



LORETTO HOUSING ASSOCIATION

BOARD MEETING

Monday 9 November 2020 at 18.15

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minute of meeting on 17 August 2020 and matters arising

Main Business Items

4. Coronavirus (COVID-19): Scotland's Strategic Framework (presentation)
5. Staff survey during lockdown, summer 2020
6. [redacted]
7. 2021 Rent Setting
8. a) Business and remobilisation of services update
b) Building compliance update
9. CBG 5-year review

Other Business Items

10. Delivery plan 2020/21 and performance report
11. Finance report
12. Corporate risk register
13. Assurance update
14. Governance update
15. AOCB

Report

To: Loretto Housing Board

By: Laura Henderson, Managing Director

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

Subject: Staff survey during lockdown, summer 2020

Date: 9th November 2020

1. Purpose

- 1.1 To update the Board on the results of our survey held in July to assess staff morale during the first four months of lockdown; seek feedback on how they felt they and how customers had been supported; and to collate views and suggestions on how their experiences in the pandemic might influence and shape future ways of working.

2. Authorising context

- 2.1 Under the Wheatley Group Authorise/Manage/Monitor Matrix, the Group Chief Executive and Loretto senior management are responsible for managing performance and any specific regulatory requirements.

3. Risk appetite and assessment

- 3.1 There would have been a risk in not publishing the survey results when a commitment had been given to staff we would do so and in not taking account of the feedback gained in our future planning.

4 Background

- 4.1 The survey was conducted over three weeks on the online platform, Survey Monkey, and was supplemented by telephone interviews and Zoom focus group meetings.
- 4.2 The aim was to collate our employee views of their personal experiences of lockdown, our operational and organisational response to the pandemic and to establish staff priorities in the months leading to remobilisation in October. The survey was designed to be qualitative, judging sentiment and the overall emotional reaction to how Loretto Housing and our colleagues in the Wheatley Group had looked after the best interests of both them and the people we work for. The results were published on the staff intranet, W. E. Connect, earlier this month.

- 4.3 Across Group, 1071 members of staff completed the online survey including 8 Loretto staff members. All responses were anonymous. There were telephone interviews and six focus group meetings which our staff members were part of.
- 4.4 The online survey comprised 11 questions across four subjects:
- people's personal experience of lockdown;
 - how they felt they had been supported, professionally and personally;
 - their perceptions of how customers viewed Wheatley and the services provided during lockdown;
 - and how the lessons learned, experiences shared and investment made might influence and shape future ways of working.

5. Discussion

- 5.1 All answers were reviewed by the Communications Team and summarised under the following key themes (with further detail included at Appendix 1):

Home working

- 5.2 The benefits, issues and challenges of this were raised and discussed extensively in the answers to many questions. Many respondents reported adapting quickly and enjoying the flexibility of working at home, spending more time with family and not having to commute. Issues raised included not having adequate or suitable physical space, internal environment and equipment, increased workloads and difficulty separating work from home. Those with children found it particularly challenging juggling home and work. Most people favoured retaining home working going forward as part of a blended, flexible way of working.

Safety

- 5.3 Not surprisingly, this was a key consideration, particularly for our frontline workers providing services to our customers and those with vulnerable family members. The vast majority of staff were positive about the the safety measures and guidance provided and the Personal Protective Equipment ("PPE") secured, made available and utilised. Maintaining safe working practices was raised repeatedly as a key priority and requirement in all future ways of working.

Customer services and support

- 5.4 It is clear our staff are proud of what they have done for our customers and continue to do in going the extra mile for the people we work for. Question 8 in the online survey enabled staff to outline and discuss the various customer issues they have had to deal with during lockdown.
- 5.5 The home working model was seen to have had a number of benefits in terms of our engagement with customers. Our housing officers, call centre staff and care workers in particular reached out to more of our customers, some of whom they may have had limited contact with before. As well as welfare phone calls, engagement extended to new methods such as video calls. This helped raise awareness of the range of services our organisation offers, and our proactive approach was welcomed by tenants. Our staff particularly praised being able to go "above and beyond" using our Emergency Relief Fund and Eatwell service.

Embracing digital

- 5.6 There is a strong sense of people having embraced digital and the online platforms made available. Although there were some I.T. and systems issues in the early days of lockdown, overall, people felt they were ready for the next stage of our digital journey. A large number of respondents expressed appreciation of the support received from I.T. colleagues. In particular our staff have enjoyed using Microsoft teams and Zoom to connect and share experiences with their colleagues and across Group.

Staff well-being

- 5.7 Whilst many reported they had coped well and had even enjoyed elements of their time in lockdown, others talked about loneliness, isolation and their mental health being affected. This emerges in responses across several questions. Being able to return to some form of face-to-face contact and interaction was rated as being very important to many staff.

Work-life balance

- 5.8 This was another recurring theme, with many - particularly those working from home - valuing the flexibility and scope it gave them to achieve a better balance. Some respondents talked about how their work and home lives had merged and workloads increased. Supporting our staff to delineate work and home life will be an important part of embedding an element of home working in the longer term.

Support for staff

- 5.9 The overwhelming view was very positive, with staff appreciating the efforts made to maintain good communications throughout the pandemic, referring to new features on W.E. Connect and initiatives, such as the Daily Uplift good-news report and Family Hub which our staff were part of frequently. Others highlighted the excellent support received from our colleagues in I.T. and Employee Relations teams and the personal support received from their manager and other colleagues. This has been particularly important for our staff including our two new Housing Officers who joined the team in March and had to adapt to their new role.

Reward and recognition

- 5.10 A significant number of staff highlighted the importance of recognising and rewarding colleagues for their outstanding efforts during the pandemic.

Focus group feedback

- 5.11 The Zoom focus groups with our staff and colleagues across Group were held at the end of July and explored further and in person the key themes identified online and in telephone interviews, including:
- home working and a future blended work model;
 - supporting our customers, and what we've learned;
 - leading and managing in challenging times;
 - and staff support and recognition.
- 5.12 Co-ordinated and run by Communications and Employee Relations staff, these generated lively, honest discussions that underlined how engaged and motivated staff have continued to be during lockdown. A summary report of the feedback is attached at Appendix 2.

6. Key issues and conclusions

- 6.1 The survey of staff has highlighted how important our culture and values have been in enabling the organisation to work effectively during lockdown. Our people have felt well supported, both in terms of managerial/leadership guidance and practical working matters such as IT equipment. Our culture of empowering staff to be leaders at all levels meant that the vast majority adapted well to the enforced change, with mutual support and use of new technologies enthusiastically embraced.
- 6.2 An overarching summary plus short summaries of the themes per question were published on W.E. Connect on Friday, 31 July 2020 for all staff to view. Analysis of the views expressed and recommendations put forward by the focus groups has also been posted on the intranet.
- 6.3 The Executive Team and Leadership Group have taken on board the survey feedback as we continue to plan our remobilisation and design and implement a new, blended way of working and service model. An example of this "you said, we did" approach is the financial awards and additional holidays staff have received, as we reward and recognise our staff who have continued working throughout the pandemic.
- 6.4 The comprehensive qualitative July survey will be followed up later this year by a series of quantitative pulse surveys, emphasising again to staff the importance of their opinions and feedback .

7. Value for money implications

- 7.1 There are no value for money implications.

8. Impact on financial projections

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

9. Legal, regulatory and charitable implications

- 9.1 There are no specific legal, regulatory or charitable implications.

10. Partnership implications

10.1 There are no partnership implications arising from this report.

11. Implementation and deployment

11.1 Feedback has been shared with Executive Team and Managing Directors to use as they plan and implement future services, working models and our office environments.

12. Equalities impact

12.1 All staff were able and encouraged to participate through online and or hard copy access to the survey.

13. Recommendations

13.1 The Board is asked to note the report.

Appendix 1 – Staff survey feedback

Appendix 2 – Staff focus group feedback



Staff Survey

Our experience through lockdown

Summer 2020

1. Introduction

The staff survey was conducted through the online platform Survey Monkey and through telephone interviews in June 2020 and ran for three weeks.

The survey aimed to gather staff views on their experiences in lockdown, Wheatley's response to the pandemic and what our priorities should be going forward into the 'new normal'.

Focus groups are being held throughout July to further explore key themes and the results of these will be published in early August.

A total of 1071 members of staff completed the survey online with a further 12 staff handwriting their responses and 58 phone interviews carried out. All responses were anonymous.

The survey consisted of 11 questions designed to gain feedback around four areas which can be summarised as follows:

- ▶ people's personal experience of lockdown;
- ▶ how people felt they were supported professionally and personally;
- ▶ thoughts on customers' perceptions of our support and services during lockdown; and
- ▶ looking to the future: what might be retained as a new way of working.

2. Analysis

All answers to each of the 11 questions were reviewed by the Communications Team and key themes identified for each question. You can read the key themes in each question in section 4.

Views are many and varied, reflecting the different personal circumstances people found themselves in during lockdown and the breadth of job roles at Wheatley. Nevertheless it was possible in each question to identify key themes based on the most common responses.

3. Most common emerging themes

Looking at all the responses to the questions, both in the survey and the interviews, a number of key themes emerge. These are:

1. Homeworking

The benefits and issues with homeworking are discussed extensively in almost every question by staff. Many report adapting and adjusting quickly and enjoying the flexibility of working at home, having no commute and spending more time with

family. Issues reported include not having the right physical space, environment or equipment, increased workloads and difficulty separating work from home. Those with children have found it particularly challenging and their issues with juggling home and work are discussed repeatedly across the questions. There is a sense that for many people retaining some element of homeworking in future would suit them.

2. Safety

Safety is a key consideration for many, particularly those working on the frontline or who have vulnerable family members. Staff discuss positively the safety measures put in place by Wheatley, including PPE. Continuing to protect the safety of staff and customers emerges as a key priority for Wheatley staff for the future.

3. Support and services for customers

There is a strong sense across the questions of staff feeling pleased and proud of the services and support they have been able to deliver to customers and people we work for during lockdown. In Question 8 staff also discussed some of the customer issues they've had to deal with.

4. Embracing digital

There is a strong sense throughout the responses of people having embraced new digital platforms and of being ready for the next stage of our digital journey. Although people experienced some issues with IT and systems, particularly in the early days, staff are very appreciative of the support received from our IT colleagues.

5. Staff well-being

While some people do report coping well and enjoying elements of their experience in lockdown, others talk about loneliness, isolation and their mental health being affected. Again this emerges as a theme in response to several of the questions. Getting back to some face-to-face contact and interaction is important for many respondents.

6. Work/life balance

Work/life balance is a recurring theme, again with differing views expressed. Many staff, particularly those working from home, report having more flexibility and time, leading to a better work/life balance. Some staff feel their work and home lives have merged, their workloads increased and as a result their work/life balance has been impacted.

7. Support for staff

Responses on support available to staff are overwhelmingly positive with staff appreciating W.E. Connect, including the Daily Uplift and Family Hub, and the support from IT and HR. Some respondents report excellent support from their manager and colleagues, while others felt they needed more.

8. Reward and recognition

A significant number of staff discuss the importance of recognising and rewarding colleagues for their efforts during the pandemic.

9. The furlough scheme

The furlough scheme recurs as an issue with mixed feelings expressed. Many staff understand why Wheatley participated in it but some report disappointment at being selected and others frustration at the increased pressure on teams where staff were furloughed. Some staff report enjoying the opportunity to be at home during lockdown, for example to look after small children, without the challenge of work.

4. Themes by question

Here is a review of the key themes emerging for each question.

Q1 – Describe generally your work/life since lockdown began?

There was a wide range of responses to this question with personal circumstances, job role, family commitments, general outlook and other life factors influencing how people responded.

The most frequently occurring words used to answer this question were:

- ›difficult
- ›stressful
- ›challenging
- ›different
- ›exhausting/tiring/draining.

A small number of respondents said they had enjoyed the experience.

Key themes

There were 10 key themes emerging from the responses to this question.

1. Lockdown has been a mix of ups and downs

Many people described their experience as being up and down, good days and bad days or a

rollercoaster. Responses appeared to be influenced by what was going on in people's personal lives as much as their working lives.

2. Work and life have been hard to separate

A very common theme among those working from home was a feeling of difficulty in separating work from life. This was particularly prevalent in the first weeks of lockdown although for some it continued.

3. Juggling work with family, particularly children, has been a huge challenge

The challenge of juggling work with children, either from home or on the frontline, was one of the most reoccurring themes.

4. Initially hard but people adjusted/adapted as time went on

Many respondents talked about lockdown as challenging or difficult in the beginning but go on to say they gradually adapted.

5. Feelings of coping and enjoying work and life

Some people however described their experience of lockdown as positive. A range of reasons were given for this including enjoying working from home and the flexibility it gives, the ability to help customers, and the opportunity to do new tasks and learn new skills.

6. Isolation and missing colleagues and interaction

For many the over-riding feeling at the time of the survey was of isolation and missing the interaction of colleagues and the workplace.

7. Long days and increased workloads

Staff from different parts of the business described extra work pressures, increased workloads and longer days.

8. Unsuitability of physical space for work

Some respondents expressed difficulties with the physical aspects of working from home such as lack of space or unsuitable desk/chair or having to operate in a social-distancing environment.

9. Impact on people's mental well-being

While most respondents described the period of lockdown as difficult, challenging or stressful, a small number also talked about it having an impact on their mental health.

10. Furlough – mixed reactions

People on furlough described a wide mix of experiences from feeling guilty and worried to enjoying having the time to spend with family.

Q2 – What has worked well for you during lockdown?

This question asked people to reflect on what had worked well during lockdown. Most respondents were able to cite at least one positive from their experiences, with many highlighting several things which they felt had gone well.

By far the most popular answers were around having more time at home to spend with family or on hobbies such as exercising and gardening. This was particularly so for staff working from home and also for some on furlough. The lack of commute and the flexibility provided by homeworking featured heavily in people's responses.

A significant number reported how effectively IT systems and IT support had worked for them and many talked about embracing new digital platforms such as Skype and Zoom.

Many frontline colleagues felt supporting customers and people we work for had gone well while a number mentioned PPE and other safety measures as having been effective.

There was appreciation among many staff for the support they had received from colleagues, managers and the organisation throughout the difficulties of lockdown. Communications within their team and from the Group was mentioned as part of this support.

A very small minority of respondents said nothing, or not much, had gone well for them throughout lockdown.

Here is a summary of the key themes in this question.

1. More time to do things at home/with family

One of the most recurring themes was staff reporting more time to spend at home and/or with their families. For some this meant being better able to carry out their caring duties and for others it meant more quality time with their children, such as having dinner together as a family. Exercising, doing jobs around the house and gardening also got frequent mentions with some saying they were getting more

fresh air and were eating healthier in lockdown.

2. IT and digital platforms

Another significant theme was colleagues' positive experiences with IT systems, the support received from IT, and embracing, quickly and effectively new digital platforms such as Zoom, Skype, Teams and WhatsApp to communicate with colleagues and customers.

3. Lack of commute

Colleagues who are homeworking repeatedly highlighted the lack of a commute as a major positive. The further they normally commute, the more they find this a benefit with some reporting a big difference to the quality of their life and their productivity levels.

4. Flexibility

Although a number of people report heavy workloads and long days in other questions, for many working from home also brings a flexibility which they like. The sense of having more control over when they work, particularly for those with young families, comes through strongly in response to what has gone well.

5. PPE and safety measures

In responses from frontline staff working in our communities and in our care services, the PPE provision and other safety measures are highlighted as having worked well for them.

6. Supporting customers and people we work for

The time, the level of support and the opportunity to deliver great services to customers and people we work for is a recurring theme among frontline staff who call this out as something that, in very challenging circumstances, has worked well.

7. Support from managers, colleagues and organisation

Staff from all areas mention the support from managers, colleagues and from the organisation as something that has worked well during lockdown. Their comments covered informal support from within their teams as well as from their line manager and the wider support provided by the organisation.

8. Being on furlough

While in Question 1 we saw evidence of a very mixed reaction to being on furlough, in this question many respondents spoke positively about their experience

on furlough, again highlighting having more time with their families or to spend on things they enjoy.

Q3. What has not worked as well for you or your team during lockdown?

This question invited people to talk about what had not worked well. Understandably respondents talked about the most difficult issues and challenges they faced over the period. Interestingly, a significant proportion of staff – around 20% - reported no issues at all, saying they, their team and the organisation responded very well to such an unprecedented situation.

Here are the most common themes.

1. Working from home

Working from home posed significant challenges for a lot of staff, particularly over childcare.

Looking after children and home schooling was difficult, while some staff also had to care for elderly family members.

Not having a proper workstation at home, sometimes causing back and neck problems, as well as lack of space and privacy was an issue. Some staff had to use – or buy – their own equipment, such as a chair, while others faced increased broadband costs, particularly if another family member is using their Wifi, as well as increased fuel bills at home.

Working from home left many staff feeling isolated, and missing the support of their colleagues.

2. Work-life balance

Closely connected to issues around working from home were issues around work/life balance. A significant proportion of staff reported being unable to switch off, facing increasing workload and feeling constantly at work.

One staff member summed it up: “It’s all work and hardly any balance.”

This, along with child care issues, led to feelings of anxiety, stress and guilt.

3. Increased workload

Also closely related to issues around work/life balance, many staff reported an increased workload, and a lack of recognition of the extra pressures they are under.

They reported feeling constantly at work, always asked to do more, with colleagues on furlough meaning extra duties for those still working.

4. Lack of communication / support from managers

While staff acknowledged the difficult circumstances everyone was facing, there was concern expressed by some over the level of communication, contact and direction from managers.

Some staff reported a lack of contact or regular meetings, which left them feeling isolated, disconnected and undervalued.

It should be noted that in other questions, eg question 4, many staff report being very pleased with the support they received from their managers.

5. Isolation / missing colleagues

One of the biggest issues staff faced was missing the office environment and the support from colleagues.

While meetings and conversations via Zoom or Skype helped, it wasn’t the same as being able to bounce ideas off each other and resolve difficult issues together.

This led to a sense of disconnect and not feeling part of a team.

6. IT issues

A significant proportion of staff were very happy with the IT systems they had, as well as support from the IT team.

However, some reported IT issues, with systems crashing, iPads not ideal to carry out their roles, a lack of a proper phone, not having two screens at their workstation, as well as too many platforms and systems which are not compatible.

7. Lack of face to face contact with customers

Some staff working from home reported missing the lack of face to face contact with customers, both on a personal and an operational level.

Staff are dedicated to their customers and miss being able to support them and provide the service they normally would. Some said that difficult conversations about rent, for example, were more easily resolved face-to-face.

Relevant staff felt the approach to dealing with anti-social behaviour, contacting the complainer but not the perpetrator, didn't work well.

Q4. What has surprised/pleased/disappointed you the most?

There were a lot of very positive comments to this question, in particular around how well most people felt they had adapted to working from home.

Generally speaking, the most common theme overall was around the fact that staff were surprised, and pleased, at how well they had coped and adapted to working from home during lockdown and how much they enjoyed the new work/life balance.

A significant number also reported being pleased with the support from colleagues and managers and how well everyone was 'pulling together' during difficult times.

There were a lot of comments about how team morale was high and many staff actually felt closer and more connected to their teams and colleagues, even though they were at home. Main disappointments highlighted by respondents were around different work patterns and time off and some expressed disappointment around the furlough scheme.

Here is a summary of the key themes.

1. Surprised - how well people have coped with lockdown and enjoyed the new work/life balance

The most common theme was staff reporting how surprised (and pleased) they were at how well they had coped with working from home. A significant number said they were also surprised at how they, and their colleagues, had adapted to it – and how quickly.

For many working from home has given them a much better work/life balance and, in turn, they feel less stressed.

A high number said they have enjoyed the flexibility it gives them (particularly around the hours, and working outwith a strict 9-5 regime) and stated how much happier they've felt as a result.

There were a handful of comments around how stressful the situation had been, especially those with young children and other family working at home, however this had perhaps not come as a

surprise so was not reflected strongly.

2. Surprised at how much can be achieved and delivered from home

Another strong theme coming through was how surprised staff were at how much they were achieving (and delivering) from home and how productive they were without office distractions.

A high number reported feeling more comfortable in their own surroundings and being able to be more flexible. Many staff said they were proud of what they'd achieved and delivered.

3. Surprised at the digital technology, transition to home working and pleased with IT Support

Another significant theme was surprise at the positive experience of using new technology such as Zoom, Skype and Teams calls to keep in touch and carry out the job.

There were a significant amount of comments praising the support of the IT teams and how fast everyone had received help, especially at the start of lockdown. Everyone seems to have really enjoyed using the new methods of communication, even those that were hesitant at the start.

4. Pleased at the support of colleagues and managers and how everyone has 'pulled together'

There were a significant number of staff who commented that the support they had received from their managers, and colleagues had been brilliant. A large majority of staff also said they felt relationships with work colleagues had been strengthened through the new methods of communication and they were having more regular, meaningful conversations.

There were many staff who said they'd received a lot of support and understanding from managers and commented that morale was high.

5. Pleased (and surprised) at how much we've been able to do to help customers during this time and their positive response

A large number of staff reported that they were pleased about services they were able to deliver to customers, and how positive the response had been to this.

There was a real sense of pride coming through from these comments about how pleased staff were

that they could still help people, from home, during such difficult times. Staff said they felt it was very rewarding being able to help people like this.

6. Pleased about how Wheatley have looked out for staff (mental wellbeing etc)

A large number of staff commented about the way in which Wheatley was supporting them, looking out for them and the particular focus on mental health. Many liked the introduction of the Wheatley Family Hub, however, there were also comments from some that they just didn't have the time to take part, but the idea was great.

7. Pleased about less time spent in traffic/commute

Colleagues who have been working from home repeatedly highlight the lack of a commute as a major positive. There were a lot of comments around the difference to the work/life balance as a result and indeed their productivity levels.

Many also said they felt their working days felt shorter without that long commute at either end of the day, making them feel much happier.

8. Pleased with communication generally, but disappointment around lack of communication from line managers

A significant number of staff commented that they are pleased with the communication updates, the level of information they are receiving generally through the intranet and also from MDs and Martin.

However, there were also a number of comments on the lack of communication, and in some cases contact, from line managers.

9. Disappointed around varying working patterns/time off

A number of staff expressed disappointment around what they say is different working patterns and time off being given to some teams and not others. Also some comments around how working conditions for different people varied because of their different conditions at home.

10. Disappointed – furlough and annual leave – mixed reactions

A significant number of staff who are working/home-working commented on the issue of furlough, with a lot of mixed feelings. Some felt there was a lack of recognition for those who have continued to work,

for example.

A large number of comments also focus on the issue of annual leave – for those on furlough they are accruing leave and are keeping public holidays while those working are having to use their leave for a day off here and there.

There were some comments, from those on furlough, around the lack of communication while they've been off.

Q5 - What has been your biggest personal challenge or issue?

Answers to this question were fairly evenly split between work and personal issues, and on many occasions responses included both.

Work issues tended to be around the amount of work and the pressures to deliver, amount of information to process and the stress that can cause.

Personal issues tended to be around coping with lockdown, concerns for their family, family commitments and even dealing with the death of family and friends.

Here is a summary of the key themes.

1. Balancing your time and work/home life

Far and away the most common challenge is the balancing of a work/ home life especially for those with children. A number of answers expressed guilt at not being there for family members.

Working and living in the same space and managing time to achieve work/life balance was also a challenge. Many of those who work from home said they had taken fewer breaks and were also tempted to go back online later in the evening.

On the whole, management have been praised for their flexibility and support, especially for those who are working and having to home school children.

2. Working from home

Working from home was a common theme, mainly about adapting to this different way of working and the challenges of finding a suitable space in the home and getting used to a new routine.

3. Loneliness and Isolation

A fairly common theme is not being able to physically interact with others with the feelings of

loneliness and isolation becoming a challenge. This theme was expressed by colleagues across the business.

4. Mental Health and wellbeing

A significant theme was feelings of stress, low mood and anxiety during lockdown. Comments mention stress and pressure of extra workload and the effects of the whole coronavirus situation. Staff who are furloughed also say that this is a challenge.

5. Communicating with colleagues and customers

A significant number of respondents found their biggest challenge was not having face to face interaction with colleagues and customers. Not being in the office and missing the 'buzz and chatter' of being with colleagues was also a challenge.

On a personal basis a large majority have found it challenging not being able to see family too.

6. Safety of self, family and others

For those who needed to be at work and out and about, their safety and fears of passing the virus on to others was a concern among the respondents.

7. Furlough

There are a number of comments which mention furlough and the concern and worry over the future. There was a smattering of comments that some had enjoyed the time off. Others have faced challenges with colleagues not being around due to furlough.

8. Travelling to work on public transport

For those who were travelling into work this theme was common. Their answers described the anxiety of being on public transport and a fear of catching the virus.

9. Technology

The use of technology and having the right equipment in the early days was a challenge for many, as was the ability to use the equipment and the new digital platforms.

System issues were a common frustration early on but seem to have settled, according to many of the respondents.

Throughout IT colleagues are praised as being extremely helpful.

Q6 – What would have improved your ability to cope better, personally and professionally?

This question asked people to reflect on what, in hindsight, might have helped them cope better.

A significant number of respondents, almost 25%, said there was nothing they could think of, and many of those commented that they didn't think Wheatley could have done any more than it has done under the circumstances.

By far the most popular answers were around their work set up – including IT and equipment, work space at home, or the workplace, as well as the support and communication with their manager and the rest of the team.

Here is a summary of the keys themes.

1. Working from home set up, equipment and workspace

One of the most recurring themes was staff reporting issues with the space they have to work in at home, or the equipment (or lack of), that they have.

Comments centred around working from whatever space was available at home, often kitchen or dining tables, sometimes bedrooms. It also highlighted that when working from home for an extended period of time, a suitable chair and desk space are desirable.

2. Contact with team and manager

This was also a common theme. This seems to vary widely between teams, with some respondents reporting excellent support from their manager and colleagues, while others felt they needed more. Some teams have embraced the technology with regular Zoom or Skype meetings and WhatsApp groups and where this has been the case, this seems to have had a positive effect.

3. Mental health and wellbeing

A number of staff highlighted the impact on mental health and wellbeing. This includes a feeling of isolation generally, and especially when dealing with a difficult issue, when you would normally share that with a colleague.

It's clear that staff are missing regular contact with colleagues, particularly face to face.

4. Working hours, workload and flexibility

A significant number of staff reported finding the lines blurred between home life and working. They

have found it difficult to switch off and separate the two. Flexibility during the working day/week (or lack of) and working hours was also highlighted a lot.

Those with school age children reported finding it difficult to balance work with home schooling.

A number of staff also raised the issue of workload and the pressure and volume of work.

There were also some specific issues raised around shifts and shift patterns.

5. Being on furlough

There were some responses from furloughed staff who felt they would have liked more information about furlough, more regular contact and plans for returning to work.

Q7 – How would you describe the support made available to you?

The responses to this question were overwhelmingly positive. More than 85% of the responses were positive about the support that was available.

The majority of those who said the support available was good mentioned things like their line managers being there for them when they needed them. They praised the content on W.E. Connect, including the Daily Uplift and Family Hub. IT and HR had been extremely helpful.

A large section of respondents said they knew what support was out there, but they did not need it. Some respondents mentioned they would have liked to benefit from the activities on the Family Hub or the mindfulness course but did not have time. There was praise for the stories and blogs on W.E. Connect.

Here is a summary of the key themes in this question.

1. Support from line managers

One of the biggest recurring themes was the brilliant support staff felt from their managers. A large number of answers mentioned managers being there to listen and that they were understanding of the situation and flexible in their approach. A majority of respondents, said the support from their line manager was the most important support they received. There were a small number of comments which said their line manager could have offered more one-to-one support.

2. Personal Protective Equipment

Lots of answers mentioned the support received through the procurement of personal protective equipment. Respondents said it was readily available, and any requests for missing items had been fulfilled very early on. Many colleagues said that the availability of PPE made them feel their safety was a priority and they, therefore, felt valued by Wheatley Group.

3. Support from colleagues

A significant number of respondents said the support they received from their fellow colleagues was the most important form of support available. Respondents said they could lean on one another, and that the situation had caused them to become stronger as a team.

4. W.E. Connect and internal communications

Respondents were overwhelmingly positive about internal communications, noting that W.E. Connect had helped them feel connected and up-to-date, and the blogs and stories were praised. Many commented that the support available to them was easy to find. A large number of responses specifically praised Martin's weekly email messages.

Some said they would have liked more time to be able to do the activities or read the blogs on W.E. Connect. Frontline staff also pointed out that for them, it was almost impossible to take part in activities during normal working hours. There were some respondents who mentioned the content on the Family Hub was too focused on children. For a few people the constant positive stories on W.E. Connect was a struggle when they themselves were facing a tough time.

5. Not enough time to access support

Many of those who praised the support they were offered commented they did not have the time to use it. Many cited the need to meet their deadlines, pressure from managers and a lack of headspace outwith work as barriers.

6. IT – software and hardware

There was wide praise for the support colleagues received from IT and the support they received with general desk equipment. A large proportion of answers mentioned the IT's quick responses and efficiency in dealing with problems, and many praised them for setting up the home working system so quickly. There were a small number of

respondents who faced difficulty getting their IT issues sorted out, but these were in the minority.

7. Furloughed staff

Most of those who identified themselves as being furloughed did say they felt supported by Wheatley with regular calls and emails and reassurance. There were a minority who felt they could have received more support while furloughed.

8. Workload/Caring responsibilities

A number of respondents commented their caring responsibilities were not taken into account enough when assessing deadlines and workloads. However, there were respondents who said they had been able to strike a balance. Quite a few respondents struggled with the workload, given the difficult personal circumstances colleagues were in during lockdown.

9. Use of new technology

Many respondents, both those working from home and on the frontline, positively mentioned the use of technology to support them. This could be through a WhatsApp group where teams discuss specific cases and share advice, a weekly Zoom catch-up or even a social event like a quiz. The responses were overwhelmingly positive; technology has improved their ability to cope and offered support where needed.

10. Senior management

The majority of responses mentioning senior management complimented the visibility of senior management (especially through Martin's messages) and also the fact they felt they could go to senior management with issues. There were also some responses mentioning a lack of support for their teams from senior management.

11. HR support

A number of responses mentioned the support they had received from the HR team. Quite a few people had also taken the mindfulness course or accessed Confidential Care and found these both to be really helpful support tools.

Q8 What do you think customers have felt about our services and support during lockdown?

According to respondents, EatWell and the Emergency Response Fund were particularly well received among customers. Words that recurred include 'overwhelmed', 'grateful', 'positive', 'lifeline',

'amazed' and 'blown away'.

Customers have been especially touched by welfare calls, simply having someone to talk to and knowing they were there, made an enormous difference to their wellbeing – and to how they view the organisation.

Within the overwhelmingly positive responses, a minority of respondents mentioned other customer perceptions and concerns. These included:

- › frustration at reduced services, especially repairs and NETs;
- › unhappiness at paying for services they aren't receiving;
- › anti-social behaviour;
- › lack of clarity on criteria for accessing services in some communications; and
- › mental health of people in care services.

Here is a summary of these key themes.

1. Overwhelmingly positive about our response

Overwhelmingly, staff said they felt customers and people we work for were happy with the service they received and that we had made a real difference through emergency food, welfare checks, care and support services and the response fund.

2. Improved relationships, better engagement

A very positive outcome is that several staff report improved relationships with customers, on a personal and professional basis.

Customers are very appreciative of welfare calls and that personal connection has built trust with staff. Customers are also more aware of services available to them, and are seeing their landlord in a much more positive way. Staff anticipate this will lead to better engagement in the future.

3. Customer concerns and issues

While staff report the vast majority of customers have been very understanding about the necessary reduction in services, some are unhappy. At the time of the survey there was an impatience emerging for services to resume, particularly the repairs, grass-cutting and close-cleaning.

A minority of staff reported some unhappiness from customers at having to pay for services they were not receiving.

Care staff reported feeling concerned about the

impact of lockdown on the mental health and wellbeing of the people they work for. Some customers were finding restrictions difficult, were missing the regular face-to-face support, and were feeling the effects of increased isolation.

Q9. As lockdown restrictions ease, what more can Wheatley do to assist you?

Overall, the most significant themes coming through focused around staff saying they were very happy with the support they had received to-date.

A large majority said they wanted the support and good communication to continue with clear, concise and regular updates. A large number said they couldn't think of anymore that Wheatley could do as they had done so much.

A significant number of people talked about how they wanted to be supported to continue to work from home where possible, with a flexible approach to this. Some talked about working from home full-time and some a blended mix of both. There were comments from several around wanting to get back to normality.

Another theme was around PPE and it being available, alongside information on how the new offices would work in terms of safety measures.

The topic of furlough also featured including bringing staff back as things got busier and support to help people integrate back in.

Here is a summary of the key themes.

1. Communication and support

One of the most common themes was the fact that staff felt very supported and they wanted this to continue. A high number said there had been excellent communication throughout and they hoped that would also continue, with clear and concise information on things like PPE, working practices as well as the future plans for the Group and the business plan.

2. Working from home where possible, with a flexible approach

Another strong theme coming through was that staff wanted to be supported to work from home more, even on a blended approach. Many reported they'd like flexibility around this, especially where they had children, or the job didn't require them to be in the office all of the time.

3. PPE and safety measures

A high number of staff reported they wanted to make sure that PPE was available for returning to more normal work patterns, especially for those going into homes.

Many people talked about the office layouts, and how this would work, and some were against hot desking and sharing equipment.

Some people highlighted not rushing back to offices. They felt guidelines and rules should be clear around distancing and other measures.

4. Review of IT, equipment and desk space

There were a large number of comments around equipment and how if home-working was going to continue a full review of IT, hardware and desk equipment should be considered.

5. Furlough – supporting people to come back

A high number of staff commented about the issue of furlough and how they hoped consideration would be given to bringing some back to help ease pressures of annual leave or when services get busier again.

Also a lot of staff felt that people who had been off for a long time would need support to integrate them back into working.

6. Concerns around use of public transport

The final theme coming through this question was around the issue of public transport. Many people expressed concerns about this and how it would affect their work patterns, for example, with reduced bus and train timetables.

Staff said they hoped this would be taken into consideration when they had to return and also asked that plans for re-starting in the offices could be shared so people could plan.

Q10 – What have you and your team learned – and what might be taken forward into the new normal?

A very large number of respondents in this question highlighted working from home as their biggest learning experience with many suggesting this could be something we take forward in future in some way.

Others pointed to our ability to adapt quickly to our new circumstances as the central learning and how we had been able to use technology effectively,

while many frontline staff called out the new ways we had found to support customers and people we work for.

Other responses on what we should take forward included a focus on safety, team work and recognition and support for our staff.

Here are the key themes for this question.

1. Working from home

Working from home was a key theme in response to what had been learned and what should be taken forward. Most people who highlighted working from home said we had learned it could be done, and done effectively and that it brought benefits such as better work/life balance, time saved on commute and increased productivity. However many called for consideration to be given to a more blended or flexible approach as we move forward. Reasons given for this include isolation, missing the interaction of office working and the difficulties of always working around the rest of the household.

2. Our ability to adapt and respond quickly

A very common theme among all groups of staff was how we had discovered the extent to which we could, in our teams and as an organisation, adapt well to changing circumstances and respond quickly and flexibly. This sense of adapting and responding quickly was something many respondents felt we should hold on to as we move forward.

3. Staying safe with standards and procedures in place

Those who continued to work on the frontline of our care, housing support and environmental services highlighted how they learned about the vital importance of safety including measures such as hand hygiene, social distancing and PPE. Many outlined the need to continue with this as a focus.

4. Team work, collaboration, communication and sharing

Many respondents talked about how they had learned they were part of a great team. Sometimes they were referring to their own local team and sometimes to the wider organisation as a team. They talked about pulling or rallying together and highlighted factors such as good communication, sharing best practice and helping each other through. There was a clear sense in these answers that staff wanted to see the strong team work developed through the pandemic continue.

