



**LORETTO HOUSING ASSOCIATION**

**BOARD MEETING**

**Monday 19 September 2022 at 10.30am  
Wheatley House, 25 Cochrane Street, Glasgow**

**AGENDA**

1. Apologies for absence
2. Declarations of interest
3. a) Minute of 23 May 2022 and matters arising  
b) Action list

**Main business and approvals**

4. Appointment of new board members
5. Here For You Fund
6. Allocations policy
7. MyHousing (presentation/demo)
8. Development mid-year review

**Other business**

9. Sustainability update (presentation)
10. Digital housing services
11. AOCB

**To:** Loretto Housing Association Board

**By:** Laura Henderson, Managing Director

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

**Subject:** Supporting our tenants and communities through the cost of living crisis

**Date:** 29 September 2022

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## **1. Purpose**

1.1. The purpose of this report is to:

- Provide an outline of the expected impact the cost-of-living crisis will have on our tenants and within our communities;
- Outline current support in place to help our hardest hit tenants already impacted by issues including poverty, low income, effects of the pandemic and welfare benefit reforms; and
- Set out additional support measures to help mitigate some of the expected challenges of the cost-of-living crisis for our most vulnerable tenants as agreed by Group Board in August and launched by the First Minister, Nicola Sturgeon on the 16<sup>th</sup> of August.

## **2. Authorising and strategic context**

2.1. Under its Terms of Reference, the Board is responsible for monitoring operational performance. As part of this, the Board must consider the implications of our operating context on performance and where support for our tenants is required.

2.2. The main strategic theme this work aligns with is 'Changing Lives and Communities', around the strategic outcome of 'supporting economic resilience within our communities'.

2.3. Our strategy sets out a clear commitment to work with our tenants impacted by poverty, financial hardship, the educational attainment gap, and deprivation, to address these challenges through the provision of personalised support and wraparound services. The implementation of the planned approach outlined within the discussion section below demonstrates a clear commitment to achieving this strategic outcome.

## **3. Background**

3.1. The inflation rate is at its highest level for over 40 years and continuing to increase. The UK economy shrank in the last quarter and economic experts predict the country will enter a period of recession this year.

- 3.2. Costs have increased across all aspects of daily living, including food, energy, and fuel, where the Institute for Fiscal Studies predicts that average annual inflation rates could hit 14% for the poorest 10<sup>th</sup> of households, compared with 8% for the richest reflecting that the UK's poorest households spend more of their household budget on the basics of food and energy.
- 3.3. The global financial crisis, welfare reforms and the global covid pandemic have all had a profound impact on our tenants in recent years, with the cost-of-living crisis coming at a time when financial resilience is particularly low as a result.
- 3.4. While we have a developed understanding of our customer groups, it is difficult to anticipate the exact impact the cost-of-living crisis will have on each tenant. Our aim, set out below, is to ensure that our approach to supporting customers accurately reflects the current needs of our tenants, that they are aware of the support on offer and that we reach those most in need.

#### **4. Discussion**

##### Customer Impact and Government Support

- 4.1. Our tenants are experiencing exceptional pressures on their income as a result of the continuing increase in the rate of inflation. Energy costs are having a significant impact on living costs alone. Experts estimate this could push as many as 12 million UK households into fuel poverty, an almost 50% increase on those currently living in fuel poverty.
- 4.2. Everyday food items have and continue to rise sharply, with food inflation rising from 9.3% in June to 12.7% in August. Some everyday products such as milk, bread and cereal have increased over 35% in cost in the last year. Additionally, many budget products are no longer available from supermarkets, further increasing the cost of a weekly shop.
- 4.3. The price of oil has risen substantially. The cost of filling a tank of petrol for a 55-litre tank has risen from £70.61 in September 2021 to £93.13 in September 2022. While the cost of fuel is beginning to reduce it remains over 30% more expensive than the 12 months previous.
- 4.4. Tenants in work but on low income are expected to be impacted more severely. We estimate that almost 620 of our tenants are of working age but are above the threshold for Housing Benefit or Universal Credit.
- 4.5. Despite Government support targeting those on low income and in receipt of benefits, this customer segment will be adversely affected throughout 22/23. We have approximately 1,199 tenants of working age in receipt of benefits (including those in receipt of Universal Credit). Benefits levels are updated each April to reflect the inflation rate from the previous September leaving a 7-month period where income does not reflect accurately the cost of living.
- 4.6. For tenants on Universal Credit the impact will be compounded by the removal of the additional £20 per week that was paid to 627 of our tenants on Universal Credit throughout the pandemic and stopped in October 2021.

## Scottish/UK Government Support

- 4.7. Earlier this year the UK and Scottish Governments set out some financial support for those individuals they determine will be most impacted by the cost-of-living crisis and this has continued to be an evolving picture with both the Scottish and UK Governments announcing additional measures in the last few weeks.
- 4.8. In terms of financial support for specific groups, the Government support set out earlier in the year is broken down as follows:
- All Households; £400 discount on energy bill;
  - Lowest income households; £650 payment;
  - Pensioners; £300 winter fuel payment;
  - Individuals on disability benefits; £150 payment
  - Winter heating assistance payment
  - Expansion of £150 allowance to all households in council tax bands A-D
- 4.9. In addition to these the Scottish Government announced in the last few weeks in their Programme for Government, several measures to support individuals throughout the cost-of-living crisis and the anticipated recession as detailed below.

**Rent Freeze;** Emergency legislation is currently being drafted by the Scottish Government which will introduce a rent freeze across both private rented sector and social landlords until March 2023. We are liaising with both the wider sector and the Scottish Government on the potential implications and consequences of any extension of the freeze. The Government have indicated they will look to consult with the sector in the coming months in respect of a potential rent cap post March 2023.

**Tenant Grant Fund;** We understand from the announcement the eligibility criteria for accessing the fund are being widened. We will proactively support tenants to seek access to the grant fund where they are struggling with rent arrears.

**Fuel Insecurity Fund;** Doubling of the annual fund to £20 million.

**Benefit uprate;** A commitment to uprate the 8 Social Security Scotland payments by 6% has been made and has been compared to the 3.1% uprate by the UK Government. Nonetheless, this does not follow the usual methodology of uprating in line with inflation.

**Scottish Child Payment;** Families we support, who are eligible, will benefit from an increase in the Scottish Child Payment to £25 per week per child and an extension to every child under 16 on the 14<sup>th</sup> November approximately 6 weeks earlier than planned. For those who receive Scottish Child Payment, there will be an automatic enrolment of other devolved family benefits (Best Start Grant, Early Learning Payment, and School Age Payment).

**Discretionary Housing Benefit;** There will be an increase in funding for Discretionary Housing Payment (DHP) to local authorities and provide councils with flexibility to use DHP not only for tenants struggling with rent arrears, but also energy costs.

- 4.10. On 8<sup>th</sup> September the UK Government announced that they would limit annual energy prices for households at £2,500 until 2024. A saving of approximately £1000 per annum based on anticipated energy costs by October 2022.
- 4.11. Despite the support, many of our tenants will either not be eligible or the support offered will not fully bridge the gap that has arisen between income and expenditure.

