



LORETTO HOUSING ASSOCIATION

BOARD MEETING

**Monday 25 November 2024 at 2pm
Wheatley House Glasgow**

AGENDA

1. Apologies for absence
2. Declarations of interest
3.
 - a) Minute of meeting held on 16 September 2024 and matters arising
 - b) Minute of AGM
 - c) Minute of SGM
 - d) Action list
4. Chair and Managing Director update

Main Business Items

5. Neighbourhood plans (presentation only)
6. 2025 rent setting and service charges
7. Health and Safety Performance update
8. Fire Prevention and mitigation update
9. Performance report

Other business

10. Finance report
11. Governance update
12. Risk Register
13. AOCB

Date of next meeting: 3 February 2025

Report

To: Loretto Housing Board

By: Laura Henderson, Managing Director

Approved by: Alan Glasgow, Group Managing Director of RSLs

Subject: 2025/26 rent setting and service charges

Date of Meeting: 25 November 2024

1. Purpose

1.1 This report:

- Seeks agreement from the Board for the 2025/26 rent and general service charge increases for initial focus group discussion; and
- Sets out proposals for engagement and consultation with Loretto Housing tenants on rent increase options.

2. Authorising and strategic context

- 2.1 Under the Group Standing Orders, the Group Board is responsible for the Group rent setting framework. Subsidiary Boards approve their own rent increases within this framework.
- 2.2 The Group Board agreed that a base increase within the range of 6.9-7.9% should be the basis of our initial focus group discussion with each RSL's tenants. Alongside this, we would discuss an additional option of +1% on the base to fund additional activities as we have in previous years.

3. Background

Economic context

- 3.1 The UK has experienced a challenging economic period over the past two years as inflation rose steeply and the Bank of England responded with sustained interest rate rises, creating financial pressure to both businesses and households. Over the last year the monetary policy decisions by the Bank of England have helped reduce inflation from 6.7% to 1.7% and while there are now signs of economic recovery, and potential for interest rate reductions, challenges remain in keeping inflation close to the Bank of England 2% target and creating sustainable growth. Market predictions show inflation may increase slightly over the remaining months of this financial year but will remain close to the target. This prompted an interest rate cut to 4.75% on 7 November with commentary from the Bank of England that inflation may rise slightly after the measures announced in the UK Budget which would mean interest rates may take longer to fall.

- 3.2 While general Consumer Price Index (CPI) inflation has reduced, costs remain higher for key areas of housing expenditure such as repairs and insurance. Interest rate reductions are forecast but rates are unlikely to return to the low levels seen pre-2022. We have updated our business plan assumptions to reflect expectations for future inflation and interest rates. After managing our services through the recent period, the 7.5% rent increase implemented in April 2024 allowed us to begin rebuilding financial capacity in our business plan and, along with assumed future rent increases, provides for an appropriate level of funding for investment in lifecycle replacements and our legislative obligations in our homes. During the year, as part of our asset strategy discussions, we agreed that the investment priorities set out in our neighbourhood plans be reflected in our rent setting proposals together with the creation of a provision to fund energy efficiency improvements in our homes which will be required to meet the new Scottish Housing Net Zero Standard (SHNZS).

4. Discussion

- 4.1 The rent increase assumptions in our financial projections are subject to ongoing review. The annual review takes into account the key principles set out in our Group rent setting framework:
- Keeping rents affordable;
 - Comparability with other social landlords;
 - Financial viability; and
 - Consultation with tenants and service users.

Affordability

- 4.2 Our average rents for 2024/25 are shown in Table 1 below, alongside the Scottish average and Scottish RSL averages now published for the same year. To allow as “like for like” a comparison as possible these rates are based on the latest available information via the 2022/23 Annual Return on the [Scottish Social Housing] Charter (“the ARC”) to the Scottish Housing Regulator (“SHR”) with the 2023/24 rent increase (sourced from the SHR) applied.