5. Our role in supporting customers and people we work for

Some staff chose to describe their work with customers as the thing they've learned about most. This includes being able to deliver services in different ways, offering new services or reaching out to customers we wouldn't normally have much contact with. In some cases it also involves learning from the impact on people of our reduced services. Many of these answers include calls to retain what they've learned in our new work practices.

6. Embracing digital and continuing the journey

Our ability to use IT to our advantage and to work with new digital platforms features in many answers, both in response to what we learned and what we should take forward.

7. Recognition and support for staff

Supporting, protecting and recognising staff is important for a number of respondents. Some answers ask for support and recognition to continue post-pandemic while others are asking for more recognition for the efforts and hard work of staff.

8. Issues staff feel dissatisfied with

A minority of respondents answer the question by highlighting individual issues they are not happy with and asking for these to be addressed going forward. These answers cover issues including uniforms, the furlough scheme, understaffing, leadership visibility and a sense of teams working in silos.

Q11 – What should be our priorities?

There were some clear themes emerging in the responses to this question on what our priorities should be.

The clearest priority, with a large number of staff mentioning it in their response in some way, was the safety, welfare and wellbeing, both physical and mental, of staff and customers.

Other priorities supported by significant numbers of respondents were:

- › valuing and recognising staff;
- › supporting customers and people we work for;
- › getting core services back up and running;
- › offering flexible working options;
- › continuing our digital journey;
- › re-introducing face-to-face contact; and
- › listening, engaging and learning.

Here is a summary of each theme.

1. Health, safety and wellbeing of staff and customers

This was by far and away the most common answer among staff from across Wheatley. The answers alluded to both the physical safety of people as we return to a new normal and their mental well-being. In many cases the response was short and to the point with staff saying simply 'The safety/welfare of staff and customers/people we work for' or 'staff well-being'. In other answers people elaborated on the kinds of safety measures they thought should be a priority. Many staff who cited other priorities in their answer mentioned health and safety or employees' mental health as also being a top priority.

2. Value, recognise and support staff

A call to recognise and reward staff comes through as a priority. In these answers some respondents acknowledge there is appreciation for staff but ask for consideration to be given to further rewarding groups of staff who have worked through the pandemic. Most answers call for general recognition, reward or appreciation but some also suggest reward and recognition through additional annual leave or a pay rise.

3. Support for customers and people we work for

An equally high number of respondents said the priority should be customers and people we work for, and providing them with the services and support they need. Again many people expressed this with a single word: 'Customers', 'Tenants', 'PWWF'. Many made the point that our customers deserved and needed our support.

4. Re-introduction of core services

Many respondents, keen to see things return to normal, chose here to talk about the reintroduction of our core frontline services as being the top priority. Answers mentioned repairs, letting, anti-social behaviour services and environmental services.

5. Offering flexible working options

As we've seen in other questions home working has been a big talking point for respondents who have outlined a range of benefits and challenges. In this question about what our priority should be, a number of staff highlight the need to retain options to work flexibly, particularly from home. Reasons given for this include supporting people with their work/life balance, helping parents with childcare and other family commitments, and facilitating more

efficient and productive work practices.

6. Continue our focus on digital

For many, one of the priorities was maintaining and growing our digital focus, both for staff and for customers. In part this was linked to facilitating home, remote and flexible working but some of the comments were also focused on customer experience and engagement. Here are some of the views around making our digital journey a priority.

7. Bring back more face-to face contact

A smaller number of staff from different parts of the business call out bringing back face-to-face contact, as a priority. This in part reflects the sense, seen in other questions, that people are finding the isolation and lack of human interaction difficult. For some respondents, however, this is a priority because they believe it is only through face-to-face contact that they'll be able to deliver the right, tailored service and support to tenants and people we work for.

8. Listen, learn and respond

A smaller but nonetheless significant number of respondents answered by asking that Wheatley listens, learns and responds by putting new approaches and practices in place.

Team Wheatley
caring, connected, creative

Staff Survey
Working through a pandemic

Summer 2020
Making homes and lives better

Staff Focus Groups

August 2020

Introduction

Six focus groups took place throughout July following the online staff survey and interviews which gathered staff views on people's experiences in lockdown and Wheatley's response to the crisis.

The focus groups were aimed at exploring further some of the key themes which emerged during the survey and at capturing views from staff on what learning should be incorporated into how we work in future.

The focus group discussions were carried out on Zoom and were hosted by Director of Communications and Marketing Yvonne Flynn and supported by colleagues from HR and the Communications Team.

A total of 46 participants representing all sectors, subsidiaries and geographic areas in the Group took part.

The themes explored were:

- homeworking and a future blended model;
- supporting customers – what we've learned;
- rewarding and recognising staff; and
- leading and managing in a flexible working model.

People who took part including the supporting staff, contributed enthusiastically and seemed to enjoy the experience of getting together with different colleagues to share experiences and views.

Summary of feedback

- Participants were overwhelmingly positive around Wheatley's response to the coronavirus crisis across all the themes explored.
- Echoing the findings of the survey, participants were enthusiastic about the idea of retaining some flexible and remote working and supported a future blended working model.
- The key challenges to resolve for the future included supporting staff with their physical work space and equipment, retaining the right level of flexibility and structure for those with caring responsibilities and helping people to minimise isolation and protect their wellbeing.

- There was acceptance that the office of the future would be very different and serve different purposes including a place to go to meet and collaborate, and a functional space for printing, storing and accessing files and other tasks.
- Customers were very positive about our services and saw us as more human
- The biggest shift was from face-to-face interaction to engaging with customers by phone and digital channels
- Staff wanted to retain, or explore further, the use of phone and digital channel support as they saw it brought benefits but also stressed the importance of keeping some face-to-face interaction for some situations.
- Teams believed they had worked together well, for example housing and NETs, built stronger relationships and wanted to retain the benefits of improved teamwork.
- While some staff called for greater reward and recognition in the staff survey, when explored in the focus group, participants were hugely appreciative of the existing reward and recognition at Wheatley and described the benefits as 'brilliant' and 'second to none'.
- The importance of a thank you from senior leaders was emphasised with one NETs colleague recounting how he was buzzing for a week after receiving a 'well done' call from Wheatley's Neighbourhood Services Manager.
- Ideas for recognising teams' efforts during lockdown included: a big party, an awards ceremony or events where people could get together to share experiences.
- For leaders one of the big challenges had been balancing spending more time supporting staff while delivering on demanding and heavy workloads and working remotely.
- There was a need to redefine the principals of leadership at Wheatley with opportunities to learn and develop skills for leading in the new normal and to share experiences with other leaders.
- Leaders were apprehensive around managing people returning from furlough and supporting them to integrate back into work and the team.

A summary for each theme is attached below.

1. Homeworking and a future blended model

Two focus groups took place around this theme, with a total of 15 participants from across Group. The aim was to gather experiences and feedback for how elements of homeworking could be carried forward into our new working model and what the key considerations should be.

The following summarises the discussion on this theme.

General response to homeworking and challenges

Most people found working from home a positive experience and said that it had worked well on the whole. This echoed the general sentiment expressed through the survey and the interviews. People said virtual working through tools like Microsoft teams, zoom and digital working in general meant they could work as normal and maintain contact with colleagues.

Some staff like the fact that there are fewer distractions when working from home, and reported being able to concentrate better on pieces of work. Those with children found they had constant interruptions from their dependants. However, there was also an acknowledgement that this is likely to improve once the schools go back.

Lack of daily commute was highlighted as a positive as it allowed staff to use this time to deal with work priorities instead.

Housing officers spoke about the iPad rollout and how this had helped them be less paper-based and allowed some element of remote working before lockdown. They also mentioned arrears performance had improved as those with a wider patch area spent less time travelling and had more time to dedicate to customer calls. They said communication by phone is fine, but that you can't beat face-to-face interaction with customers.

Some people, again confirming the feedback from the survey, faced particular challenges in their home working circumstances. Those highlighted were:

- having a quiet, appropriate place to work within the family home;
- balancing childcare while there is no one else to look after children; and
- feeling cut off from their team and colleagues.

Future working model

A blended 'best of both worlds' model was popular, with a balance to be struck between the flexibility of working from home and retaining the benefits of office working.

There was some discussion that staff should be given the choice to decide whether they want to work from their home or an office, but also an acknowledgement that availability of office space will be determined by government guidance.

A blended model would need to be built around the needs of the organisation and will also depend on the job role and the individual.

People felt a 50/50 split between time at home and the office would be a good balance.

Support for those with caring responsibilities

The group discussed what the organisation needed to consider when it came to supporting staff with caring responsibilities.

People shared some of the difficulties they faced, but also acknowledged many of these problems were caused by lockdown and lack of childcare, rather than homeworking. When schools and nurseries reopen working from home would become easier.

One participant was concerned about working at home with very young children, and the practicalities of being able to focus on work and customers and meet his family's needs.

Other people talked about difficulties of working from home with the family there – for example, having to ask children to be quiet or go away when they are working in a family space like a kitchen.

Flexibility around location and hours

Flexibility was seen as a key consideration in the two groups, both around location and hours worked.

People were appreciative of the support and flexibility Wheatley had already shown, which had allowed them to manage things better. Some members of the focus group had younger children and expressed enthusiasm for homeworking to allow them to manage school and nursery pick-ups and drop-offs better.

There was also some interest in a flexible approach to working hours for staff with caring responsibilities. During lockdown, some participants had agreed non-standard hours with their team, such as working in the morning, taking a break in the afternoon to look after children, and logging in again in the evening. They found this flexibility very helpful.

There was also a suggestion customers might prefer to be able to speak to someone at the end of the working day.

Need for structure and boundaries

People also said they needed structure along with flexibility, and needed to know what hours and where they will be working so they can manage responsibilities such as caring for children or older family members. An ad-hoc, last-minute approach would not suit them.

Others felt flexible working was difficult for the business. People need to be contacted by colleagues and customers during the day, and the organisation needs to be able to respond to emergency situations. Even day-to-day projects could get held up if people are working at different times.

Some concerns were expressed about the divisiveness of flexible working. Prioritising the needs of working parents over those without children could be seen as unfair and generate resentment because all staff need a work/life balance.

In summary, the organisation would need to consider:

- the needs of people with pre-school children;
- balancing the needs of the business with a more flexible working pattern while ensuring other members of the team are not plugging gaps;
- the requirement of some people to have the same working pattern every week because out of school care and nursery hours are usually fixed; and
- The impact on family life – such as the loss of a family space – of more home working

Physical work environment

Concerns were expressed about the lack of suitable workspace at home. Some younger staff still living with their parents had to work on their bed, some were working in family spaces like kitchens, while others were without a suitable space for a desk, computer or office chair.

While many staff 'made it work' during lockdown, it would not be ideal if working from home is to be a long term/permanent arrangement.

Issues highlighted included:

- a lack of devices to work on – some have only an iPad – and patchy wifi
- the financial implications, especially for lower-paid colleagues, of buying a desk and chair, and the cost of heating, lighting, wifi and electricity, especially in winter
- the need for training in Microsoft Teams and similar platforms

Mental well-being and isolation

Mental wellbeing, isolation and the loss of separation between work and home life were also seen as important considerations for the future. Some participants felt pressure to be 'always available' and were tempted to keep working late, checking and responding to emails when they weren't working.

Concerns were also expressed about people who live alone and derive much social wellbeing from coming to work, being in town and being able to see friends at lunchtime.

The point was made that working from home doesn't suit everyone and 'is not what people signed up for'.

The importance of retaining face-to-face contact with colleagues, and one-to-one time with managers, was seen as important in supporting mental wellbeing.

Staying connected and supported

The use of technology was seen as key in staying connected during lockdown.

Some people felt they got enough interaction through Whatsapp, zoom and phone calls. The need to share best practice on using these platforms was highlighted.

Others regarded these platforms as useful but no substitute for the social side, along with support and advice from colleagues, of being in the office.

There was also a suggestion that people working remotely could lose that sense of feeling 'part of Wheatley'.

Networking events would become more important to keep that sense of being connected and of sharing the organisation's culture.

Positives to come out of this have been an increase in joint working by some subsidiaries where their geographical patches sometimes cross, for example Loretto Housing and Cube.

Learning and development, and culture

The group felt working in an office was important for learning and development, particularly for younger staff. Watching and learning from colleagues, as well as support and advice over difficult issues, could be lost without an office environment.

Working from home reduces the opportunities for collaboration and sharing ideas and it was seen as important that our new working model addresses this.

People felt Wheatley had a strong culture, a set of shared values and vision, which has been strengthened by the way people pulled together during lockdown. There was discussion around how new staff would integrate into this culture if they were in the office less.

The future of the office

People discussed what the purpose of an office would be, if a more blended approach was adopted.

Human interaction was seen as a very important part of it, and space for collaboration and networking would need to be incorporated.

Housing officers said they still need to go to an office for paper files, printing letters and so on.

Practical considerations highlighted included the need for social distancing, meaning a reduced capacity in the short term.

Consideration is also needed for those who need specific work equipment identified through a DSE assessment, as they would have less flexibility around where they could work and which desk they could use.

People were enthusiastic about the idea of an office space being more than a place to log on to a computer and work, but as somewhere where people could go to do specific things, meet people, share ideas and work collaboratively.

Participants didn't want to lose the option of coming to the office because it was important to be with people, meet colleagues and build relationships – as well as being a place where necessary equipment is.

One person visualised an office as more of a hub, where people can get together and share ideas, a really good meeting space for customers and staff, and not just a bank of desks.

2. Supporting customers, learning and the future

Two focus groups took place around the theme of Supporting Customers. There were 16 participants from across the Group including representatives from care, NETs, CSC, repairs and GHA, Dunedin Canmore and DGHP.

The aim of the discussion was to gather views on what staff had learned about delivering services in different ways during lockdown and what aspects of the learning could be carried forward.

What did customers think about our services?

Staff reported that the overwhelming majority of customers were blown away by the support we were giving them.

There was also a strong feeling that the support being given to customers by staff has really 'humanised housing'.

Staff reflected on being stopped in the street when they started getting out and about again – people no longer seeing staff as debt collectors, and only at the door because of ASB.

The environmental teams commented that customers were more appreciative of them, coming out to talk to them recently when they're cutting grass and engaging with them more when they've been delivering food parcels and ERF requests.

What was different about interactions?

Representatives from Care and Housing both agreed their interaction with customers changed drastically because of lockdown, going from face-to-face contact to telephone support.

The Housing Officers mentioned the use of new technology with customers such as FaceTime and Whatsapp. This was seen as a big positive and a good way to reach customers during lockdown.

Generally, the group felt there was a lot more positive engagement from customers over the phone – and also through digital methods of contact. Some staff felt they engaged with tenants they usually wouldn't have through welfare calls carried out during lockdown and this allowed them to speak to more customers than average.

There was a general feeling that this increased engagement was perhaps because there was less pressure and less anxiety for some customers (particularly those who are more vulnerable/challenging) than when they're sitting face-to-face having difficult conversations

However staff said there was still a real need to retain flexibility to have face-to-face contact where required. People agreed there were times where you need to see someone to understand and read their body language and gauge their emotional reactions.

Although telephone support has been a good alternative to face-to-face support, a care member of staff mentioned that some of the conversations with those they were supporting had been particularly challenging as lockdown progressed. It was also noted that it was hard to separate work and life because staff were having serious and emotional conversations in their own homes.

NETs staff said one of the things that was different for them was there was an increase in going to the shops for customers, and picking up prescriptions due to the numbers of people self-isolating or shielding. They also delivered food parcels to them and called on vulnerable tenants to check they were OK.

It was also recognised that the housing team relied heavily on the NETs to make face-to-face visits, maintaining contact with customers who weren't engaging. The good working relationships between NETs and housing officers was highlighted as a major success of lockdown.

What have you learned that you would keep going forward?

Regular welfare checks would be something care staff would like to see continue. They would also like new mediums such as Zoom explored. Many of the vulnerable people we work for are feeling anxious about coming back to 'normal' life. Some will continue to shield. It was stressed that these people could end up feeling more marginalised if they aren't reached by new methods of communication going forward.

As housing staff start home visits again, the fact that some customers rely on lip-reading to communicate was highlighted. Mitigations would need to be in place for these customers (visors instead of masks, for example).

For the NETs, they felt their systems and processes were strong before lockdown, and that's why they were able to scale these up successfully. They'd like to continue to keep up the contact with customers as these interactions and ad hoc tasks are important to the people we support. Helping customers had felt really good and staff would love to hang on to that in some way.

For housing staff in DGHP, they have struggled with large patch sizes throughout lockdown. They would like to move to having 200 homes per housing officer so they can continue to give a more personal and dedicated service.

For repairs, there is nothing they would take forward. They have struggled during lockdown and are looking forward to services re-starting again.

It was felt that working from home was both good and bad. If you had small children, it was very stressful, but it also offered many the chance to focus on a task and be more productive. Staff would like to see home working continue, and allowances made for those with children if schools do not go back full time.

Staff said better work/life balance meant they felt more in control which in turn brought a real benefit and value to the customers due to having more time to spend with them.

Many on the group said they felt less stressed, more relaxed, more in control, able to make more decisions – all through working from home. An example - some said at times they might be logging in early and doing emails, and then again later at night, however they didn't mind that as in between through the day, if they had to hang their washing out they could take the time to do that – the work/life balance was much better

DGHP staff said it had been a challenge but the 'think yes' approach had been embraced and everyone is feeling much more empowered in their jobs and can make their own decisions, creating less stress. They wanted to keep that sense of empowerment while also getting the restructure completed.

As internal customers, how did you feel you were supported by IT, Comms, HR, CSC during lockdown?

Generally staff felt completely supported, even lone workers who knew someone was on the end of the phone at all times

The consensus was that there has always been a sense of togetherness; everyone pulled together as one during lockdown. The NETs perhaps felt this the most.

IT staff said it was a learning curve to support internal customers working from home to start with – particularly getting everyone up and running all at once and on different devices (Macs, ipads etc). But there was all-round praise for IT's support during lockdown. They were quick to sort everything at the beginning and have offered great support throughout. The fact we can all access our desktops like we're in the office was highlighted.

There was also positive feedback on HR. With comments about them, 'being just a phone call away,' and 'fantastic as usual'. The group commented that communications has been really good and the 'daily uplift' has been great – it's good to share the experience of the teams and see what others are doing

The housing staff highlighted the joined-up working between NRT and The Hub. With both offering to do weekend and evening calls to relieve housing officers.

For care, the launch of Wheatley Care during lockdown presented its own challenge - creating a new company, and a joined-up culture in the midst of the pandemic. While a challenge, it was seen as a success.

The fact that COVID numbers are so low in Care was suggested as a sign that staff had worked well together to keep everyone safe.

What should the ET think about when they plan how to support customers?

There was a consensus in the group that the ET should continue doing what they're doing. They felt the support had been good and we should keep on the path we're on.

The Emergency Response Fund was singled out as something that should be factored into future plans. A Housing Officer had been able to buy a vulnerable customer a brand new washing machine when they had no money to do so, and they felt the fund was a brilliant asset.

Throughout the discussions there was feedback that the flexible working and the use of different ways of engaging with customers should be retained as well as the sense of working together.

3. Reward and Recognition

There were eight participants from across the Group including representatives from the NETs and DGHP and staff on furlough in this focus group.

Support during lockdown

There was a strong sense that everyone had pulled together during lockdown, forming good working partnerships and supporting each other.

Peer to peer support was highlighted as being very important – and regular team meetings and catch ups have been key for this. Comments included that some people by their nature / personality are more resilient and others perhaps needed more support.

Staff said their managers had been a great support, with those who needed to, being able to work flexibly to help meet their caring responsibilities for children or elderly relatives. This echoed the majority view in the survey and phone interviews.

Our NETs colleagues also reported excellent support, with their safety being taken care of through the supply of PPE, regular briefings with managers, as well as managers regularly checking in to make sure they were ok.

Current reward and recognition at Wheatley

Staff were asked to describe what they thought of Wheatley's staff benefits. "Excellent", "fantastic", "second to none", "brilliant", "love it", "amazing" and "even the little things like an eye test are great" were just a flavour of the feedback on the package available.

Staff commented that we can sometimes take it for granted and, since lockdown, they have a renewed appreciation for how well we are looked after when they compare it with friends and the organisations they work for. One person commented that friends are having to take wage cuts so we feel very lucky to have the package that we do.

Recognition for work done in lockdown

Those on furlough commended those who are 'holding the fort' and one person said they felt a little guilty about being on furlough.

Ideas for recognition included a big party, and awards ceremony or even a prize draw, but many ideas centred around getting people together again to share their experiences.

A common theme was that a simple thank you or personal recognition goes a long way – people remember that. One of the NETs said he received a call from Steven Gray to say thanks for all he was doing. He said he hugely appreciated that call and was buzzing for a week afterwards.

HR reported that staff who were self-isolating really appreciated their welfare calls, particularly in the early weeks. They appreciated the personal contact from their employer during a difficult time.

One attendee commented that one size doesn't fit all, and with so many staff across the organisation what works as recognition for one group doesn't work for everyone.

Other comments / issues

Staff spoke about the Family Hub and the wide range of things available. Staff felt it's a really good initiative and that there is something for everyone, from sports, cooking, baking and book club to family hour and 'space to speak' sessions for housing officers.

One furloughed member of staff did comment that despite feeling very in touch with the organisation and getting regular contact from their manager, they still felt a bit in the dark about when they might get back to work, and is very much looking forward to getting back to it.

4. Leadership and managing people

The focus group on leadership in lockdown brought together seven managers from across the Group including from housing, care, the CSC and business support. The aim was to look at experiences of leaders in lockdown and discuss the key considerations for the organisation as we move into the new normal.

Leaders' experiences

As part of the introductions participants talked about their experiences, with the main themes being:

- The use of technology and the support from IT has been fantastic
- Better connections and relationships with teams are stronger than ever
- We were able to adapt quickly and still delivered a quality service
- More time had to be spent supporting staff
- Challenges included striking a balance between supporting staff (including those on furlough) through difficult times and getting the job done.

What was different about managing and leading in lockdown?

The use of technology, (WhatsApp groups, and Zoom) to manage teams, rather than face-to-face, was discussed as being one of the major shifts. Having regular touchdowns with staff helped keep teams together and motivated. Leaders reported using these platforms for work and for social interactions too.

Most found that interpreting body language over video chat was hard and therefore it was challenging working out how people really were. Looking at body language was important to help you see if there was something not right with somebody.

Majority found you had to spend more time than you would normally managing people on the phone and having one-to-one conversations.

The CSC felt this was particularly important for staff morale.

For those with new staff or for new managers in a new post, it was harder than it would have been normally to build relationships.

Managing relationships remotely

Some found that scheduling regular catch ups (on zoom) was effective and allowed for better diary/time management.

Some found it very challenging managing deadlines and workloads, ensuring work and services were a high standard, while having to spend more time managing and supporting people using new and different channels.

There was discussion around how hard it was to have difficult conversations on the phone/on a screen. It was felt that these conversations would be best face to face and allow this to happen needs to be looked at as we go forward.

The wellbeing of staff and leaders (including dealing with mental and physical wellbeing in a remote working setting and isolation) has been and will continue to be important as we work remotely.

There was a consensus that managers and staff would all need to learn new skills and rules of engagement as we continue to work remotely and flexibly.

Some people had come to expect welfare calls and we now need to establish what our organisation's expectations are of how we interact, engage and deliver services in our new normal.

We should establish Wheatley leadership principles for a virtual workforce, defining/ redefining these for consistency.

The majority of leaders talked about how hard it has been to keep in touch with staff on furlough, that it was time consuming and often there wasn't anything to update them on.

Ensuring consistency of leadership and support for staff

Leaders talked about finding the balance between the demands of the job and of supporting people in new ways.

It was agreed we had been very good as leaders at responding in crisis mode but we now needed to move out of crisis mode and into Priority Management in our new way of working.

Trust was mentioned as a major factor for leading in future – trust in your teams, and to be trusted as leaders and this was seen as key as we move forward.

We should have forums for sharing best practice and experience among leaders at Wheatley.

There was also discussion about learning and development opportunities to support leaders to manage people in our new service model. Many thought the development of both staff and leaders to be able to think and work flexibly, to build trust and self-reliance and to problem solve was important.

The furlough challenge

Most leaders were concerned about supporting and managing furloughed staff both now and when they return to work as well as their wider team.

Furlough staff will have mixed feelings (disappointment about missing out, anxiety, feeling out of the loop etc) about coming back to work and there is concern about a divide in the workforce when they return.

Leaders were encouraged to get involved in helping to create the 'welcome back' sessions which were being developed.

Managers' role will be to help them re-integrate with a welcome back relevant to their teams while remaining mindful of staff who have worked through.

Report

To: Loretto Housing Board

By: Laura Henderson, Managing Director

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

Subject: 2021 Rent Setting

Date of Meeting: 9th November 2020

1. Purpose

1.1 This report seeks approval for the proposed approach to the 2021 rent increase and explains how we intend to consult tenants on the proposals.

2. Authorising context

2.1 Under the Group Authorising Framework, the Group Board is responsible for the Group rent setting framework. As part of this, the Group Board is responsible for agreeing rent increase parameters within which each Registered Social Landlord ("RSL") Board has the authority to agree an increase.

2.2 The Group Board agreed that a base increase of 1.7% should be the basis of consultation with each RSL's tenants, but with some element of variation taking into account individual RSLs circumstances.

2.3 The Group Board also agreed that a second option should be discussed with tenants, with tenants asked whether they would be prepared to pay higher levels in return for additional local investment.

3. Risk appetite and assessment

3.1 Our 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*".

3.2 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*".

3.3 The decision on rent increases involves striking a balance between the need to continue our path out of underlying deficit into surplus (as set out in our business plan), continuing to deliver services our customers tell us they want, and keeping rents affordable. We are also required under statute to take into account the views of customers before making final decisions on rent levels.

4. Background

4.1 Keeping rents affordable for our tenants remains one of our key objectives. The Loretto Board previously agreed that we would develop an approach to revise our financial projections to assume lower future rent increases.

- 4.2 It was agreed that the base assumptions should be revised downwards from 3.5% each year to 1.9% in April 2021, 2.4% in April 2022 and 2.9% from April 2023 onwards. The base assumptions would thereafter be reviewed annually during the rent setting process relative to our rent setting criteria with a continued focus on them remaining affordable.
- 4.3 This was reaffirmed at the Board strategy workshop, where the Board agreed to accelerate the 2.9% long term rent increase assumption (down from the previous 3.5%) from year 5 to throughout the life of the strategy as a strategic commitment.
- 4.4 Subsequent to this, and taking into account the continuing economic impacts of the pandemic, the Wheatley Group Board agreed that the general level of RSL rent increases for April 2021 should be reduced further, from 1.9% down to 1.7%.

5. Discussion

- 5.1 Our annual rent setting exercise takes into account the four key areas in our Group rent setting framework:
- Affordability;
 - Comparability;
 - Consultation with tenants and service users;
 - Financial viability
- 5.2 On the basis of these criteria a rent increase of 1.7% is proposed. This proposal has been developed based on consideration of the four areas in our rent setting framework as follows:

Affordability & Comparability

- 5.3 Our average rents, and those of other Group RSLs, for 2019/20 are shown in table 1 below.

Table 1: Group RSL average rents – March 2020 ARC return

RSL	1 Apt Ave Rent	2 Apt Ave Rent	3 Apt Ave Rent	4 Apt Ave Rent	5 Apt Ave Rent
Dunedin Canmore	£78.75	£84.87	£98.73	£111.87	£115.66
Cube	£70.17	£82.47	£97.58	£105.66	£120.01
WLHP		£83.97	£89.82	£97.89	£105.57
Loretto		£75.68	£87.81	£94.47	£114.19
GHA	£65.04	£79.21	£86.63	£101.67	£110.57
DGHP		£75.49	£82.32	£88.65	£96.54

- 5.4 The table above shows that Loretto's rents, on average, are lower than most of the other Wheatley RSLs, including for our most prevalent size of property (2 and 3 Apartment homes). Based on an increase of 1.7%, the average increases per week for different property sizes would be as shown in table 2 below.

Table 2: average rent increases per week based on 1.7%

	1 Apt	2 Apt	3 Apt	4 Apt	5 Apt
Per Week increase		£1.29	£1.49	£1.61	£1.94

- 5.5 We engage directly with tenants each year through our independently conducted tenant satisfaction surveys. In the most recent survey in 2019, the percentage of tenants that felt that our rents represent good value for money remained high at 77%.

- 5.6 In considering affordability we have assessed our proposed rents using the Scottish Federation of Housing Associations (“SFHA”) Rent Affordability Tool. The percentage of net minimum wage income spent by different household compositions in different property sizes on average is shown below

Table 3: Affordability analysis

House Size	Rent	%of Minimum Wage spent on rent						
		Single Person	Couple (2X FT workers)	Single pensioner	Pensioner Couple	Single Parent + 1 Child	Small Family (2 children)	Large Family (3 Children)
1 Bedroom	£76.97	25.7%	12.8%	23.3%	17.1%			
2 Bedroom	£89.30					22.9%	14.2%	
3 Bedroom	£96.08						15.3%	13.4%
4+ Bedrom	£116.13						18.4%	16.1%

- 5.7 Studies from various sources provide insight into what might be considered an “affordable” rent, although there is no clear consensus or agreed definition of the term. Shelter (2015) cited in the recent Scottish Government literature review of rent affordability have quoted a figure of 35% of net household income¹ as an affordability threshold. A UK Affordable Housing Commission report from 2019 noted that if rent is higher than 40% of net income², then more significant affordability issues may arise. Loretto’s average rents are well below these levels.
- 5.8 The most recent available comparison of RSL rents in Glasgow City where we have close to 50% of our stock from the Scottish Housing Regulator’s Annual Return on the Charter (“ARC”) published data is shown in the table below:

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

²

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

Table 4: Glasgow RSL average rents + service charges at March 2019 (Source ARC 2018-19)

Glasgow City					
Landlord Name	1 Apt Average weekly rent	2 Apt Average weekly rent	3 Apt Average weekly rent	4 Apt Average weekly rent	5+ Apt Average weekly rent
Whiteinch and Scotstoun Housing Association Ltd	£81.12	£88.00	£95.02	£105.93	£118.08
Cube Housing Association	£65.18	£77.71	£93.71	£101.72	£118.68
Home in Scotland Ltd	£61.65	£76.88	£90.49	£96.64	£102.02
Southside Housing Association Ltd	£64.92	£81.99	£90.45	£100.53	£106.94
Glasgow West Housing Association Ltd	£64.81	£80.45	£88.50	£99.37	£106.93
Govanhill Housing Association Ltd	£70.85	£82.53	£88.15	£101.79	£122.01
Sanctuary Scotland Housing Association Ltd	£60.39	£76.48	£87.98	£96.53	£102.75
Loretto Housing Association		£74.11	£87.26	£91.77	£108.96
Glen Oaks Housing Association Ltd		£80.43	£84.73	£92.14	£114.24
North View Housing Association Ltd		£68.24	£84.68	£94.22	£105.20
Thenue Housing Association Ltd	£65.34	£77.76	£84.03	£96.04	£101.87
North Glasgow Housing Association Ltd	£68.75	£76.71	£83.73	£93.30	£103.69
Partick Housing Association Ltd	£58.54	£74.48	£83.36	£97.07	£104.67
Cadder Housing Association Ltd		£75.55	£82.86	£95.28	£106.84
Thistle Housing Association Ltd		£59.85	£82.67	£91.42	£114.18
Parkhead Housing Association Ltd	£53.64	£66.33	£81.74	£90.29	£112.00
Queens Cross Housing Association Ltd	£68.57	£77.73	£81.45	£90.35	£102.66
New Gorbals Housing Association Ltd	£56.72	£71.00	£81.23	£92.61	£105.43
Yorkhill Housing Association Ltd	£61.66	£71.95	£81.17	£91.82	£89.42
Glasgow Housing Association	£60.90	£74.16	£81.10	£95.19	£103.51
Kendoon Housing Association Ltd		£69.93	£80.22	£89.12	£102.25
Drumchapel Housing Co-operative Ltd		£78.72	£79.42	£93.19	£101.90
Maryhill Housing Association Ltd	£65.13	£75.38	£78.55	£82.79	£91.44
Charing Cross Housing Association Ltd	£65.38	£71.49	£78.06	£86.17	£96.84
Cathcart & District Housing Association Ltd	£59.20	£62.89	£77.29	£87.98	£90.32
Hawthorn Housing Co-operative Ltd		£75.73	£77.18	£84.83	£93.83
Elderpark Housing Association Ltd	£65.50	£69.46	£77.01	£92.87	£110.75
Govan Housing Association Ltd	£69.89	£67.81	£76.05	£86.85	£103.99
Ardenglen Housing Association Ltd	£47.83	£68.80	£75.90	£84.51	£96.21
Lochfield Park Housing Association Ltd		£67.90	£75.15	£84.86	£92.44
Rosehill Housing Co-operative Limited		£66.47	£75.13	£74.37	£79.45
Cassiltoun Housing Association Ltd		£71.31	£74.68	£85.15	£97.60
Lighthouse Housing Association Ltd	£52.49	£63.01	£74.52	£81.60	£100.12
Blochairn Housing Association Ltd		£60.76	£74.41	£82.97	£108.92
Pineview Housing Association Ltd		£64.23	£74.23	£83.65	£92.02
Shettleston Housing Association Ltd	£32.03	£66.52	£74.20	£84.32	£106.32
Craigdale Housing Association Ltd		£68.14	£72.62	£82.17	£85.61
Cernach Housing Association Ltd	£43.39	£61.65	£71.77	£92.80	£90.20
Tollcross Housing Association Ltd		£63.78	£71.74	£86.99	£97.35
Wellhouse Housing Association Ltd		£66.04	£71.68	£80.93	£91.48
Copperworks Housing Association Ltd		£58.15	£71.10	£77.30	£80.30
Calvay Housing Association Ltd	£51.22	£66.94	£71.05	£77.93	£94.06
Kingsridge Cleddans Housing Association Ltd		£64.09	£70.33	£78.22	£86.39
Blairtummock Housing Association Ltd	£42.10	£62.75	£69.58	£80.08	£90.66
Molendinar Park Housing Association		£59.53	£69.38	£95.21	£108.13
Yoker Housing Association Ltd		£61.75	£68.93	£76.80	£90.63
Easthall Park Housing Cooperative Ltd	£40.52	£64.84	£67.30	£81.76	£89.22
Provanhall Housing Association Ltd		£60.45	£66.36	£80.15	£90.03
Reidvale Housing Association		£61.04	£65.20	£72.32	£78.77
Milnbank Housing Association Ltd	£48.92	£55.76	£64.27	£74.76	£79.39
Spire View Housing Association Ltd		£54.40	£61.02	£71.85	£72.65

5.9 Loretto's average rents compare well with others in Glasgow, particularly given the prevalence of our supported accommodation and our wider service offering.