#### Supporting our customers

- 4.12. A report to Board in March 2022 set out measures taken and plans to support tenants, specifically with increasing energy costs which, at the point of writing, was the most substantial known pressure to tenant budgets. The paper set out our focus on:
- Supporting and advising tenants on accessing any National, local or energy supplier support on offer (specific to their energy and metre types);
  - Accessing grants on behalf of tenants; and
  - Consolidating two distinct funds into a £1million Helping Hand fund to enable further support for energy costs to tenants in need.
- 4.13. Since the report in March 2022 the situation for tenants and communities has, as expected, worsened considerably and the proposed enhancements detailed later reflect both this and an analysis of the support drawn down by tenants in 21/22.
- 4.14. The services on offer to our tenants are wide ranging with a focus on both long and short-term interventions with the following support during 21/22 to around 10,000 tenants across Group:
- £2.3 million allocated to initiatives that supported tenants with the cost of living, such as food and fuel, in 2021/22;
  - £2.25 million in external grant funding/vouchers for our tenants.
- 4.15. There was £313,150 financial gain for Loretto Housing Association tenants through fuel and welfare benefit advice during 21/22.
- 4.16. Just as critical as our financial support is the practical support and advice that we offer all tenants, specifically around fuel and welfare benefits. Analysis of the first quarter in 22/23 has shown a 75% increase in demand for financial support for food and fuel compared with 21/22 and a 50% increase in referrals to the Money and Fuel Advice Team.

#### Here For You Fund

- 4.17. Our tenants are continuing to experience detrimental impacts as a direct result of the cost-of-living crisis. The Board agreed at its recent strategy and risk workshop that the crisis is a strategic risk.
- 4.18. While we already offer substantial financial support and advice to tenants, it is evident much more will need to be done to address the specific challenges arising this year. We know that we are currently providing tenants with the right type of support but there are steps we can take to further mitigate the risks associated with the crisis.

- 4.19. Our proposed approach, agreed by the Group Board in August, is a significant augmentation of the support and advice previously on offer. The fund brings together all current support on offer under one recognisable banner the 'Here For You' fund.
- 4.20. The Fund, which will be open to tenants of all RSLs and Lowther tenants will significantly enhance our previously planned support as follows:
- 4.21. The budget previously approved by the Board meant we had £2.5 million in support available across the Group. We have increased this to £6 million, reflecting the urgency and the scale of the crisis. The fund will be flexible, with money allocated based on established guidelines and the individual circumstances of each tenant.

£6 million Group wide fund	Increase current fund by £3.5million	Support up to 20,000 Group customers
Open to Lowther tenants	Staff awareness programme	Focus on support, advice and signposting

- 4.22. This has been sourced from our own resources and delivered within the business plan/overall budget parameters for the year, with no Scottish Government contribution assumed. We anticipate this will support up to 800 of our tenants who are experiencing real hardship in our communities.
- 4.23. The amount available to tenants will vary based on personal circumstances and support required but we recognise that tenants may require more frequent support than in previous years and the enhancements reflect this.
- 4.24. While there is a set of guiding criteria for the fund, we will consider every request for help on its own merit. The fund will not be means-tested, rather frontline staff will be empowered, as always, to use professional judgement in all circumstances. We will closely monitor draw down in order that we can sufficiently wrap the right services around tenants. Annual tenant conversations, facilitated by Housing Officers, will include discussions on wraparound services and support available externally while being explicit in our expectations that rent continues to be paid.
- 4.25. The majority of the fund, available to all tenants, will be used by tenants to access food vouchers, fuel vouchers and one-off relief for rent costs where this is the most appropriate way of alleviating pressure on the household budget for living essentials. Tenants will have access to funding for emergencies such as replacing household appliances. In line with current protocol, no cash payments will be given to tenants.
- 4.26. Elements of the fund will continue to be used to support people to establish a home when they first move into a property, such as using decorating vouchers and access to recycled furniture through Home Comforts. In addition to support for educational attainment and employability options.

- 4.27. In addition to an increase in the fund we propose that we take several steps to enhance the support on offer as set out below.

Support, advice, and signposting

- 4.28. We have a range of ways in which we communicate with tenants to raise awareness of all of the wraparound support we offer. We will enhance this through the continued promotion of the Customer First Centre highlighting that tenants can phone any day or time, if in need of support or advice. With 88% of calls to the Customer First Centre being resolved at first contact we have a unique opportunity through our new model to support tenants more rapidly where help is required.
- 4.29. As detailed earlier in the report, we anticipate that some tenants in work may require support for the first time. These individuals are likely to be less familiar with our wraparound services and have less contact with us more generally. We will communicate proactively with these tenants.
- 4.30. The landscape of support from government and other public and third sector bodies continues to be changeable and difficult to navigate. A digital directory is being finalised which brings together all relevant information about both internal and external support on offer for tenants so that staff have at their fingertips all information needed to offer support and advice. This will be updated as new intelligence is gathered, monthly as a minimum, to ensure frontline staff have the most relevant and up to date information available.
- 4.31. The fund has been launched internally with leaders across the business with team briefings taking place the week of the 19<sup>th</sup> of September to ensure there is a clear understanding of the fund and the support on offer. Housing Teams will be familiar with all of the services on offer and will be able to draw down on the fund if they identify any tenants experiencing hardship. Customer First Centre staff will be able to offer a resolution for tenants in the same way.
- 4.32. Our annual 'We're here to help' and winter campaigns which over the autumn and winter each year will be refined to take cognisance of the Here For You Fund.
- 4.33. The campaigns which are being finalised will continue to be focused on early intervention and supporting tenants to pay their rent, get prepared for winter and access the support they require from us. These provide an opportunity to engage with our tenants and outline the importance of paying rent to ensure tenancy sustainment, at the same time as offering insight into the wraparound support options available to them if they are experiencing hardship.
- 4.34. The dedicated Money and Fuel Advice Team as part of Wheatley 360, support tenants to ensure that they have access to the most up to date guidance, advice, and support around fuel efficiency. The Welfare Benefits Team focus on maximising income for tenants and households by supporting them to navigate the complex benefits system ensuring they have access to all benefits they are entitled.

### Working with wider stakeholders and partners

- 4.35. We will continue to work closely with other organisations that may provide hardship relief and support, such as local authorities and third sector organisations.
- 4.36. Our teams will be briefed on other forms of support available, including training on the toolkit noted above, in order to avoid duplication and maximise the impact of our funds. As part of this work, we will continue to increase our partnerships and expand these across the third sector to include organisations such as One Parent Families Scotland, Scottish Pantry Network and Local Pantries maximising our connections for the benefit of our tenants. New forms of support are likely to become available over the coming months, so a core working group will monitor these and update staff training and guidance accordingly.
- 4.37. We will develop opportunities around employability/re-training where there are gaps. The Foundation will continue to target support for tenants aged 25+ who may be excluded from other sources of funding for training and support, to help them access the labour market.
- 4.38. At a national level, we are engaging closely with the Scottish Government to explain our approach and emphasise the positive impact our approach has.
- 4.39. Dedicated staff continue to identify opportunities for accessing additional grant funding which will help us further support tenants in need.

### Individual and Community Impact and interventions

- 4.40. We know that there are wider implications of the cost-of-living crisis which are likely to impact mental wellbeing, sense of isolation, reduced resilience, community unrest and increased incidences of crime and anti-social behaviour.
- 4.41. Wheatley 360 including the Community Improvement Partnership and Group Protection Team are well positioned to monitor and respond to such incidences through;
  - Increase in public reassurance patrols in our communities;
  - Targeted profiling of communities and solution packages via the Prevention and Solutions Hub; and
  - Expert advice and support for staff and tenants in respect of domestic abuse, mental wellbeing, suicide, child protection and adult protection issues.

## **5. Customer Engagement**

- 5.1. UNITY research consultants have been commissioned to carry out customer engagement in relation to universal credit, the findings of which will be reflected in any amendments required to our approach.
- 5.2. We will engage with our tenants following the launch to ensure that our support continues to reflect tenant need. We will monitor the use of the fund and the specific asks of tenants on an ongoing basis.



