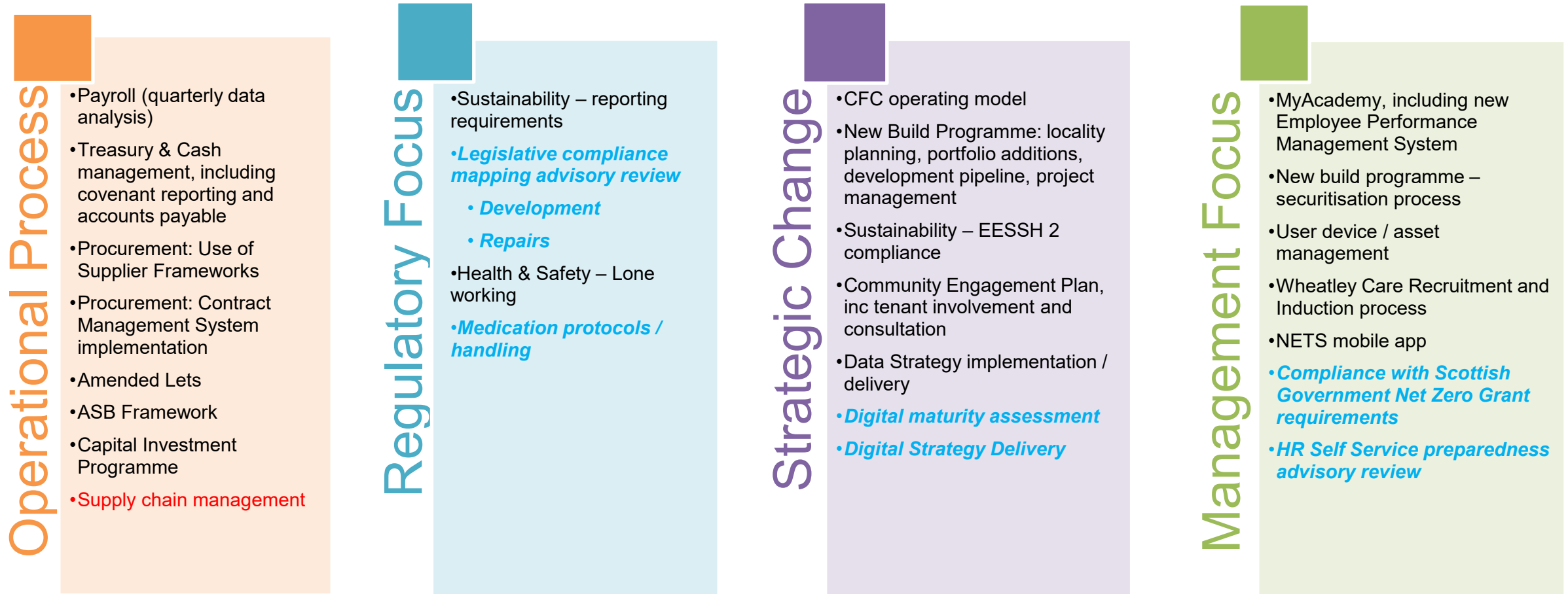**Black font**

- No changes

The plan also identifies other significant pieces of work undertaken by the internal audit team, including facilitation of the Group risk management process.

Diagram elements:
- Review of Fraud Risk Register
- Strategic and Corporate Risk Registers
- Quarterly meetings with Directors
- Group and Subsidiary Strategies
- Review and update of Assurance Map
→ IA Annual Plan

Internal Audit Areas of Focus

The following details the identified areas of audit focus over the next 12 months. This list (along with any new areas of focus) is used to identify reviews to be prioritised each quarter, for approval by Group Audit Committee. The areas of focus will also be reviewed quarterly. The areas highlighted in blue italics are proposed for the next three months. Areas reviewed during the previous 12-month period are shown on the next slide.