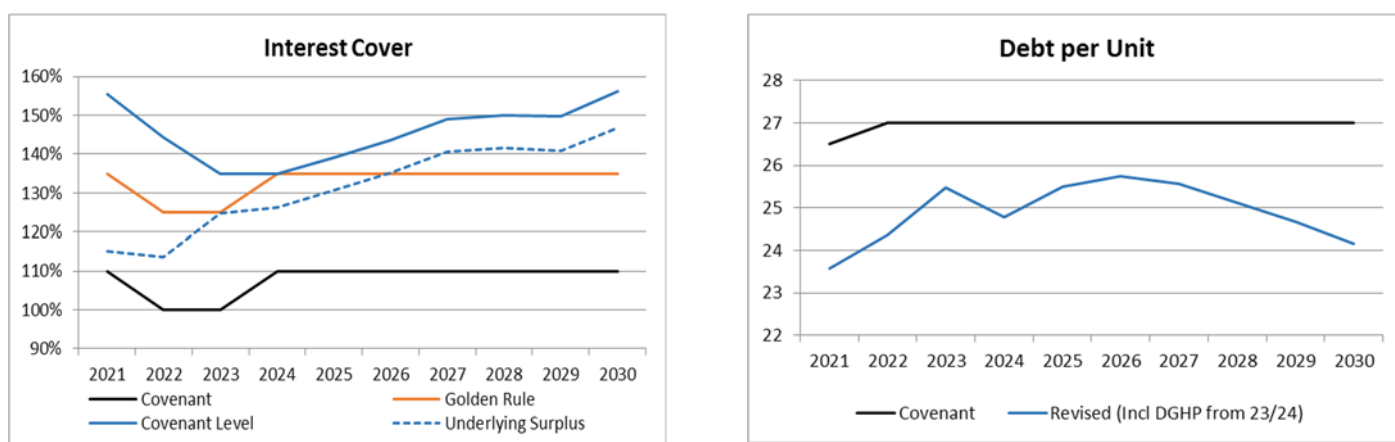
Consultation process

5.10 This year's consultation will be necessarily more restricted as we work under government restrictions on gatherings. We will not be able to conduct the in-person focus groups that we have held in recent years. Zoom and other on-line platforms are limited in how effectively they allow large groups of tenants to constructively input, for example in group discussions.

5.11 We will therefore operate a 'standard' formal written consultation with all Loretto tenants from November through to January. It is proposed that to simplify the process this year we will reduce the number of options from 3 to 2. This is on the basis of a consultation booklet, in largely the form used in previous years. A draft of the booklet for the 1.7% general increase is attached at Appendix 1.

Financial viability

5.12 Loretto Housing forms part of a borrowing group with other Wheatley RSLs. This means as a Group that we assess the key financial indicators of the RSLs aggregated together. There are two key indicators – debt per unit, which relates to our borrowing capacity, and interest cover, which measures whether our operating surplus covers our interest costs. These are both covenant measures in our loan agreements. Taking the rent proposals in this paper into account, the projected profile on these measures for the RSL Borrower Group is shown below.



5.13 The charts show that minimum headroom is maintained in line with our financial Golden Rules of 25% to the interest cover covenant and £50m to the debt per unit limit. The dashed line on the interest cover chart shows the position were all capitalised spend on fixed asset additions (other than off-the-shelf acquisitions of homes) to be included. This is the key measure of underlying break-even, and shows we continue to improve over the life of the new strategy.

6. Key issues and conclusions

6.1 The proposed rent increases would be the lowest we have applied since joining the Wheatley Group in 2015 and reaffirm our strategic priority to utilise financial efficiencies to minimise rental uplifts for tenants. They also reflect our increasingly refined approach to assessing affordability and comparability and, where there is a case for doing so, introducing an element of variation.

6.2 In line with our usual practice, general service charges will be increased in line with rents, except where different pricing adjustments are required based on specific service cost changes. Any such differential service charge increases would be subject to specific consultation with tenants.

7. Value for money implications

7.1. The proposals aim to maximise value for money for our tenants by further reducing our baseline rent increase.

8. Impact on financial projections

8.1. As set out above.

9. Legal, regulatory and charitable implications

9.1. It is a legal requirement under the Housing (Scotland) Act to consult with tenants on any increases to rents or service charges.

10. Implementation and deployment

10.1. As noted above.

11. Partnership implications

11.1 As noted above.

12. Equalities impact

12.1. None noted.

13. Recommendations

13.1 The Board is asked to:

- 1) Agree to consult all other tenants on a general rent and service charge increase of 1.7%, with the option given for 2.2%

List of Appendices

Appendix 1 – Draft consultation booklet

Investing in your community

Have your say on options for next year

Consultation on rent levels 2021/22



Have
your
say

Listening to you, and responding

This year has been a difficult and challenging time for everyone. At Loretto, we have been determined to support our communities in every way we can.

When the coronavirus crisis struck in March this year, we responded instantly. We invested significantly in new services to help people in need and in new ways of working that enabled our staff to be there to support tenants and their families 24/7.

Here are just some of the measures we put in place.

- ▶ We equipped our housing officers and customer service advisors to work from home, in line with government guidance, enabling them to help tenants every day by phone, text and online.
- ▶ Staff have made over 11,000 calls offering help and advice to Loretto customers since lockdown began
- ▶ EatWell has provided over 565 emergency food packages to people in need since the start of the pandemic. A supermarket voucher system, put in place a few months ago, has led to a further 30 vulnerable households receiving £1,130.00 worth of food to date.
- ▶ Our expert welfare benefits advisers have been helping customers with Universal Credit claims and making sure they are getting all the benefits they are entitled to

- ▶ Our neighbourhood environmental staff have remained out and about in our communities through the pandemic carrying out fire patrols and removing bulk rubbish
- ▶ An emergency response fund was launched in March offering practical help to 150 customers in need, supplying everything from mobile phone top-ups to tablets and microwaves
- ▶ We've helped thousands of customers with prepayment meters to access fuel vouchers.
- ▶ Home Comforts has provided free upcycled furniture and white goods to our most vulnerable households since it re-started in September. If you need help, speak to your housing officer.

Of course government guidelines, and the need to put the safety of tenants and our staff first, meant we could only deliver a restricted range of our normal services. We have since been re-introducing our services, in phases, in line with restrictions and as it is safe to do so.

Despite all the challenges we've faced since March, we were able in 2019/20 to complete upgrades to kitchens, bathrooms and heating systems, and to improve neighbourhoods.

Thanks to all of you who have given us feedback on the services in your community both before and during the pandemic.



We understand from your feedback that you want us to keep investing in homes and neighbourhoods. Many tenants have also told us the repairs service is the most important service for them and we're introducing more improvements to our repairs in the year ahead.

It's by listening to you and understanding what's important, that we're able to invest in your priorities and make sure our services are right for you, whatever life throws our way. Over the next year we'll be introducing new ways for you to engage with us and help shape further the future of services.

We know the pandemic and the challenges it has brought will be with us for some time. We remain committed to supporting our tenants and communities, now and through the uncertainties of the future. This booklet looks at how we can continue providing the services people need while investing in homes and neighbourhoods.

Proposals for next year's rents

We set out two options for next year's rent levels, explaining how each option would affect the improvements we could carry out in your area as well as the wider services and support to tenants.

Have your say

Please take time to look at the options on page 8 and have your say on rent levels for 2021/22. You can find out how to give your views on page 11.

What's inside?

- 4 What tenants tell us
- 5 How your rent was spent last year
- 7 Challenges for the year ahead
- 8 Your choices, have your say
- 9 Supporting you in difficult times
- 11 How to make your voice heard
- 11 What happens next?

What tenants tell us

At Loretto we want to deliver what tenants tell us is important to them. We engage with tenants in lots of ways including through focus groups, local community events, customer panels, surveys, social media and conversations with housing officers.

More recently we have also been engaging with people online, through social media and apps. Through the pandemic we learned this suits many people and we are looking to expand this further in the next year.

However you engage with us, we listen to all the feedback and use it to shape what we do and the services we deliver.

Many tenants who faced hardship or isolation during lockdown this year have told us that the support we provided was a lifeline for them and we want to make sure we keep supporting people so they have opportunities to make the most of their lives.

Tenants have also consistently told us that:

- Loretto should continue with improvements to homes like new kitchens and bathrooms
- we should look at more investment inside homes
- helping communities stay safe is important
- we should continue to work on keeping neighbourhoods clean and tidy
- repairs is the most important service.

We want to keep delivering the improvements you tell us you want.



How your rent was spent last year

We invested significantly in services to support tenants and families, particularly those facing hardship, those who moved on to Universal Credit and people who were alone and self-isolating.

Supporting our customers

Tenants tell us they value the range of wraparound services and support we provide. This is particularly true while the challenges of coronavirus and Universal Credit continue to affect our communities. Our services helped tenants:

- with welfare benefits, including those moving on to Universal Credit
- put food on the table
- get furniture for their home
- find jobs and training opportunities.

Last year you helped us deliver a huge range of improvements to homes, neighbourhoods and services. This was in line with what we set out in our five-year plan Investing in our Futures, which was shaped by tenants' views. Here are some of the things delivered last year.

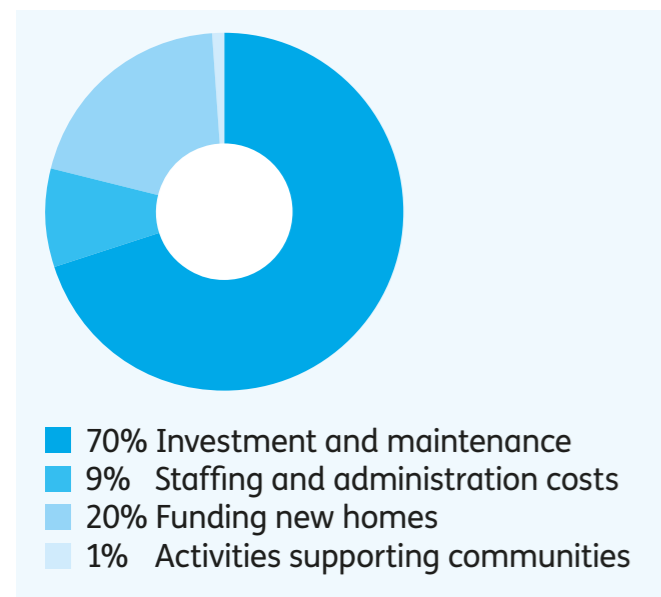
Improvements to homes

Tenants told us how much they want to see continued investment in homes and communities. We invested £1,646k in our tenants' homes and communities including new energy efficient heating systems, new windows as well as new kitchens and bathrooms.

New homes

Tenants told us they wanted to see more affordable homes for rent. Loretto built 56 new affordable homes over the year, all of which were for social rent.

Breakdown of how each pound was spent

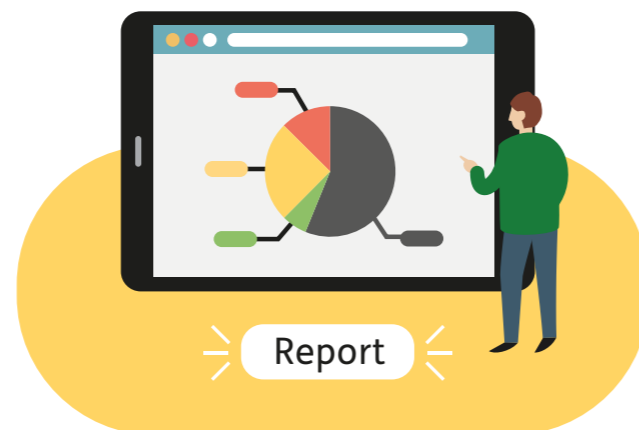


Improving neighbourhoods

Tenants also let us know they wanted us to continue to do more to keep neighbourhoods safe, clean and tidy. Wheatley’s Community Improvement Partnership continued to work with Loretto communities to tackle anti-social behaviour, crime and fire safety.

Repairs service

We continued our work to improve our repairs and maintenance service. We were delighted that tenant satisfaction with the service increased to 93% in 2019/2020. We also completed 96% of repairs right first time. We had to introduce a restricted repairs service while we prioritised the safety of our staff and customers during the pandemic. We’re committed to introducing a full repairs service as soon as it’s safe to do so.



Challenges for the year ahead

The pandemic has had a significant impact on our business, tenants and communities. Like all social landlords we have had to adapt the way we delivered services to take account of the restrictions in place. Our priority has always been the health, safety and wellbeing of tenants and our staff.

We are working hard to return services, such as repairs, investment in homes and new build to full capacity but this will remain a challenge as restrictions remain in place.

The pandemic has had an unprecedented impact on the economy and we know a challenge will be how we support tenants and communities adversely impacted. We will be increasing the level of support available to all tenants and communities that so many tenants have told us during the pandemic they value highly.

We have continued to work hard to reduce costs in recent years with our management costs now lower than the Scottish and UK averages. We have used these savings to allow us to keep the proposed rate of increase as low as possible and this year it is proposed as 1.7%.

How we compare with others

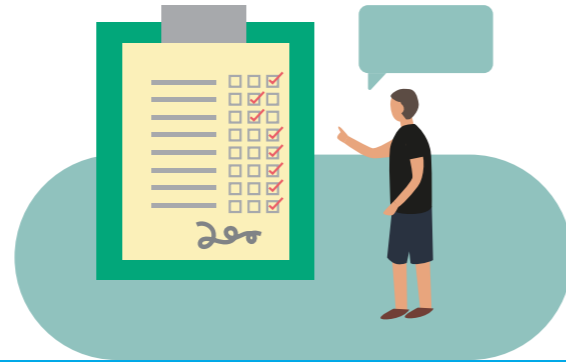
Loretto in line with Scottish landlords.

Customer satisfaction

Customer satisfaction with Loretto remains high at 84%.



Your choices, have your say



Here we set out a number of options for your proposed rent levels together with what these options would mean for services and improvements.

1. Increase rents by 1.7%

Increasing rents by 1.7% would mean we could keep delivering all the services we provide to you and your family, carry out all investment work already planned for homes, keep communities clean and safe and provide a range of support for tenants who need it. We would also continue to offer 24/7 customer service and carry out further improvements around fire safety which will be required by law.

2. Increase rents by 2.2%

Increasing rents by 2.2% would mean we could keep delivering services and all the investment work already planned. In addition, we would also be able to carry out further improvements to homes and neighbourhoods. These improvements would be based on what tenants tell us are priorities. They could include: new doors, new floorboards and skirtings, better lighting or paving round homes, upgrades to backcourts and bin stores and anything else tenants thought was a priority.

Giving your views

In the attached survey, you can tell us which option you support and what your priorities for investment would be. The survey also gives you an option to let us know if you don't agree with any of the options. Our Board would take account of this, together with the need to continue delivering services and improvements, before making a final decision on rent levels.

If option 2 went ahead, we would gather tenants' views on their priorities for additional investment. Our Board will listen to that feedback before deciding how the funding is spent.

£82.81

Loretto average weekly rent

Supporting you in difficult times

Keeping on top of bills and running a home can be difficult at the best of times.

We understand many people are facing challenges as we continue to live with the impacts of coronavirus. Please be assured we are here to help all tenants save money and support them to keep on top of their rent and other household costs.

Remember **TALK TO US**. The sooner you get in touch, the quicker we can help.

Check out the many ways we can help tenants save money.

MySavings

Tenants who sign up for an online account can enjoy savings of up to 10% on everyday shopping bills. Register for MySavings and get money off everything from food and clothes to cinema tickets, gym membership and takeaways.

Fuel advisors

Worried about rising gas and electricity prices? Don't stress. Our fuel advice service helps tenants get on to the lowest tariffs, arrange low-cost repayments and, in some cases, get debts written off. Last year tenants across Wheatley Group saved more than £500,000 on their energy bills.

Home Comforts

Buying furniture can be expensive. Our Home Comforts scheme helps make a house feel like a home - without spending a penny. In 2019/20, we recycled 780 pieces of unwanted furniture and passed them to tenants across Wheatley Group who needed extra help.

EatWell

Struggling to put food on the table? Eat Well supports tenants who face real hardship and who may be forced to turn to food banks. More than 1000 tenants across Wheatley Group got support from Eat Well last year.

Welfare advice

Our welfare benefits advice team have helped tenants across Wheatley Group claim more than £8.6m last year in benefits and tax credits they were due. We can help you too.

Universal Credit advice

We help tenants make a Universal Credit claim and offer support until the money comes in. We also help tenants get online, set up an email address, manage money and open a bank account.

Budget planner

Do you know how much it costs to run your home? How much is left over after paying rent? Our household budget planner can help.

How to make your voice heard



Work and training

Want to apply for work, but struggle to fill in online forms or write a CV? We can help you get ready for work. We also have great training and job opportunities for people of all ages. In 2019/20, Wheatley Group created 788 jobs, apprenticeships and training opportunities.



You can have a say on rent levels for next year by completing the attached survey. But that's not the only way to make your voice heard.

You can also:

- Have a chat with your housing officer with your feedback
- Email us at talk@lorettoha.co.uk or
- Call us on **0800 952 9292**.

What happens next?

We will collect all the views from the survey and other conversations with tenants.

The Loretto Board will consider all the feedback before making a final decision on rent levels for 2021/22.

We will let you know the results of the consultation and the final decisions made about spending priorities and rent levels on our website www.lorettoha.co.uk. We'll also report on the progress of the work carried out through the year.

We will let you know what your new rent for 2021/22 will be by letter. Your new rent will be due from April 2021 onwards.

Wheatley Group, Wheatley House,
25 Cochrane Street, Glasgow, G1 1HL
www.wheatley-group.com



Report

To: Loretto Housing Board

By: Laura Henderson, Managing Director

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

Subject: Business and Remobilisation of Services Update

Date: 9th November 2020

1. Purpose

1.1 This report provides an update on our response to the impact of the current Coronavirus crisis on our services, our tenants and communities.

2. Authorising context

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

3. Risk appetite and assessment

3.1 The unprecedented nature of the current situation raises risks in a number of key areas. These include:

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

3.2 These areas and the steps we continue to take to mitigate the risks are addressed below.

4. Background

4.1 This report provides a further update to the Board on our contingency operations to support both essential business and the new issues faced by our customers. It outlines our current remobilisation status across key customer facing areas.

- 4.2 Remobilising in the face of a pandemic continues to be challenging. As Covid cases rise and restrictions change regularly we have to be extremely agile in amending and delivering our ongoing services, restarting those which have stopped and creating new delivery models at pace. As we change our approach we are ensuring robust communication with our staff and customers who need to understand what we are doing, why and to be reassured that our processes keep them safe. Despite these challenges we have continued to deliver our remobilisation plans and meet the targets we have set for these.

5. Discussion

- 5.1 Throughout the pandemic we have continued to provide essential services to our customers. Over the summer we have steadily scaled up the provision of services as restrictions have allowed. In the last few weeks, restrictions have begun to increase as numbers of cases rise. Our remobilisation plans reflect these changes and are deliberately agile to respond to new changes as and when they happen.
- 5.2 This report covers a number of key services including letting, rental income, homelessness, care, repairs services and our environmental services.

Letting

- 5.3 We recommenced phase 2 of our lettings plan on 17 August, one week earlier than we had originally anticipated would be possible. Phase 2 involves letting homes which do not have major repairs, including those which have been vacant through lockdown, which are being returned from lease arrangements with local authorities and those which have recently become void. It also includes managing letting of homes which were on offer prior to lockdown but had not yet been let. In addition to completing moves for households who had their offer put on hold during lockdown we are focusing on lets to homeless households and other priority groups.
- 5.4 We have let approximately 35 homes in the year to date, the vast majority since the start of phase 2 of our letting in August. This has allowed us to let homes that are now being given up as well as reduce the level of outstanding voids.
- 5.5 The rapid progress in reducing the number of voids has been the result of a highly integrated approach between our Housing Officers, allocations staff, City Building Glasgow and our in-house repairs teams. This has involved prioritising repairs to maximise efficiency, ensuring safe working patterns for staff and rapid turnaround of properties leased to Glasgow City Council now being passed to those who were offered them prior to lockdown. Although letting had to be paused briefly when new restrictions were imposed in Glasgow, clarification from the Scottish Government allowed us to restart the process quickly and catch up with progress.

Rental income

- 5.6 Maintaining our rental income so that we can continue to provide services, alongside supporting our customers to be able to pay their rent have been key priorities through the pandemic. Our Housing officers continue to successfully operate our virtual model of support through telephone and digital contact. They have now made over 11,000 rent calls since lockdown and have taken over

£45,000 of rental payments over the phone. They have also quickly integrated this with our home visit team to maximise the impact of these visits. This contact has enabled us to provide support and advice to customers at the point they need it most, including making over 150 referrals to our Welfare Benefits Advisors and 80 referrals to our Energy advice team. It has been backed up by easy digital methods to pay which avoid unnecessary contact, with housing officers again providing support to help customers through the process.

- 5.7 As a result, our Gross Rent Arrears are currently at 3.54% against a 4.8% target. This is a reduction of 1.57% from our position of 5.11% at the end of March 2020. This is also a positive result compared to the Scottish benchmark where arrears have risen by 0.6%. Further detail on our rent arrears performance is included within the performance report
- 5.8 Changes to furlough arrangements and further restrictions in the hospitality industry mean the financial position for many of our tenants will remain uncertain. However, the results we have been able to achieve in the first quarter give us confidence that we have the tools in place to maximise both our tenant's income and their payments to us.
- 5.9 Phase 1 of our rental remobilisation is now complete. This included the successful creation of teams to undertake face to face visits and a particular focus on supporting customers on furlough and at risk of unemployment. All customers who had been furloughed have been contacted so that we can provide support and advice.
- 5.10 Housing Officers have clear visibility of the remaining 4 customers affected by furlough and will continue to monitor the situation. Welfare benefits advice, support with Universal Credit claims and the full range of wrap around services will be available to these customers if they need it. Our close contact with them means that this assistance can be provided early, before arrears grow too high. We will undertake a similar process in January when the end of the Job Retention Scheme may see a further spike in unemployment.
- 5.11 Phase 2 commenced at the beginning of October. Following the Government's acceptance of the Homeless and Rough Sleeping Action Group's recommendations we now know that the 6 month notice period for Notice of Proceedings and evictions has been extended to 31 March 2021. We have therefore developed a revised escalation process with a new set of customer letters. This includes the potential to escalate to Notice of Proceedings where we are satisfied that the household won't pay rather than can't pay. This will only be done following a review of each individual case, including an assessment of any covid-19 impact and any potential vulnerabilities. We currently have 39 customers with rent arrears of over £1,000.
- 5.12 We will have clear messaging for customers, stakeholders and staff around our escalation processes. This will make it clear that only tenants who repeatedly don't pay rent, have defaulted on an agreed repayment plan and repeatedly failed to engage with us would receive a letter about further action being taken. We won't evict anyone who falls into difficulty as a result of the impact of Covid-19 however it is important that those who are purposely not paying their rent understand they are in breach of their tenancy conditions and the consequences of this. We need customers to get in touch with us as quickly as they can so that we can help before the issue gets less manageable.

- 5.13 We will review our 26 cases currently sisted at Court and for won't pay cases that have significant and increasing arrears, we will consider recalling the case to seek Decree. The use of bank and wage arrestment is a new part of our approach as outlined to the Board previously and this process is now underway.
- 5.14 There have been many positive examples of how we have supported customers to ensure they receive all the income they should be entitled to, sometimes involving extensive work by our team and the wrap around services we offer. The following case study gives an example of the work done:
- Housing Officer assisted a vulnerable customer in South Lanarkshire following a welfare visit. The Housing Officer arranged for a referral to our Tenancy Support Service to assist the customer and contact the GP on their behalf. The Housing Officer also arranged for our Welfare Benefit Advisor to contact the customer who supported her to apply for PIP for additional income due to her health issues. In addition, the Housing Officer also arranged a 3-week Emergency Eat well delivery, pet food and a phone for the customer to allow us to continue to support and contact the customer.
- 5.15 Further actions include our rent campaign which will this year be tailored to the particular issues around Covid-19; further enhancements to web self-service to allow secure messaging by digital means; and work to help our staff maintain their focus on income including refreshed toolkits, visual measure boards and video messaging.

Homelessness

- 5.16 We continue to prioritise lets to homeless households as part of our letting remobilisation. In the year to date more than 29% of lets have gone to homeless households. In addition to this, we continue to work closely with our Local Authority partners out with Glasgow and are prioritising any lets to homeless customers through either homeless referrals or nominations.
- 5.17 The level of referrals in Glasgow had been rising steadily during lockdown due to the suspension of letting. The return to letting and the priority given to homeless households has now begun to reduce this. In addition, our Homelessness and Allocations Team are working with Glasgow City Council to directly match some of the longest standing referrals to suitable homes. This helps speed up timescales and support the households through the process. We have also had 19 successful Homeless Nominations from our partnering Local Authorities out with Glasgow including Renfrewshire Council, North Lanarkshire and South Lanarkshire, meaning more than 60% of our lets have been to homeless customers.
- 5.18 In addition to our lets to homeless we are also assisting those in priority need with 9 of our 35 lets going to customers with our Health and Wellbeing priority. This includes 5 lets to customers within our Livingwell complexes at Lourdes Court and Patrickhill Road.

Other Wheatley 360 services

- 5.19 Our Group Fire Safety Team returned to home visits at the end of June as part of phase 2 of their remobilisation. They have been able to visit high priority customers and to take referrals from our housing officers.

- 5.20 Close cleaning services resumed at the end of September. The teams are working through closes on a priority basis. We have already seen an increase in positive feedback from customers who are relieved to have this service back. There have been 56 blocks that we have already carried out their first clean.
- 5.21 Loretto Housing have received 85 anti-social behaviour cases, that have been recorded on our Streetwise system in the year to date. Further detail on the cases is included within the performance report.
- 5.22 The Scottish Government has reviewed the timescales for evictions in anti-social behaviour cases (these were extended at the start of the Covid-19 outbreak) and returned them to the pre-Covid arrangements.
- 5.23 We are also partners in a new pilot of smart doorbells in South Glasgow run by Police Scotland. These are being offered to high risk victims of domestic abuse where there are conditions in place that a perpetrator should not approach or communicate with a victim. The smart doorbell will help them to feel more safe and secure and also monitor for any breaches of bail.

Customer support

- 5.24 In addition to our core services we continue to provide support to our customers through our wraparound services and through our specific provision during Covid. Although our housing officers continue to be based primarily from home our home visit team have continued doorstep calls for a range of issues.
- 5.25 Our furnishing service restarted at the end of September and the Eatwell service also continues, we have delivered 550 food parcels since lockdown. The service now also provides the option of vouchers for customers which gives them more choice and is also more efficient. We have issued 19 supermarket vouchers since this service launched totalling £700.00.
- 5.26 Our emergency response fund continues to help customers in crisis situations with over 150 households now receiving items to alleviate hardship and isolation. As with Eatwell, numbers are beginning to reduce but the help we are able to give is often crucial to the receiving households. Housing officers are also often crucial in picking up where households are struggling and in marshalling the right services to support them. Some recent examples include:
- Our Housing Officer in Falkirk spoke to a customer who lost his job due to Covid. The Housing Officer made a referral to the WBO and arranged a supermarket Voucher and helping hands payment towards their rent account for the customer. Customer also asked if it was possible to receive assistance with Fuel so our Housing Officer also applied for a money matter gas voucher for the customer. Customer received the gas voucher within 5 Minutes and was amazed at how quick she got the £49.00 top up. Customer said she could not put into words all the help that our Housing Officer had given her.
 - During a welfare check on a customer, the Housing Officer established that the customer had been struggling with her mental health. The Housing Officer supported them by arranging for our Tenancy Support Service to be put in place and arranged for new curtains and bedding for the

customer to help make her property homelier and assist her mental health as she is spending a lot of time in the house due to Covid-19.

Repairs, Investment and Compliance

- 5.27 We have continued to provide our repairs service through lockdown, focused initially on emergency repairs and then extending this to include safety first repairs as lockdown eased and operating procedures were developed. More recently there has been a gradual increase in the volume of repairs carried out as we have looked to address works our customers consider essential, we have now completed over 5000 repairs in 20/21. We move towards full remobilisation on 2 November
- 5.28 We are initiating a new landlord assurance procedure with City Building to improve service levels and we will also introduce a new process for technical assistance allowing us to focus our resource more accurately and to help manage the expected spike in demand.
- 5.29 Having addressed the backlog of voids built up as a result of the pandemic, this aspect of the service is now operating as usual, albeit with some limitations centring on material availability, social distancing restrictions and trade operatives returning from furlough.
- 5.30 Our Cyclical Maintenance programme is being reintroduced from October as planned. Our focus is on mainly external work that can be done whilst maintaining social distancing measures. All cyclical projects will either be pre-emptive works which will prolong the life of our assets or work required under legislation.
- 5.31 Gas Servicing has successfully been running at full capacity for the past 5 months and some investment compliance works (Smoke and Heat Detector Programme, Emergency Lighting and Periodic Electrical Inspections) have been in place since the end of September. As of early August 2020, we have been in a 100% compliant position with no expired gas certificates across all our properties. The focus has now moved to building in an element of contingency into the gas process as we transition back to our business as usual position. Our visit team and central call-out team are continuing to arrange access and support customers across Loretto Housing through the various restrictions that remain in place as a result of COVID-19.
- 5.32 Our external investment programme will recommence this month. Our internal works programme will commence in January 2021 with project development for this work recommencing in November.
- 5.33 We have undertaken a review of the way in which we engage with our customers for investment in recognition of the potential for apprehension amongst customers in allowing tradespeople into their home for prolonged periods of time, particularly for internal works such as the installation of kitchens, bathroom and windows. A new 5 step engagement process has been developed with a focus on providing our customers with assurance around the robustness of our approach to health & safety, with detailed safety information and FAQs provided to each customer as part of the project notification packs. Our asset staff will also contact each customer to answer any further queries they may have about the work and to seek a 'customer commitment' to allow the work to proceed. This process will ensure that our customers are fully

informed in advance of the work and will help to reduce the rate of no access or refusals.

- 5.34 Medical adaptations were already being undertaken where there was an urgent requirement to assist in hospital discharge. This month we are resuming work on all medical adaptations. Cases will be prioritised based on both need and risk. There will be detailed engagement with our customers to ensure that they understand the process for the repair and the procedures we will follow to keep them safe. This will include the options they may have to help with safety, for example staying or visiting somewhere else while the work is carried out if that is suitable. Some customers may still choose to delay their works at this time but we anticipate that most will want the work done given the improvement it is likely to make to their lives.

Ignite graduate programme

- 5.35 Our Group Ignite Graduate Programme has again injected a new wave of graduate talent this year with 1 of the graduates joining us as a housing trainee. The recruitment campaign for 2020 improved on the success of the previous year with a more than 200% increase in applications this year. This has been supported by partnership working with universities, and presence at graduate career fairs to position Wheatley Group as an employer of choice, and importantly, housing as a desirable career choice.

Care

- 5.36 Wheatley Care continue to provide support to our customers. The redesigned service delivery models and support continue to operate including building based, face to face and telephone support. Significant work continues to be required to flex the delivery models to suit revised national restrictions and guidance. This means that common areas and visiting in services has once again ceased following new restrictions announced in September.
- 5.37 For our Livingwell complexes at Lourdes Court and Patrickhill Road, support continues to be delivered via telephone in addition to the Alertacall system which is an integral part of the service. We are currently piloting an extension of alertacall to mainstream customers and this will be evaluated early next year. We are also implementing an updated version of alertacall in new developments which will complete this financial year. This will provide a tablet to customers rather than an old style mobile phone and will increase the service options.
- 5.38 In recent weeks we have seen an increase in individuals displaying symptoms and requiring to be tested. To date no one living in environments where Wheatley Care have responsibility for has been diagnosed. Staff temperature screening systems are in place at building base facilities and staff bases including our Fordneuk service. Procedures ensure that this is carried out before staff begin their shift or enter the building. In order to minimise the number of staff entering services (care homes in particular), standby teams specific to care homes have been created. These staff are also now involved in weekly testing, which will allow them to move to the service at short notice—to date this system has not had to be used.

6. Value for money implications

- 6.1 We continue to work to provide value for money to our customers; prioritising their needs within the constraints of the limitations on staff movement imposed on us.

7. Impact on financial projections

- 7.1 The impact on our financial projections is set out above. This will continue to be updated as the situation persists over the coming weeks and months.

8. Legal, regulatory and charitable implications

- 8.1 We have maintained regular dialogue with the Scottish Housing Regulator over recent weeks, and they have appreciated our role, for example, in the housing sector National Resilience Group along with Scottish Government and local authority representatives.

9. Partnership implications

- 9.1 We continue to utilise our strong relationships with Scottish Government, local authorities and national agencies to support delivery during the crisis but also to influence planning to the benefit of our customers and services. We work closely at a local level with third sector organisations to benefit our communities.

10. Implementation and deployment

- 10.1 Co-ordination of all proposals continues to be led by the Group CEO and Executive Team.

11. Equalities impact

- 11.1 None noted.

12. Recommendation

- 12.1 The Board is asked to note this update.



Report

To: - Loretto Housing Board

By: - Brian Stewart, Director of Repairs, Investment and Compliance

Approved by: - Stephen Devine, Interim Group Director, Repairs and Assets

Subject: - Building Compliance Update

Date of Meeting: - 9th November 2020

1. Purpose

1.1 This report updates the Board on our building compliance work streams in the current COVID-19 pandemic and on our remobilisation plans.

2. Authorising Context

2.1 Under the Group Authorise/Manage/Monitor matrix, the Board is responsible for the on-going monitoring and scrutiny of our compliance with relevant legislation and regulation. This report provides the Board with an operational update and detail of actions which will be undertaken as soon as practically possible, given the on-going COVID-19 pandemic.

3. Risk Appetite and Assessment

3.1 The organisation's risk appetite relating to building compliance work streams is minimal" i.e. preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.

3.2 Risks relating to repairs and maintenance are set out in the Loretto Housing risk register. In addition, compliance, such as for gas servicing, is embedded in the Scottish Housing Regulator's reporting requirements.

4. Background

4.1 Our compliance works programmes includes gas servicing, TMVs, water management including legionella prevention and investment works such as smoke and heat detector upgrades.

- 4.2 Landlords have a legal duty to repair and maintain gas pipework, flues and appliances in a safe condition, to ensure an annual gas safety check on each appliance and flue, and to keep a record of each safety check.
- 4.3 Landlords also have obligations under legislation or approved codes of practice for a variety of building maintenance and inspection activities related to firefighting equipment (risers/sprinklers), lifting equipment, alarm systems etc.
- 4.4 The national response to COVID-19, and in particular the need to minimise contact with others out with your household and for some customers to ‘shield’ has impacted business as usual approaches to compliance works. At the start of lockdown, we introduced a life and limb repairs service and restricted our compliance works to critical services and planned preventative maintenance that could be undertaken within landlord controlled areas of premises.
- 4.5 The Health and Safety Executive (HSE) updated guidance to social landlords on gas servicing on 8 April 2020 and included criteria which must be evidenced should a landlord be unable to undertake gas servicing within appropriate timescales. Since lockdown, we have developed and introduced an interim gas servicing process. This process reflects the updated HSE guidance and allows us to complete gas services where access is allowed and it is safe for operatives to enter a customer’s home.
- 4.6 The status of our other compliance work programmes is shown below.

Work Stream	Covid Impact	Recommencement Date
TMV maintenance and Installation	Ceased	October ‘20
Smoke and Heat Detector Upgrades	Ceased	September ‘20
Lift Insurance Inspections	As Normal	
Proactive Lift Maintenance	Changed from Monthly Servicing to Bi-Monthly Servicing	Monthly Servicing Resumed October ‘20
Mechanical and Electrical Works	Statutory Compliance works proceeding within common areas and landlord controlled areas	Works within customers’ homes recommenced in October ‘20

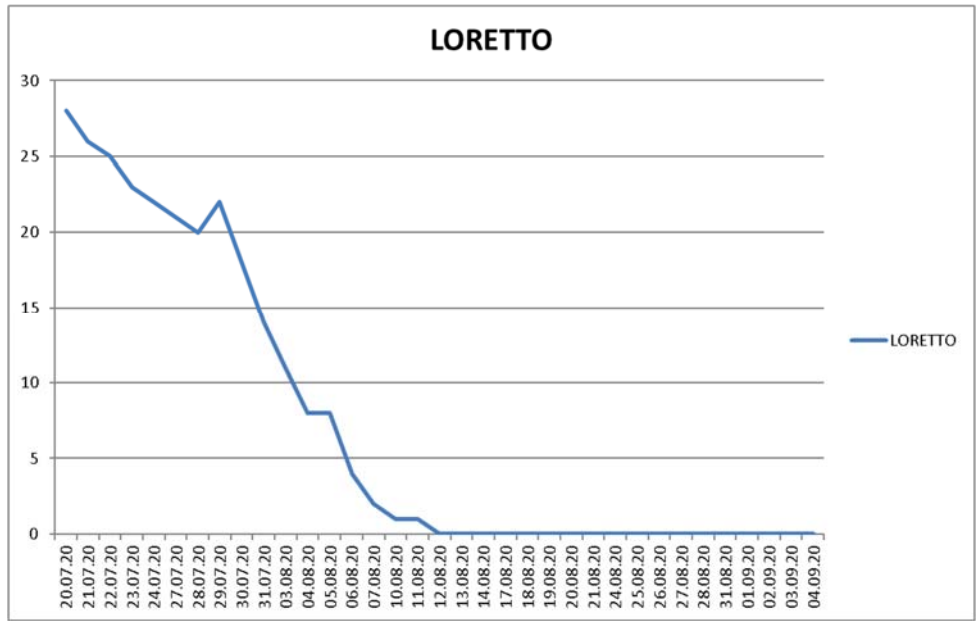
5. Discussion

Gas Safety

- 5.1 The measures to reduce the spread of COVID-19 in the early phases of lockdown had a significant adverse impact on our gas safety performance. Historically, each RSL in the group and Lowther Homes have had 100% gas safety compliance (i.e. no outstanding CP12s) and our service has been recognised nationally including through City Building Glasgow winning Gas

Contractor of the year on two separate occasions. Achieving this compliance requires an annual inspection of every property with gas – which equates to on average 144 inspections each day.