## **6. Environmental and sustainability implications**

- 6.1. Our support around provision of fuel advice focuses on energy consumption and how to save energy, which feeds directly into the sustainability agenda and outlined commitments we are heavily focused on.
- 6.2. Our housing stock generally performs well from an energy efficiency perspective, and we continue to install energy efficiency measures.
- 6.3. In 21/22 we have made considerable investment in our properties to make them warmer and more cost efficient for tenants, including:
  - £421k replacement on windows and doors;
  - £85k on low rise fabric.
  - £596k on gas heating and electric heating.
- 6.4. An update on the development of our sustainability strategy will be provided by our Director of Assets and Sustainability at this meeting.

## **7. Digital transformation alignment**

- 7.1. The fund will be launched on social media with digital directories developed to ensure all of our advice and information is in one place for staff when they are working in communities.
- 7.2. The communication strategy will take into account the needs of tenants in understanding our approach and support on offer including face to face, voice and digital communication. We will optimise communication via our digital channels.

## **8. Financial and value for money implications**

- 8.1. The prudent assumptions used in the preparation of the financial projections and the 2022/23 annual budget provide sufficient financial capacity which can be re-directed to meet the additional funding requirements for the Here for You Fund.
- 8.2. Our forecasts show we will continue to manage financial performance within the overall approved 2022/23 budget and an updated full year financial out-turn will be presented with the Finance Report at the next meeting.
- 8.3. The increase in funding will support our tenants during this challenging period for household budgets and indirectly assist tenancy sustainment and the management of rent arrears.

## **9. Legal, regulatory and charitable implications**

- 9.1. There are no legal, regulatory, or charitable implications associated with this activity.

## **10. Risk Appetite and assessment**

- 10.1. This report correlates with the strategic theme of 'Changing Lives and Communities' and the strategic outcome of 'supporting economic resilience in our communities'. Our risk appetite for adapting our services where need to provide support to our tenants in "hungry".
- 10.2. Risks and associated mitigations are noted below:
- **Support appropriately reaching those most in need;** We will use our knowledge and data of tenants to target our communication and conversations with tenants most in need of support
  - **Monitoring spend is appropriate in line with criteria/potential fraud;** The project team will review and enhance monitoring procedures to mitigate the risk of misappropriation of funds
  - **Tenants relying on Group funding that could be provided by national or local initiatives;** The Money and Fuel Advice Teams, as part of the project team, will continue to have a role in identifying appropriate grants or funding available to tenants and raising awareness of these/maximise use. A key role of frontline staff is to be aware of and support utilisation of all external funding in addition to internal support. This will form part of the launch of the fund. The project team will provide oversight of external support available including proactive horizon scanning.
  - **Staff awareness of the fund and support available;** As detailed in previous risk area.
  - **Demand for the fund outstripping allocated budget/resource;** Robust monitoring procedures are being finalised as part of the implementation plan and are reportable to ET regularly for review
  - **Unplanned pressure on the current business plan;** Forecast underspends are anticipated to cover the cost impact of additional support; we will continue to monitor the budget position on a monthly basis and update the Board on any action required to ensure we maintain our position within our financial policies (or "golden rules").

## 11. Equalities implications

- 11.1. Although we have recognised that the cost-of-living crisis is likely to impact particular segments of our tenant base, the fund will be available to all tenants to access, to ensure those who require this will have access to it. The fund will help to support our customers and tackle some of the economic inequality they face.

## 12. Key issues and conclusions

- 12.1. The cost-of-living crisis is impacting our tenants and communities profoundly and we anticipate this impact is set to get worse in the coming months. The rate of inflation is currently at its highest level in 40 years, sitting at over 9%, and is set to continue to rise past the end of the year. Food, fuel and energy prices are impacting all of our tenants with those in work, above the benefit threshold and those on benefits likely to be most impacted.
- 12.2. The UK and Scottish Government have announced a wide package of support which will go some way to support tenants throughout the year.

- 12.3. We already provide significant financial support for tenants experiencing difficulty and hardship through projects such as our Helping Hand Fund, Fuel/Welfare Benefit Advice, Eat Well, Home Comforts, My Great Start and our Emergency Response Fund. We have seen an increase of 75% in demand for support with accessing food and a 50% increase in referrals to the Fuel Advice Team compared with the same period last year.
- 12.4. The Here For You Fund has been developed as a way of bolstering the already significant financial contribution we make, by taking our budget set aside for this activity to the sum of £6million.
- 12.5. In addition to the increase in the fund a robust set of actions will be taken to ensure that:
- Tenants can access funds and support with ease
  - Tenants are supported to access all Government and Local Authority Support on offer
  - Staff have a developed knowledge of the internal and external support available to all tenants
  - We harness and maximise partnership opportunities which further support tenants and households
  - We monitor the impact of the fund and;
  - We continue to monitor the external environment and respond appropriately.

### **13. Recommendations**

- 13.1 The Board is asked to note the revised approach to supporting tenants and households throughout the cost-of-living crisis including the £6m Here For You Fund.

## Report

**To:** Loretto Housing Association Board

**By:** Laura Henderson, Managing Director, Loretto Housing

**Approved by:** Hazel Young, Group Director of Housing and Property Management

**Subject:** Allocations policy review

**Date of Meeting:** 19 September 2022

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### 1. Purpose

- 1.1 This report updates Loretto Housing Association Board on the outcome of our Group Housing Information Advice and Letting Policy Framework consultation.
- 1.2 We have updated our Group Housing Information Advice and Letting Policy Framework to reflect the outcome of the consultation and now seek Loretto Housing Association Board approval to adopt our new Group Housing Information Advice and Letting Framework and adopt the model policy as a Loretto Housing 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 circumstance.
- 2.3 The Group Board approved the Allocations Policy Framework on 25 August 2022 and designated it as a Group Framework.

### 3. Background

- 3.1 In March 2018 the Board approved the Loretto Housing, Information, Advice and Letting Policy based on the Group Housing Information Advice and Letting Policy Framework. MyHousing (our online letting platform) launched in November 2018.
- 3.2 When the Policy Framework was approved, we made a commitment that it would be reviewed at least every 5 years. In anticipation of the full review, we commissioned independent consultants (North Star Research and Consultancy) to review our allocations policy and processes during 2021.

3.3 The Board received an update on this review earlier this year and approved the commencement of a formal consultation during summer 2022 to allow us to engage with customers on the current Policy Framework and to seek the views of customers on our proposed changes which were based on insight from the North Star review.

#### **4. Discussion**

##### *MyHousing Consultation*

4.1 We launched the consultation on 25<sup>th</sup> May 2022, sending out paper consultation documents to all applicants and RSL tenants this included around 2,400 Loretto tenants. Within the documents there was a link and QR code to an online survey.

4.2 Our consultation had three key policy questions that had been developed based on insight obtained from the North Star review. The key questions we asked were:

- Should we continue to offer more support to our most vulnerable customers and match them to properties? - We introduced this as part of our response to the Covid-19 pandemic in Glasgow and it worked well by providing a more personalised service to customers and assisted them to overcome barriers such as access to internet;
- Should our properties with age restrictions (Livingwell) be advertised separately rather than in the current band E alongside other property types; and
- Should we have the ability to reflect local needs within our policy.

4.3 In addition to the key policy questions, customers told us during the North Star review that communication was important to them and felt we could improve on the level of information we provide at various points of the allocations customer journey. We asked a number of questions in the online survey to gain further insight into how and when customers would like us to communicate with them.

4.4 We received 2,455 responses to our customer survey, 94 of these were responses from Loretto tenants. It was clear from the consultation responses that the majority of respondents who provided an opinion feel that the proposals will have a positive impact as follows:

- 86% of respondents agreed that matching our most vulnerable customers to properties (including homeless applicants should remain);
- 91% of respondents agreed that properties with age restriction (Livingwell) should be advertised in a separate Band; and
- 96% of respondents agreed that we should have the ability to reflect local needs.

4.5 We received three survey responses from stakeholders who agreed with the proposals. Three out of the 4 survey responses were from stakeholders who have an interest in Loretto Housing Association.