Operational Process

- Payroll (quarterly data analysis)
- Treasury & Cash management, including covenant reporting and accounts payable
- Procurement: Use of Supplier Frameworks
- Procurement: Contract Management System implementation
- Amended Lets
- ASB Framework
- Capital Investment Programme
- Supply chain management

Regulatory Focus

- Sustainability – reporting requirements
- *Legislative compliance mapping advisory review*
  - *Development*
  - *Repairs*
- Health & Safety – Lone working
- *Medication protocols / handling*

Strategic Change

- CFC operating model
- New Build Programme: locality planning, portfolio additions, development pipeline, project management
- Sustainability – EESSH 2 compliance
- Community Engagement Plan, inc tenant involvement and consultation
- Data Strategy implementation / delivery
- *Digital maturity assessment*
- *Digital Strategy Delivery*

Management Focus

- MyAcademy, including new Employee Performance Management System
- New build programme – securitisation process
- User device / asset management
- Wheatley Care Recruitment and Induction process
- NETS mobile app
- *Compliance with Scottish Government Net Zero Grant requirements*
- *HR Self Service preparedness advisory review*

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Internal Audit previous reviews

The following details the areas of audit focus that have been reviewed during the previous 12-month period.

Operational Process

- IDEA: Accounts payable: Purchase Cards, Faster Payments
- IDEA: Payroll & expenses
- Accounts payable: IPOS
- Complaints Handling
- Voids management
- Home working follow up
- Care Financial Management
- Payroll & expenses (with quarterly data analysis)
- IT General Computer Controls

Regulatory Focus

- SHR Annual Assurance Statement
- Lowther: Implementation of revised Letting Code of Conduct
- Fire Risk Assessments
- Foundation – ESF funding compliance
- Lowther: Follow up of Improvement Actions implementation
- Legislative compliance mapping advisory review
- Lowther: Follow up of Improvement Actions implementation
- SHR Assurance Statement
- Cyber Security

Strategic Change

- Strategic Change oversight arrangements
  - Customer Engagement model
  - DGHP Transformation Programme
  - Repairs Transformation Project
- Technology and business model coordination group

Management Focus

- Performance information reporting – Boxi replacement readiness review
- End-to-end Repairs customer journey (with GCC review of CBG controls)
- Wheatley Care Data Analytics
- Repairs follow up
- Cost of Living / Wrap-around services

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Review	Relevant Strategic Risk	Proposed scope
Compliance checking advisory review (phase 3)	RISK016 – Laws and regulations	We will continue our mapping of existing legislative compliance checking across the Group, focusing in the coming period on the Development and Repairs teams. We will also follow up with teams reviewed in the previous period and provide support with the development of additional controls, where requested.
Medication handling protocols	RISK005 – Care and support services	We will review arrangements in place within Care services for the management of medication handling in line with legislative / regulatory requirements.
Compliance with Net Zero Grant conditions	RISK021 – Reduced availability of financial support from Scottish Government / Local Government RISK023 – Climate change impact on Group Assets and Services	We will review the processes in place for monitoring of expenditure and draw down of income in relation to the net zero grant awarded by the Scottish Government, including assessment of controls in place to confirm expenditure is in line with any grant conditions.
HR Self Service preparedness advisory review	RISK015 – Failure to recruit, retain, develop and succession plan	We will review the status of plans to implement a self-service approach within the HR system. This will include reviewing the results of pilot use of the system by the IT and CFC teams to identify potential areas for further improvement.

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Review	Relevant Strategic Risk	Proposed scope
IT Audit Input : Digital Strategy Delivery	RISK019 – Cyber security RISK004 – New operating model implementation	To gain assurance that there are effective arrangements in place to ensure the effective planning and delivery of the digital strategy. This will include an assessment of implementation planning, business change processes and governance arrangements.
IT Audit Input : Digital Maturity Assessment	RISK019 – Cyber security RISK004 – New operating model implementation	We will perform an independent review of specific areas of the internal assessment of digital maturity to validate conclusions and to identify opportunities to increase maturity levels. This would include meetings with senior management and key business stakeholders.
Data analytics	N/A	We will review our approach to data analytics to confirm it is effective in providing assurance to the Group Audit Committee and management. We will also complete established quarterly reviews of payroll data, Wheatley Care staff qualifications, and purchase card expenditure.
Follow-Up review	N/A	Quarterly follow-up exercise
Risk Management	N/A	Facilitation of the quarterly review of risks across Group, including quarterly reporting to Subsidiary Boards, Group Audit Committee and Group Board.

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