- 5.2 Our ability to undertake gas safety inspections between April to June was severely compromised because of the measures that were required to ensure customer and staff safety. This included moving from a more automated appointment based process to one where we explicitly asked permission to enter a customer's home. As might be expected, nervousness as the pandemic spread meant many customers were reluctant to give permission. The number of properties across Loretto that had not had their annual inspections peaked on 3 July 2020 at 38 homes. In each case, the customer wish and our attempt to gain access were recorded in line with revised HSE guidance.
- 5.3 In May 2020, in response to customer nervousness and in recognition of the need for more proactive engagement to ensure access for gas servicing, we changed our gas service process. The key change was the introduction of high intensity outbound calling from the customer service centre – which was now working virtually - using a newly created compliance team made up of staff from across the Group. This ensured we were able to engage with customers 24/7 every day, and therefore facilitate essential contact both in and out of regular office hours
- 5.4 The early focus of this new approach was on CP12s certificates that had expired in April and May, or were due to expire in June. The approach had instant results with City Building Glasgow reporting access rates for gas servicing reaching 89% at first visit compared to around 74% after two appointments, pre-pandemic. This approach has continued with the customer service centre making over 16,000 outbound calls to customers, so far.
- 5.5 In early July, as lockdown restrictions eased, our approach to proactively engaging customers was enhanced further through Housing Visit Teams. Staff from these teams have been visiting customers who were proving challenging to engage with to provide further reassurance in an attempt to facilitate access to their homes. Having these teams has also helped with the forced access process for those customers who, despite repeated attempts, have not engaged and allowed access.



- 5.6 As of 12th August 2020, Loretto had 0 failed CP12s and 100% compliance. Loretto has maintained 0 fails since reaching that level in August.
- 5.7 To ensure continued progress and resilience to any ‘second spike’ we will continue with proactive customer engagement to at least March 21, and have moved our gas servicing cycle to 9 months (rather than the 10 months currently). This will maximise servicing in the months before winter.

Legionella prevention and water management

- 5.8 Legionella testing is part of our overall water management strategy and is a year round programme. There were some delays in commencement/progress earlier in the year as adjustments were made during the early COVID lockdown, although we anticipate catching this up and all required works being complete this financial year. The focus since lockdown has been on communal tanks rather than individual outlets within customers’ homes.
- 5.9 Our testing regime varies on a site by site basis taking into consideration the water system installed, the type of property and the customer demographic. Works can include visual inspections of the tanks, 2 yearly risk assessments, temperature checks of both the water inlet and of resting water within the tank, bacterial testing which checks the water supply for various bacteria including e-coli and legionella and chemical testing for metal and mineral contents to ensure that water meets the relevant water quality standards as set by the Water Supply (Water Quality) (Scotland) Regulations 2001.
- 5.10 The table below provides details of progress against the annual programme.

Subsidiary	Inspections completed so far	Total Inspections/Assessments Required	Percentage completion
Loretto	29	11	37%

TMV Servicing

- 5.11 The table below provides the total number of households within this programme in Loretto.

Business Area	Qualifying Households
Loretto	209

- 5.12 Prior to COVID-19, this work was planned to run all year. However, in line with our agreed remobilisation plan, there was a 7-month delay in starting these works. This delay reflects the need for social distancing, the intrusive nature of these works, the potentially vulnerable customer groups within qualifying households (e.g. those containing under 5s or over 75s and Living well sites), and likely reluctance among some customers.
- 5.13 We currently expect to achieve around 25% of our original full programme this year, with the remainder next. To mitigate some of the impact, we have issued personal communication to each household offering advice and assistance as part of our stay safe approach. We have also advised they contact us should they require a repair or a check on their hot water, so we can prioritise any required work.

Smoke and Heat Detectors

- 5.14 This programme was originally planned to run for the full financial year. The invasive nature of the work including the need to be in a customer's home for up to 4 hours, combined with the late programme start in September (agreed through our remobilisation plan) mean we are unlikely to meet the Scottish Government's target date for completion of May 2021, At the time of writing, the Scottish Government has proposed postponing the implementation date until Feb 2022 but this requires to be approved by the Scottish Parliament. We will continue to monitor and manage progress proactively to ensure the implementation date is met.
- 5.15 As part of this we will work with our CBG JV compliance trades team to rationalise address lists for this work and aggregate it with other building compliance work streams so we can reduce the number of visits to a customer's home, minimise any inconvenience and maximise access. We will also use our learning from gas servicing on the value of proactive customer engagement where access is required, to ensure these works are completed as quickly as practical. Letters have been sent to each household offering advice and assistance as part of our stay safe approach, and also asking they contact us should they require a repair or a check on their existing smoke detectors.
- 5.16 The table below provides an update on completions, after three weeks of the programme recommencing.

Subsidiary	Stock No's	Total	Percentage
Loretto	1082	459	42%

Periodic Electrical Inspections

- 5.17 In May this year, the Scottish Government updated its guidance to social landlords via the Scottish Housing Quality Standards (SHQS), requiring that periodic electrical inspections be undertaken in all properties on a cycle of no more than 5 years. This brings the social housing sector in line with guidance issued to the private rented sector in 2015. The Scottish Government has set the target date of March 2022 for Social Landlords to be compliant.
- 5.18 Historically Loretto budgeted for periodic inspection on a 10 yearly cycle, reflecting the following risk mitigation considerations:
- significant large scale investment works that were carried out in Loretto properties focused upon new electrical installations over the last decade
 - availability of electrical safety repairs for customers 24/7/365
 - inspections and electrical repairs/upgrades undertaken at void
 - on-going one off investment works which identify issues with electrical installations
- 5.19 Loretto is currently not compliant with roughly 1,400 properties requiring a periodic inspection under the new requirement, with March 2022 being the deadline.
- 5.20 We have been undertaking periodic electrical inspections in customers' homes when we have been installing the new smoke and heat detector systems, to minimise disruption to customers. Periodic inspections will continue to be undertaken at this appointment as part of a compliance "one and done" approach wherever it is practically possible. Where new smoke and heat detector systems are not required, we will undertake the periodic inspection at the same time as other compliance works e.g. TMV servicing
- 5.21 We have developed an ambitious programme, targeting works in 450 customer's homes a week, if we can realise this programme then a completion date of March 2022 is possible.

Lift Inspections and Maintenance

- 5.22 Lift inspections by our insurance engineers commenced as normal throughout lockdown and any time related defects that are identified are being actioned by our lift contractors as a priority. Any minor defects or recommendations will be completed as and when business returns to normal
- 5.23 Proactive servicing of our lifts has been reduced from monthly to two monthly visits to reduce workload for our contractors as they run on a reduced resource. Throughout the lockdown period we have not experienced any significant service issue to date as a result. Monthly inspections and maintenance will resume in October in line with our remobilisation plan.
- 5.24 All emergency callouts are being dealt with within timescales and there is continued dialogue with the contractor about any potential issues

Mechanical and Electrical Works

- 5.25 During lockdown our specialist M&E contractor and their supply chain have been working to undertake all statutory compliance works which are accessible within common areas of our blocks or within landlord controlled areas (tank rooms, risers etc.), this work includes water testing, dry riser testing, fire alarm maintenance.
- 5.26 All emergency callouts are being dealt with within timescales and there is continued dialogue with the contractor about any potential issues.
- 5.27 The majority of our M&E equipment is within communal areas of blocks, which has allowed our contractor to catch up quickly on workload that they were unable to undertake due to restrictions in lockdown with minimal inconveniencing for our customers.

Communications

- 5.28 Our experience through the COVID-19 pandemic and beginning to reintroduce services has highlighted the value of proactively engaging customers, particularly where there is nervousness about allowing access to their home.
- 5.29 As we continue to develop our approach to compliance activities in the current operating environment, we will further strengthen communications with customers at each stage to explain:
- what we are doing and why it's important;
 - how we will ensure the work can be carried out safely;
 - what we need them to do; and
 - how they can get in touch to talk to us.
- 5.30 Key messages in all our communications to customers on compliance will be:
- The safety of our customers and staff is our top priority and as a result we are still only able to deliver restricted services
 - The good news is... the continued gradual easing of restrictions means we can now carry out some essential work aimed at keeping you and your home safe
 - Please be assured, while this work is carried out, our staff and contractors will strictly follow guidelines on maintaining social distancing and will wear appropriate PPE
 - This work is a really important part of keeping you and your home safe ...we'll be re-introducing other services just as soon as guidelines allow.

- 5.31 These key messages, supplemented where appropriate with detail of the individual project or work being carried out, will be communicated to customers using a range of channels including telephone calls, on-line, web and social media.

6. Key Issues and Conclusions

- 6.1 Where needed and appropriate we have amended our approach to compliance related works in response to government guidance to prevent the spread of COVID-19 and changing customer attitudes. Throughout the lockdown restrictions, our emphasis has been on ensuring our customers, communities and assets remain safe while we work towards the phased introduction of our wider repairs and compliance services, as restrictions ease.
- 6.2 We have changed our approach to gas servicing, where we have statutory obligations, to allow us to meet recent HSE guidance to social landlords. Our new approach resulted in compliance of 100% on 1st September 2020. Our planned programme of other compliance work for TMV and smoke and heat detectors is behind plan – because of the difficulties in accessing customer homes. Other programmes including window and door inspections and lift Inspections and maintenance are impacted to a lesser extent by the current situation through a combination of requiring limited customer engagement, work having been planned for later in the year and the ability to move – on a temporary basis – to less frequent checks without significant risk.
- 6.3 While adapting our approach to compliance, and repairs more generally, has its challenges, it has also provided an opportunity to review our delivery model and to accelerate innovation including in addressing no access and collaborative working with our delivery partners.

7. Value for Money Implications

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

8. Impact on financial projections

- 8.1 The revision to previously planned programmes of work discussed here have been included in updated financial projections.

9. Legal, Regulatory and Charitable Implications

- 9.1 In considering the current legal implications, the organisation has regard for the dialogue that is continuing with key parties including the Scottish Government and SHR.
- 9.2 The amendments to the Scottish Housing Quality Standards in relation to Periodic Electrical inspections have required us to increase our electrical inspection programme to ensure the organisation meets the target date of March 2022.

10. Implementation and deployment

10.1 Implementation aspects of the various compliance works are discussed throughout this report.

11 Partnership Implications

11.1 The consideration in this report apply to all group partners

12. Equalities Impact

12.1 There are no equalities implications associated with this report.

13. Recommendations

13.1 The Board are asked to note the content of this report and agree the proposed approach to compliance related works.

Report

To: Loretto Housing Board

By: Stephen Devine, Interim Group Director of Repairs and Assets

Approved by: Martin Armstrong, Group Chief Executive

Subject: Five-year review of City Building (Glasgow) LLP

Date of Meeting: 9th November 2020

1. Purpose

1.1 This report provides an update to the Board on Wheatley Group's proposed 5-year review of its joint venture with Glasgow City Council in relation to City Building (Glasgow) LLP ("CBG").

2. Authorising Context

2.1 Under the Group Authorising Framework (GAF) and Intra-Group Agreement (IGA) the Group Board is responsible for agreeing matters of strategic significance. An update is being provided to this Board for noting.

3. Risk Appetite and Assessment

3.1 Our risk appetite relating to Repairs and Maintenance is "Minimal" i.e. preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.

4. Background

4.1 Wheatley Housing Group Limited, became an equal member of CBG, along with Glasgow City Council ("GCC"), in April 2017. CBG provides repairs, maintenance and investment services to us and other Wheatley partners in west-central Scotland. As part of the legal agreements and to ensure that it was delivering value for Wheatley, including us and our customers, it was agreed that a review would take place on or around the fifth anniversary of the joint venture. The review is planned for between now and April 2021 to ensure there is adequate time to make any changes before the fifth anniversary of the joint venture in April 2022.

4.2 The legal agreements also indicated that, amongst other things, the review should:

- be carried out jointly with GCC,
- cover the extent to which CBG is meeting the strategic objectives set for it by Wheatley and GCC, and the priorities in its business plan.

4.2 The Terms of Reference which Wheatley for the 5-year review are provided at Appendix 1.

5. Discussion

5.1 CBG has provided us and other Wheatley partners in west central Scotland with repairs, maintenance and investment works since it became a joint venture in April 2017.

5.2 The 5-year review is an important milestone for considering the effectiveness with which these services are provided, as well as how the joint venture arrangement is operating and the extent to which strategic objectives agreed by the Wheatley in becoming a member in CBG are being met. The review also provides an opportunity to look forward through assessing CBG's readiness to meet our repairs service vision through MyRepairs.

5.3 The Terms of Reference for the review are structured to consider:

- CBG as a provider of repairs etc. to us and Group
- the extent to which being a member of CBG delivers value for us, Group and GCC
- delivery against agreed objectives

5.4 The aim of each is discussed in outline below, with more detail in the attached draft Terms of Reference.

CBG as a provider of repairs etc. to Loretto Housing and the Wheatley Group

5.5 This aspect of the review looks at the extent to which CBG is meeting the service performance objectives that were set as part of creating the joint venture for us and our customers. More generally, it also considers CBG's effectiveness as a repairs, maintenance and investment provider for our customers including looking to capture first-hand information from tenants on what they think and feel about the service they receive from CBG.

5.6 CBG's contribution through its operational expertise, as part of a wider repairs and investment delivery system is also highlighted for consideration under this section in the Terms of Reference.

Review of the extent to which being a member of CBG delivers value for Loretto, Wheatley and GCC

5.7 This section in the proposed Terms of Reference recognises that CBG is a business in its own right and that Wheatley, as a joint owner, should derive value from the 'investment' it is making through spend with CBG on repairs, maintenance and investment. Key considerations here include assessing the extent to which the key drivers for entering the joint venture in 2017 are being achieved and whether other repairs delivery options might now deliver greater value.

Review of delivery against objectives

5.8 This final aspect of the Terms of Reference looks at the extent to which the objectives set for CBG in establishing their joint venture are being met. This relates directly to the requirements for the 5-year review that were set in April 2017 through the agreements that established CBG as a joint venture.

Methodology

- 5.9 Capturing views and experiences from our tenants on their repairs service is a key feature of the proposed review. A range of methods will be used in doing this such as surveys, online focus groups, telephone interviews, complaints analysis and virtual drop-in sessions. If necessary, depending on the experience of the consultant undertaking the review, this aspect will be conducted separately to ensure that expertise in tenant engagement is available and to make sure that a broad range of tenant voices are heard.
- 5.10 Other aspects of the review methodology will include internal and external financial and service quality assessment. This will compare the value of the service provided by CBG to us, to that provided to customers in the East and South of Scotland, and, where information is available to the consultant to the service provided to customers of a cross-section of other landlords.
- 5.11 The review will also look back at what has been achieved in the time since the joint venture was established in areas including performance, collaboration, innovation, improvement, technology and delivery against plans, and look forward to assess CBG readiness to deliver the strategic change in our repairs service that we require going forward.

Proposed timing and timescales

- 5.12 It is proposed that work on the review begins this autumn, with the aim of concluding it around March 2021. Completing the review then should allow sufficient time for any actions, changes or decisions coming from the review, to be taken forward before the 5-year anniversary of the Group becoming a member of CBG in April 2022. This timescale has been discussed and agreed with CBG, as much of the analysis as part of the review will require access to its resources.

Proposed approach to the review

- 5.13 The draft Terms of Reference proposed here have been shared with GCC, given its joint responsibility for conducting the review, and reflect its requirements along with those of our Group. The proposed approach to the review is to have it carried out by a consultancy firm with necessary expertise that is agreed by Wheatley and GCC, though a selection process that fits with respective procurement requirements.

6. Key issues and conclusions

- 6.1 A review of the CBG joint venture is required around the fifth anniversary of it being created under the terms of LLP Members' Agreement. It also provides an opportunity to make sure that being a member of CBG is delivering value for us and our customers, and that CBG has the capabilities and ways of working we will need to deliver our strategic ambition going forward.
- 6.2 The aim is for the review to be carried out by a consultancy firm and for it to be concluded around March 2021. This will allow time for any actions from the review to be put in place before the fifth anniversary of becoming a member in CBG in April 2022.

7. Value for Money Implications

- 7.1 The quality of the repairs service and investment delivered by CBG in our homes are two of the key value drivers for our tenants. Conducting and learning from the review will help inform our future approaches and help to ensure we continue to deliver value for money.

8. Impact on Financial Projections

- 8.1 There are no financial implications from this report. The cost of the 5-year review will be met by CBG from its existing resources with no adverse impact on its Members.

9. Legal, regulatory and charitable implications

- 9.1 There are no legal implications associated with this report.

10. Partnership Implications

- 10.1 The joint venture with GCC is an example of partnership working that has strengthened relationships and enhanced both our reputation and that of the Group. The joint nature of the review is expected to help reinforce our collaborative approach.

11 Implementation

- 11.1 A steering group involving senior staff from across Wheatley partners and GCC will oversee the appointment of a consultancy firm, its work and the production of a final report from the review.

12. Equalities Impact

- 12.1 There is no equalities impact as a result of the implementation of this policy.

13. Recommendations

- 13.1 The Board is asked to note this update and the proposed Terms of Reference that Wheatley Group has agreed for the 5-year review of the City Building (Glasgow) LLP joint venture at Appendix 1.

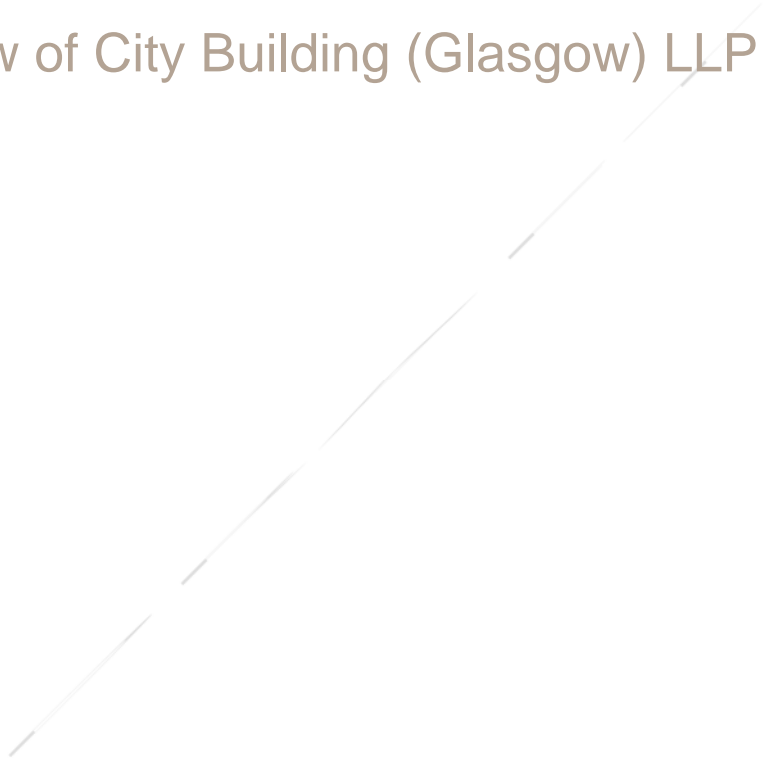
List of Appendices

- Appendix 1: Draft Terms of Reference for the 5 year review of City Building (Glasgow) LLP

Draft Terms of Reference for the 5 year review of City Building Glasgow

Terms of Reference

Year 5 review of City Building (Glasgow) LLP



1. Introduction

Wheatley Housing Group (Wheatley) and Glasgow City Council (GCC) became joint owners (members) of City Building (Glasgow) LLP (CBG) in March 2017. As part of this joint venture, Wheatley and GCC agreed that a review of CBG would take place by the 5th anniversary of becoming members of CBG.

The intention is for the review to conclude by March 2021, so that any actions either member decides to take based on the review can be initiated before the 5 year anniversary in March 2022.

The agreed Terms of Reference for this '5 year review' are set out here.

2. Review scope

Wheatley and GCC have particular relationships with, and expectations of, CBG, that were agreed in developing their joint venture and that should to be assessed through the 5 year review. In particular, the following should be assessed in the 5 year review.

- Performance of CBG in meeting the strategic objectives agreed between Wheatley and GCC as set out in the Collaboration and Contribution Agreement.
- Extent to which CBG has met its objectives as set out in the Approved Business Plan applicable to the financial year immediately preceding the Review Period.
- CBG's adherence to the Approved Business Plan.
- Any material failure to the Approved Business Plan.
- Effectiveness of CBG as a provider of repairs, maintenance and investment works to Wheatley subsidiaries and their customers in West-central Scotland.
- Effectiveness of CBG as a provider of repairs and maintenance to GCC and its ALEOs in Glasgow.
- Extent to which being a member of CBG delivers value for Wheatley and GCC.

The views of tenants and others who receive services from CBG will be fundamental in informing the review. This will provide direct information on the quality of service provided, as well as on how this has changed since Wheatley and GCC became members in CBG. Staff views will also be important in considering culture and working relationships. The review will therefore capture the views of tenants, other customer and staff through surveys and focussed feedback sessions.

CBG as a provider of repairs etc to Wheatley

Wheatley is clear that the quality of the repairs, maintenance and investment services that CBG is involved in providing to its tenants and factored owners is the key driver of overall customer satisfaction and of fundamental importance. In becoming an owner of CBG, Wheatley agreed the following service objectives that should achieve by the 5 year review:

Recognising that repairs is a key driver of overall customer satisfaction for Wheatley Group customers

- overall customer satisfaction above 90% for GHA, Cube, Loretto Housing, Your Place and Lowther Homes,
- Wheatley Group's RSLs should achieve and sustain top quartile performance on 80% of ARC (The Scottish Housing Regulator's Annual Return on the Charter) measures,
- 80% of customers reporting to Wheatley Group that the personalised service they receive meets their needs, and,

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- satisfaction with value for money of at least 83% across GHA, Cube, Loretto Housing.

Key measures of success:

- 98.5% of repairs right first time by 2018,
- 93% satisfaction with repairs and maintenance over previous 12 months by 2020,
- increase customers very satisfied with repairs to 60% by 2020, and,
- establish local repairs teams with local repairs operatives that deliver a 10% increase in customers being very satisfied with the repairs service

Service development and operating model achievements:

- service excellence is redefined from the perspective of Wheatley Group customer priorities,
- customer insight informs and co-creates a menu of differentiated products and services for key customer groups,
- ThinkYes and W.E.Excel culture is embedded across every Service that deliver's WHG's outcomes, driving innovation, new learning, shared best practice, consistent improvement, and creating the best solutions for all customers,
- specialist training facilities that develop new apprentices in the craft skills needed for repairing and maintaining our assets are established.

As well as the objectives above, it was also agreed that CBG would work with Wheatley to explore and implement agreed efficiencies, plans, improvements and methodologies which will deliver repairs, maintenance and other services in such a way as to support CBG's ability to achieve the above objectives for the benefit of Wheatley Group and its customers.

As well as the agreed objectives above, the 5 year review should also consider CBG's effectiveness as a repairs, maintenance and investment provider for Wheatley customers, more generally. This part of the review will consider as a minimum:

- What tenants – social, MMR and PRS, and factored owners think of the repairs service they receive including how this experience has changed over recent years and expectations for the future
- The effectiveness of the overall repairs and maintenance system that includes CBG, Wheatley and customers, with particular emphasis on:
 - the contribution CBG has made including through its delivery expertise to informing My Repairs¹, shaping its implementation and future direction,
 - the ICT systems that support the service, how these have been developed since 2017, the effectiveness of current arrangements and strategy for the future
 - the working relationships between CBG and Wheatley staff involved in the planning and delivery of the service
 - the response to the Covid-19 pandemic and how this is shaping CBG's future service delivery and business model
 - the extent to which CBG trades operatives understand and exhibit Wheatley's customer service ethos and culture
 - the impact of increasing future work for CBG through DGHP joining Wheatley and the effect this has had including in safeguarding continued improvement/innovation, service deliverability standards generally and value for

¹ My Repairs is Wheatley's customer focused vision for the repairs service that CBG is part of delivering

- money (especially given geography, logistics and the pricing structure with overhead costs, SORs and margin between CBG and Wheatley)
- Similarly, the effectiveness of the overall investment planning and delivery system that includes CBG, Wheatley and customers, should be assessed with particular emphasis on the contribution CBG has made to improving the system since 2017
 - the extent to which the repairs and investment service delivered by CBG to Wheatley Group partners is value for money. This should include benchmarking:
 - the financial mechanisms between Wheatley and CBG comprising overheads, margin and SORs,
 - how the price for a representative sample of repairs and investment works compares to those in the market, the cost to CBG of delivering these works
 - how CBG has driven increased efficiencies and effectiveness in the last 5 years.
 - Any variation in what tenants, think, the effectiveness of the repairs and investment system and value for money across different geographies, customer segments and service requirements for the different Wheatley partners (GHA, Cube, Loretto Housing, DGHP, YourPlace and Lowther Homes) served by CBG
 - The level of change there has been in CBG including in its approach to repairs and investment delivery, adoption of new technology, evidence of innovation and appetite for exploring wider industry experience and trends

Review of the extent to which being a member of CBG delivers value for Wheatley and GCC

Both Wheatley and GCC assessed the joint venture model through which they have equal control and ownership of CBG as the most effective options for repairs etc delivery in 2017. The extent to which this assessment remains valid today should be considered as part of the 5 year review. In doing this, the review will consider the existing joint venture model relative to other options for repairs delivery including the service being in-house or provided through a third-party provider with no direct ownership relationship to Wheatley or GCC.

In making this comparison, the drivers for the joint venture should be

- 1) considered to test whether the value that was expected; has been achieved
- 2) assessed to determine whether either of the other options for repairs delivery could reasonably be expected to deliver greater value now and
- 3) examined through comparing and contrasting how they are realised in CBG against Wheatley's two 'in-house' repairs delivery mechanisms.

The drivers to be considered are:

- Control and flexibility over the repairs, maintenance and investment service and its development
- Strategic control, ability to set priorities and monitor progress
- Governance over our own repairs delivery
- Stakeholder buy-in with minimal risk of service disruption to customers
- Financial value

More generally, as the owners of CBG, Wheatley and GCC also want to make sure that their 'investment' – mainly through the value of work that CBG is awarded and the assurance this provides for CBG – is generating added value. In considering this aspect, the 5 year review will examine:

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- The effectiveness of CBG governance and the extent to which its Board and leadership are focused on the strategic objectives of its members
- The level of alignment between CBG's strategic ambition and business plans and those of its member
- The management ethos in CBG and the extent to which it is focused on delivery additional value – beyond agreed targets, for its members
- Wider benefits including the opportunities it has created for:
 - young people in Glasgow including those in Wheatley homes through apprenticeships,
 - savings for examples through leveraging economies of scale and collaborative procurement and
 - RSBI to develop its business and the extent to which members have shaped their activity to support it, the impact of social mobility of employees with a disability, and the contribution RSBi has made to the overall success of the partnership and the City.

Review of delivery against objectives

Wheatley and GCC agreed particular objectives for their joint venture through various legal agreements as part of establishing it. These objectives which should be considered as part of the review are:

- Performance of CBG in meeting the strategic objectives (see below) agreed between Wheatley and GCC as set out in the Collaboration and Contribution Agreement.
- Extent to which CBG has met its objectives as set out in the Approved Business Plan applicable to the financial year immediately preceding the Review Period.
- CBG's adherence to the Approved Business Plan.
- Any material failure to the Approved Business Plan.

The strategic objectives that Wheatley and GCC, agreed they wanted to achieve through the joint venture were:

- For Wheatley these were:
 - more control in the development of service for the benefit of Wheatley Group customers.
 - the ability to develop the future strategic direction of the service.
 - the ability to shape the culture of service delivery.
 - financial benefits on an annual business at least equivalent to the VAT.
 - savings that would be required had the repairs and maintenance services been brought in-house by Wheatley Group.
 - an equal role in the governance of the repairs service delivery and CBG.
 - minimum disruption to service, as a consequence of transitioning to CBG, to Wheatley Group customers.
 - a strong relationship with CBG to allow Wheatley Group to evolve services over time to meet the needs of its customers.
- For GCC:
 - to improve service delivery through combining its repairs and maintenance service requirements with those of the Wheatley Group.
 - to maintain a Glasgow workforce committed to living wage, Strathclyde Pension Fund and wider community benefits that maximises opportunities for Glasgow residents.

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- to explore opportunities to develop a long term apprenticeship/ RSBi plan that supports Wheatley Group and GCC repairs and maintenance, manufacturing and investment requirements.
- to align the development of CBG and its operations with the Transformation Programme which is being undertaken and in particular to the Council Family Review.
- to maximise the impact of its spend and efficiencies, and continue to deliver best value.
- to enhance the prospects for maintaining job security, against a downward trend in turnover associated with the Wheatley Group investment programme, GCC capital programme and GCC maintenance programme.

The review should consider the extent to which these objectives are being met and whether CBG's governance, leadership, culture and operations are guided by the wishes of its members. The applicability of these objectives to CBG going-forward should be considered, as should opportunities to achieve more such as through re-examining the possibility of VAT savings and operating arrangements spanning CBG and Wheatley subject to the core principles of the LLP Agreement remaining in place. Finally, other areas where CBG might contribute to Wheatley and GCC's strategic direction over the next 5 year period should be explored. This should include both how these strategies should impact CBG and its priorities, and how CBG's capabilities and plans might contribute to the delivering the stated strategic objectives of its members.

Approach and timing

The review will be carried out independently of Wheatley, GCC and CBG by a consultancy/professional services organisation with applicable expertise. The consultant/professional services organisation will be selected through a competitive process by Wheatley and GCC. The cost of the review will be met by CBG with no adverse impact on expected outcomes from its business plan for members.

The work on the review will be overseen by a steering group made up of senior staff from Wheatley and GCC, and staff across Wheatley, GCC and CBG will be available to support the review as required. Tenant engagement and surveys will be supported through Wheatley.

The selection of an organisation to perform the review will be completed by November 2020, initial findings from the review will be available by February 2021 and the review will be fully concluded by March 2021.

Report

To: Loretto Housing Board

By: Laura Henderson, Managing Director

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

Subject: Delivery Plan 2020/21 and Quarter 2 performance

Date of Meeting: 9th November 2020

1 Purpose

- 1.1 This report is to update the Board on the Delivery Plan approach for 2020/21, seek approval of the associated targets and update the Board on our performance in Quarter 2.

2 Authorising context

- 2.1 Under the terms of the Group Authorising Framework, the Board is responsible for setting the overall Performance Framework and approving the delivery plan for each year. Under the Group Authorise/Manage/Monitor Matrix, the Board has an ongoing role monitoring performance against the key indicators agreed under the performance framework.
- 2.2 This year's Delivery Plan has been heavily impacted by the pandemic and on this basis the Board agreed a different approach to target setting, including the use of phasing.

3 Risk Appetite and assessment

- 3.1 Our agreed Group 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 and may only have limited potential reward".

4 Background

- 4.1 We are in the process of refocusing our Loretto Housing strategy, which will now cover 2021-2026. 2020/21 is an exceptional year due to the COVID-19 pandemic and as such, an interim set of performance measures and targets have been included on the agenda (Group Performance Framework and Delivery Plan) for approval by the Board. This set includes the number of themes of our 2020-25 strategy, while recognising that normal performance has not been possible due to government restrictions.

4.2 As previously reported to the Board, Covid-19 has had a significant effect on business operations across the Group which has impacted on the delivery of the overall Group strategy. Updates on operational performance, and the risks associated with working in this environment, have been reported through the “Business Update” report previously reported to the Board.

4.3 We continue to review performance and key operational indicators are reported monthly to the Scottish Housing Regulator (“SHR”) to understand the impact of Covid-19.

5 2020-21 Measures and Targets

5.1 Prior to lockdown, we had already developed a draft set of measures and targets based on the first year of our 2020-25 strategy. We have subsequently reviewed these to evaluate the likely impact of Covid-19 on what is achievable this year and what is most important in light of some of the changes to the strategy currently under discussion. The full set of proposed measures and targets is included in the Appendices. Key points are set out below:

5.2 **Customer satisfaction:** The Scottish Housing Regulator requires satisfaction surveys to be completed every 3 years. Our last survey was completed in late 2019. As there is no statutory requirement to complete full surveys in 2020/21, we do not intend to complete full surveys this year. However, a separate piece of work is being commissioned to get independent feedback from our customers on how we responded to Covid-19 and obtain feedback on service delivery priorities as supported by the Board during our strategy session. This will be reported to the Board in due course.

5.3 **Phased targets:** to reflect the challenging environment we have been operating in so far this year, we propose to set phased targets for a small number of performance indicators based on the following phases.

Phase	Timescale	Commentary
<i>Lockdown/ phase 1</i>	April – June	Targets adjusted to reflect the changes in our services – eg restricted repairs service.
<i>Remobilisation – phase 2</i>	July – December	Targets adjusted to reflect the remobilisation of services across
<i>Business as usual</i>	January – March	Assumed that all services are fully operational – this may need to be revisited in the event of second waves or local lockdowns.

5.4 These phases have been applied to the following areas and proposed targets developed for each phase. It is expected that these will require to be further reviewed in light of the new *Coronavirus (COVID-19): Scotland's Strategic Framework* which means Business as Usual is highly unlikely to resume from January as initially planned. A separate agenda item (presentation) will update the Board on the implications of the new Strategic Framework

Tenant satisfaction with repairs and maintenance: We anticipate in-month satisfaction to decline initially as more complex repairs usually result in lower satisfaction and there are more of these as we remobilise. Our “Phase 2” target is 87% and then the business as usual target increases to 93%.

Average Days to let: As we work through the completion of any repairs required to the backlog of vacant properties, the time taken to let properties will be longer in July – December (“phase 2”). Thereafter we expect to come back to normal levels.

<i>Lockdown/ Phase 1</i>	<i>Remobilisation/ Phase 2</i>	<i>Business as usual</i>
N/A – no letting	26	14

Medical adaptations (number of calendar days to carry out): We have 4 outstanding adaptation referrals from the beginning of lockdown, which we aiming to do this month.

<i>Phases 1 and 2</i>	<i>Business as usual</i>
N/A	72

Number of expired gas safety certificates: We expect there to be no further expired gas safety certificates.