4.6 Customers have told us what is important to them and what they wanted more information on, it included:

- 67% of respondents would like to see more information on our new build programme;
- Almost half of respondents would like more information on alternative housing options such as mid market rent properties;
- Almost half of respondents would like us to provide more information relating to the local authority where the property is located on the advert to make location more explicit;
- Respondents told us regular communication was important to them and they would like us to email them as their preferred method; and
- 87% of respondents told us they would like more information if they have been unsuccessful after they have noted interest on a property.

#### *Framework and Policy changes*

4.7 We have been analysing all consultation responses and developing our implementation plan to update our Policy and Framework to reflect the findings of the North Star Review and the consultation. We have made minor amendments to our Group Framework. These are:

- Updated *introduction* to reflect current operating model;
- Updated *key principles* to reflect the participation in common housing registers and the way in which we will report on local letting plans;
- Updated *building the customer relationship* to reflect our new operating model, deleting reference to local offices and adding reference to our new Customer First Centre;
- Updated the language in *measuring performance* but no material change to the content; and
- Updated *complaints and appeals* to remove reference to local offices.

4.8 We have also updated our policy. The following changes have been made:

- Updated *introduction and purpose* to reflect current organisational structure;
- Removed reference to welfare reform agenda in *applying for a house*;
- Updated *finding a home* to reflect current operating model and removed reference to local office;
- Updated our *housing list* to reflect the new 9 bands which now includes Livingwell as a separate band;
- Updated *the bands explained* to reflect the matching process for Band B and separating Livingwell into a separate band following outcome of the consultation;
- Updated *advertising and letting our homes* to reflect our current letting commitments;
- Minor updates to both *selecting applicants* and *fast lets service* to amend language used;
- Added a new section called *number of offers* as the North Star review highlighted whilst our Framework and Policy was fully compliant with

legislation this was an area we could improve as we did not have an explicit section on the number of offers customers could receive;

- Added a new section called *local letting plans* to reflect the outcome of the consultation and allowing flexibility across our areas of operation;
- The related *guidance and policies* section was outdated referring to commencement of the Housing Scotland Act 2014. The language has been updated.

### *Implementation plans*

- 4.9 In addition to making changes in the policy following the consultation, we have been working with our MyHousing provider to develop the system changes required to move our applicants assessed as requiring Livingwell accommodation to a new band and allow us to advertise them separately from our mainstream properties. There are around 700 applicants affected by this change, only two of these are current Loretto tenants who have applied for Livingwell. We will have an engagement plan for all affected applicants and will contact them prior to implementation of this update.
- 4.10 There has been no requirement to make system changes to Band B as these were done when the matching pilot launched in Glasgow as part of our covid-19 recovery plan. Where possible, across all the local authority areas where we operate, we are engaging with partners to ensure our homeless nomination processes are tailored to customers, taking learning from the matching process. For our properties in Glasgow, we will work with Glasgow City council to continue to match homeless customers.
- 4.11 We have also developed an implementation plan with our MyHousing provider to make system changes that will improve the customer experience based on the consultation feedback. We will engage with customers to ensure that this is co-created to meet their needs.
- 4.12 We are also working with our in-house Academy Training Specialists to ensure that our staff are fully trained on the updated Policy and system changes that will be implemented.

## **5. Customer Engagement**

- 5.1 As part of our consultation we undertook a blended approach to engagement with customers and staff utilising a number of online and face to face channels. The table below provided information on the customer engagement that was undertaken across the consultation:

	<b>Loretto MyHousing consultation</b>
<b>Consultation documents sent via post</b>	2,400
<b>Paper copies of survey issued</b>	0
<b>Social media campaign</b>	11 posts on Facebook and Instagram reaching over 697 users

<b>TPAS engagement</b>	1
<b>Text messages sent</b>	3,161
<b>Attended customer focus groups</b>	3
<b>Attended staff focus groups</b>	4
<b>Total customer survey responses received</b>	94 (3.9%)
<b>Stakeholder responses received</b>	3

## **6. Environmental and sustainability implications**

6.1 Not applicable

## **7. Digital transformation alignment**

7.1 Our Group Strategy sets a clear direction and is underpinned by digital transformation.

7.2 We have a commitment in our Group Strategy to deliver a blend of digital and personal services via MyHousing. The MyHousing platform allows customers to self-serve at a time and place that suits them, including updating their application and noting interest in properties. The personal plans are tailored to the customer to provide them with information around their housing options. Webchat is available for customers if they have any questions or need help with their application. We acknowledge that some of our customers may experience barriers in accessing online services. We have extended the personalised matching service to ensure our most vulnerable customers are fully supported. We will also continue to offer face to face support through our Housing Officers and telephone support through our Customer First centre for those customers who need it.

7.3 As we implement recommendations from the consultation, we will use customer feedback to ensure we offer a service that meets the needs of our customers.

## **8. Financial and value for money implications**

8.1 The North Star review highlighted that MyHousing, our current online letting platform provides value for money.

8.2 The costs associated with undertaking a full customer consultation on the Group Housing Information Advice and Letting Policy Framework, system updates and additional staffing resource costs were undertaken within existing budgets.

## **9. Legal, regulatory and charitable implications**

9.1 All amendments to the revised Housing Information Advice and Letting Policy Framework have been considered by legal colleagues to ensure there is no risk to legal compliance. Through the framework we will ensure we are meeting our statutory obligations.



- 9.2 The Housing (Scotland) Act 2014 outlines requirements for landlords to consult with identified groups before making or altering its rules governing the priority of allocation of houses. This means that landlords must consult with the following groups:
- Applicants on our housing lists
  - Existing tenants
  - Registered Tenants' Organisations
  - Other stakeholders
  - Local Authority Strategic Partners (Homeless and DRS services).
  - Such other persons as the landlord thinks fit
- 9.3 We have consulted with all required groups and worked with our Stronger Voices network to ensure we fully capture the customer voice.

## **10. Risk Appetite and assessment**

- 10.1 The Group's risk appetite for service improvement is "open". This means we are prepared to take the risk of adopting the approach that is most likely to result in successful delivery of our service objectives.
- 10.2 Shifting the balance of power towards the customer brings some risk as we empower customers to take more decisions around priorities and resources. A robust framework within which we can support customers and use our strategic delivery plan to manage this transformation will help to mitigate any risks.

## **11. Equalities implications**

- 11.1 We are committed to working inclusively and our activities are designed to reflect and respond to the needs of our tenants, customers and communities.
- 11.2 Equalities impact assessments will be carried out to assess and manage the impact of all our Group Allocation activities. Any particular needs and requirements will be addressed to ensure equity of access and opportunity.

## **12. Key issues and conclusions**

- 12.1 Since the approval of our first Housing Information Advice and Letting Policy and Framework we have transformed our letting activity through our online letting platform – MyHousing.
- 12.2 During 2021 we commissioned an independent review of MyHousing. We used the insight from this review to inform our formal consultation that took place during summer 2022.
- 12.3 The MyHousing consultation found that both customers and staff wanted to continue matching homeless customers and felt we needed greater flexibility in our policy. They also told us that Livingwell properties should be advertised in a separate band.

12.4 Customers overwhelmingly agreed with our proposals and the proposed changes to our Housing Information Advice and Letting Policy Framework. The Group Housing Information Advice and Letting Policy and Framework has been updated to reflect the proposals and approval is sought to adopt this as a Loretto Housing Policy Framework.

### **13. Recommendations**

13.1 The Board is asked to:

- 1) Note the work undertaken during the formal consultation and levels of customer engagement;
- 2) Note the new Group Housing Information Advice and Letting Policy Framework and approve the Loretto Housing Information Advice and Letting Policy

#### Appendix

1. New Housing Information Advice and Letting Policy Framework [redacted. Available here: [Loretto-Housing-Information,-Advice-and-Letting-Policy-and-Framework-v1.3-October-2022.pdf \(lorettoha.co.uk\)](https://lorettoha.co.uk/Loretto-Housing-Information,-Advice-and-Letting-Policy-and-Framework-v1.3-October-2022.pdf) ]

## Report

**To:-** Loretto Housing Board

**By:-** Lindsay Lauder, Director of Development and Regeneration

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

**Subject:-** New Build Mid Year Review

**Date of Meeting: - 29 September 2022**

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### **1. Purpose**

1.1 To provide the Board with an overview of the group new build programme performance, including any programme highlights and/or exceptions.

### **2. Authorising and strategic context**

2.1 The Loretto Board is responsible for scrutinising and approving its development programme on a 5-year rolling basis. The Loretto Board considers its development programme each February with updates provided at regular intervals throughout the year. Once the programme is approved, the Wheatley Developments Scotland Board is responsible for scrutinising and approving each individual contract award.

2.2 This report enables the Board to consider and monitor progress within the Loretto new build development programme as approved in February 2022.

2.3 This report relates to Loretto's 2021/2026 Strategy and the strategic theme 'making the most of our homes and assets' as follows:

- Properties developed will be warm, safe and energy efficient homes, meeting Aspects 1 and 2 of Silver Sustainability Standards.
- Will contribute to the target of 313 new affordable homes during the plan period.
- Work to place the customer at the heart of how we plan and design our new build developments.

2.4 Against the strategic theme of 'changing lives and communities', new projects will deliver opportunities for training and employment through the building contracts and community benefit contributions to the Wheatley Foundation, where possible to do so.

2.5 The delivery of the Loretto programme contributes to the Group’s development programme and supports Loretto’s on-going role as a key partner for the Scottish Government in their More Homes Scotland commitments and the Programme for Government commitment to deliver 110,000 new supply affordable homes.

2.6 The development programme requires on-going partnership working with Local Authorities to meet the objectives of the Local Housing Strategies and Strategic Housing Investment Plans. We additionally continue to be in contact with a broad range of private developers, housebuilders, consultants and land agents to put ourselves in position to exploit development opportunities as they emerge.

### 3. Background

3.1 Our ambition across the Group is to complete 4,000 new homes across the strategy period from 2021-2026. Loretto will deliver 313 new homes over a 5 year period.

3.2 We aim to continue as a key partner of the Scottish Government in the delivery of an ambitious growth programme supporting the Scottish Government’s More Homes Scotland programme.

3.3 Loretto (including Cube) has completed 996 new affordable homes across 27 sites since joining the Group, with a further 148 units currently on site.

3.4 Our contractors continue to employ steps to limit the spread of COVID 19 and this is monitored through site progress meetings.

3.5 Inflation and material supply continue to impact the programme and there is a growing trend of contractors only holding their tenders for short periods of time. We continue to liaise with the local authorities and More Homes in relation to tender price inflation to support the delivery of the programme.

### 4. Discussion

4.1 Commentary on the new build development activity is provided in **Table 1** below:

**Table 1:**

Indicators	Highlights & Exceptions
Unit completions	<p>Although there were no completions planned within the Business Plan for financial year 2021/2022, 30 new homes were completed, as follows:</p> <ul style="list-style-type: none"> <li>• 21 units at Cobblebrae Farm, Falkirk</li> <li>• 9 units at Dargavel Village, Bishopton</li> </ul> <p>As of mid-September 2022, we have completed 75 new homes in financial year 2022/2023, as follows:</p> <ul style="list-style-type: none"> <li>• 35 units at Queens Quay, Clydebank</li> </ul>

	<ul style="list-style-type: none"> <li>• 15 units at Dargavel Village, Bishopton</li> <li>• 6 units at Sawmillfield, Helensburgh</li> <li>• 22 Units at Hallrule, Cardonald, Glasgow</li> </ul>
On site	<p>We have 122 units under construction across five live development sites:</p> <ul style="list-style-type: none"> <li>• 29 units at Dargavel Village, Bishopton (53 in total, including the completed units above)</li> <li>• 45 units at Queens Quay, Clydebank (80 units in total, including the completed units above)</li> <li>• 30 units at Sawmillfield, Helensburgh</li> <li>• 10 units at Hallrule, Cardonald, Glasgow</li> <li>• 8 units at Vellore Road, Maddiston, Falkirk</li> </ul>
Due on site	<p>There is one project currently approved by Group Development Committee and 'due on site' at Maddiston Fire Station, Falkirk. The first golden brick stage for this contract is anticipated in September 2022 at which point its status will become 'on site'.</p>
Programme	<p>A suitable programme of sites is being progressed to ensure delivery of the business plan targets. Key projects to highlight include:</p> <ul style="list-style-type: none"> <li>• South Crosshill, Bishopbriggs – 44 units for SR</li> <li>• Crofthead, Bishopbriggs – 7 units for SR</li> <li>• Dargavel Phase 2, Bishopton – 62 units for SR</li> <li>• Dargavel North, Bishopton – 22 units for SR</li> <li>• Carron Road, Falkirk – 80 units for SR</li> <li>• Constarry Road, Croy – 15 units for SR</li> <li>• Lennox House, Cumbernauld – 40 units for SR</li> </ul>
Budget versus Spend	<p>Spend is £2.088m against budget of £2.883m to the end of July 2022. The spend variance of £0.79m is due to the spend profile of projects, with the main driver being Maddiston, which was signed off as Golden Brick project, which was not reflected in the budgeted forecast.</p>
Engagement Status	<p>We have one 'High Engagement project' at Queens Quay due to the significant scale of this project.</p>

4.2 A selection of images showing progress on site is contained in **Appendix 1**.

## **Queens Quay, Clydebank**

- 4.3 Loretto is delivering 80 units for social rent at the flagship Queens Quay development in Clydebank and providing Development Agent services for four commercial units on behalf of Clydebank Regeneration Limited, 37 social rent units for West Dunbartonshire Council and 37 social rented units for Clydebank Housing Association. The project is due to complete in September 2022 and as of the end of August, 35 units have been handed over to our customers and 20 units have been handed over to Clydebank Housing Association.

## **Future Programme**

- 4.4 We continue to engage with our Local Authority partners and private sector developers to identify future opportunities. We have a number of future opportunities across Renfrewshire, Falkirk and North Lanarkshire in particular. In other Local Authorities we are facing increasing competition from Local Authority new build programmes which received increased grant funding under Scottish Government benchmark review in October 2022. Our future programme takes account of such risk and we have a suitable pipeline to manage our growth overall.
- 4.5 [redacted]

## **Material Supply and Delivery**

- 4.6 Global economic factors, including the conflict in Ukraine, Brexit and the impact of COVID are impacting on the cost of materials across the supply chain. Issues related to the availability of materials have lessened with contractors and developers managing this through their supply chain procurement strategies. Extensions of time have been sought on many of our projects for matters related to COVID 19 and material supplies. The construction contracts in place do not allow for increased material costs where we are in contract.
- 4.7 Further evidence of cost price inflation has been seen across the Group's development programme while financial year 2022/2023, including:
- Increased costs being requested for new projects not under contract
  - Most new funding applications now being sought at above benchmark levels to compensate for higher costs
  - Lengthened and more complex contract negotiations
  - Section 75 opportunities reaching viability tipping points and developers assessing their own strategies
- 4.8 Communication issued by Homes for Scotland and the Scottish Building Federation indicate a continued desire from the construction sector to the incorporate fluctuation clauses in building contracts. Such clauses would require developing RSLs/Local Authorities to pay for cost increases incurred by the developer/contractor, post tender acceptance, during the construction project. No projects undertaken by Loretto have been agreed on the basis and our preference remains obtaining a fixed price for each project. Dialogue with and communication from the Scottish Government/TMDF authorities does not provide any mechanism to support fluctuation clauses.