<i>Lockdown/ Phase 1</i>	<i>Remobilisation/ Phase 2</i>	<i>Business as usual</i>
34	0	0

- 5.5 **Gross rent arrears:** have been reviewed to reflect the economic impact Covid-19 has had on our tenants; which has seen a significant increase in the number of people claiming Universal Credit. As a result, our revised target for 2020/21 will be 4.80%
- 5.6 **Lets to homelessness:** to reflect the importance of this area, it is proposed that the initial target of 33% is increased to a target of 50%; with an increased target of up to 65% within our Glasgow stock to reflect the particular pressures on homelessness in Glasgow.
- 5.7 **Accidental Dwelling Fires:** our target to reduce Accidental Dwelling Fires (“ADFs”) by 10% over the 5-year strategy remains. Due to Covid-19, there is a potential increase in ADFs this year and it is therefore proposed we align the reduction with the 5-year period of the new strategy (i.e. profiled at 2% per annum from 2021-2026).
- 5.8 **Gas safety:** Our target remains at zero, as we have a legal obligation to carry out this service within timescales. However, in line with other providers, we begun to force access in July and August where people refuse entry (providing they are not shielding). We missed 114 services in the remainder of July and August through a combination of the extent of the backlog and those properties still shielding. These numbers cannot be reduced because the indicator measures how many times the deadline has been missed. Phased targets have been set to monitor the position to bring the number of gas safety checks not being completed within time to zero.

6 Quarter 2 performance

6.1 This section outlines our performance as of the end of Quarter 2.

6.2 The following table presents Loretto's results for key measures. All measures below and in appendix 1 are meeting target with the exception of the number of gas safety checks met, despite the exceedingly challenging delivery circumstances during the COVID-19 pandemic.

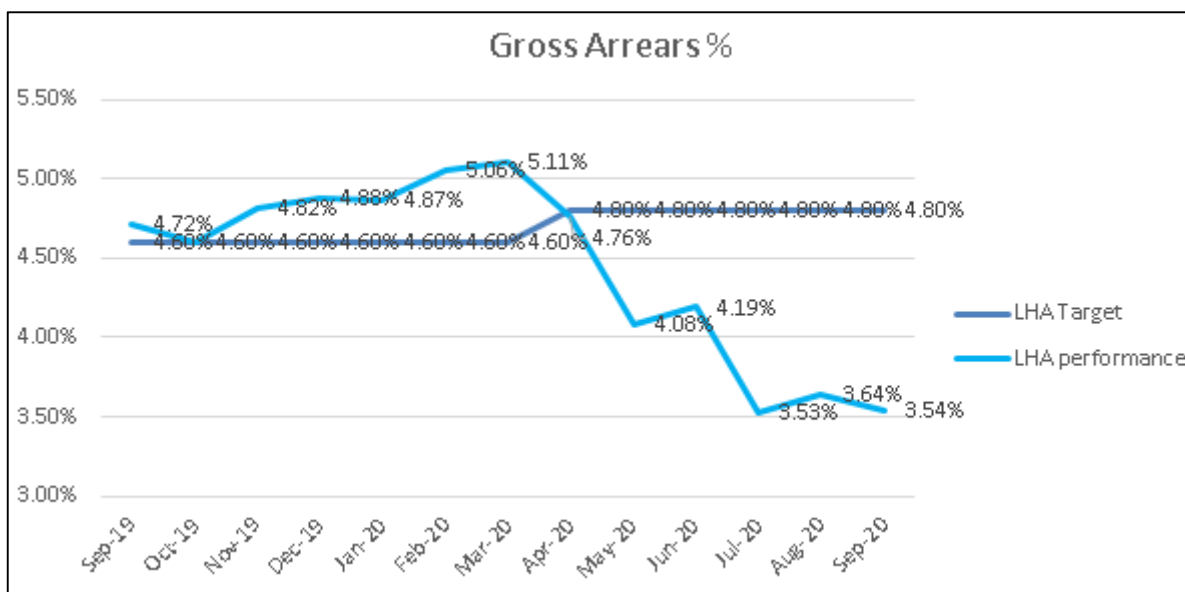
Indicator	Target	Current Performance
Gross Rent Arrears	4.80%	3.54%
Tenancy Sustainment	90%	91.89%
Average Days to Let (ARC) - Excluding Lockdown Days	26	12.9
Average Emergency Repairs Times	3	2.71

7 Gross Rent Arrears

7.1 The level of support we have provided our customers has meant that Gross Arrears for Loretto Housing has reduced from 5.11% at the 19/20 financial year to 3.54% at the end of quarter 2. This is despite the challenging circumstances over the last few months.

7.2 We have received a large increase of Universal Credit claims during lockdown. We now have a caseload of 269 customers on Universal Credit (an increase of 23% since April). UC Customers continue to have a 5 week wait to receive their benefit, which impacts their ability to pay their rent. Many of these people have required individual support from our Housing officers and welfare benefit advisors. With this additional support Loretto Housing have seen our Universal Credit arrears reduce to the lowest amount since September 2019 at £30,800.

7.3 The chart below illustrates our Gross Rent Arrears over the past 12 months. The chart demonstrates that, although we saw increases in early lockdown of 0.05%, we have now recovered and at the end of Quarter 2 are achieving 3.54% against a 4.8% target.



8 Average Days to Let

- 8.1 Our successful focus over the last few months has been to reduce the backlog of voids that resulted from the lockdown. Phase 2 of letting remobilisation commenced on the 17th August 2020. Our performance is strong and we have now allocated 35 homes to customers with the highest need. We have achieved a 12.9-day average days to let against a 26-day target. Our average days to let may increase in October as we let the final 2 properties from the lockdown period.
- 8.2 Our ARC indicator of average days of 64.7 days to let shows the real impact the Coronavirus pandemic and lockdown has had on our letting. With letting of properties suspended from 20th March through to 17th August 2020 (other than the provision of additional temporary accommodation units to Local Authorities) this level of performance is in line with expectations and it is anticipated that it will reflect the national picture when these statistics become available.

9 Tenancy Sustainment

- 9.1 The percentage of new tenancies sustained for more than a year has increased and at the end of Quarter 2 now exceeds our 90% target at 91.89%. This is our highest percentage of tenancies sustained since joining group and demonstrates the high level of support our Housing Officers and Group wide services we offer, provide to all our new customers when they move in.

10 Anti-Social Behaviour

- 10.1 There have been 85 anti-social behaviour cases recorded on our streetwise case management system year to date. In the same period last year there were 40. Whilst we have seen an increase in the levels of anti-social behaviour reported to us since lockdown started, around 80% of these complaints relate to low level noise and disturbance that could be directly related to the lockdown circumstances.
- 10.2 Our staff have provided advice, guidance and support throughout lockdown and although it has not been possible to fully resolve these cases due to lockdown restrictions, they have now all been revisited by Housing Officer and our Antisocial Behaviour Intervention and Prevention officers and the appropriate investigations have been undertaken. Our Loretto Visit team are also carrying out anti-social behaviour visits where further action is required.

11 Accidental Dwelling Fires and Fire Risk Assessments

- 11.1 As we went into lockdown there was an initial spike in accidental dwelling fires which saw Loretto have 8 ADFs between April to September. With everyone spending more time at home, this was not unexpected. This is a trend that was reflected nationally with SFRS reporting a significant increase in serious injury and death this year. The implementation of our Fire Safety Remobilisation Plan Phase 2 in June saw the return of our Group Fire Safety Team and an increase in referrals from our frontline staff to visit vulnerable customers. As our Fire Safety Team restarted visiting high risk customers in July, August and September we have seen a marked reduction in the number of ADFs.

- 11.2 Due to lockdown restrictions and associated Scottish Government guidance we were forced to suspend some of our fire prevention and mitigation activities in the early days of lockdown. Despite this we continued to deliver a number of extremely important fire prevention activities. For example, our Environmental Operatives patrolled all stock types and areas on a daily basis to remove items of bulk which may have posed a fire risk.
- 11.3 Our three-year Fire Risk Assessment programme for all Living Well complexes is recommencing and two additional FSOs will also be recruited at this time to allow us to continue with vulnerable/high risk customer visits and interventions.

12 Repairs

- 12.1 We have carried out both emergency and non-emergency repairs within the target times. At the end of Quarter 2. Our average time taken to complete emergency repairs have been completed in 2.71 hours against a 3-hour target. Our non-emergency repairs have been completed in 3.14 days against a 5.5-day target. Our Right First Time target is also being met.
- 12.2 Our % of tenants satisfied with our repairs and maintenance service carried out in the last 12 months is on target at the end of quarter 2 at 99.04% against a 97% target.
- 12.3 We are gearing up towards full remobilisation of the repairs service on the 2nd November, albeit with some exclusions when it's not safe to carry out repair works. For example, when multiple trades are in the customer's home with the customer for a prolonged period of time. An inevitable consequence of being unable to provide a full service safely in the first half of the year, is that there is a backlog of works such as roofing, drainage and customer requests. These will be project managed in a co-ordinated way, similar to the approach used in addressing the void backlog, whilst we move towards a full business as usual service.

13 Gas Safety

- 13.1 Our customer's safety has been our primary driver during lockdown. We have prioritised our landlord responsibility to reduce the backlog of expired gas servicing certificates that arose during the early part of the COVID-19 pandemic. During the first few weeks of lockdown there was considerable concern amongst customers about letting trades persons into their homes to carry out works. Targeted and focused efforts from our Housing Officers and colleagues in the Customer Service Centre and City Building, reduced the number of expired gas safety certificates that arose during lockdown restrictions (in total 114). This meant reassuring our customers that every effort would be made to ensure their safety whilst carrying out works, pooling resources and improving the process around gas safety. As of August 2020, we have been in a 100% compliant position with no expired gas certificates across Loretto Housing properties.
- 13.2 The Charter indicator shows the number of certificates that have expired at any point during the last 12 months and for this reason we will report higher than usual figures, due to safety precautions we took for our staff and sensitivity to the concerns of our customers accessing their properties during the lockdown.

We have been in discussions with the Regulator about this indicator, but at this time they will not accept amendments so that they can assess and report on the full impact of the COVID-19 lockdown.

14 Invoice payments

- 14.1 Loretto Housing are reporting, 91.95% of invoices have been paid within timescale this year, comparing favourably to last year's figure of 86.92% but less than our 96% target. All invoices paid late continue to be highlighted through a weekly report to the Head of Housing.

15 Sickness Absence

- 15.1 We are reporting record levels of sickness absence. In the year to date we have lost an average of 0.26% of working time due to staff absence compared to the target of 3%. This rate remains low due to staff continuing to work from home. We will work with staff to make sure they have the support they need to manage attendance and the stress of the circumstances.

16 Strategic projects – progress at Quarter 2

- 16.1 Appendix 2 outlines progress on the strategic projects in the Delivery Plan at the end of Quarter 2.

- 16.2 All projects are on track to be delivered on time, including:

- Work with Police Scotland to develop a Group-wide Antisocial Behaviour and Crime Prevention and Mitigation Framework -The development of the Group Antisocial Behaviour and Crime Prevention and Mitigation Framework is progressing well. The draft will be circulated to key stakeholders for comment and feedback.
- Create a new digitally enabled engagement framework - A new customer engagement framework is being developed to help support the ambitions in our new 2021-26 strategy – Your Home, Your Community, Your Future. This framework will contain both digital and off-line elements. The new framework will be presented to the Board at its next meeting in February.
- Develop Group Homelessness Framework, including rapid rehousing - This framework is currently being drafted and will now be taken to the February Board. This is to allow us to incorporate the outcomes from local authority review of their Rapid Rehousing Transition plans. In addition, it will take into account the action plan for the recommendations from the Homelessness and Rough Sleeping Action Group (HARSAG)

All projects are on track to deliver on time with the exception of the Group Homelessness Framework for the reasons set out above.

The 2020/21 phased charter targets are included under Appendix 3, which take account of the fact that we need to establish a baseline in 2020/21 to measure progress against.

17 Key issues and conclusions

- 17.1 This report outlines positive progress in achieving the majority of performance targets and the delivery of projects, despite the continuing challenges posed by the COVID-19 pandemic and lockdown restrictions that continue to affect business delivery. Key areas of focus during the remainder of the year will be the support to our customers who may be experiencing additional financial hardship and to manage our arrears, continued focus on letting properties and supporting our contribution to reducing homelessness, and delivery of safe and high quality repairs to customers.

18 Value for money implications

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

19 Impact on financial projections

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

20 Legal, regulatory, and charitable implications

- 20.1 Registered Social Landlords are required to provide an Annual Return on the Charter to the Scottish Housing Regulator. The key indicators within this return are included in monthly performance reporting. The Loretto Housing Board approves the final return and this information is included in the year end performance report to the Group Board. Loretto Housing are also required to involve tenants in the scrutiny of performance (this is done through our Tenant Scrutiny Panel) and to report to tenants annually each year.

21 Partnership implications

- 21.1 Reports on the Delivery Plan can be used to identify areas where partnerships need to be strengthened or amended to help us achieve our strategic vision.

22 Implementation and deployment

- 22.1 This report provides updates on progress with the Delivery Plan and Performance.

23 Equalities impact

- 23.1 There is no direct equalities impact from this report.

24 Recommendations

- 24.1 The Loretto Board is asked to approve the phased targets and delivery plan for 2020/21
















LIST OF APPENDICES



Appendix 1: Measures dashboard

Appendix 2: Strategic projects dashboard




Appendix 3: Phased Targets for 2020/21

Appendix 1 - Loretto Housing Board - Delivery Plan 20/21 - Strategic Measures

Measure	2019/20	YTD 2020/21		
	2019	2020		Status
	Value	Value	Target	
Average time for full response to all complaints (working days) - overall	4.22	4.59	8	
Average time taken to complete emergency repairs (hours) – make safe	3.02	2.71	3	
Average time taken to complete non-emergency repairs (working days)	4.9	3.14	5.5	
% reactive repairs completed right first time	96.44%	99.04%	97%	
Number of gas safety checks not met	1	114	0	
% of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the R&M service	93.09%	89.32%	87%	
% tenancy offers refused during the year	24.59%	10.87%		
% new tenancies sustained for more than a year - overall	90.59%	91.89%	90%	
% lettable houses that became vacant	8.3%	7.87%	8%	
Average days to re-let properties (ARC) – excluding lockdown days		12.9	26	
Average days to re-let properties (ARC)	14.34	64.7		
Average time to complete approved applications for medical adaptations (calendar days)	21.68	17.2	72	
Gross rent arrears (all tenants) as a % of rent due	5.11%	3.54%	4.8%	
% avoidable contact	12.24%	8.22%	18%	
% of payments made within the reporting period which were paid in 30 days or fewer (from the date the business receives a valid invoice)	86.92%	91.95%	96%	

Measure	2019/20	YTD 2020/21		
	2019	2020		
	Value	Value	Target	Status
Total number of jobs, training places or apprenticeships created including Wheatley Pledge	10	0	0	
Sickness Rate	5.53%	0.26%	3%	

Appendix 2 - Loretto Housing Board - Delivery Plan 20/21 - Strategic Projects

Strategic Project	Delivery Date	Status	% Progress
Develop Group Homelessness Framework, including rapid rehousing	31-Dec-2020		<input data-bbox="1877 395 2085 443" type="text" value="0%"/>
Work with Police Scotland to develop a Group-wide Antisocial Behaviour and Crime Prevention and Mitigation Framework	28-Feb-2021		<input data-bbox="1877 486 2085 534" type="text" value="0%"/>
Create a new digitally enabled engagement framework	31-Mar-2021		<input data-bbox="1877 561 2085 609" type="text" value="0%"/>

Appendix 3 – Appendix 3: Phased Targets for 2020/21

Loretto Housing Charter Indicators	2019/20 Result	2019/20 Target	2020/21 Target
Percentage annual tenants satisfied with the overall service	84%	91%	Not Applicable
Percentage annual tenants who feel their landlord is good at keeping them informed about their services and decisions	76%	93%	Not Applicable
Percentage complaints responded to in full at Stage 1 and the % complaints responded to in full at Stage 2 - Overall	97.18%	Baseline Year	96%
Average time in working days for a full response at Stage 1 and the average time in working days for a full response at Stage 2 – Overall	4.22	Baseline Year	8
Percentage annual tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes	64%	90%	Not Applicable
Percentage stock meeting the Scottish Housing Quality Standard (SHQS).	100%	99.75%	100.0%
Percentage annual existing tenants satisfied with the quality of their home	89%	90%	Not Applicable
Average time to complete emergency repairs (hours)	3.02	3	3
Average time to complete non-emergency repairs (working days)	4.90	5.5	5.5 days
Percentage reactive repairs completed right first time	96.44%	97%	97%
Number of times in the reporting year that you did not meet your statutory obligation to complete a gas safety check within 12 months of a gas appliance being fitted or its last check.	1	0	0
Percentage tenants satisfied with repairs or maintenance carried out in last 12 months	93%	93%	87% to end of December 93% to end of March Annual target is 90%
Percentage annual tenants satisfied with the landlord's contribution to the management of the neighbourhood they live in.	75%	Baseline Year	Not Applicable
Percentage of tenancy offers refused during the year	25%	21%	Contextual
Percentage of anti-social behaviour cases reported in the last year which were resolved.	100%	Baseline Year	98%
Percentage of new tenancies sustained for more than a year - overall	90.59%	92.5%	90%
Percentage of lettable houses that became vacant	8.30%	8%	8.00%
Percentage of rent due lost through properties being empty	0.55%	0.44%	0.44%
Number of households currently waiting for adaptations to their home.	4	Contextual	Contextual
Total cost of adaptations completed in the year by source of funding (£).	£122,145	Contextual	Contextual
Average time to complete approved applications for medical adaptations (calendar days) *	21.68	25	72 *
Percentage of court actions initiated which resulted in eviction - overall	61.54%	25%	25%
Percentage of referrals under Section 5, and other referrals for homeless households made by the local authority, that resulted in an offer	49.50%	Baseline Year	Contextual
Percentage of offers made to LA Section 5 and other referrals for homeless households that result in a let.	68.83%	Baseline Year	Contextual
(ARC indicator only for Local Authorities)			
Percentage of annual tenants who feel that the rent for their property represents good value for money	77%	83%	Not Applicable
Rent collected as % of total rent due	98.55%	99.20%	99.20%
Percentage gross rent arrears	5.1%	4.6%	4.80%
Average annual management fee per factored property.	£184.51	Contextual	Contextual
Percentage of annual owners satisfied with the factoring service	67%	72%	Not Applicable
Average length of time taken to re-let properties (calendar days) *	14.34	14	26 *



Report

To: Loretto Housing Board

By: Gillian Ogilvie, Finance Manager

Approved by: Pauline Turnock, Director of Financial Reporting

Subject: Finance Report for the period to 30 September 2020

Date of Meeting: 9th November 2020

1. Purpose

The purpose of this report is to provide the Loretto Board with an overview of the management accounts for the period to 30 September 2020, including the latest forecast for 20/21.

2. Authorising Context

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

3. Risk appetite and assessment

3.1 Our agreed risk appetite in relation of performance is "Open". This level of risk tolerance is defined as "Prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level".

3.2 This report provides the Board with an update of performance to date to allow it to discharge its role in monitoring performance and agreeing any actions required.

4. Background

4.1 This report outlines performance against budget for the 6 months to 30 September 2020.

4.2 For the period to 30 September 2020 Loretto is reporting a statutory deficit of £765k, which is £396k favourable to budget. The majority of budget variances are driven by the changes to the existing operating model implemented in response to the Covid-19 crisis.

4.3 The appendices provide more detail on the financial results.

5. Discussion - Finance Report for Period to 30 September 2020

5.1 Loretto has reported a statutory deficit of £765k for the period to date, which is £396k favourable to budget. When interest payable, depreciation and grants are removed to show our underlying operating position ("EBITDA") the result is a reported surplus of £2,051k which is £414k favourable to budget.

Key points to note:

- Rental Income includes a provision of £24k for service charge refunds to tenants in relation to the reduced service provided during lockdown.
- Grant income of £37k for medical adaptations only is reported for the year to date, which is on budget. There are no new build completions budgeted in 2020/21.
- Direct staff costs of £638k for the period to date include the claim made under HMRC's Job retention scheme resulting in a £31k favourable variance to budget. Employees recharged from Group Services for Loretto's share of Wheatley Solutions staff is also showing favourable to budget of £11k reflecting a similar claim for furloughed staff.
- Repairs and maintenance spend is £191k favourable to budget, due to the changes implemented in the repairs services during the period to date. Reactive repairs are lower to budget by £166k, with cyclical maintenance £11k also lower to budget to date. Compliance work is broadly in line with budget.
- Bad debt costs are currently £79k favourable to the budget, however an additional provision had been set aside when the budget was prepared on the basis of an increasing number of tenants moving onto Universal Credit.

5.2 Loretto has reported net capital expenditure £4,235k lower than budget for the period to 30 September 2020. Key points to note:

- Capital grant income is reported at £3,643k, inclusive of the receipt of the one-off unbudgeted donation of £3,606k from Allia for Dargavel.
- New build expenditure currently reports spend of £194k which is £4,073k lower than budget, as a result of the closure of construction sites during the spring lockdown, with works restarting through the summer. The Dargavel site is now started with Hallrule anticipated to be on site in November.
- Investment programme spend at £248k is £515k lower than budget driven by the delay to carrying out investment works during the lockdown. Expenditure in the period to date is for medical adaptations and voids only.

Q2 2020/21 Forecast

5.3 The forecast reports a statutory deficit of £1,769k, which is £516k favourable to budget. The main drivers of the favourable variance to are lower levels of expenditure forecast until the year end. The underlying performance in EBITDA is forecast at £3,680k which is £359k favourable to budget.

5.4 Key points to note in the forecast are:

- Rental income is £24k less than budget as a result of the provision of service charge refunds to tenants for the reduced service during lockdown.
- Employee costs and group services employee costs forecast a saving of £45k in line with the claims made under the Job Retention Scheme forecast through until it closes in October 2020.
- Repairs and maintenance is expected to be £222k lower than budget as a result of the changes to the service during the year, with work forecast to be fully remobilised to a normal service in November.
- Provision for additional bad debts costs have been included in the forecast at the budget level, to provide for an acceleration in numbers of tenants moving onto Universal Credit through the Covid-19 crisis.
- Core investment expenditure is planned to recommence with external investment works and compliance works given priority. The forecast has been reduced by £615k to £910k, reflecting the revised work programme planned for the rest of the financial year.
- New build investment is expected to be £9,035k lower than budget, deferring an element of these costs into future years as a result of Covid-19 lockdown. Investment income has been reduced to £5,400k reflecting the revised new build spend profile at Hallrule, Dargavel and Cobblebrae Farm sites, with grant claims now deferred into 2021/22 offset by the unbudgeted receipt from Allia for Dargavel.

6. **Value for Money implications**

- 6.1 Delivery of our cost efficiency targets is a key element of continuing to demonstrate value for money. Loretto has reported a statutory surplus, excluding interest payable, depreciation and grants for the period to 30 September 2020 of £2,075k, noting that a surplus of £1,637k was budgeted.

7. **Impact on financial projections**

- 7.1 The 2020/21 Business Plan was approved by the Board at the February 2020 meeting. The quarter 2 forecast, as well as the updated financial projections, highlight the expected variances from the original financial projections.

8 **Legal, regulatory and charitable implications**

- 8.1 No implications.

9. **Equalities impact**

- 9.1 Not applicable.

10. Recommendation

- 10.1 The Board is requested to note the report and the management accounts for the period to 30 September 2020.

LIST OF APPENDICES

Appendix 1: Finance Report – year to 30 September 2020

**Appendix 1 – Finance Report
Period to 30 September 2020**

Operating Statement – YTD September 2020



	Period To 30 September			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
INCOME				
Rental Income	4,089	4,112	(23)	8,224
Void Losses	(127)	(133)	6	(266)
Net Rental Income	3,962	3,979	(17)	7,959
Other Income	143	141	1	283
Grant Income	37	36	1	72
Total Income	4,142	4,157	(15)	8,314
EXPENDITURE				
Employee Costs - Direct	638	669	31	1,338
Employee Costs - Group Services	124	135	11	269
ER / VR	0	0	0	0
Direct Running Costs	687	783	96	1,531
Running Costs - Group Services	63	86	23	172
Revenue Repairs and Maintenance	510	701	191	1,388
Bad debts	31	111	79	221
Depreciation	1,841	1,841	0	3,701
TOTAL EXPENDITURE	3,894	4,324	430	8,620
OPERATING SURPLUS / (DEFICIT)	247	(168)	415	(306)
Interest Payable	(1,013)	(993)	(20)	(1,978)
STATUTORY SURPLUS / (DEFICIT)	(765)	(1,160)	396	(2,284)
EBITDA	2,088	1,673	415	3,394
EBITDA (excluding grants)	2,051	1,637	414	3,322

	Period To 30 September			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
INVESTMENT				
Total Capital Investment Income	3,643	4,045	(402)	8,889
Investment Works	248	763	515	1,525
New Build	194	4,267	4,073	11,036
Other Capital Expenditure	40	90	49	179
TOTAL CAPITAL EXPENDITURE	483	5,120	4,637	12,741
NET CAPITAL EXPENDITURE	(3,161)	1,075	4,235	3,851

Income and Expenditure account – key points

- Net operating surplus of £247k is £415k favourable to budget. Statutory deficit for the period to date is £765k, £396k favourable to budget. The main drivers of the variance are lower costs resulting from the current COVID 19 restrictions.
- Rental Income includes a provision of £24k for service charge refunds to tenants in relation to the reduced service provided during lockdown.
- Void losses in the year to date are 3.1% against a budget of 3.34%. Letting activities have been restricted through the pandemic and 21 previously void properties have been let in period 6. Loretto have 2 properties remaining in the backlog properties with sign up's arranged in period 7.
- Grant income relates to £37k for medical adaptations only. There is no other grant income budgeted for the year, given the first new build completions are due in 2021/22.
- Employee costs report a favourable variance of £31k, consisting of savings due to an employee seconded to Wheatley Care and £15k for the claim made under the Job Retention Scheme. Employees recharged from Group Services for Loretto's share of Wheatley Solutions staff is also showing favourable to budget.
- Direct running costs are £96k favourable to budget due primarily to reduced spend on office and staff related expenditure since the lockdown
- Revenue repairs and maintenance expenditure is £191k favourable to budget due to lower levels of spend in reactive repairs and cyclical maintenance.
- Bad debts are £79k favourable to budget. A prudent approach was taken when setting the budget due to the anticipated impact of Universal Credit.
- The net capital position of £3,161k is £4,235k favourable to budget, due to the unbudgeted receipt of £3,606k for Dargavel site from Allia.
- Investment works expenditure of £248k relates to voids, capitalised repairs and staff, £37k spend on medical adaptations and structural work for Duke Street.
- New build expenditure of £194k mainly relates to Eriboll and Hallrule Drive. The Dargavel site start date is October, for Hallrule, a start date is anticipated during November.
- Other capital expenditure of £40k relates to Loretto contribution to Wheatley Group IT.

Rental and Other Income – YTD September 2020



Comments

Income £'000	1 April 2020 - 30 September 2020			20/21 Annual Budget
	Actual	Budget	Variance	
Rental Income	4,089	4,112	(23)	8,224
Voids	(127)	(133)	6	(266)
Net Rental Income	3,962	3,979	(17)	7,958
LC Management Fee	101	104	(3)	209
Mid Market Rental Income	41	37	4	74
Miscellaneous Income	-	-	-	-
Other Income	143	141	1	283
Grant Income	37	36	1	72
TOTAL INCOME	4,142	4,157	(15)	8,314

Net rental income

- Rental income of £4,089k is £23k less than budget as a result of the provision made for service charge refund to customers for the reduced service during lockdown – ground maintenance and stair cleaning.
- Void lost rent of £127k YTD is £6k favourable to budget and the YTD void rate is 3.1%, versus the budgeted rate of 3.34%. A further 21 properties let in period 6. Loretto have 2 properties remaining in the backlog properties with sign up's arranged in period 7.

Other income

- Management fee income of £101k was received from Loretto Care for their share of Lipton House admin and running costs.
- Mid market rental income relates to the lease of Barclay Phase 2 units to Lowther Homes.

Grant Income

- Grant income of £37k for medical adaptations has been accrued in line with spend. The full year budget is £72k.

Direct Running Costs – YTD September 2020



Direct Running Costs £'000	1 April 2020 - 30 September 2020			20/21 Annual Budget
	Actual	Budget	Variance	
Equipment and Furniture	1	8	6	15
Initiatives	88	100	11	164
Insurance	18	18	0	37
Misc Running Costs	19	72	53	144
Property Costs	127	138	11	276
Staff Related Costs	5	6	1	13
Travel and Vehicles	3	16	13	32
Group recharges	425	425	0	850
TOTAL RUNNING COSTS	687	783	96	1,531

Comments

- Direct running costs of £687k are £96k favourable to the budget of £783k. The favourable position is reported due to lower spend, particularly in miscellaneous costs of marketing, postage and stationery.
- Property costs are reporting £11k favourable to budget this is mainly due to savings in emergency office repairs.
- The second table provides a breakdown of YTD Initiatives expenditure. Helping Hand is lower than budget for first 6 months of year, with similar saving on Think Yes.
- TSS costs of £18k included in Initiatives represents Loretto HA's share of Group TSS costs for the provision of the service to Loretto tenants.

Initiatives £'000	1 April 2020 - 30 September 2020			20/21 Annual Budget
	Actual	Budget	Variance	
Helping Hand	12	16	5	33
Tenancy Support Service	18	18	(0)	35
Think Yes	2	6	4	12
Wheatley Foundation	57	60	3	84
Wider Action	0	0	0	0
Total	88	100	11	164

Repairs and Maintenance – YTD Sept 2020

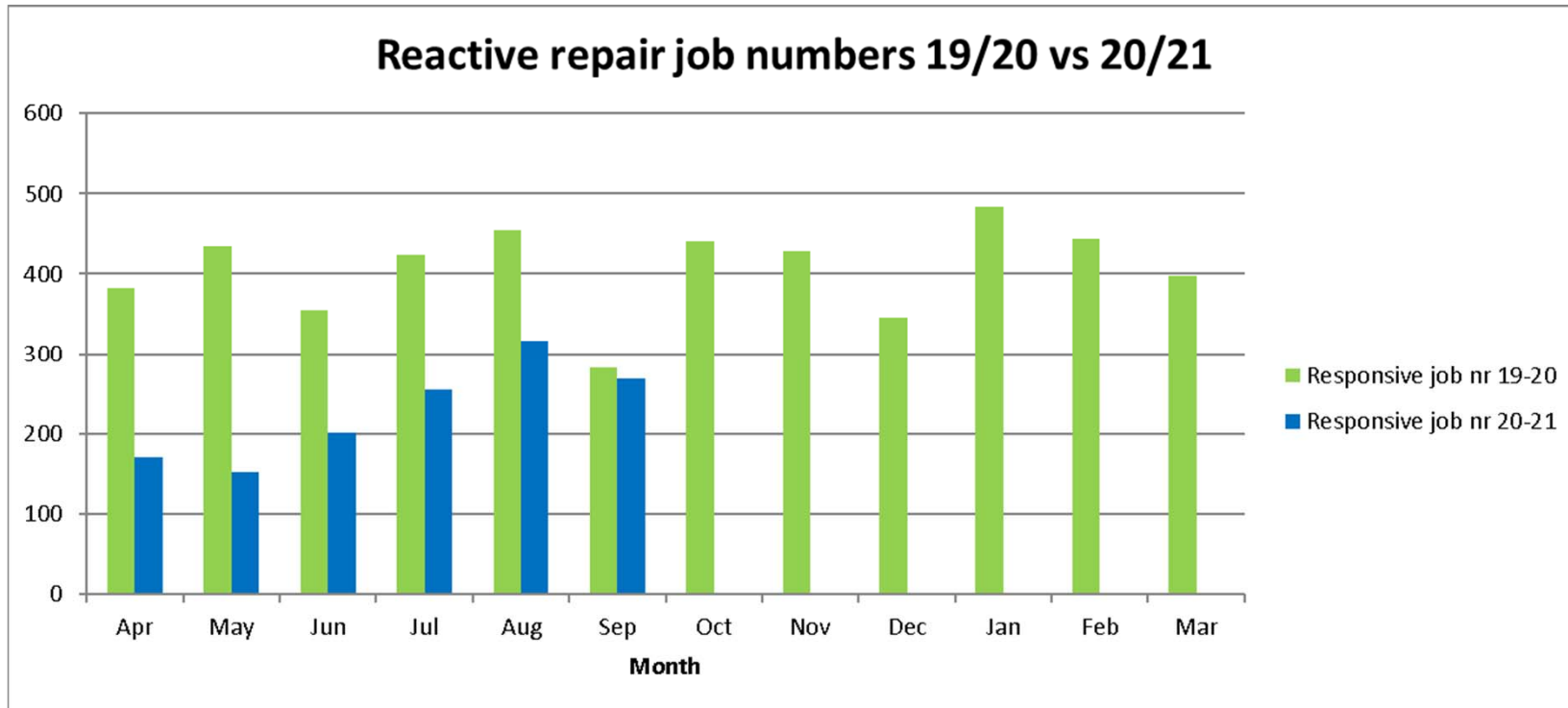


Repairs & Maintenance Expenditure £'000	1 April 2020 - 30 Sept 2020			20/21 Budget
	Actual	Budget	Variance	
Reactive repairs	184	350	166	700
Cyclical maintenance (compliance)	237	238	2	463
Cyclical property maintenance	0	9	9	19
Other	12	9	(3)	19
Communal Electricity	76	94	17	187
TOTAL R&M Expenditure	510	701	191	1,388

Comments:

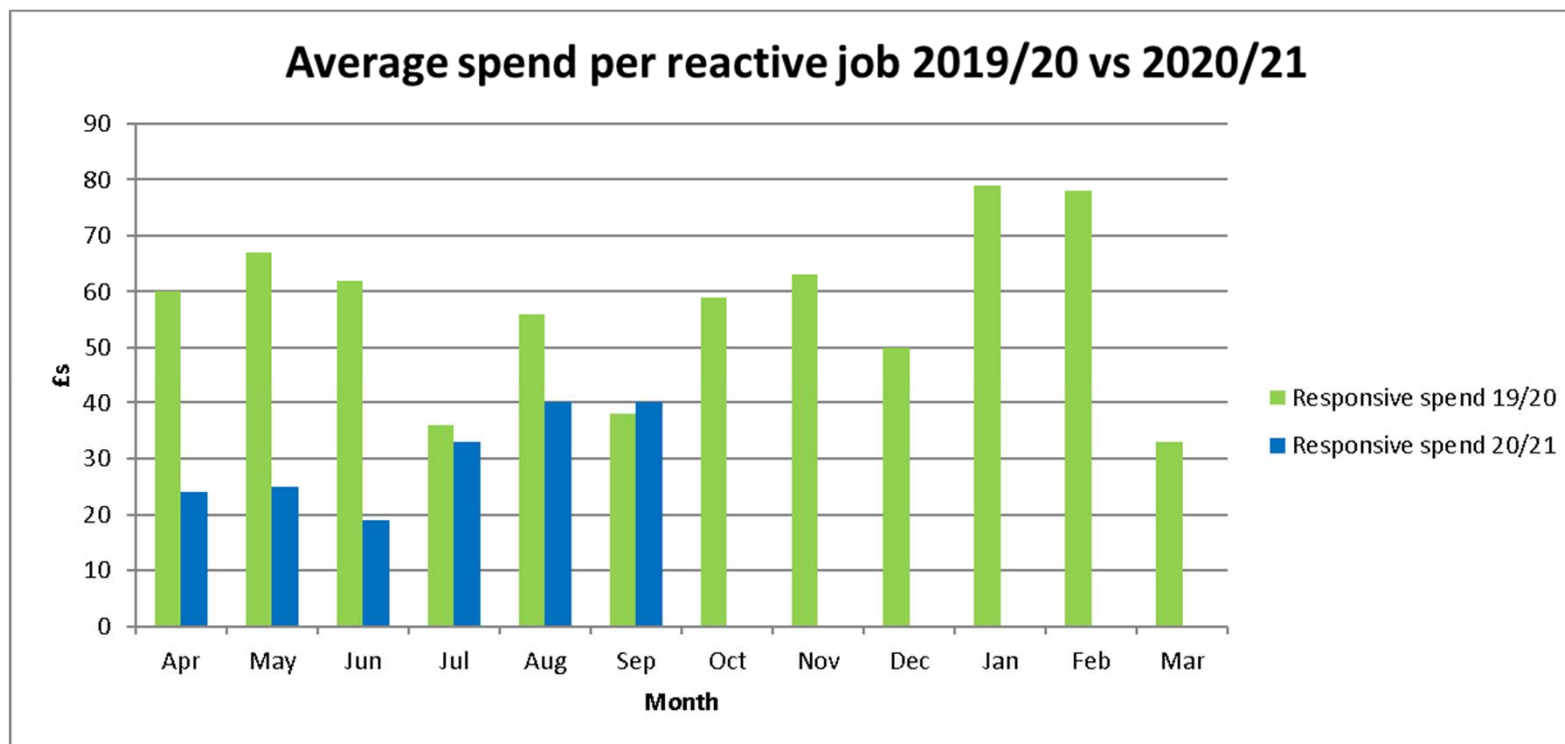
- Revenue repairs and maintenance costs of £510k are £191k favourable to the budget of £701k.
- After deduction of capitalised repairs, the reactive repairs spend is £166k favourable to budget, following the operation of a reduced service in the first quarter and the remobilisation of works through the summer months.
- Loretto's compliance based cyclical programme is for gas servicing, lifts, fire safety equipment, alarms, pumps and tanks and TMVs, and is broadly in line with budget..
- Cyclical property has zero spend against a budget of £9k in the 6 months year to date.
- Other R&M expenditure relates to decant/removal costs, laundry equipment, alarm monitoring, key holding and small repairs jobs undertaken by contractors other than City Building.