## **Funding Availability**

- 4.9 The Scottish Government issued a letter confirming an increase to benchmark grant rates on 29 October 2021. As part of this letter, the Scottish Government committed to both the production of guidance to support new options for grant for additional quality measures and an annual review of the benchmark. A draft guidance note has been issued by the Scottish Government but this has not proposed any update to grant benchmarks. The sector, in conjunction with SFHA (Scottish Federation of Housing Associations), continues to pursue the issue of these additional pieces of work.

## **Procurement Frameworks**

- 4.10 Both Group Frameworks (RGN001-309 Technical Consultancy and RGN001-363 Wheatley Group New Build) come to an end in early 2023. New Frameworks are expected to be in place to ensure continuity of the programme. The Technical Consultancy submissions are now being checked and assessed. Work is taking place to prepare the Invitation to Tender document for the Wheatley Group New Build Framework.

## **5. Customer engagement**

- 5.1 We work closely with our internal customers in the planning and delivery of the programme. The Housing Management Team are closely aligned with our programme. As part of any new project approval, we will report on the capacity of the new operating model to meet the requirements of new stock in relation to housing management and maintenance.
- 5.2 Local communities are engaged in the planning process at a neighbourhood level in all our developments as part of the statutory consent process. Additionally, as the programme is delivered, we undertake customer satisfaction surveys from our end customers across both social rent and mid-market rent tenures.
- 5.3 Several “Customer Voices” projects are progressing across Group and learnings from these projects will be applied to future new build projects. We will work with Stronger Voices colleagues to consult with customers on preferences for layout, fixtures and finishes where possible to do so. Work to place the customer at the heart of how we plan and design our new build developments has commenced and is being considered for all future projects.

## **6. Environmental and sustainability implications**

- 6.1 Future projects are developed to meet Aspects 1 and 2 of the Silver Sustainability Standards which covers reduction in carbon dioxide emissions and energy use for space heating. EPC (Energy Performance Certificates) ratings of B have been achieved in all new properties. In Glasgow, projects are developed to meet the requirement of the Glasgow Standard which is more stringent than Scottish Government conditions across the rest of the Group’s development programme. This includes achieving increased sustainability standards, reduction in carbon dioxide emissions and energy use for space heating.

- 6.2 Where possible, projects also feature photovoltaic panels that convert sunlight into electricity. Along with a highly efficient thermal specification these solar generation systems help the project exceed the target emission rates required by building standards. Taken as a whole, the specification helps customers reduce their energy bills.
- 6.3 The Queens Quay development is connected to a District Heating Network which provides energy from a Water Source Heat Pump, extracting heat from the River Clyde. The system is served by back up boilers to ensure continuity of supply however still offers a low carbon heating and hot water solution. A tariff has been agreed with the operator to ensure affordability for our customers. In addition, three electric vehicle charging points have been installed at the development with ducting for future expansion.
- 6.4 We are exploring new specification requirements in a number of our future projects. This includes the installation of fire suppression systems, electric vehicle charging points and gas free heating options. Wherever possible, we will specify low carbon heating technologies in our new developments and work towards the national decarbonisation targets for gas free developments by 2024.

## 7. Digital transformation alignment

- 7.1 BT Fibre will be delivered free to the customer in most completed units, where available, to meet our Group Strategy objectives to facilitate the aim of developing digital neighbourhoods and creating the digital infrastructure that may assist customers to work from home or live independently for longer. Thereafter, our customers will be free to choose their internet supplier of choice from a range of companies including Sky, Talk Talk and Vodafone etc.

## 8. Financial and value for money implications

- 8.1 The business plan approved by the Board in February 2022 reflects a new build programme of 313 new units to be completed over the next five years.
- 8.2 The table below summarises target and actual spend performance for period 4, to July 2022.

**Table 2**

<b>Loretto Capital Expenditure, New Build Programme 2022/23</b>			
<b>Period to End June 2022</b>			
<b>Spend</b>	<b>Budget</b>	<b>Variance</b>	<b>Budget for full year</b>
£2.088m	£2.883m	£0.79m	£13.612m



- 8.3 £2.088m of new build expenditure has been incurred in the year to date which is £0.79m lower than budget. As noted in Table 1 – the main driver of this variance is the spend profile allocated to Maddiston, Falkirk. This was approved as a Golden Brick project, after the budget was set; hence there is a discrepancy in this budget line. This adjustment has been reflected in the Q1 reforecast, with total spend of £11.525m now forecast for the year. Individual projects remain on budget in terms of approved costs.
- 8.4 There was no Grant Income received to the period July 2022. This was against a budgeted figure of £0.958m. The majority of this relates to Maddiston, and this variance has been noted above. The Q1 reforecast has noted a total of £5.312m in expected grant income for the year.
- 8.5 We will continue to monitor actual delivery against assumptions within the business plan and report on any changes and related impact on surplus as required.

## **9. Legal, regulatory and charitable implications**

- 9.1 The Property Legal Team undertakes title due diligence relative to all site acquisitions required to facilitate the development programme along with preparation of documentation and due diligence associated with asset securitisation.
- 9.2 The Property Legal Team also assist with the preparation of legal documents including Building Contracts and Development Agreements to safeguard our development operations.
- 9.3 In light of the Covid-19 pandemic (and the risk of further, future delays due to a re-emergence) we reviewed the various contract models used in the delivery of our Group development programme.
- 9.4 For new contracts entered using the Wheatley Group Framework arrangements it has been necessary to adjust the terms of our Schedule of Amendments to enable contractors to claim for an extension of time because of Covid-19. In terms of our Framework arrangements are such that any claim by contractors for additional money (loss or expense) because of Covid -19 is unlikely to be successful.

## **10. Risk appetite and assessment**

- 10.1 The risk appetite for Loretto's Growth and Investment has been agreed by the Board as level 4, 'Open'. This level of risk tolerance 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 The information provided in this report will reduce risk in respect of development by providing a robust performance management framework for the Board.
- 10.3 Risks on individual projects have been assessed and reported separately to the Group Development Committee, Loretto Board and formerly Cube Board (where applicable) at approval stage and are re-assessed and mitigated as each project progresses.

- 10.4 Under the contractor Framework we use the Group Schedule of Amendments (“SoA”) to the SBCC build contract which allows for tailored contract requirements across all projects through Design & Build, fixed price contracts.
- 10.5 Our approach to financial appraisal and Internal Rate of Return (IRR) ensures a prudent approach to the appraisal of projects. Contractor financial standing is reviewed through their Equifax score monthly and any adjustments reported to the Wheatley Developments Scotland Board. We engage with framework contractors on a quarterly basis to review their financial position and wider market context.
- 10.6 A suitable regime of monitoring, recording and inspection is undertaken by our Clerk of Works on site to ensure the quality of works and progress against programme is assessed.
- 10.7 A Performance Bond and Parent Company Guarantee Framework was agreed by Group Development Committee (now Wheatley Developments Scotland Ltd Board), in January 2022. This Framework is considered as part of every project appraisal reported to WDSL (Wheatley Developments Scotland Limited) Board.

## **11. Equalities Impact**

- 11.1 All of our new build developments are built to Housing for Varying Needs and in Glasgow, the Glasgow Standard, and continue to provision of housing to wheelchair accessible standards as a contribution towards Local Authority targets.

## **12. Key Issues and Conclusions**

- 12.1 Despite several challenges the Loretto development programme has continued to deliver:
- 30 units completed in 2021/22 against a 0 unit target
  - 75 units completed to mid-September 2022
  - 122 units on site
  - 270 units in the pipeline.
- 12.2 Global economic factors, including the conflict in Ukraine, Brexit and the impact of COVID continue to impact on the cost of materials and availability of labour across the supply chain which are impact project costs, programme and the period for which tender prices are being held.
- 12.3 We continue to work with Local Authorities, the Scottish Government, contractors and developers to respond to these challenges.