Reactive repairs analysis (1) – YTD September 2020



Reactive job numbers	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
19-20 month	383	434	354	424	455	282	440	428	345	484	444	398
19-20 YTD	383	817	1,171	1,595	2,050	2,332	2,772	3,200	3,545	4,029	4,473	4,871
20-21 month	170	152	201	255	316	268	0	0	0	0	0	0
20-21 YTD	170	322	523	778	1,094	1,362	1,362	1,362	1,362	1,362	1,362	1,362

Reactive repairs analysis (2) – YTD September 2020



Average Spend	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
19-20 £month	157	154	175	85	123	135	134	147	145	163	176	83
19-20 £YTD	157	155	161	141	137	137	136	138	139	141	145	140
20-21 £month	141	164	95	129	127	149						
20-21 £YTD	141	152	130	130	129	133	133	133	133	133	133	133

- All data relates to completed jobs and is prior to the deduction of capitalised repairs. Broad Street (Fordneuk service) repairs are excluded from the figures as these are recharged to Loretto Care.
- YTD the volume of repairs is 42% lower than the prior year and the YTD average cost per repair has decreased by 2.9%.

Investment Works – YTD September 2020

Investment Works £'000	1 April 2020- 30 September 2020		
	Actual	Budget	Variance
Investment Works Grant Income			
Adaptations	37	36	(1)
Total	37	36	(1)
Investment Works Expenditure			
Core programme	126	623	497
Void repairs	85	104	18
Adaptations	37	36	(1)
Total	248	763	515

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

Comments

- Overall investment works expenditure of £248kr is £515k favourable to the budget of £763k.
- Core programme works are following a revised programme following the restrictions on works earlier in the year. Expenditure reported for the year to date is for capitalised repairs, capitalised staff cost and Duke street structural repairs..

Breakdown of core programme £'000	1 April 2020- 30 September 2020		
	Actual	Budget	Variance
Capitalised repairs	97	105	8
Capitalised staff costs	17	18	1
Compliance costs (capital)	0	144	144
Duke Street	12	0	(12)
Fire Safety	0	18	18
Internal Common Work	0	8	8
Kitchen, Bathrooms and Rewire	0	126	126
Windows	0	60	60
Doors	0	16	16
Environmental	0	45	45
Central Heating	0	84	84
Various	0	0	0
Total	126	623	497

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

New Build Programme – YTD September 2020



Name	Contractor	Year To Date			FY Budget
		Actual £s	Budget £s	Variance £s	
Buckley Street	MACTAGGART	0	54	54	54
Muiryhall Street	CCG	0	54	54	54
Wallacewell		1	0	(1)	0
Eriboll		58	0	(58)	0
Hallrule Drive	MACTAGGART	40	1,117	1,077	2,668
MacDowall Street	-	0	64	64	791
Cobblebrae Farm		4	92	88	1,188
Dargavel		0	2,736	2,736	5,955
Barclay Street Phase 2		4	0	(4)	0
Forfar Avenue		12	0	(12)	0
Prior year schemes		2	0	(2)	0
Land Acquisition	-	0	50	50	100
Feasibility	-	0	0	0	0
Loretto		121	4,167	4,046	10,810
Capitalised Interest		0	0	0	24
Capitalised Staff Costs		73	101	28	202
Gross New Build Costs		194	4,267	4,073	11,036
Grant Income		3,606	4,009	(403)	8,817
Net new build costs		(3,412)	258	3,670	2,219

Capital Investment Income

Grant income reported within the capital budget represents the cash received in the YTD and outstanding claims accrued.

New Build Expenditure

Buckley Street (BP* completion August 19): The last handovers took place in October 2019. End of defects works to be established. **COMPLETE**

Muiryhall Street (BP* completion March 19): The last handovers took place in May 2019. End of defects works delayed due to lockdown. **COMPLETE**

Eriboll: Previous project handed over. Current year spend relates to settlement of contractor claims. Glasgow City Council have repaid £136k as primary claim and associated fees related to their Children's Unit that formed part of the project.

Hallrule Drive: Project approved by Group Development Committee in May 2020. Agreement now reached with contractor and anticipate a start date during November.

MacDowall Street: 35 social rent units. Discussions with Developer ongoing with a view to site start in Quarter 4.

Cobblebrae Farm: 21 social rent units. Project approved by Group Development Committee in August 2020. Contracts being finalised to allow an early site start.

Dargavel: 58 Social Rent units. Site acquired in December 2019. Contracts being finalised to allow a site start in October 2020.

Land Acquisition:

*BP = 2019/20 business plan approved in February 2019

Balance Sheet



	30 September 2020 £k	31 March 2020 £k
Tangible Fixed Assets		
Housing Properties	58,795	60,193
Investment Properties	1,300	1,299
Other Assets	1,220	1,179
	61,315	62,671
Current Assets		
Rent and service charge arrears	84	207
Intercompany balances	23	203
Other debtors	471	1,808
	578	2,218
Cash at Bank and in Hand	6,255	614
	6,833	2,832
Short Term Creditors		
Amounts due within one year	(2,505)	(2,703)
Deferred Grants	(3,784)	(178)
	(6,289)	(2,881)
Net Current Assets	544	(49)
Long Term Creditors		
Amounts due after one year	(37,253)	(37,253)
Deferred Income	(1,465)	(1,465)
Pension Liability	(578)	(578)
	(39,296)	(39,296)
Net Assets	22,563	23,326
Capital and Reserves		
Share Capital	-	-
Revenue Reserve - b/fwd	23,906	20,659
Current year surplus/(deficit)	(765)	3,245
Pension Reserves	(578)	(578)
	22,563	23,326
Association's Funds	22,563	23,326

Comments

The balance sheet reported reflects the 31 March 2020 year end audited statutory accounts position. Year end adjustments applied does include the revaluation of housing 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 £1.3m lower, mainly due to the receipt of new build grant income for Hallrule and Dargavel claimed in March 2020. The level of tenant arrears (net of bad debt provision) has reduced from the year end position of £207k to £84k.
- **Cash at Bank** - The change from the year end principally reflects the timing of the settlement of Grants and the £3.6m donation for the Dargavel project.
- **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. The increase at September represents the Dargavel grant received from Allia.
- **Long-Term Creditors** - This includes £37.3m of loans due to Wheatley Funding Ltd 1.

Q2 2020/21 Forecast

	Full Year 2020/21		
	Forecast £k	Budget £k	Variance £k
INCOME			
Rental Income	8,201	8,224	(23)
Void Losses	(266)	(266)	0
Net Rental Income	7,935	7,958	(23)
Other Income	283	283	(0)
Grant Income	72	72	0
Total Income	8,290	8,313	(23)
EXPENDITURE			
Employee Costs - Direct	1,304	1,338	34
Employee Costs - Group Services ER / VR	258	269	11
	0	0	0
Direct Running Costs	1,415	1,531	116
Running Costs - Group Services	172	172	(0)
Revenue Repairs and Maintenance	1,166	1,388	222
Bad debts	221	221	0
Depreciation	3,701	3,701	0
TOTAL EXPENDITURE	8,237	8,620	383
OPERATING SURPLUS / (DEFICIT)	52	(307)	359
Interest Payable	(1,821)	(1,978)	157
STATUTORY SURPLUS / (DEFICIT)	(1,769)	(2,285)	516
EBITDA	3,753	3,394	359
EBITDA (excluding grants)	3,681	3,322	359

	Full Year 2020/21		
	Actual £k	Budget £k	Variance £k
INVESTMENT			
Total Capital Investment Income	5,400	8,889	(3,489)
Investment Works	910	1,525	615
New Build	2,001	11,036	9,035
Other Capital Expenditure	130	179	49
TOTAL CAPITAL EXPENDITURE	3,042	12,740	9,698
NET CAPITAL EXPENDITURE	(2,358)	3,851	6,209

Income and Expenditure account – key points

- The table shows the 2020/21 budget presented to the Board compared to the Q2 forecast for 2020/21, compiled following the completion of the September year to date results.
- Operating surplus of £52k is forecast which is favourable to budget by £359k, and statutory deficit of £1,769k favourable to budget by £516k. These results are largely driven by lower costs as a result of the current COVID 19 restrictions.

Key points to note:

- Rental income is forecast £23k unfavourable to budget as a result of the provision of anticipated service charge refunds to tenants for reduced service during lockdown period.
- Employee Costs are slightly favourable to budget as a result of the claims made under the Job Retention scheme in place until end of October. This is also reflected in Group Services Employee Costs.
- Repairs and Maintenance is favourable to budget, with savings projected to continue to year end, and assumed remobilisation of normal activities from November. The forecast estimates a full year saving of £222k against budget.
- Bad debts are forecast to be on budget based on the favourable position that exists at P6 and anticipating that in the next 6 months more tenants will move on to Universal Credit as the year progresses.
- Net capital expenditure is forecast to be £6,209k lower than budget. The main drivers of this is reduced investment income and lower new build expenditure, resulting from the reduction to the new build construction costs across all sites, with the material impact driven by the revised timings at the Dargavel and Hallrule sites.
- Core programme investment expenditure for the year is expected to be £910k, a reduction from budget of £615k, representing the delay in works undertaken as a result of lockdown with the remobilisation of full activities planned from November.

Report

To: Loretto Housing Board

By: Laura Henderson, Managing Director

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

Subject: Corporate Risk Register

Date of Meeting: 9th November 2020

1. Purpose

1.1 To seek approval for updates to the corporate risk register.

2. Authorising context

2.1 In accordance with the Group Authorise/Monitor/Manage Matrix, the Group Board is responsible for managing and monitoring the Wheatley Group Risk Management Framework. The Loretto Board (the “Board”) is responsible for managing and monitoring its Corporate Risk Register and Risk Appetite in accordance with the Group Risk Management Framework.

2.2 Risk registers are in place across the Group and are reported to each subsidiary board on a bi-annual basis.

3. Risk appetite and assessment

3.1 Our agreed risk appetite in relation to Governance is “cautious”, meaning that tolerance for risk taking is limited to events where there is little chance of any significant repercussion should there be a failure.

4. Background

4.1 Under its Terms of Reference, the Group Audit Committee is responsible for monitoring and reviewing the risk-management framework within the Group. The Wheatley Group Board approved changes to the Strategic Risk Register at its meeting in August 2020. These risks have been considered when updating the Corporate Risk Register

5. Discussion

5.1 Key strategic risk areas have been identified through a high-level review of our evolving strategies, operational risks and the current operating environment. A full copy of the proposed Corporate Risk Register is included at **Appendix 1**. This includes details of existing mitigating controls and residual risk scores.

5.2 The following table provides a summary of the corporate risks including (i) removed risks; (ii) added risks; (iii) changed risks, and (iv) unchanged risks.

Risk Code	Risk Title	Risk title and summary of change
Removed		
LHRR01	Implementation of MyRepairs	Risk removed until service remobilisation complete and full MyRepairs project resumed.
Added		
LHRR02	Post-2021 Housing Policy and Grant availability	New risk added to reflect new risk included within Group's Strategic Risk Register.
LHRR22	Commercial Operations	New risk added to reflect new risk included within Group's Strategic Risk Register.
LHRR23	New Operating Model Implementation	New risk added to reflect risks associated with planned organisational change delivery
LHRR24	Service remobilisation post Covid-19	New risk added to reflect current challenges associated with remobilisation of services following lockdown.
LHRR25	Ongoing threat of future waves of Covid-19	New risk added to reflect unknown business environment associated with future waves of Covid-19.
Changed		
LHRR03	Care Support Services	Risk description and controls updated to reflect current position.
LHRR04	Rent arrears including Universal Credit	Title changed from 'Welfare Reform' and risk description amended to reflect risks associated with loss of income and updated controls in place. Inherent Risk Score reduced from 25 to 20 and Residual Risk Score reduced from 15 to 12 to reflect revised risk and control.
LHRR05	Business Continuity/Disaster Recovery	Risk controls updated to reflect that Business Continuity Plans were reviewed at start of lockdown in response to COVID-19.
LHRR06	Information and Communications Technology	Risk controls updated to reflect current position.
LHRR07	Duke Street resolution	Risk 'Business Plan' replaced with more specific risk regarding business planning assumptions for Duke Street legal resolution.
LHRR08	Implementation of Customer Experience Strategy	Risk revised to reflect Group and Loretto's view that strong customer satisfaction is a key strategic objective. Residual Risk score increased from 6 to 9 in line with Group risk.

Risk Code	Risk Title	Risk title and summary of change
LHRR09	Political and Policy Changes	Risk description and controls updated to reflect Brexit risk and the Group's policy of not building homes for sale.
LHRR11	Laws and Regulations	Risk and controls descriptions updated and reference to FOISA action plan removed.
LHRR14	Building Safety	Risk title changed from 'Financial Cost of Complying with any New Fire Regulations'. Risk and controls descriptions updated to focus on measures in place to protect health and safety of customers and staff. New inherent and residual risk scores.
LHRR15	Investment in existing Loretto Housing Stock	Residual Risk score reduced from a 9 to a 6 to reflect controls in place.
LHRR16	Brexit Trade Deal	Risk title changed from 'Supply Chain' and risk and controls updated to reflect latest position, consistent with Group Strategic Risk Register. New inherent and residual risk scores.
LHRR17	Securing new funding and adverse market changes	Risk title changed from 'Funding Availability' and updated risk and controls to reflect latest position, consistent with Group Strategic Risk Register. New inherent and residual risk scores.
LHRR18	Compliance with funders' requirements	Risk title changed from 'Loan Security' and updated risk and controls to reflect latest position, consistent with Group Strategic Risk Register. New inherent and residual risk scores.
LHRR20	Cyber Security	Risk and controls updated to reflect latest risk and additional controls in place.
<i>Unchanged</i>		
LHRR10	Failure to recruit, develop, retain succession plan	No Change.
LHRR12	Pension Deficit	No Change.
LHRR13	Governance Structure	No Change.
LHRR19	Group Credit Risk Rating	No Change.
LHRR21	Strategic Partnerships	No Change.

6. Key issues and conclusions

6.1 The updated Corporate Risk Register Appendix 1 is presented to the Board for approval.

7. Value for money implications

7.1 There are no direct implications arising from the requested approval of the Corporate Risk Register.

8. Impact on financial projections

8.1 No direct financial implications result from the management and review of the Corporate Risk Register. Any actions taken by management to mitigate risks, which have financial implications, would be presented to the Board separately.

9. Legal, regulatory and charitable implications

9.1 The effective management of risk satisfies the Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management, which requires governing bodies to identify and mitigate risks to the organisation's purpose.

10. Partnership implications

10.1 There are no direct partnership implications arising from this report.

11. Implementation and deployment

11.1 The Board has responsibility for the management and monitoring of its corporate risks. However, it is incumbent upon all management teams and employees to embrace "good practice" risk-management principles at all times.

12. Equalities impact

12.1 There is no impact to equalities arising from this report.

13. Recommendation

13.1 The Board is asked to agree and approve the revised corporate risk register.

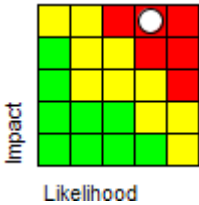
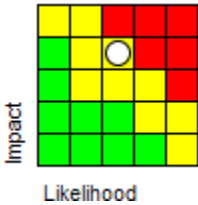
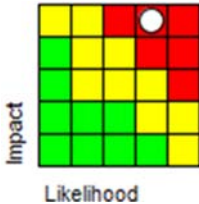
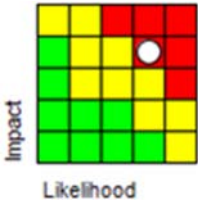
List of Appendices

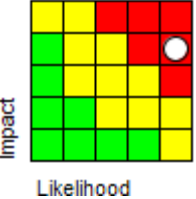
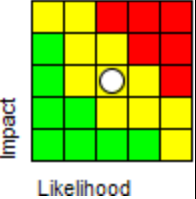
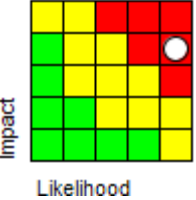
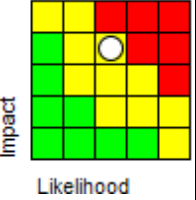
Appendix 1 – Loretto Housing Corporate Risk Register – Draft for Approval

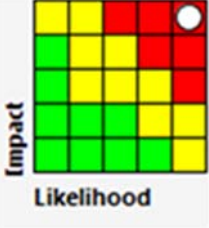
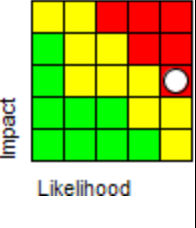
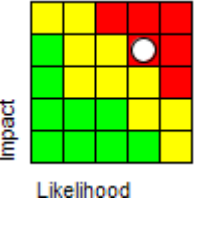
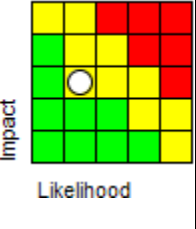
Appendix 2 – Risk scoring definitions

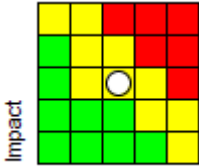
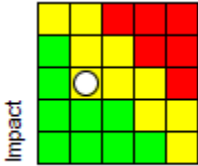
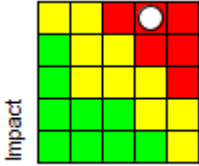
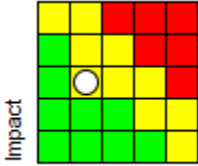
Appendix 3 – Risk Appetite definitions

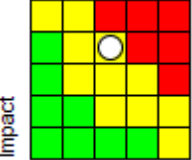
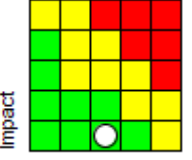



Loretto Housing Corporate Risk Register November 2020

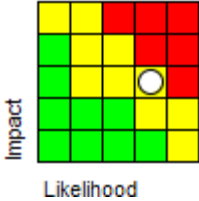
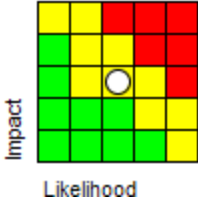
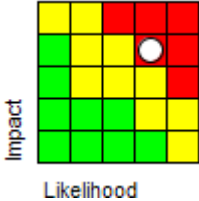
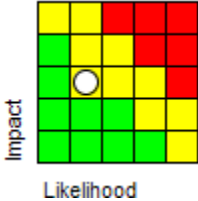
Code & Title	Description	Inherent risk score (no controls)	Existing Controls / Monitoring & Check	Residual Risk score (with controls)	Risk Appetite
LHRR01 Review of the My Repairs	<p>Financial and operational performance – Failure to achieve agreed financial performance targets could lead to increase operational and financial risk to Loretto Housing.</p> <p>Operating environment and cultural change – Moving from a client / contractor relationship to a single operating vehicle will naturally bring a change in culture. This could lead to increased operational risk in time taken to embed new operating processes and different ways of working.</p> <p>Clarity on roles, responsibilities and access rights – A lack of clarity on roles and responsibilities leads to operational inefficiency and poor decision making, impacting on both customers and staff.</p> <p>My repairs may not delivery customer satisfaction</p>		<p>Financial monitoring by ET (monthly), Group Board (quarterly); Monitoring of operational effectiveness by My Repairs Senior Management, ET and Assurance team.</p> <p>Organograms detailing operating and reporting structures to be developed and made available to all staff.</p> <p>Rigorous governance and oversight of operational and financial performance.</p> <p>My Repairs Senior Management and My Repairs HR personnel regularly meet with Trade Union representatives to discuss staff satisfaction, morale and concerns which need addressed. Meetings with Trade Unions are minuted and actions addressed in a timely manner. Outcomes are subject to robust monitoring by HR.</p> <p>Savills Review</p> <p>Evaluation taking place into potential structure changes which could mirror more of a supplier/contractor model.</p>		Open
LHRR02 Post-2021 Housing Policy and Grant availability	<p>There is a risk that a reduction in the availability of grant (both in terms of availability and allocation levels) resulting from a change in Scottish Government Housing Policy after 2021, results in a failure to fully deliver the new build programme and other investment objectives set out within the 2021 – 2026 Strategy.</p>		<p>Wheatley Group staff are meeting with Scottish Government representatives regularly to proactively present the case for housing investment to Ministers and senior officials directly and through our representative bodies SFHA and CIH.</p> <p>Financial scenario planning in place to understand potential impact on the new build programme and other investment requirements of a variety of reduced grant allocation scenarios.</p>		Cautious (TBC)

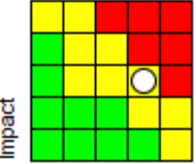

Code & Title	Description	Inherent risk score (no controls)	Existing Controls / Monitoring & Check	Residual Risk score (with controls)	Risk Appetite
<p>LHRR03</p> <p>Care and support Services</p>	<p>A failure in the care of an individual could result in serious personal harm, leading to risk to life and limb, financial liability and loss of future work due to reputational damage.</p> <p>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.</p> <p>27% of Loretto Housing income comes from Loretto Care Service Users. therefore the lack of clarity or understanding, and monitoring of, the care political and financial landscape by officers across the Group and the Group Board could result in reduced/loss of financial income and reputation for Loretto Housing. With the increase of self directed support available to service users, there is a risk that People We Work For leave to use alternative services, including other Housing providers.</p>	 <p>Impact</p> <p>Likelihood</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>Review of Group Care Services to take place in 2019 to move towards a single Care vehicle.</p> <p>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.</p>	 <p>Impact</p> <p>Likelihood</p>	<p>Cautious</p>
<p>LHRR04</p> <p>Rent arrears including Universal Credit</p> <p>Welfare Reform</p>	<p>The impact of Covid-19, as well as the continued expansion of Universal Credit, continue to impact on our rental income stream and increase our arrears.</p> <p>This also has negative impacts for customers, with increasing financial hardship.</p> <p>Welfare Reforms such as Universal Credit reduce our guaranteed income stream from Housing Benefit and potentially the overall percentage of rent</p>	<p>New score:</p>  <p>Impact</p> <p>Likelihood</p> <p>Prior score:</p>	<p>Staff across the Group – including frontline housing teams, the customer service centre and communications – run ongoing campaigns and programmes of contact with customers affected by financial hardship and with problems in paying their rent, whether caused as a result of Covid-19, the wider issues with Universal Credit or for other reasons.</p>	<p>New score:</p>  <p>Impact</p> <p>Likelihood</p> <p>Prior score:</p>	<p>Averse</p>

Code & Title	Description	Inherent risk score (no controls)	Existing Controls / Monitoring & Check	Residual Risk score (with controls)	Risk Appetite
	collected, which may adversely impact the Group's cash flow, leading to a reduction in lenders' confidence and increased poverty and affordability issues for our customers.		<p>This includes a dedicated Universal Credit team, use of GoMobile for staff to assist customers with online transactions and working with partners to influence the UK and Scottish policy and funding environment.</p> <p>Our small housing patch sizes provide a key mitigation, allowing staff to work proactively with customers before their debts become unmanageable, drawing in Wheatley 360 support services such as welfare benefits advice, as required.</p> <p>The Group business plan also contains a significant buffer within its assumptions for risk in relation to bad debts and rent arrears.</p> <p>Group Universal Credit team formed, which is providing support and analysis as follows:</p> <ul style="list-style-type: none"> - Understand customers better, target resources to weaker areas - Tenancy sustainment funding in place - Understand Universal Credit customers and impact on arrears - Detail UC dashboard in development. - Improved reporting to Board on UC. - Use of GoMobile to help assist customer with UC 		
LHRR05 Business Continuity / Disaster Recovery	Loretto Housing does not have adequate or tested Business Continuity / Disaster Recovery plans in place for key business activities, (for example: repairs service, care provision/staff cover, customer payment systems/technology) including those with significant contractors, resulting in significant disruption to service and avoidable reputational damage.		<p>A business continuity implementation Group is responsible for collating, reviewing and designing the Group's Disaster Recovery and Business Continuity Plans.</p> <p>A programme for annual live testing of these plans exists and is monitored by Lead Director.</p> <p>Business Continuity Plans were reviewed at start of lockdown in response to COVID-19.</p>		Averse

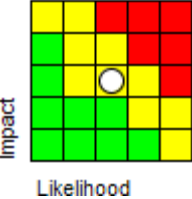
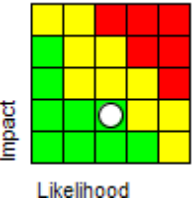
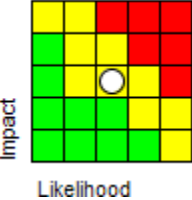
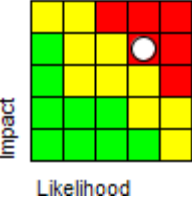
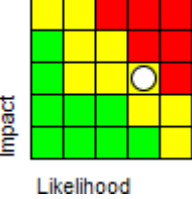
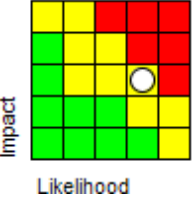
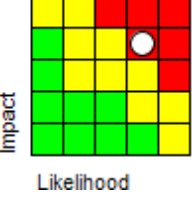
Code & Title	Description	Inherent risk score (no controls)	Existing Controls / Monitoring & Check	Residual Risk score (with controls)	Risk Appetite
			Group would be available to support any immediate issues relating to service delivery for customers. A specific Loretto Housing Business continuity plan is currently being developed by Loretto's Head of Housing		
LHRR06 Information and Communications Technology	Failure to transform services by the innovative use of Information and Communications Technology to keep pace with the changing demands of internal and external service users.	 <p>Impact</p> <p>Likelihood</p>	<p>A Group IT & Digital Strategy (2017 – 2020) is in place. which details key delivery milestones to be achieved by responsible managers. New projects have been delivered – Go Mobile, My Housing, iWorld upgrade.</p> <p>Infrastructure and project management disciplines are now embedded with key elements of the strategy having already been implemented (e.g. Go Mobile, new Group and subsidiary websites and MyHousing). The ET and Wheatley Board continue to monitor the delivery of the Strategy. Group Assurance to provide assurance over the progress of key projects within the Strategy with reports going to the Audit Committee. Proposed Actions: New technology strategy for 2021-26 is being drafted.</p>	 <p>Impact</p> <p>Likelihood</p>	Cautious
LHRR07 Business Plan	Assumptions in the Business Plan are not achieved, either through income being less or costs higher than projected. Failure to deliver against assumptions could restrict Loretto Housing' ability to generate funding, leading to stagnating position. At present there is an increased risk on some business plan assumptions such as inflation due to volatility in the British economy post Brexit.	 <p>Impact</p> <p>Likelihood</p>	<p>The current policy and political environment brings a degree of uncertainty. Loretto has an established stakeholder management framework in place and relevant Managers will be focussed on responding to changes in policy and administration as they arise. Monthly Senior Management meeting with Executive Director and Finance Manager to monitor progress and delivery of Business Plan. Ongoing legal situation with Duke Street property but Prudent assumptions have been used for the Financial Plan. These were approved at the February 2019 Board.</p>	 <p>Impact</p> <p>Likelihood</p>	TBC

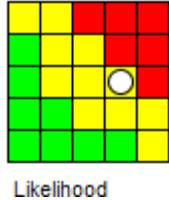
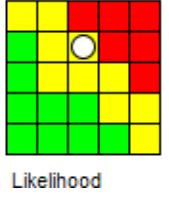
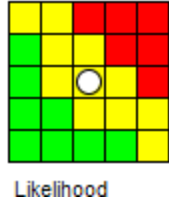
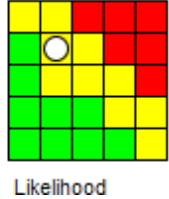
Code & Title	Description	Inherent risk score (no controls)	Existing Controls / Monitoring & Check	Residual Risk score (with controls)	Risk Appetite
LHRR07 Duke Street resolution	Ongoing legal situation with Duke Street site has unanticipated outcomes for Loretto Housing, including future financial implications, which may impact on the delivery of business objectives.		<p>Duke Street costs are now included in the Wheatley Group business plan. The financial impact for Duke Street in 2020 relates to ongoing external legal costs, counsel costs for court appearances and technical costs, all consultancy/legal revenue costs and all held at the Group Development Team, which will continue until resolution.</p> <p>The Development Team will coordinate and mediate on both legal counsel and technical support over the next 6 months to bring the ongoing issues to a conclusion before this can be progressed within Loretto at a local level.</p> <p><u>Planned activity</u></p> <p>Finance to provide an update on completion of the 2021 business plan.</p>		TBC
LHRR08 Customer satisfaction Implementation of Customer Experience Strategy	<p>Customers do not feel our homes and services meet their needs and/or the standards they expect, leading to declining customer satisfaction.</p> <p>Changing internal and external factors influence the customer profile and needs across the Group. This includes all areas of our business (e.g. housing, care, commercial operations and support services). If all these areas are not well understood by the Group, then service development and growth opportunities may be pursued which may not reflect the needs of our customers.</p>		<p>Customer service excellence is a key element of the 2015-20 group strategy, with annual customer satisfaction surveys to help us understand customer views and detailed action plans to address feedback every year. This will continue as part of our 2021-26 strategy, augmented by a range of new approaches to improve satisfaction among particular target groups such as young families.</p> <p>Small housing officer patch sizes of 1:200 allow housing staff to deliver personalised services under the ThinkYes approach.</p> <p>Our housing stock investment programme includes provision for addressing customer priorities.</p> <p>Customer insight research project lead by the Strategic Policy and Development Team. This is further informed by our customer segmentation</p>	<p>New score:</p>  <p>Prior score:</p> 	TBC

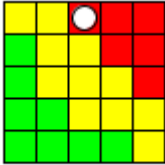
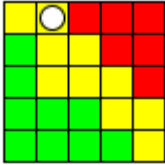
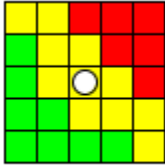
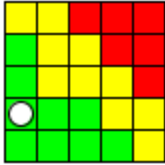
Code & Title	Description	Inherent risk score (no controls)	Existing Controls / Monitoring & Check	Residual Risk score (with controls)	Risk Appetite
			<p>model, drawing live external data from a range of sources.</p> <p>In terms of specific areas, Housing Officers collect customer data in customer conversations which are logged in Go Mobile. Care Managers have on-going discussions with People They Work For, the commercial strategy considers the economic landscape and Group support services meet with internal customers to better understand their needs and have setup frameworks to monitor customer feedback and satisfaction.</p> <p>A new customer value delivery plan is being developed which will set out action plans relating to customer experience from 2020-25 in line with the Group Strategy</p>		
LHRR09 Political and Policy Changes	<p>The risk that political and policy changes (within Scotland and the UK) affect the ability of Loretto Housing to deliver strategic objectives resulting in significant adverse reputational impact.</p> <p>For example: Brexit will result in the withdrawal of EU grant funding which will affect the Group's total income.</p>	 <p>Impact</p> <p>Likelihood</p>	<p>The current policy and national political environment (e.g. Brexit) brings a degree of uncertainty. Loretto Housing has an established stakeholder management framework in place and relevant Managers will be focussed on responding to changes in policy and administration as they arise.</p> <p>The Group's policy of not building homes for sale also mitigates potential property market risk.</p>	 <p>Impact</p> <p>Likelihood</p>	Averse
LHRR10 Failure to recruit, develop, retain, and succession plan	<p>Failure to recruit, develop, retain and succession plan for high quality / qualified staff, resulting in reduced levels of service provision, staff not competent to perform their job to expected standard and achieve strategic objectives.</p>	 <p>Impact</p> <p>Likelihood</p>	<p>My Contribution process in place for all staff / Training Logs for all staff / Training courses at the Academy and online through the My Academy / Leadership Development programme / Succession Planning and talent management programme / HR policies on recruitment and selection / Employee satisfaction surveys. Succession Plan (including for Executive Team members) monitored on an on-going basis.</p> <p>Review of 'Leaders of the Future' programme. IGNITE graduate programme in place to bring in young talent established.</p>	 <p>Impact</p> <p>Likelihood</p>	Open

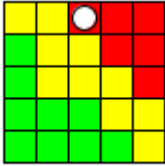
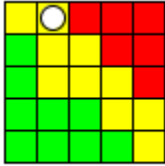
Code & Title	Description	Inherent risk score (no controls)	Existing Controls / Monitoring & Check	Residual Risk score (with controls)	Risk Appetite
LHRR11 Laws and Regulations	<p>Non-compliance with statutory <u>laws and regulations</u>, including but not limited to: (i) Scottish Housing Regulator and Care Inspectorate regulations, (ii) Financial Conduct Authority (FCA) regulations, (iii) compliance with Health and Safety Building Regulations, (iv) Freedom of Information (Scotland) Act, and (v) General Data Protection Regulations resulting in adverse feedback, loss in confidence from Regulator, the Scottish Information Commissioner, Freedom of Information Act, compliance with General Data Protection Regulation (2018), funders, customers and potential partners, as well as potential fines and penalties.</p>	 <p>Impact</p> <p>Likelihood</p>	<p>A Group wide Scottish Housing Charter Assurance process is being established supported by the Tenant Scrutiny Panel reviewing outcomes;</p> <p>FCA regulations are considered when new products and services are developed;</p> <p>Qualified personnel undertaking capital improvement works as well as suitable sign off and compliance checks of new installations (e.g. external wall coverings), to ensure these meet relevant building standards;</p> <p>New product offerings follow a clear route to governance, with approval required from the Executive Team before formal approval is requested from the Group Board;</p> <p>Regular reporting to Boards on outcomes of Care inspections and completion of action plans following every inspection;</p> <p>Legal and financial advice is obtained for all financial offerings to customers;</p> <p>Compliance Plan monitored on an on-going basis and any issues raised to Executive Team and Audit Committee on an exceptions basis. The Group has on-going relationship management with Regulator;</p> <p>Group wide approach to how the Group manages information; and Privacy Impact Statements to be implemented across the Group.</p> <p>FOISA Action Plan</p> <p>Information Governance Steering Group. Updates on Laws and Regulations taken to Board. Annual assurance statement provides a source of assurance against noncompliance.</p>	 <p>Impact</p> <p>Likelihood</p>	Averse

Code & Title	Description	Inherent risk score (no controls)	Existing Controls / Monitoring & Check	Residual Risk score (with controls)	Risk Appetite
LHRR12 Pension deficit	Pension deficit - risk that Loretto cannot afford the potential additional contributions to the Pension Fund.	<p>Impact</p> <p>Likelihood</p>	The potential risk of paying additional contributions has been monitored. Pension Fund Managers have intimated that there will be no increase to employer's contribution in the short to medium term. In the meantime, this risk will continue to be monitored.	<p>Impact</p> <p>Likelihood</p>	Open
LHRR13 Governance Structure	<p>The <u>governance structure</u> is not clearly defined, is overly complex and lack of appropriate skills at Board and Committee levels to govern the Group effectively.</p> <p>Failure of corporate governance arrangements could lead to serious service and financial failures.</p>	<p>Impact</p> <p>Likelihood</p>	<p>Senior Management and staff have clearly defined roles to deliver profits and other key measures. E.T and Loretto Board continue to monitor performance against the strategy and business plan.</p> <p>The Group's authorising environment has been agreed and the Corporate Strategy highlights the importance of the need for continual Board development enabling the Board and Committee members to remain strategically focused, and governance training is provided as appropriate. Formal succession planning for tenant Board members being developed. Governance arrangements regularly reviewed by external consultants, internal and external audit functions.</p>	<p>Impact</p> <p>Likelihood</p>	Cautious
LHRR14 Building safety Financial cost of complying with any new Fire Safety Regulations	<p>The risk that the health and safety of our customers and staff is put at risk through failure to comply with all relevant building health and safety rules.</p> <p>The continuously changing nature of regulations and guidance in this area, for example in relation to fire safety, elevates the risks in relation to continuing compliance.</p> <p>Changes to building safety / fire safety regulations / Fire Services advice (e.g. changes to evacuation guidelines) results in (i) financial strain in complying with new additional fire safety regulations, (ii) strain on bond and loan covenant ratios and (iii) significant financial costs in terms of potential penalties as well as costs to comply with new regulations</p>	<p>Impact</p> <p>Likelihood</p>	<p>-Business Planning to provide for any additional costs.</p> <p>-External review, commissioned by the Assurance Team, of our Fire Safety arrangements every 2 years.</p> <p>-Community Improvement Partnership focused on fire prevention and education.</p> <p>-Business Continuity Plans.</p> <p>-Fire Prevention and Mitigation Framework, including our approach to high rise block inspections and Fire Risk Assessments.</p> <p>-Fire Risk Assessments.</p>	<p>New score:</p> <p>Impact</p> <p>Likelihood</p> <p>Previous Score:</p> <p>Impact</p> <p>Likelihood</p>	Averse

Code & Title	Description	Inherent risk score (no controls)	Existing Controls / Monitoring & Check	Residual Risk score (with controls)	Risk Appetite
LHRR15 Investment in existing Loretto Housing stock	Risk that under investment in existing stock may have an impact on overall customer satisfaction		<p>5 Year Investment Plan agreed</p> <p>Monitor satisfaction of Quality of Home in annual Customer Satisfaction Survey</p> <p>Consider customer priorities for investment as part of locality planning process</p>	<p>New score: 12 (Yellow)</p>  <p>Previous Score: 12 (Yellow)</p> 	Open
LHRR16 Brexit trade deal Supply Chain	<p>The absence of a Brexit trade deal could result in restrictions to free trade, which could adversely impact the Group and its contractors' supply chains. Specific risks relate to availability / cost of materials and / or availability of trades.</p> <p>This could result in increased costs for new build and property investment works.</p> <p>A potential no deal Brexit and/ or poor Brexit deal could result in the end of, or service restrictions to trade, which could adversely impact the Group and its contractors supply chain. Specific risks relate to availability / cost of materials and / or availability of trades.</p> <p>This could result in;</p> <p>(i) Repairs service—delays in completions;</p> <p>(ii) Investment programme—delays / cost increases</p> <p>(iii) New build—delay to meet delivery targets / increased costs;</p> <p>(iv) Operational Supplies—delays in delivery / cost increases</p>	<p>New score: 12 (Yellow)</p>  <p>Previous Score: 12 (Yellow)</p> 	<p>General Procurement procedures include assessment of suppliers' financial health. 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.</p> <p>Repairs Service Manage stock levels 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</p> <p>Investment Programme Manage stock levels of components and materials. Engagement with key suppliers</p> <p>New Build</p>	<p>New score: 12 (Yellow)</p>  <p>Previous Score: 12 (Yellow)</p> 	Cautious

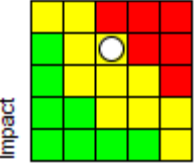
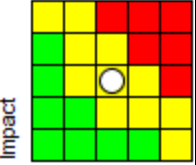
Code & Title	Description	Inherent risk score (no controls)	Existing Controls / Monitoring & Check	Residual Risk score (with controls)	Risk Appetite
			<p>Procurement with fixed tender costs for 2019/20 site starts. New framework in procurement to maintain competitiveness</p> <p>Engagement with SG on cost increase impact on grant applications</p> <p>Monthly project monitoring to identify early issues relating to materials availability. Consideration of long term mitigation e.g. change of specification to locally sourced materials and components where practicable.</p> <p>Monitor availability of trades on site – consider increased site monitoring to ensure quality of workmanship.</p> <p>Operational Supplies</p> <p>Utilisation of Group and 3rd party frameworks to minimise price increase risk Engagement with key suppliers on stock levels.</p>		
<p>LHRR17</p> <p>Securing new funding and adverse market changes</p> <p>Funding Availability</p>	<p>Wider economic and/or political conditions could cause <u>deterioration in the funding market</u>, for example another banking crisis or constitutional changes causing investor uncertainty. This could limit our ability to raise borrowing at cost-effective rates or raise the required funds to meet our liquidity Golden Rules, thereby increasing the risk that <u>we do not have enough available cash</u> to meet our commitments or achieve our business plan objectives.</p> <p>The Groups new £185m EIB loan has a clause that means it may no longer be available should the EIB's treaty privileges and immunities not be continued post Brexit. These are contained in the draft Withdrawal Agreement so may be at risk in a no-deal scenario.</p>	<p>New score:</p>  <p>Prior score:</p> 	<p>Our strategy is to diversify funding sources and relationships, providing a range of options for future funding in the event of adverse funding market changes.</p> <p>Our liquidity Golden Rules are designed to ensure that we have sufficient cash available for 15 months + 25% contingency, and this rule is re-assessed annually by the Group Board. Compliance with these is reported to the Group and WFL Boards quarterly.</p> <p>We do not borrow in currencies other than sterling to reduce exchange rate risks, including in the event of a potential future change in currency, nor do we borrow from non-UK domiciled investors (with the exception of the EIB).</p> <p>The Group's Internal Rate of Return (for appraising and approving projects) will be</p>	<p>New score:</p>  <p>Prior Score:</p> 	<p>Averse</p>

Code & Title	Description	Inherent risk score (no controls)	Existing Controls / Monitoring & Check	Residual Risk score (with controls)	Risk Appetite
			<p>revised when finance costs increase to ensure new build projects do not become loss-making.</p> <p>Legal mitigations agreed in contract — cancellation of the loan is not automatic, EIB has the right to negotiate alternative mitigations if it wishes. We have drawn £85m of the £185m facility. We consider the risk to cancellation of availability to be higher than cancellation of drawn funds.</p> <p>Maintenance of strong relationship with EIB — we maintain regular contact and support EIB widely, eg in events in other member states, to cement our status as potentially a special case/relationship and our new relationship manager is known to the WHG Finance team.</p> <p>Significant alternative funding streams put in place late 2018 to provide a liquidity buffer — this includes c£150m of new funding to provide c2 years of cash requirement even without EIB. This funding boost was a key determinant in the S&P upgrade from negative to stable outlook.</p>		
<p>LHRR18 Compliance with funders' requirements Loan Security</p>	<p>Failure to meet/maintain the <u>requirements of funders and investors</u> could have a range of impacts, from default on loan agreements (i.e. covenants) to general loss of confidence. This could adversely impact on our ability to raise new funding to deliver strategic objectives.</p> <p><u>Loan security</u> In the event of a significant housing market downturn, the value of our assets held as security for our loans could fall. This principally affects properties valued at the Market Value — Subject to Tenancy ("MV-ST") basis. We have £794m of security valued at MV-T, and £1,135m at the lower, discounted cash flow basis of Existing Use Value — Social Housing ("EUV-SH").</p>	<p>New Score:</p>  <p>Likelihood</p> <p>Prior score:</p>  <p>Likelihood</p>	<p>Regular meetings with funders and investor representatives to update on financial status of the Group.</p> <p>Financial performance monitored monthly and covenant compliance reviewed quarterly by the Group Board, before being submitted externally to funders.</p> <p>Covenant compliance monitoring tool introduced by Finance.</p> <p>Financial performance is monitored on an ongoing basis through monthly reporting cycle and Group/subsidiary Board review of management accounts.</p>	<p>New Score:</p>  <p>Likelihood</p> <p>Prior Score:</p>  <p>Likelihood</p>	<p>Averse</p>

Code & Title	Description	Inherent risk score (no controls)	Existing Controls / Monitoring & Check	Residual Risk score (with controls)	Risk Appetite
			<p>Subsidiary and Group Business Plans are subject to annual updates and review by respective Boards. In addition, ongoing dialogue is maintained with relevant credit rating agencies in order to mitigate the risks of unexpected rating changes.</p> <p>We currently have £128m of unencumbered stock on an EUV-SH basis available to charge as additional security (which would take 6-9 months to legally secure). MV-T stock requires a higher asset cover ratio than EUV-SH stock, so depending on any fall in value we may “flip” some stock to an EUV-SH basis. We continue to discuss any valuation impacts with our valuer JLL and have run a number of scenarios which show that we could reallocate existing stock and secure unencumbered stock (albeit with a time lag) to mitigate even the Bank of England’s no-deal downside case of a 26% fall in house prices.</p>		
LHRR19 Group Credit Rating	<p>The Group’s <u>credit rating</u> is downgraded, adversely impacting our ability to raise funds on the capital markets or potentially impacting on the cost of debt to the Group.</p> <p>External factors such as a no-deal Brexit could lead to a down grade in the Group’s credit rating. This could trigger potential prepayment of our European Investment Bank loans if the rating falls to BBB+ or below.</p>	 <p>Likelihood</p>	<p>The Group’s business plan is designed to maintain a strong stand alone 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.</p> <p><i>Mitigation drafting used in legal clauses</i> - 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).</p> <p><i>Negotiation period</i> – 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.</p> <p><i>Standby funders to replace EIB if necessary</i> - A strong relationship is maintained with EIB to mitigate future risk from external factors causing a credit rating downgrade. Strong investor/lender</p>	 <p>Likelihood</p>	Averse

Code & Title	Description	Inherent risk score (no controls)	Existing Controls / Monitoring & Check	Residual Risk score (with controls)	Risk Appetite
			relationships are maintained with a number of other organisations at all times in case of unanticipated funding need.		
LHRR20 Cyber Security	<p>The Group's approach to <u>Cyber Security</u> is not robust and staff are not actively engaged due to culture or poor staff understanding; or knowledge of the subject, the Group's response to it or their individual role.</p> <p>A lack of compliance with the approach and arrangements made could lead to greater opportunity for cyber-attack, resulting in unplanned system downtime, data loss, reputational damage, customer dissatisfaction and potential legislative or regulatory breach.</p> <p>Exposure to increased cyber security attacks and threats increases the potential to lose sensitive customer information, leading to financial penalties and significant reputational damage for Loretto Housing.</p>		<p>IT Cyber security live tests undertaken and results reported to ET and Group Board. Security 101 training has been completed by staff</p> <p>Group IT has an information and cyber security approach that covers i) overall Information Security Policy for Group, and ii) staff engagement and training across 5 key learning themes.</p> <p>Established processes across key risk areas: Information Security Response / Access Controls / Secure Disposal / Group Data Protection Policy / IT Cloud Services Policy / Vendor Security Assessments.</p> <p>Group IT is externally assessed annually on information security and IT general controls via 3rd party auditors.</p> <p>A Bi-Annual cyber security assessment is conducted by NCC across 20 key control areas.</p> <p>An internal Information Security Working Group has been established within technical teams across Group IT.</p>		TBC
LRR21 Strategic Partnerships	Loretto Housing have strategic partnerships in place where stock is leased to partners. Should Loretto Housing not receive the rental income for these properties this could result in reduced growth opportunities and propose a risk.		Robust performance monitoring arrangements are in place to monitor expected outcomes. These outcomes will be monitored as part of the project management agreements relating to the partnership with Loretto Housing. Performance will also be monitored by Loretto Housing and Group Boards.		Open

Code & Title	Description	Inherent risk score (no controls)	Existing Controls / Monitoring & Check	Residual Risk score (with controls)	Risk Appetite
LRR22 Commercial Operations	Failure to achieve financial growth returns in our <u>commercial operations</u> such as Lowther Homes and YourPlace. This results in reduced surpluses available to support the Group's charitable activity, in particular through the Wheatley Foundation.		<p>Robust monitoring arrangements in place to appraise the operational performance and delivery of strategic objectives; and</p> <p>Levels of performance are monitored by Divisional Management Teams (DMTs), Executive Team (ET) and the relevant Boards as well as Group Board.</p>		Open
LRR23 New operating model implementation	The implementation of a new operating model as we emerge from the Covid-19 crisis, including changing staff patterns/places of work, reducing the number of offices and placing greater reliance on technology could be poorly implemented and communicated, leading to staff disengagement and lack of support from our trade union partners.		<p>Once the Group Board agrees any changes, a detailed implementation and communications plan will be developed prior to starting any change process.</p> <p>Trade union partners will be consulted in detail and changes will only proceed with their support.</p>		Open
LRR24 Service remobilisation post Covid-19	<p>A lack of clear planning, coherence and communication with staff and customers in our service remobilisation planning as we move through the Scottish Government's Covid recovery phases could lead to:</p> <ul style="list-style-type: none"> • poor or inconsistent service outcomes • customer and staff confusion and frustration, including an increase in complaints • risks to customer and staff health and safety (for example if PPE requirements are not properly understood and delivered) • deterioration in trade union and stakeholder relationships 		<p>Service remobilisation plans must meet strict criteria and be approved by the Exec Team. Governance oversight is provided by all Boards. Services cannot move between different stages of remobilisation without a full review of lessons learned from the previous stage and a further gateway approval from the Exec Team.</p> <p>The following are key components of each service's remobilisation plans and must be approved by the Exec Team at each stage:</p> <ul style="list-style-type: none"> • Health and safety implications/forecast requirements of PPE can be met • Furloughing implications are agreed and understood • Customer views from the previous stage service model have been assessed and any lessons learned understood 		Cautious

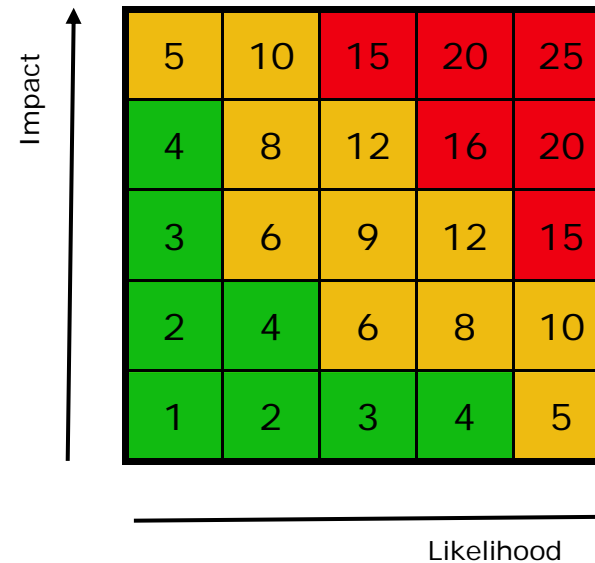
Code & Title	Description	Inherent risk score (no controls)	Existing Controls / Monitoring & Check	Residual Risk score (with controls)	Risk Appetite
			<ul style="list-style-type: none"> Trade union partners have endorsed the proposals for remobilisation 		
LRR25 Ongoing threat of future waves of Covid-19	The risk of future waves of Covid-19 along with the risk of a second period of lockdown; potentially through winter months.	 <p style="text-align: center;">Likelihood</p>	<p>Through lessons learnt from previous lockdown and remobilisation, services are planning for future waves.</p> <p>In addition, business continuity plans are being revisited to plan for future waves.</p>	 <p style="text-align: center;">Likelihood</p>	Cautious

Impact scoring for strategic risks

Risk Rating Score	Impact Classification	Reputation	Health, Safety and Welfare	Finance
1	Insignificant	Managed/reported to Business Unit Local media (short term duration)	Minor injury cleared with first aid treatment	Up to £100,000
2	Minor	Managed/reported to Departmental Management Team Local media (short/medium term duration)	Reportable dangerous occurrence (near misses)	£100,001 to £500,000
3	Moderate	Managed/reported to Team and Board Members Regional media (short/medium term duration)	Reportable over three day injuries or reportable diseases	£100,001 to £500,000
4	Significant	Regional/National media coverage (medium/long term duration)	Major reportable injury or injuries	£500,001 to £1M
5	Catastrophic	Third Party intervention Public Interest Group National/international media (long term duration)	Fatality or permanent disability	Over £1M

Likelihood scoring

Risk Rating Score	Likelihood Classification	Risk Description
1	Remote	Likely to occur greater than 10 years
2	Unlikely	Likely to occur within 5 to 10 years
3	Possible	Likely to occur within 3 to 5 years
4	Likely	Likely to occur within 1 to 3 years
5	Very Likely	Likely to occur within 1 year



Risk Appetite Definitions

Appendix 3

	1 Averse	2 Minimal	3 Cautious	4 Open	5 Hungry
	Avoidance of risk and uncertainty is a key Organisational objective.	Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.	Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.	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.).	Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk).
Risk Category	Example behaviours when taking key decisions....				
Reputation and credibility	<ul style="list-style-type: none"> Minimal tolerance for any decisions that could lead to external scrutiny. 	<ul style="list-style-type: none"> Tolerance for risk taking limited to those events where there is no chance of significant repercussion. 	<ul style="list-style-type: none"> Tolerance for risk taking limited those events where there is little chance of any significant repercussion should there be a failure. 	<ul style="list-style-type: none"> Appetite to take decisions with potential to expose us to additional scrutiny but only when appropriate steps have been taken to minimise any exposure. 	<ul style="list-style-type: none"> Appetite to take decisions that are likely to bring external scrutiny but where potential benefits outweigh the risks.
Operational and Policy delivery	<ul style="list-style-type: none"> Defensive approach to objectives – aim to maintain or protect, rather than to create or innovate. Priority for tight management controls and oversight with limited devolved decision making authority. General avoidance of systems / technology developments. 	<ul style="list-style-type: none"> Innovations always avoided unless essential. Decision making authority held by senior management. Only essential systems /technology developments to protect current operations. 	<ul style="list-style-type: none"> Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Systems / technology developments limited to improvements to protection of current operations. 	<ul style="list-style-type: none"> Innovation supported, with demonstration of commensurate improvements in management control. Systems / technology developments considered to enable operational delivery. Responsibility for non-critical decisions may be devolved. 	<ul style="list-style-type: none"> Innovation pursued – desire to ‘break the mould’ and challenge current working practices. New technologies viewed as a key enabler of operational activity.
Financial / VFM	<ul style="list-style-type: none"> Avoidance of financial loss is a key objective. Only willing to accept the low cost option. Resources withdrawn from non-essential activities. 	<ul style="list-style-type: none"> Only prepared to accept the possibility of very limited financial loss if essential. VFM is primary concern. 	<ul style="list-style-type: none"> Prepared to accept the possibility of some limited financial loss. VFM still the primary concern but willing to also consider the benefits. Resources generally restricted to core operational targets. 	<ul style="list-style-type: none"> Prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level. Value and benefits considered (not just cheapest price). Resources allocated in order to capitalise on potential opportunities. 	<ul style="list-style-type: none"> Prepared to invest for the best possible reward and accept the possibility of financial loss (although controls may be in place). Resources allocated without firm guarantee of return – ‘investment capital’ type approach.
Compliance – legal / Regulatory	<ul style="list-style-type: none"> Avoid anything which could be challenged, even unsuccessfully. Play safe. 	<ul style="list-style-type: none"> Want to be very sure we would win any challenge. 	<ul style="list-style-type: none"> Limited tolerance for “sticking our neck out”. Want to be reasonably sure we would win any challenge. 	<ul style="list-style-type: none"> Challenge will be problematic but we are likely to win it and the gain will outweigh the adverse consequences. 	<ul style="list-style-type: none"> Chances of losing are high and consequences serious. But a win would be seen as a great coup.

Report

To: Loretto Housing Board

By: Ranald Brown, Director of Assurance

Subject: Assurance Update

Date of Meeting: 9th November 2020

1. Purpose

1.1. This report provides the Loretto Housing Board (“the Board”) with a status update on the delivery of Group’s Internal Audit work for 2020/21.

2. Authorising context

2.1. In accordance with the Group Authorising Framework, the Board is responsible for managing and monitoring Loretto Housing Association’s compliance arrangements and operational performance. The activities undertaken by the Assurance team provide the Board with independent assurance to support this role of the Board.

2.2. The Group Audit Committee has responsibility for instructing and keeping under review the long-term plan for internal audit within the Group, approving the annual Group Assurance Plan (the Plan) and monitoring results as presented in the annual internal audit report and assurance statement.

3. Risk appetite and assessment

3.1. The Board’s agreed risk appetite in relation to Board Governance is “open”, meaning that there is appetite to take decisions that might expose us to additional scrutiny, but only where appropriate steps have been taken to minimise any exposure.

4. Background

4.1. As a result of the COVID19 lockdown in March 2020, the Group Audit Committee agreed to the suspension of the 2020/21 Internal Audit Plan. As a result, the Internal Audit Team was temporarily furloughed.

4.2. There were two reasons for this:

- At the time of a crisis the internal audit plan was not a priority. Continuation of core services was the paramount consideration.
- The Group was best served by internal audit stepping back temporarily and giving business units breathing space to get on dealing with the crisis.

4.3. This was an approach taken by many internal audit functions across the UK.

4.4. To respond to the increased Cyber Security risks associated with COVID19 and our new working practices, an external health check of this area was completed by Scott Moncrieff in July 2020. A summary of the findings are detailed in **section 5** of this report.

4.5. At the August Group Audit Committee, it was agreed that Internal Audit would be remobilised and that the audit approach would be revised to reflect the current working environment. This is detailed in **section 6**.

5. **Cyber Security Review**

Report Summary

5.1. Scott Moncrieff's overall conclusion is detailed below.

5.2. *"IT security over the systems and services that the IT function is responsible for is well established and, as described by management, reflects good practice in many respects. Cyber Security is an organisation wide challenge, and it is important that processes exist to ensure that cyber security risks are being managed across the enterprise, and specifically beyond the areas for which IT is operationally responsible."*

5.3. This report has not been graded as it was a health check.

Scope of Review

5.4. Due to COVID19 restrictions this review was conducted remotely. Information was gathered via a series of detailed interviews. Documentation was provided for review remotely.

5.5. The scope of this work was restricted to the Cyber Security control environment over services provisioned to Group staff by the IT function. As such, a number of services which are not provisioned by the IT function were outside the scope of this review. These services include Payroll, MyHousing, LMS, Capita Payments, AllPay – DirectDebits and Alertacall and are subject to external testing (eg penetration testing) as part of their contract.

5.6. The objective of this review was to provide an independent assessment of the Cyber Security controls in place, understand important changes in this control environment arising from the COVID response and post-COVID planning, and feedback on planned future developments. To support this assessment, control objectives were drawn from the National Cyber Security Centre's Cyber Assessment Framework ("CAF"). Scott Moncrieff assessed controls over the following areas:

A. Managing Security Risk

- Governance
- Risk Management
- Asset Management
- Working from home policies and procedures

B. Protection Against Cyber Attack

- Service Protection Policies and Procedures

- Identity and Access Control
- Data Security
- System Security
- Resilient Networks and Systems
- Staff and Customer Awareness and Training

C. Detect Cyber Security Events

- Security Monitoring
- Proactive Security Event Discovery

D. Minimising Impact of Cyber Security Incidents

- Response and Recovery Planning
- Lessons Learned

5.8 Due to the high-level nature of this review, no testing of the control environment was performed. The objective of this review was to provide feedback on control design as reported by the individuals interviewed. Documentation provided was reviewed to aid the auditor's understanding of the controls discussed, it was not used to support testing of controls.

Findings

5.9 The review highlighted the following areas of good practice:

- For an organisation of this size and complexity, IT security over the systems and services that the IT function is responsible for is well established and, as described by management, reflects good practice in many respects.
- There are IT security policies and processes in place covering areas such as Server Hardening, Patch Management, Back-ups, Disaster Recovery and User Identity and Access Management. There is also a bi-annual National Institute of Standards and Technology (NIST) cyber security review to identify areas for improvement, and external and internal penetration testing of critical services is commissioned. IT security measures are regularly assessed and externally audited with improvements driven by these assessments.
- Anti-malware, firewall, network, desktop and server monitoring software is in place to detect security events and potential security issues.
- A Cyber Security Incident Response Plan (CSIRP) and a defined cyber response team area in place, the CSIRP includes escalation paths and is reviewed annually.
- The IT function reviews security requirements on an ongoing basis and is in the process of considering or implementing a number of initiatives designed to enhance the security control environment. These include, for example, the Security Incident and Event Management Project, engaging with the business in the development of the IT Security control environment and implementing enhanced tools and services to manage Cyber Security threats.

5.10 Scott Moncrieff made three key recommendations to further enhance the Cyber Security control environment across the Group in relation to:

- Introduce a Group wide Cyber Security Oversight to ensure that cyber security risks are being managed across the enterprise, and specifically beyond the areas for which IT is operationally responsible. For example, across the supply chain, within services commissioned and delivered without IT oversight, and across the digital transformation programme.
- Engage wider business leads in Cyber Security decision making to identify and assess security risks arising from across the Digital Programme. The process for identifying and sequencing risk management activity should be set out, and the process for identifying people to be involved in these assessments should be defined.
- Develop further remobilisation planning Cyber Security relating policies and procedures (eg Payment Card Industry Data Security Standards and working from home) to assist staff in the new way of working.

These actions will be considered as part of the Group's wider review of the operating model. Dates for delivering these areas will be agreed as part of that exercise. The agreed dates will be reported to the Group Audit Committee in due course.

6. Post COVID-19 Group Internal Audit Approach

6.1. The August Group Audit Committee agreed the Group's remobilisation plan for Internal Audit services. To prepare for reinstating internal audit work, the Director of Assurance has been working with the Institute of Internal Auditors (IIA) to see how the sector is responding to the "new norm". The agreed approach reflects the sectors current thinking. The following summarises the new approach.

1) Identify high risk-high priority issues to support management determine the most pressing issues that need to be addressed.

2) Tell management internal audit are here to help

3) Become a real-time control adviser to become an active and agile participant in the Group's continuity and recovery actions by providing real-time advisory and control services.

4) Take off our internal audit hat to help the Group with whatever needs to be done; even if that means stepping into roles and tasks that take away internal audit independence.

In summary, the IIA are recommending changes in the previous ways of working and that this is the opportunity to modernise how work is done to make it timely, more relevant and more efficient.

Implementation of the new methodology

6.2. The remobilisation of Internal Audit commenced from 1 August and a number of assumptions were agreed with the Group Audit Committee, as follows:

- The previously agreed **2020-21 Internal Audit Plan** will no longer apply. The Plan will be reviewed in early 2021.
- **Agility** is key – the planned areas of work will be subject to ongoing review and will be revisited quarterly and agreed with the Group Audit Committee.

- **Internal audit outputs will be different** – our usual reports (with gradings) will change to real time and shorter outputs. Findings will not be graded at this time, as we do not want to be seen as criticising people. Instead, we need to be supportive in setting up systems that are appropriate for this challenging time.
- Our **initial 3 months** work will focus on supporting Directors developing an appropriate control environment for new systems that are required immediately (eg health and safety and fire safety).
- More focus will be on **data analytics** to provide assurance on key cycles (we will use our IDEA software) initial areas will be on expenditure and staff payroll exception reports.
- Most work will be done **remotely**.
- **Follow up** of outstanding recommendations will be done later on in the year.
- **Streamlined Audit Committee reporting** – to focus in on key areas during recovery stage.

6.3. The agreed workplan up to 30 November focuses on the following areas:

- Fire Risk Management Arrangements
- Post COVID19 Gas Safety Arrangements
- Post COVID19 Health and Safety Arrangements (including PPE arrangements relating to Care and Emergency Repairs)
- Supporting Managing Directors in updating their Risk registers

6.4. The findings of these reviews, along with the proposed rolling 3 month Internal Plan, will be reported to the November Group Audit Committee. A summary of these reviews will be reported to Subsidiary Boards in early 2021. If there are any significant findings, these will be reported to the relevant Subsidiary Board Chair when they arise.

7. Value for money implications

7.1. Through more focused, responsive planning activity, the Assurance team's work can be directed to those reviews which are more complex, resulting in greater added value to the Group to support the value for money objectives.

8. Impact on financial projections

8.1. There are no financial implications as delivery involves a redirection of resources within the Assurance Team.

9. Legal, regulatory and charitable implications

9.1. The SHR Regulatory Standards require RSLs to have an internal audit function. Undertaking Assurance activity satisfies the Scottish Housing Regulators' Regulatory Standards of Governance and Financial Management which requires governing bodies to identify and mitigate risks to the organisation's purpose.

10. Partnership implications

- 10.1. There are no direct partnership implications identified within this report. In 2020/21 we will continue to work in partnership with Glasgow City Council's Internal Audit team and City Building Glasgow to provide the Group Audit Committee with comfort on the strength of City Building's control environment.

11. Implementation and deployment

- 11.1. Implementation and deployment of the Plan will be led solely by the Group Assurance Team. Implementation of actions arising from Assurance activity will be the responsibility of the action owners identified within individual audit reports.

12. Equalities impact

- 12.1. This report does not require an equalities impact assessment.

13. Recommendation

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

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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.	This year's statement takes into account the (time limited) updates to 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	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.	<p>In practical terms the Group operates a 4 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.</p> <p>In these particular areas where there is defined legislation, we have Group wide policies which codify how we will meet out legislative requirements. Policies are reviewed by expert internal staff and, where appropriate, by external advisors.</p> <p>The Group employs sufficiently qualified individuals to effect the policies, including legal, health and safety and housing.</p> <p>Legal implications set out in all Board reports to ensure any obligations are identified - supported by a team of in house solicitors and external legal advisors.</p> <p>This area has remained under review during</p>	<p>Group policies and associated documents</p> <ul style="list-style-type: none"> - 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 Policy Framework <p>Board reporting</p> <ul style="list-style-type: none"> - Group Health and Safety policy Board report, followed by update reports and specific reports relating to the pandemic - Board 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 <p>Independent assurance</p> <ul style="list-style-type: none"> - Internal Audit activity <p>External assurance</p> <ul style="list-style-type: none"> - 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.		Not applicable
Make its Engagement Plan easily available and accessible to its tenants and service users, including online.	<p>Scottish Housing Regulator Engagement Plans are available on each RSL website.</p> <p>Copies are also available on request from any Local Office.</p>	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.	<p>Privacy Impact Statements confirm the purposes for which we hold and use data, including for regulatory requirements.</p> <p>All RSLs are registered with ICO.</p>	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 reviewed and agreed by relevant Boards and reviewed internally against the SHR technical guidance.	The SHR Portal documents receipt of our ARC return and the SHR also publishes our Charter return on their website.	Compliant

<p>Involve tenants, and where relevant other service users, in the preparation and scrutiny of performance information. It must:</p> <ul style="list-style-type: none"> - ' 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. 	<p>At the most senior level, we have tenants on our Boards and, within GHA, we have Area Committees.</p> <p>The ongoing level of involvement of our Local Committees, Registered Tenant Organisations, Communities of Interest and Scrutiny Panel has been impacted for part of the year by the pandemic, however the approach itself is established and embedded. The extension of the deadline of the Annual Report to Tenant to the end of the calendar year will allow us to engage the Scrutiny Panel in its preparation.</p>	<p>Governance Framework</p> <ul style="list-style-type: none"> - RSL constitutions reserving Board places to tenant members - GHA Area Committee Terms of Reference - Stronger Community Voice consultation document <p>Board/Committee/Forum discussions and reporting</p> <ul style="list-style-type: none"> - Area Committee reports and minutes - Group Scrutiny Panel meeting agendas <p>External</p> <ul style="list-style-type: none"> - Quality Scotland external independent support provided to Group Scrutiny Panel <p>Other</p> <ul style="list-style-type: none"> - RSL websites publicly set out the report 	Compliant
<p>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.</p>	<p>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 is not due to be issued until the end of December in line with the updates to the SHR Regulatory Framework.</p>	<p>Prior year published Annual Report to Tenants</p>	Compliant
<p>When reporting its performance to tenants and other service users it must:</p> <ul style="list-style-type: none"> - 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. 	<p>Included in the last Annual Report to Tenants and will be incorporated in this year's, due by the end of December. The relevant comparisons will be dependent on the availability ARC performance data for the sector.</p>	<p>Annual Report to Tenants issued in October 2019.</p>	Compliant
<p>Make the SHR report on performance easily available to its tenants, including online.</p>	<p>This is published via our website</p>	<p>Performance published on RSL websites (Home/About us/How we do business/Performance)</p>	Compliant
Whistleblowing			
<p>Have effective arrangements and a policy for whistleblowing by staff and governing body/elected members which it makes easily available and which it promotes.</p>	<p>We have a Group Whistleblowing policy in place. The policy is available to all staff and an internal staff awareness raising blog was undertaken via intranet recently. The review of the policy is reserved to the Group Audit Committee.</p>	<p>Governance Framework</p> <p>Group Whistleblowing Policy</p> <p>Committee reporting</p> <p>Audit Committee report and minute of discussion and approval of whistleblowing policy</p> <p>Other</p> <p>Director of Assurance intranet blog raising awareness of whistleblowing and signposting to policy</p>	Compliant
Tenants and service users redress			
<p>Make information on reporting significant performance failures, including our leaflet, available to its tenants.</p>	<p>We have a link to the significant performance failure SHR leaflet available on all RSL websites (contact us/complaints and compliments)</p> <p>The SHR leaflet also available in Local Housing Offices as part of the core leaflet suite</p>	<p>RSL Websites (Contact us/complaints and compliments)</p> <p>RSL Complaints Leaflets (make reference to significant performance failures)</p> <p>SHR Leaflets available in local offices</p>	Compliant
<p>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).</p>	<p>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.</p> <p>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</p>	<p>Group Complaints Policy Board report and record of Board approval</p> <p>Complaints Leaflets</p> <p>RSL Websites (Contact us/complaints and compliments)</p>	Compliant

<p>Ensure it has effective arrangements to learn from complaints and from other tenant and service user feedback, in accordance with SPSO guidance.</p>	<p>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 publish on the website.</p> <p>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.</p> <p>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.</p>	<p>Policy - Group Complaints policy</p> <p>Reporting and monitoring - Board performance reports which include measure on complaints handling</p> <p>Public reporting - Complaints data published on RSL Websites</p> <p>Other - ASTRA</p>	Compliant
Equality and Human Rights			
<p>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.</p>	<p>In recognition of this feedback, the SHR has stated it now intends to work with representative bodies, the Equalities and Human Rights Commission, and Scottish Human Rights Commission (“SHRC”) to develop a ‘guidance framework’. To allow sufficient time for this guidance to be developed, the SHR will now not start assessing compliance with the requirements until April 2021.</p>		
<p>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.</p>	<p>We have agreed a new Equality and Diversity policy and also engaged external expertise via IoD Scotland to support the implementation of this policy.</p>		
Requirements for RSLs Only			
Each RSL Must:			
<p>Comply with the Standards of Governance and Financial Management and associated statutory guidance.</p>	<p>See commentary and evidence provided for each of the seven standards of governance and financial management.</p>		
<p>Comply with, and submit information to us in accordance with, our guidance on:</p> <ul style="list-style-type: none"> - 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. 	<p>See commentary and evidence provided for each of the seven standards of governance and financial management.</p>	<p>Landlord Portal</p>	
<p>Keep up to date organisational details in the Register of Social Landlords, by maintaining the information provided through the Landlord Portal.</p>	<p>Organisational details up-to-date and regularly maintained via the SHR Landlord Portal</p> <p>All updated are monitored by Company Secretary and control checks are in place, specifically the portal is reviewed and updated monthly and after every Board cycle</p>	<p>Landlord Portal SHR Website</p>	Compliant