## **13. Recommendations**

- 13.1 The Board is requested to note the contents of the report.

## Report

**To:** Loretto Housing Board

**By:** Lewis McGregor, Director of IT & Digital Services

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

**Subject:** Digital housing services – next steps

**Date of Meeting:** 29 September 2022

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### 1. Purpose

1.1 To provide the Board with:

- An overview of the methods through which our principal housing services will be delivered in our new operating model;
- An update on the next steps in improving our digital services and how we will engage customers on these; and
- Proposed revisions to our strategic targets in relation to digital services in light of our experience as we emerge from the pandemic

### 2. Authorising and strategic context

2.1 The Group Board is responsible for approving and monitoring the Group Strategy and associated delivery plan; the activities noted within this report are delivered within the Customer Self Service workstream of our Digital Programme.

2.2. The commitment to **delivering exceptional customer experience** is a key theme in our 2021-26 strategy. Our strategy workshop discussions and feedback from the all-tenant consultation in late 2021 re-affirmed the statements in our strategy that we should continue to develop and promote our online services.

2.3 However, there was a consistent view – in line with our firm commitment that “no one will be left behind” - that face to face, phone and email will always remain available to support customers who prefer these methods of interacting with us. The key principle will continue to be maintaining a highly personalised approach.

### 3. Background

3.1 Research from the Office of National Statistics (“ONS”) in 2019 suggested that digital exclusion has been declining over time across Scotland with increasing proportions of the population reporting as internet users. It also highlighted that there are still correlations between internet use and age, gender and ethnicity. Digital exclusion disproportionately affects low-income groups, people in older age groups and the more vulnerable or marginalised communities in our society.

- 3.2 Over the period of the pandemic, usage of online services became more widespread, including online shopping and banking. In addition, Universal Credit, which is now claimed by around 30% of our customers, has been accessible only by online portal since its inception. The results of the Scottish census which took place this year are expected to provide further information by local area on usage of online services and digital inclusion.
- 3.3 Against this backdrop, there is a significant and growing proportion of our customer base that actively use or want to use online and self-service methods to interact with us. We introduced online accounts for customers in 2016, known as web self service (“WSS”). This allows customers to log on with a username and password, and:
- Pay rent and set up direct debits
  - Manage their contact details and preferences
  - Order a wide range of repairs
  - Apply for a property
  - Raise tenancy management or neighbourhood concerns
  - Make a complaint or give a compliment
- 3.4 While online repairs has been switched off since the start of the pandemic due to government restrictions on the service, usage of web self service remains significant. Over half of our customers have a registered self service account, and over the last quarter 30% of our customers used their online account on average at least once a month.
- 3.5 The top 3 service areas across our customers are:
- MyAccounts (rent/billing; payments; direct debit)
  - MyHousing (access to our online Allocation portal, bidding online)
  - MyRepairs (raise/review/reappoint repair requests)
- 3.6 Repairs remains the third most clicked on section, despite repairs online ordering being switched off across the pandemic, indicating a desire amongst many customers to use the service.

## 4. Discussion

### Service delivery in our new operating model

- 4.1. Our customers interact with us in a wide variety of ways, with conversations with housing officers in their patches being the deepest and most value-adding relationship for our customers. The Customer First Centre (“CFC”) has assumed a central role in our new operating model, with use of telephone, email and webchat common, and there is use of digital and online. Our key service interactions on behalf of Loretto Housing customers, other than face-to-face, include:
- 38,504 telephone calls from April 1<sup>st</sup> 2022 to 21<sup>st</sup> September 2022 to our CFC
  - Around 3,000 emails a year sent to our talk@ addresses, administered by the CFC, not counting those sent directly to housing / letting and other staff
  - 831 followers on Facebook, 1,302 followers on Twitter (end August 2022)
- 4.2 Across the wider Group, our wider digital interactions include:
- 17,295 repairs raised via Web self-service (WSS) in 2019 prior to Covid
  - 40,000 housing applications on MyHousing (through our web self service portal)

- Approximately 11,000 webchat interactions handled last year (only available for MyHousing at present)
- Over 255,000 payments made via digital channels (touchtone, WSS, and website)
- 6,100 registered users for our MySavings product and around £330k spent via the site to date

4.3 Our strategy places emphasis on increasing the use of online and digital for interactions with customers and delivery of services, while ensuring face to face and phone support will always be available for those that prefer these methods.

4.4 The table below summarises, for our most significant services, how we will deliver services under our new operating model, of which the Customer First Centre (“CFC”) now plays a key part:

	Online Web Self Service Account	Phone	In person	Email and webchat
<b>Lettings</b>	<u>Principal method</u> of interactions; via our MyHousing system	CFC or Housing/Letting staff will provide support over the phone.	Housing Officer support available to support RSL applications.	For general enquiries and support via CFC.
<b>Repairs</b>	WSS to be re-introduced in early August; will provide widest choice of appointment slots and ability to change booking times. Book it/track it/rate it digital system to be trialled later this year.	<u>Principal method</u> of interaction; via CFC, including follow up support where a repair booked online has not been delivered.	Housing Officers will raise repairs for tenants and provide update on progress of these upon request although will encourage tenants to use the CFC and online.	Repairs can be initiated via email and follow up enquiries can be made this way. Webchat will be introduced from August.
<b>Complex personal cases (eg domestic violence, financial distress, tenancy support needs)</b>	A general enquiry form is available via WSS and will be followed up by phone or in person visit initially.	Housing specialists in CFC can support many issues, and may refer for phone support to fuel or welfare benefits advisors.	<u>Principal method</u> of interaction; via housing officers spending time in their patches.	Email/webchat enquiries to the CFC will be followed up by phone or in person.
<b>Environmental</b>	Simple service request can be made via customer’s online account.	Service requests can be made by phone to CFC or housing/letting officer who will pass to NETs team to deliver.  Text updates will be delivered to customers under the new system launching later this year.	<u>Principal method</u> of interaction. Services are mainly pre-planned, housing officers and NETs staff will respond to in person approaches from customers.  Neighbourhood walkabouts with customers will also identify actions for NETs teams.	Service requests can be made by email and webchat.
<b>Anti-social behaviour</b>	Simple service request can be made via customer’s online account.	CFC including housing specialists can address simpler cases; but may refer to field-bases housing staff for more complex cases.	<u>Principal method</u> of interaction; via discussions with housing officers and anti-social behaviour officers.	Service requests can be made by email and webchat.

## Our digital services – next steps

- 4.5 Our strategy is to increase the use of online self service, driven by our objective to give customers greater control over how and when they access services. For example, a repair booked online will go straight into a trades operative's diary, or, an online video walkthrough on MyHousing will give current and prospective customers a much better insight into the nature of available properties and their likelihood of being successful in bidding, allowing them to make more informed choices.
- 4.6 The table above shows that in person services will remain vital for more complex situations where face to face discussion with customers is important, such as vulnerability and more complex anti-social behaviour cases, as well as local environmental management issues. However, online will become more important in areas such as repairs, factoring and all transactional matters such as paying and checking bills. To support these plans, it is important that we continue to engage with customers on their experience of using our online services so that we can refine and improve how these work.
- 4.7 Ahead of a major programme of customer engagement on digital services later in the year, a range of improvements have been implemented to our WSS portal, with improved processes, communication and online customer support. The improvements include:
- **Relaunch of Online Repairs**

Our online repairs functionality was relaunched August 2022, having been switched off throughout the pandemic. A range of improvements have been implemented. These improvements include a simpler appointment approach and greater availability of 'Next Day' appointment slots; the introduction of digital assistance when raising repairs including guided interactivity online, support for repairs diagnosis and appointment selection; a simple feedback service integrated within the repair booking screens which will allow us to receive real time feedback on user experience.
  - **Wider digital support services**

'Walkme' the Group digital adoption and customer support tool, has been deployed to the WSS portal and provides online support for a range of services including customer registration, repairs as outlined previously and customer self service payments. 'Walkme' also provides lightweight feedback/response functionality alongside our wider digital contact channels such as email and webchat.
  - **Webchat**

Webchat functionality has been available since the introduction of MyHousing, our allocations services in 2019. From July 2022, webchat features were also made available across MyRepairs, MyAccounts (payments, direct debits, billing enquiries), MyServices (Complaints, housing officer appointments, benefits enquiries) and Help (general support and enquiries). Webchat usage across our customers is increasing (number of contacts and the types of enquiries customers engage with us on) from a monthly average of 1,200 contacts to 1,518 contacts across August 2022 (for all Group customers).