<p>Make publicly available, including online, up to date details of:</p> <ul style="list-style-type: none"> - 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. 	<p>About us section of RSL websites includes information about who is on the governing body and the date they first became an office holder.</p> <p>The 'getting involved' section of each RSL website sets out how to become a member of the RSL (where applicable).</p> <p>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.</p>	<p>RSL websites - 'about us' and 'get involved' sections.</p> <p>Published membership policy via website</p> <p>Published minutes via website</p>	Compliant
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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 <u>reserved</u> to Boards for approval. 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 also additionally reflected on our 5 year strategy since the onset of the pandemic over the course of a number of Board workshops, where the impact on tenants has been at the forefront.	Governance Framework - Group Standing Orders - Governing Body Members Handbook 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	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 in the Group Authorising Framework (GAF) and the Group Authorise, Manage, Monitor Matrix (GAMM) as well as detailing the Scheme of Financial Delegation and delegations to Group CEO. 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 External validation - Campbell Tickell governance review - IIP Accreditation	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 constitutional compliance is ensured 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 and re-emphasised in the governing body member handbook. 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.	Governance Framework - Recruitment and Selection Process and Induction Programme - Group Standing Orders - Governing Body Members Handbook - Governing Board Members Appraisal Policy External Validation - Campbell Tickell interviews with Board members as part of previous governance review - IoD interviews as part of Board effectiveness	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. There is a standing Board meeting agenda item regarding declaration of interests. 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 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 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 GHA/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			

<p>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.</p>	<p>Each RSL within the group has a website which includes an 'Access 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.</p> <p>Provided via a combination of:</p> <ul style="list-style-type: none"> - Website - annual report to tenants - newsletters - consultations <p>We ask tenants as part of our Tenant Satisfaction Survey what tenants think about being kept informed.</p>	<p>Publications</p> <p>Subsidiary and group websites Tenants newsletters (e.g. The Key) Information on performance, future plans eg investment and satisfaction results published on websites Annual Report to Tenants</p> <p>External validation</p> <p>BMG Tenant Satisfaction survey</p>	Compliant
<p>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.</p>	<p>Governing Body Handbook recognise the Group's governing bodies' accountability to tenants and service users (section regarding the role of the Board).</p> <p>Each RSL subsidiary publishes an Annual Report to Tenants, setting out how it has performed.</p> <p>Our Publication Scheme ensures that we provide a significant amount of information , supporting accountability.</p>	<p>Governance Framework</p> <p>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</p>	Compliant
<p>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.</p>	<p>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.</p> <p>We are bound by the Environmental Information (Scotland) Regulations 2004 which gives the public the right to access environmental information we hold.</p>	<p>EVIDENCE:</p> <p>Provided via a combination of:</p> <ul style="list-style-type: none"> - Website - Annual Report to Tenants - newsletters 	Compliant
<p>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.</p>	<p>The previous Strategy (Investing in our Futures) states the intention to ensure customers drive outcomes for their communities, to use customer insight to shape products and services for customers which meet their needs, to target resources according to customer and stakeholder priorities and to ensure all care customers have a say in the support they receive. This is further strengthened in the new strategies, which seek to give tenants more power and control to effect these changes directly.</p> <p>We have also agreed to undertake a survey to seek the views of our customers on our response to pandemic to inform our future decision making.</p> <p>Our Engagement Framework incorporates a variety of ways customers are engaged across the group to shape what the group does. We do this via a combination of:</p> <ul style="list-style-type: none"> - community governance structures - locality planning - use of complaints - annual satisfaction surveys - consultations - tenant members on boards representing service user views <p>Tenant board members bring customer insight to strategic decision making. The Locality Plans have been developed through engagement with customers and stakeholders.</p> <p>The Group operates customer segmentation to understand their customer base and shape services accordingly.</p>	<p>External validation</p> <ul style="list-style-type: none"> - Staff satisfaction surveys and results - 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 <p>Decision making</p> <ul style="list-style-type: none"> - Annual Board strategy workshop briefing packs detailing background information - Board composition includes tenants - builds in feedback at decision making point - Board report on rent setting - documents extensive consultation feedback <p>Board reporting and monitoring</p> <ul style="list-style-type: none"> - ongoing Board reports on key areas of tenant feedback, including complaints <p>Engagement Framework</p> <ul style="list-style-type: none"> - Locality plans, including the range of engagement and feedback events facilitated during the process 	Compliant
<p>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.</p>	<p>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.</p>	<p>SHR Quarterly Meeting agendas Funder meeting agendas Group Engagement Plan - published by WHG and SHR</p>	Compliant
<p>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</p>			
<p>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.</p>	<p>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.</p> <p>In addition to this we regularly report to Boards and have an extensive discussion each year on financial projections and treasury management, including liquidity. This has been heightened during the pandemic, with scenario testing on potential adverse Covid-19 impacts undertaken and reported to Boards.</p>	<p>External validation</p> <ul style="list-style-type: none"> - Review by Rathbones of core business planning assumptions - Group Treasury Management Policy was reviewed by our external treasury advisors - External audit process <p>Governance and Policy Framework</p> <ul style="list-style-type: none"> - Treasury Management Policy - Group Value for Money framework - Group Whistleblowing Policy - Fraud, Corruption and Bribery Policy - Group Standing Orders including financial delegations <p>Ongoing reporting</p> <ul style="list-style-type: none"> - 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

<p>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.</p>	<p>There is a suitable treasury management policy in place, which was reviewed by the Board during the last 6 months.</p> <p>The Board skills matrix is takes into account the need for membership to include Non-Executives with relevant skills and experience i this area.</p> <p>Boards routinely seek sufficient external independent guidance to ensure its decisions are in our best interest, with significant input from external legal advisors.</p>	<p>Board membership</p> <ul style="list-style-type: none"> -The Board succession planning specifically seeks to ensure we have individuals with skills and experience in this area <p>Policy Framework</p> <ul style="list-style-type: none"> - Treasury Management Policy - Quarterly treasury update to Wheatley Group Board <p>External validation</p> <ul style="list-style-type: none"> -Treasury Management CPD Session (Rathbones) held on 31 October 2018 (slides from session) - Extensive external legal advice on any major funding transactions, specifically in relation to the risks 	<p>Compliant</p>
<p>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.</p>	<p>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.</p> <p>Financial performance is reported to Board as a standing item detailing performance relative to business plans and budgets.</p> <p>Reports to the Board on financial projections as 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.</p> <p>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.</p> <p>This was declared as an area of material non compliance by DGHP due to not having accurate regarding the effectiveness of its systems to monitor and accurately report delivery of its asset management plans. This was addressed by the full stock condition survey undertaken and subsequent updates to DGHP's reporting system.</p>	<p>External validation</p> <ul style="list-style-type: none"> - Independent Quality Review of Internal Audit by PwC <p>Board reporting and monitoring</p> <ul style="list-style-type: none"> - Annual stress testing of business plan as part of Board approval process - Pandemic specific scenario testing on financial projections - Risk register considered by the Group Audit Committee at every meeting and by each Board periodically - Comprehensive review of risk register by Group Audit Committee and Group Board during pandemic - report and associated minutes - Board reports regarding Financial Performance - Treasury management reports 	<p>Compliant</p>
<p>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.</p>	<p>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.</p>	<p>Board reporting and monitoring</p> <ul style="list-style-type: none"> - 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 - Risk Registers -Tenant rent setting consultation results 	<p>Compliant</p>
<p>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.</p>	<p>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.</p>	<p>Board reporting and monitoring</p> <ul style="list-style-type: none"> - Financial performance and treasury reports to Group Board - Report to Boards on financial projections 	<p>Compliant</p>
<p>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.</p>	<p>All staff gradings are subject to an internal assessment using defined criteria by Employee Relations.</p> <p>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.</p> <p>Overall staffing costs and their impact are considered as part of the financial projections.</p>	<p>Governance Framework</p> <ul style="list-style-type: none"> - Group Standing Orders <p>Board reporting and monitoring</p> <ul style="list-style-type: none"> - Confidential minute of RAAG report to Board on Chief Executive's remuneration - Financial projections - Dual pension arrangements in place for GHA 	<p>Compliant</p>
<p>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.</p>	<p>All returns are submitted to the SHR. Where appropriate, Regulatory returns (such as 5 year financial projections, loan portfolio) are included on the agendas for all RSL Board meetings in May. The same is also true of the Annual Return on the Charter (also May.) Governing Body requires formal Board reports to be provided with clear recommendations about sign-off.</p> <p>DGHP declared material non compliance on this area in its previous Statement, related to their non compliance under Standard 3.3 rendering them unable to assure the information submitted to the SHR. Tis has been addressed by the completion of a full stock condition survey and systems updated to allow data to be extracted and furnished to the SHR.</p>	<p>Board reporting and monitoring</p> <ul style="list-style-type: none"> - Board papers and agendas 	<p>Compliant</p>
<p>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</p>			
<p>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.</p>	<p>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.</p> <p>Board feedback on reports is received during meetings as well as part of the annual Board appraisal.</p>	<p>Board reporting and monitoring</p> <ul style="list-style-type: none"> - Board reporting template - Board meeting papers - Board and Committee minutes <p>Governance Framework</p> <ul style="list-style-type: none"> - Group Standing Orders and Scheme of Delegation <p>External Assurance</p> <ul style="list-style-type: none"> - Campbell Tickell review of governance arrangements, including the quality of Board papers. 	<p>Compliant</p>
<p>4.2 The governing body challenges and holds the senior officer to account for their performance in achieving the RSL's purpose and objectives.</p>	<p>This is primarily discharged via Board meetings.</p>	<p>Board reporting and monitoring</p> <ul style="list-style-type: none"> - Board Reports and associated minutes 	<p>Compliant</p>

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 and Audit Committee Terms of Reference 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 Order. 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 2015 and 2018)	Governance framework - Audit Committee Terms of Reference 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	Governance framework - Audit Committee Terms of Reference	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 and Conflicts Policy sets out expectations. Staff are also bound by the Code of Conduct and HR Policies. We have a Whistleblowing Policy and Anti-fraud, Corruption and Bribery Policy. This 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	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 Appraisal Policy	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 My Contribution appraisal process. This is also embedded in our HR policies	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 - Group Equality and Diversity policy	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.	Group policies and associated documents - Group Code of Conduct and Conflicts Policy - Register of Interests form - Group policy on gifts, hospitality, payments and benefits 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 Chairman 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. 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.	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 Policies in place, approved by the Group Audit Committee.	Group policies - Group Whistleblowing policy - Group Fraud, Corruption and Bribery 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 policies on Early Retirement and Redundancy and affordability criteria we apply agreeing any form of what may be classified as a 'severance payment'. We engage external legal advice in relation to any settlement agreements.	Group policies and associated documents - Policies on redeployment, redundancy and early retirement linked to redundancy (GHA, Cube, Loretto, WLHP, Dunedin Canmore and Barony) - 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.			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. Recruitment vacancies are always advertised and subject to: - the process set out in constitutions - recruitment policy - RAAG committee agreement The Board undertake an annual appraisal process.	Group governance framework - Group Standing Orders Appendix 3A Governing Body Recruitment Policy and Procedures - Group Standing Orders [Appendix 3B Governing Body Appraisal Policy and Group Succession Planning Policy - 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. The Group has an appropriate Succession Planning Policy in place.	Group governance framework - Constitutions - Group Standing Orders [1 - Appendix 3B Governing Body Appraisal Policy and Group Succession Planning Policy] Board reporting and monitoring - Board appraisal report to Group Board; - RSL Board Succession Plans - Board induction process - Subsidiary Board reports on appraisal and succession Feb 2020	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. During this year we reappointed a small number of Non-Executives beyond 9 year's service. In agreeing this the Board specifically gave consideration to the individual's ongoing effectiveness and independence.	Group governance framework - Constitutions - Group Standing Orders [1 - Appendix 3B Governing Body Appraisal Policy and Group Succession Planning Policy] - 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 was reviewed in 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.	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.	Group policy framework - Governing Body Remuneration Policy - Governing Body Member Remuneration Benchmarking Report Board reporting and monitoring - Board reports	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 an annual appraisal of the Group Chief Executive and provides feedback to the Group RAAG Committee and Group Board.	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 Barony change was reviewed and approved by both the Barony and Group Boards taking into account the implications for tenants.	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 Barony and ultimately winding one entity up. We have now also agreed to consider the Group structure further as part of the Cube strategic review. 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 Barony change involved significant engagement with key stakeholders, including Local Authorities and the Care Inspectorate	Board reporting and monitoring - Board reports Other - Exchanges with Local Authorities and Care Inspectorate	
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 in relation to Barony, in the case of DGHP this was pre Group	Board reporting and monitoring - Board reports - Board minutes	
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).	This applies within the Barony and DGHP context. 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. As the more significant change, the DGHP commitments are reported at DGHP and Group Board level as part of the Transformation Programme	Board reporting - reports to DGHP and Group Boards - Repots to WLHP and DCH Boards on Barony tenant commitments such as rent increase levels	Compliant
7.6 Charitable RSLs seek consent/ notify OSCR of changes to their constitution and other changes as appropriate.	In progress for current rule changes. OSCR approval sought prior to Barony Trasfer of Engagements and dissolution	Formal notification documents to OSCR	
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 - Barony Board report - GHA Board reports	Compliant
7.8 The RSL complies with regulatory guidance on tenant consultation, ballots and authorisation.	This has applied to the Barony reorganisation in year. As part of this process we engaged throughout with the SHR and reviewed the regulatory guidance in advance of agreeing the key milestones.	Board reports relating to the Barony reorganisation and the associated tenant consultation documentation.	
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.	SHR Portal holds records of all notifiable disposals.	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

Appendix 3

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 ensuring that they reflect our own needs. All constitutions are subject to a) review by individual Boards b) review by our external legal advisors, and c) agreement by members.		Compliant
1. It sets out clearly the RSL's purpose, objects and 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.		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.		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.		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.		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.		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
7. It is clear how the RSL can be closed down.		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.	
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.		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 RSL Rules/Articles of Association	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.		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.		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.		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.		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.		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.		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.		All RSL Rules/Articles of Association	Compliant
17. The powers and responsibilities of the governing body are clearly set out.		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.		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.		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.		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.		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.		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.		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.		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.		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.		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 GHA 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 .	All RSL Rules/Articles of Association - Membership policies	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



The Scottish Social Housing Charter

April 2017



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scotland
SCOTTISH GOVERNMENT

The Scottish Social Housing Charter

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1. Introduction

1 Status of the Charter

1.1 As required by section 31 of the Housing (Scotland) Act 2010, the Scottish Ministers, in this Scottish Social Housing Charter, set the standards and outcomes that all social landlords should aim to achieve when performing their housing activities.

1.2 The first Charter came into effect on 1 April 2012 and was reviewed during 2016. This revised Charter was approved by resolution of the Scottish Parliament on 8th February, has effect from 1 April 2017 and continues to apply until the Parliament approves a further revised Charter.

1.3 Before submitting the revised Charter to the Scottish Parliament for approval, and as required by section 33 of the 2010 Act, the Scottish Ministers consulted the Scottish Housing Regulator; tenants in social housing and their representative bodies; social landlords; homeless people; and other stakeholders about the Charter's contents. They have taken account of all their views to ensure that the outcomes in the Charter:

- describe the results that tenants and other customers expect social landlords to achieve
- cover social landlords' housing activities only
- can be monitored, assessed and reported upon by the Scottish Housing Regulator.

1.4 The Charter does not replace any of the legal duties that apply to social landlords, but in several cases the outcomes describe the results social landlords should achieve in meeting their legal duties.

2 Purpose of the Charter

2.1 The Charter helps to improve the quality and value of the services that social landlords provide, and supports the Scottish Government's long-term aim of creating a safer and stronger Scotland. It does so by:

- stating clearly what tenants and other customers can expect from social landlords, and helping them to hold landlords to account
- focusing the efforts of social landlords on achieving outcomes that matter to their customers
- providing the basis for the Scottish Housing Regulator to assess and report on how well landlords are performing. This assessment enables the Regulator, social landlords, tenants and other customers to identify areas of strong performance and areas needing improvement.

2.2 The Regulator's reports also help the Scottish Government to ensure that public investment in new social housing goes only to landlords assessed as performing well.

3 Scope and content of the outcomes and standards

3.1 The Charter has seven sections covering: equalities; the customer/landlord relationship; housing quality and maintenance; neighbourhood and community; access to housing and support; getting good value from rents and service charges; and other customers. It contains a total of 16 outcomes and standards that social landlords should aim to achieve. The outcomes and standards apply to all social landlords, except that number 12 applies only to councils in relation to their homelessness duties; and number 16 applies only to councils and registered social landlords that manage sites for Gypsy/Travellers.

3.2 Each section is accompanied by a short description of the context of the outcome or standard, including the areas of activity to which it applies and any relevant legal duties connected with it. The description is not part of the outcome, and does not tell social landlords how to achieve it. That is a matter for each landlord to decide in consultation with its tenants and other customers.

3.3 During the Charter review, many stakeholders said that all the standards and outcomes should be reflected across the whole of a landlord's activities. For example, the communication outcome requires landlords to manage their businesses so that tenants and other customers find it easy to communicate

with their landlord and get the information they need about their landlord. This information would include how and why their landlord makes decisions and provides its services; how it communicates its plans for providing repairs, maintenance and improvements; how it provides information on housing options; and how it helps tenants sustain their tenancy.

4 Assessing social landlords' achievement of the outcomes

4.1 Social landlords are responsible for meeting the standards and outcomes set out in the Charter. They are accountable to their tenants and other customers for how well they do so. They should ensure their performance management and reporting systems show how well they are achieving the outcomes; identify any areas where they need to improve; and enable them to report to their tenants and other customers and the Scottish Housing Regulator.

4.2 Under the 2010 Act, the Scottish Housing Regulator is responsible for monitoring, assessing and reporting on how well social landlords, individually and collectively, achieve the Charter's outcomes.

5 Reviewing and revising the Charter

5.1 Unless stakeholders raise urgent and significant concerns about how the Charter is working in practice, the Charter will apply for five years from 1 April 2017. In consultation with stakeholders, the Ministers will review its effect during 2021 on the quality and value of social landlords' services, and its value to tenants and other customers, social landlords and the Scottish Housing Regulator.

2. Charter outcomes and standards

The customer/landlord relationship

1: Equalities

Social landlords perform all aspects of their housing services so that:

- *every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.*

This **outcome** describes what social landlords, by complying with equalities legislation, should achieve for all tenants and other customers regardless of age, disability, gender reassignment, marriage and civil partnership, race, religion or belief, sex, or sexual orientation. It includes landlords' responsibility for finding ways of understanding the rights and needs of different customers and delivering services that recognise and meet these.

2: Communication

Social landlords manage their businesses so that:

- *tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides.*

This **outcome** covers all aspects of landlords' communication with tenants and other customers. This could include making use of new technologies such as web-based tenancy management systems and smart-phone applications. It is not just about how clearly and effectively a landlord gives information to those who want it. It also covers making it easy for tenants and other customers to make complaints and provide feedback on services, using that information to improve services and performance, and letting people know what they have done in response to complaints and feedback. It does not require landlords to provide legally protected, personal or commercial information.

3: Participation

Social landlords manage their businesses so that:

- *tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with.*

This **outcome** describes what landlords should achieve by meeting their statutory duties on tenant participation. It covers how social landlords gather and take account of the views and priorities of their tenants, other customers, and bodies representing them such as registered tenant organisations; how they shape their services to reflect these views; and how they help tenants, other customers and bodies representing them such as registered tenant organisations to become more capable of involvement – this could include supporting them to scrutinise landlord services.

Housing quality and maintenance

4: Quality of housing

Social landlords manage their businesses so that:

- *tenants' homes, as a minimum, meet the Scottish Housing Quality Standard (SHQS) when they are allocated; are always clean, tidy and in a good state of repair; and also meet the Energy Efficiency Standard for Social Housing (ESSH) by December 2020.*

This **standard** describes what landlords should be achieving in all their properties. It covers all properties that social landlords let, unless a particular property does not have to meet part of the standard.

If, for social or technical reasons, landlords cannot meet any part of these standards, they should regularly review the situation and ensure they make improvements as soon as possible.

5: Repairs, maintenance and improvements

Social landlords manage their businesses so that:

- *tenants' homes are well maintained, with repairs and improvements carried out when required, and tenants are given reasonable choices about when work is done.*

This **outcome** describes how landlords should meet their statutory duties on repairs and provide repairs, maintenance and improvement services that safeguard the value of their assets and take account of the wishes and preferences of their tenants. This could include setting repair priorities and timescales; setting repair standards such as getting repairs done right, on time, first time; and assessing tenant satisfaction with the quality of the services they receive.

Neighbourhood and community

6: Estate management, anti-social behaviour, neighbour nuisance and tenancy disputes

Social landlords, working in partnership with other agencies, help to ensure as far as reasonably possible that:

- *tenants and other customers live in well-maintained neighbourhoods where they feel safe.*

This **outcome** covers a range of actions that social landlords can take on their own and in partnership with others. It covers action to enforce tenancy conditions on estate management and neighbour nuisance, to resolve neighbour disputes, and to arrange or provide tenancy support where this is needed. It also covers the role of landlords in working with others to tackle anti-social behaviour.

Access to housing and support

7, 8 and 9: Housing options

Social landlords work together to ensure that:

- *people looking for housing get information that helps them make informed choices and decisions about the range of housing options available to them*
- *tenants and people on housing lists can review their housing options.*

Social landlords ensure that:

- *people at risk of losing their homes get advice on preventing homelessness.*

These **outcomes** cover landlords' duties to provide information to people looking for housing and advice for those at risk of becoming homeless. This could include providing housing 'health checks' for tenants and people on housing lists to help them review their options to move within the social housing sector or to another sector.

10: Access to social housing

Social landlords ensure that:

- *people looking for housing find it easy to apply for the widest choice of social housing available and get the information they need on how the landlord allocates homes and on their prospects of being housed.*

This **outcome** covers what social landlords can do to make it easy for people to apply for the widest choice of social housing that is available and suitable and that meets their needs. It includes actions that social landlords can take on their own and in partnership with others, for example through Common Housing Registers or mutual exchange schemes, or through local information and advice schemes.

11: Tenancy sustainment

Social landlords ensure that:

- *tenants get the information they need on how to obtain support to remain in their home; and ensure suitable support is available, including services provided directly by the landlord and by other organisations.*

This **outcome** covers how landlords on their own, or in partnership with others, can help tenants who may need support to maintain their tenancy. This includes tenants who may be at risk of falling into arrears with their rent, and tenants who may need their home adapted to cope with age, disability, or caring responsibilities.

12: Homeless people

Local councils perform their duties on homelessness so that:

- *homeless people get prompt and easy access to help and advice; are provided with suitable, good-quality temporary or emergency accommodation when this is needed; and are offered continuing support to help them get and keep the home they are entitled to.*

This **outcome** describes what councils should achieve by meeting their statutory duties to homeless people.

Getting good value from rents and service charges

13: Value for money

Social landlords manage all aspects of their businesses so that:

- *tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.*

This **standard** covers the efficient and effective management of services. It includes minimising the time houses are empty; managing arrears and all resources effectively; controlling costs; getting value out of contracts; giving better value for money by increasing the quality of services with minimum extra cost to tenants, owners and other customers; and involving tenants and other customers in monitoring and reviewing how landlords give value for money.

14 and 15: Rents and service charges

Social landlords set rents and service charges in consultation with their tenants and other customers so that:

- *a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and service users can afford them*
- *tenants get clear information on how rent and other money is spent, including details of any individual items of expenditure above thresholds agreed between landlords and tenants.*

These **outcomes** reflect a landlord's legal duty to consult tenants about rent setting; the importance of taking account of what current and prospective tenants and other customers are likely to be able to afford; and the importance that many tenants place on being able to find out how their money is spent. For local councils, this includes meeting the Scottish Government's guidance on housing revenue accounts. Each landlord must decide, in discussion with tenants and other customers, whether to publish information about expenditure above a particular level, and in what form and detail. What matters is that discussions take place and the decisions made reflect the views of tenants and other customers.

Other customers

16: Gypsy/Travellers

Local councils and social landlords with responsibility for managing sites for Gypsy/Travellers should manage the sites so that:

- *sites are well maintained and managed, and meet the minimum site standards set in Scottish Government guidance.*

This **outcome** includes actions landlords take to ensure that: their sites meet the Scottish Government guidance on minimum standards for Gypsy/Traveller sites, and those living on such sites have occupancy agreements that reflect the rights and responsibilities set out in guidance.

All the standards and outcomes in the Charter apply to Gypsy/Travellers.

3. A note about language

We use some key phrases throughout the Charter, which we explain below.

Housing (Scotland) Act 2010, section 31

Section 31 of the Act says that:

‘Ministers must set out standards and outcomes which social landlords should aim to achieve when performing housing activities.

‘The document in which those standards and outcomes are set out is to be known as the “Scottish Social Housing Charter”.’

Long-term aims

The Scottish Government has five long-term aims, known as the strategic objectives. Everything it does should contribute towards making Scotland:

- wealthier and fairer
- healthier
- safer and stronger
- smarter
- greener.

The Charter supports the aim of creating ‘A safer and stronger Scotland’.

Outcome

- An outcome is a result we want to happen.
- The Charter sets out the results that a social landlord should achieve for its tenants and other customers.
- The Charter is not about what a landlord does or how it does it. It is about the customer’s experience of using a landlord’s services.

Scottish Housing Regulator

The Regulator is the independent body that the Scottish Parliament created to look after the interests of people who are or may become homeless, tenants of social landlords, or users of the services that social landlords provide. The Regulator monitors, assesses, and reports on how landlords are performing against the Charter's outcomes and standards.

Scottish Housing Quality Standard (SHQS)

The SHQS is the Scottish Government's main way of measuring the quality of social housing in Scotland.

Energy Efficiency Standard for Social Housing (ESSH)

The ESSH aims to improve social housing's energy efficiency in Scotland. It will help to reduce energy consumption, fuel poverty and greenhouse gas emissions. The standard will also contribute to reducing carbon emissions by 42% by 2020, and 80% by 2050, in line with what's required by the Climate Change (Scotland) Act 2009.

Social housing

Housing provided by councils and housing associations under a Scottish Secure Tenancy or Short Scottish Secure Tenancy.

Social landlord

- A council landlord.
- A not-for-profit landlord, registered with the Scottish Housing Regulator (for example, a housing association, or co-operative).
- A council that does not own any housing but provides housing services, for example services for homeless people.

Stakeholder

A person or organisation with an interest in social housing and the way it is regulated. The following are some examples of stakeholders:

- The Scottish Housing Regulator.
- Tenants of social landlords and bodies representing their interests.
- Homeless people and bodies representing their interests.
- Users of housing services provided by social landlords and bodies representing the interests of those users.
- Social landlords and bodies representing their interests.
- Secured creditors of registered social landlords and bodies representing those secured creditors.
- The Accounts Commission for Scotland.
- The Equalities and Human Rights Commissions and other bodies representing equal opportunities interests.

Standard

A level of quality that every social landlord should achieve.

Tenants and other customers

- People who are already tenants of a social landlord.
- People who may become tenants in the future – for example, someone who has applied for a tenancy.
- Homeless people.
- People who use the housing services provided by a social landlord – for example, home owners who pay a social landlord to provide a factoring service, or Gypsy/Travellers who use sites provided by a social landlord.



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W W W . G O V . S C O T

Report

To: Loretto Housing Board

By: Anthony Allison, Director of Governance

Approved by: Steven Henderson, Group Director of Finance

Subject: Governance update

Date of Meeting: 9th November 2020

1. Purpose

- 1.1 To update the Board on the following governance related matters:
- Annual Assurance Statement; and
 - Updated Group IRR rates

2. Authorising context

- 2.1 The Group Board is responsible for agreeing the overall governance Framework for the Group. This is reflected in the requirement for the Annual Assurance Statement (“the Statement”) to be submitted to the Scottish Housing Regulator (“SHR”) at Group level. As such, the statement is reserved to the Group Board for approval.
- 2.2 The Board is responsible for agreeing the criteria for development activity which set the parameters for the Group Development Committee. The criteria include return hurdle rates which are set at Group level.

3. Risk Appetite and assessment

- 3.1 Our agreed risk appetite 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”.
- 3.2 We mitigate this risk through having clearly defined roles and responsibilities across our governance framework and regularly updating the Board on governance related matters.

4. Background

- 4.1 We are required to produce a Statement annually, taking into account the associated requirements of the Framework and statutory guidance. For this year’s Statement, the Framework includes some temporary changes for 2020/21 only.

5. Discussion

Annual Assurance Statement

- 5.1 As part of the revision to the SHR's Framework, the requirements relating to the Statement were amended. The submission deadline was extended from the end of October to the end of November. Additionally, the SHR recognised that:

"Given the circumstances, it may be that the level of external, independent assurance could be less than the previous year. However, in most cases it would be appropriate for governing bodies and committees to place reliance on some or all of the independent, external assurance received for the previous year's assurance statement."

- 5.2 As with the previous year's Statement, it covers all RSLs in the Group and it is for the Group Board to determine whether, under the circumstances, any non-compliance is sufficient to be considered 'material'. 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.*

- 5.3 Taking into account the current SHR Framework and Guidance the Group Board agreed the following Statement:

The Group Board considered evidence at its meeting on 28 October 2020 and confirmed we have appropriate assurance that all Registered Social Landlords which are part of Wheatley Housing Group Limited (being Wheatley Housing Group, GHA, Dunedin Canmore Housing, Cube Housing Association, Dumfries and Galloway Housing Partnership, Loretto Housing Association and West Lothian Housing Partnership) 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 current guidance and restrictions relating to the Covid 19 pandemic, all relevant legislative duties*

The Covid 19 pandemic has impacted the planned achievement of the Scottish Housing Quality Standard for all Dumfries and Galloway Housing Partnership stock. Full compliance is expected to be achieved early in 2021/22.

The spreadsheets attached at Appendices 1-3 document:

- a breakdown of the compliance requirements associated with 3 areas identified in the statement;
- a summary of our self-assessment findings;
- the key sources of assurance and evidence; and
- a declaration of our compliance status.

The appendices relate to the following areas:

- Appendix 1 Self-assessment against Chapter 3 Section 1;
- Appendix 2 Self-assessment against Chapter 3 Section 2 – Regulatory Standards of Governance and Financial Management; and
- Appendix 3 Self-assessment against Chapter 3 Section 3 – Constitutional requirements.

5.4 Our declaration and sources of assurance are the same as the previous year for the vast majority of the requirements. This reflects the fact that the obligations are recurring and we have correspondingly set up recurring means to achieve compliance. Within this context and in keeping with the SHR guidance we have therefore placed some reliance on external or independent assurance undertaken in previous years. This is in addition to in year assurance in areas such as Cyber Security, the annual KPMG external audit, Chatham Financial advice on our Treasury Management Policy review and external legal advice on a range of areas such as our constitutional changes, funding activity and external reviews on our demand analysis assumptions by both Retties (for MMR/PRS) and Indigo House (for Dumfries and Galloway).

5.5 As these were subject to detailed Group Audit Committee and Board review last year, the additional detail on the statement below focuses on changes or new issues which have emerged in year and the non-Framework related compliance requirements:

Covid-19

Service model

5.6 The pandemic has had implications for our service model as we have had to adjust our operating model to comply with the associated restrictions. As a result of this, we had to adjust service levels, particularly in areas such as repairs and environmental services.

5.7 As part of this process, the Board has discussed and agreed the Operating Model and approach to remobilisation. We have considered the implications our revised service models have had in relation to compliance with the Social Housing Charter (“the Charter”) and ‘all relevant legislation’.

5.8 On the basis that we have sought to balance delivering as full a service model as possible with complying with the restrictions in place and appropriately protecting both our tenants and staff we have not assessed this resulting any level of ‘material’ non-compliance.

- 5.9 We have maintained an emergency repairs service and throughout the pandemic we have where possible strengthened our compliance at the earliest opportunity such as transitioning gas safety check to forced entry, other than those who are shielding, where appropriate to do so.

Governance

- 5.10 We agreed changes to constitutions across the Group as part of our response to the pandemic. As part of this we had to balance achieving the overarching Regulatory Standard (6) of having appropriately skilled and knowledgeable governing bodies with specific elements of the Framework regarding tenure.
- 5.11 As part of this, the Group Board agreed that, in recognition of the exceptional circumstances, we extend some RSL Board Chairs beyond the SHR's 5 year tenure limit for Chairs and adjust our own absolute 9 year tenure limits. As part of this, the Group Board agreed this represented a 'non material' breach on the basis that it does not represent a permanent change, rather one off, time bound extensions in recognition of the circumstances.
- 5.12 We also made a series of other constitutional changes. As part of this process individual Boards, including ourselves, considered the implications for compliance with the Framework. All changes were agreed by members at the subsequent Special General Meetings.

Social Housing Charter

- 5.13 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. A copy of the standards is attached at Appendix 4. The Statutory Guidance in relation to the Statement requires us to also include a statement of compliance with the Charter.
- 5.14 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.
- 5.15 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.
- 5.16 We therefore have in place a very robust approach to assurance and evidence of how we are performing relative to the charter. The key issues in relation to the Charter relate to the implications of DGHP's progress against SHQS and the changes to our Operating Model which are covered previously in the report.

All relevant legislative duties.

- 5.17 This 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. We also routinely engage external expertise in complex, non-core areas such as fundraising and FCA related activity.
- 5.18 In order to monitor compliance we operate a 4 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.
- 5.19 Beyond our core 4 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.
- 5.20 We have not had any instances where a judgement has gone against the Group that we are materially not meeting legislative duties.
- 5.21 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.

Group IRR rate

- 5.22 As part of the criteria we set for development projects we apply the Group wide Internal Rate of Return ("IRR"). The Group Development Committee's authority to approve projects is based on a number of criteria agreed by the Board, of which this is on.
- 5.23 [redacted]

6. Key issues and conclusions

- 6.1 The updates and proposals in the report allow us to maintain a strong focus on having clear and robust governance arrangements.

7. Value for money implications

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

8. Impact on financial projections

- 8.1 There is no financial impact associated with this report.

9. Legal, regulatory and charitable implications

- 9.1 The legal and regulatory implications are set out in the body of the report.

10. Partnership implications

- 10.1 There are no partnership implications arising from the recommendations in this report.

11. Implementation and deployment

- 11.1 The proposals within the report will be effected immediately.

12. Equalities impact

- 12.1 As part of our Board recruitment process we actively seek to engage with as diverse a range of prospective candidates as possible. We are also in the process of refining our Board recruitment approach across the Group as part of the implementation of our Group Equality and Diversity policy.

13. Recommendations

- 13.1 The Board is asked to:

- 1) Note the Group Annual Assurance Statement;
- 2) Note the Development Project approval criteria will be updated to reflect the new Group IRR rate

List of Appendices

Appendix 1 - Self-assessment against Chapter 3 Section 1

Appendix 2 - Self-assessment against Chapter 3 Section 2 – Regulatory Standards of Governance and Financial Management

Appendix 3 - Self-assessment against Chapter 3 Section 3 – Constitutional requirements

Appendix 4 – Social Housing Charter [redacted but available at <https://www.gov.scot/publications/scottish-social-housing-charter-april-2017/>]