- **Customer Contact Preferences Alert**

Our customer data is good, with additional contact information beyond address (in the form of a phone number and/or email address) held for 90% of customers. We have mobile numbers for 75% of customers and are capturing customer contact preferences for all Loretto Housing tenants in preparation for the launch of digital communications, online survey contacts and as we introduce future paperless services. An online prompt and access to contact information and contact preferences to encourage online customers to review and update this contact information has also been implemented.

- **Online Knowledge and support**

A revised range of online support articles and help text for common themes (repairs, making payments, understanding bills, tenancy enquiries) is now available within the WSS portal and accessible from key service areas to guide and support customers when using our self service portal.

4.8 We will continue to assess whether a mobile app would be a valuable addition to our digital service offering. Our web self service portal is designed to provide very similar functionality, as it can be accessed via a web browser such as Safari on a mobile phone and screen formatting is designed to adjust to a mobile device. This will form part of customer engagement and we will report back to the Board on the outcome.

4.9 Following feedback from the strategy workshops across the group, the Group Board reviewed our objectives and targets for online services, agreeing the following:

Original Strategy Objective from 2020	Update
80% of all transactions to be online by 2026	To clarify the definition of “all transactions” to refer to 80% of rent paid through automated mechanisms such as direct debit
60% of all repairs to be raised online by 2026	Revise to 30%, recognising experience of CFC and feedback from customers that many wish to talk to a member of staff about their repair issue.
20% of care outreach services will be achieved through a blend of face to face and digital by 2023	No changes proposed. WhatsApp is regularly used in some services at present to augment face to face support.
Over 50% of customers actively use their online account to make transactions with us by 2026	No change proposed. Note this would be an increase from the current level of 35% for customers.
Implement “Rate it” score from book it, track it, rate it repairs approach and aim to improve performance by 10%	Clarify term “improve performance by 10%” – the objective will be to improve the average score received in the first year of operation of the digital feedback system by 10% by 2026.
60% of tenants with online accounts are using the My Savings rewards gateway by 2026	The Board has already approved a revision of this figure to 15%.
Achieve our targets across the 7 domains of our digital maturity assessment by 2026	No change – good progress has been made in year 1 of the strategy and Wheatley Solutions Board reviewed progress in more detail.

4.10 These amendments will be taken forward as part of the overall strategy refresh, with an updated Loretto Housing strategy to be brought back to the Board later this year.

## 5. Customer Engagement

- 5.1 The approaches to service delivery set out in this paper consider feedback received from customers, including over 5000 responses to our RSL consultation late last year. However, we plan to engage customers to help us improve and refine our delivery approach in each of our key services.
- 5.2 Over the next two years, we intend to increase that engagement to approximately 2,500 customers, including through engagement with our Stronger Voices team and a range of online engagement services designed to integrate feedback from tenants and owners into the future design and delivery of our services. Customer input is vital to providing us with assurance that our online services are easy to use, efficient, reliable and trusted.
- 5.3 Our online engagement activities have significantly increased over recent years, with our website and social media platforms being extremely well-used. Our web sites have seen increasing use since the start of the new financial year. Note that customer web self-service accounts are accessed via our websites.

Website users	August 2022	July 2022
Loretto Housing	3,552	3,041

- 5.4 Wheatley Group and partners are followed on four social media channels: Facebook, Twitter, LinkedIn and Instagram. We added 1,123 new social media followers in August 2022, taking us to a total of 49,213. 4,278 more people have followed us since August 2021. Overall social media activity saw significant increases in profile visits across May 2022 – due to the Duke and Duchess of Cambridge visit. In total, our social posts made 777,176 impressions in August. This was driven by posts around Home Comforts, the Duke and Duchess of Cambridge visit, company announcements and Wheatley Foundation updates.
- 5.5 Our approach to customer communication has expanded significantly in recent years, with digital methods such as social media, websites, texts, screens in foyers of buildings and emails now widely used.

## 6. Environmental and sustainability implications

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

## 7. Digital transformation alignment

- 7.1 As noted above.

## 8. Financial and value for money implications

- 8.1 The five-year funding allocation of the IT Capital Plan that has been approved by Board is reviewed monthly, with quarterly updates to Wheatley Solutions Board. There are no implications on available funding or project allocations for the current work programme or service improvements.

## 9. Legal, regulatory and charitable implications

- 9.1 There are no legal, regulatory or charitable implications as a result of this report.



## **10. Risk appetite and assessment**

- 10.1 Our risk appetite across the strategic outcomes that support the delivery of exceptional customer experience are predominately “open”. The definition of this is “willing to choose the option that is most likely to result in successful delivery while also providing an acceptable level of risk reward (and value for money etc)”. However, we have a cautious or minimal approach in relation to legal and regulatory compliance and cognisant of the need to protect the online safety and personal information of users.
- 10.2 Significant customer engagement and a continuous customer feedback process will mitigate risks associated with advancing our digitalisation agenda in a direction not valued or supported by our customers. Our commitment that face to face and phone methods of interaction will remain available will mitigate the risk that customers are excluded from accessing our services.

## **11. Equalities implications**

- 11.1 An equalities impact assessment will be carried out before any potential major service change and the outcome reported to the Board as part of the approval process for any such changes. Our continued use of face-to-face and telephone methods of interaction ensure that customers are treated fairly and inclusively and that “no one will be left behind”. Ensuring that we have multiple methods of contact and that customers can engage with us in a way that suits their needs allows us to mitigate against any potential negative impact on equalities.

## **12. Key issues and conclusions**

- 12.1 Our five-year strategy sets out an ambition to enhance our digital service offering and expand the use of this by customers. We start from a good base, with over half of our customers having an online account through which they can access a wide range of services. 35% of our customers are regular users of their online accounts. Significant engagement and communication already takes place via our websites and social media channels. However, phone and face to face interaction will remain available as a way for customers to draw down services where they prefer. Our commitment in the strategy is that “no one will be left behind”.
- 12.2 One of the key online services, repairs, has been switched off since the start of the pandemic. The relaunch of online repairs early August 2022, with a number of key enhancements to the service delivered at launch has been well received and provides the ability for customers to diagnose, raise, appoint and manage their own repairs, improving the range of services online, and the opportunities for customers to self-register and remain active on our WSS portal.
- 12.3 The range of services available online is increasing through a number of channel and service improvements such as wider launch of webchat services, improved knowledge and digital assistance services.
- 12.4 In light of our experience since the pandemic began, and with the CFC having been successful since its launch in December last year, we have proposed a series of updates to our strategy targets on digital adoption. These will be incorporated into our annual strategy refresh process.

### **13. Recommendations**

13.1 The Board is asked to:

- 1) note the contents of this report; and
- 2) note the changes to strategy measures, which will be incorporated in the strategy updates later this year