Table 1: Average Weekly Rents – March 2024 ARC Return + 2024/25 rent increase

RSL	Average Weekly Rent					Total Lettable Units	Overall Average Weekly Rent
	1 Apt	2 Apt	3 Apt	4 Apt	5 Apt		
Loretto HA	£128.36	£106.55	£106.78	£116.35	£137.37	2,612	£113.06
Scottish Average	£87.22	£93.19	£95.75	£104.25	£114.84		£97.36
Scottish RSL Average	£93.80	£102.26	£103.67	£114.08	£125.97		£105.85

- 4.3 The UK Government accepted the Low Pay Commission (LPC) recommendations and increased the national minimum wage by approximately 10% in April 2024 from £10.42 to £11.44. The minimum wage will increase, above initial estimates, by a further 6.7% to £12.21 for 2025. The UK state pension increased by 8.5% in 2024, the second highest increase ever applied, and will increase by a further 4.1% in April 2025 in line with wage increases under the “triple lock” guarantee. The Scottish Child Payment of £25 per week, per eligible child remains in place and applies to all eligible children (looked after by a guardian in receipt of a qualifying benefit) under 16.
- 4.4 We have used the joint Scottish Federation of Housing Associations (“SFHA”)/Housemark Rent Affordability Tool to assess how affordable our rents are. This tool allows us to calculate the rent as a percentage of income for different customer groups most associated with different property sizes – summarised in Table 2 below.

Table 2: Affordability analysis by property type and household composition

Customer Group	1 Apt	2 Apt	3 Apt	4 Apt
Single Person	36.7%	30.4%		
Couple 1PT 1FT/ Pensioner couple		20.3%		
Couple 2FT		15.2%		
Single parent (2 Children)			19.1%	20.8%
Small family (2 Children)			14.5%	15.8%

NB: The tool does not provide an appropriate customer group against which to assess 5 Apt rents

- 4.5 The table shows that consistent with previous years most relevant customer groups and property size combinations are below a 30% rent to income ratio relative to the national minimum (living) wage. However, again consistent with previous years, 1-apartment bedsits (including supported communal living) and one-bedroom properties occupied by single people appear to have higher rent to income ratios above 30%. For many supported tenancies, this is because service charges are in place to fund the housing support costs. These are paid for in almost all cases by housing benefit.
- 4.6 Shelter (2015) cited in the recent Scottish Government literature review of rent affordability has 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 serious affordability issues may arise.
- 4.7 We continue to offer a wide range of wraparound services and wider support to our customers who are experiencing financial hardship, including tenants not in receipt of benefits, such as the Helping Hand Fund to assist customers who are struggling with rent payments.

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>

Comparability

- 4.8 Our rents are compared with the other local operators below. Loretto's figures can be skewed by the levels of service charges for specialist supported accommodation, therefore when compared with other specialist RSL providers that focus on older people/supported housing such as Bield, Loretto compares favourably as shown in the table below. In the wider Scottish context, two Local Authorities have announced their consultations at the time of writing, with Aberdeen City Council proposing a 10% rent increase and the City of Edinburgh Council consulting on a 7% increase after an agreement to raise rent by that amount for five years starting in April 2024 to fund their 10 year capital investment programme.

Table 3: Specialist provider average rents + service charges 2023/24 with 2024/25 increase applied (Source ARC 2023/24)

Loretto - Supported	Average weekly rent by House Size				
Social Landlord	1 Apt	2 Apt	3 Apt	4 Apt	5+ Apt
Ark HA	£105.28	£115.87	£122.43	£122.68	£128.39
Bield Housing & Care	£156.49	£169.92	£172.22	£172.19	£150.07
Hanover (Scotland) HA	£132.65	£153.01	£157.23	£136.97	£140.39
Viewpoint HA	£119.74	£139.86	£141.72	£186.97	-
Loretto HA	£128.36	£106.55	£106.78	£116.35	£137.37

Financial Viability

- 4.9 We form part of a borrowing group with other Wheatley RSLs. This means that we assess the key financial indicators of the RSLs aggregated together. Over recent years, the financial capacity within our RSL business plans has been subject to external pressures such as cost inflation, repairs inflation and interest rate increases. This has been coupled with a sustained increased demand for repairs and additional legislative compliance obligations.
- 4.10 All of these factors have consumed more headroom than previously existed in our financial projections. Our business plan requires us to balance keeping our rents affordable, maintaining the standard of our homes, investing in our services and ensuring the organisation remains financially viable.
- 4.11 Cost efficiencies and rent increases are key drivers in growing the financial capacity within the business. We have been able to keep rent increases low by driving overhead efficiencies from our Group structure; we have delivered over £1.3m of annual running cost savings in the last two years and a reduction of £5.5m in employee costs over the same period. Efficiencies achieved in Loretto have provided real savings in staff and running costs of £0.5m after adjusting for the effect of inflation over the first three years of our 2021-2026 strategy.
- 4.12 We have also recently agreed amendments to our financial covenants which provide financial capacity for specific investment capital projects relating to retrofit and improvements in the energy efficiency of our homes. Our rent increase in April 2024 allowed us to begin rebuilding the financial capacity in our business plan and, along with assumed future rent increases over the next three years, provide sufficient funding in our financial projections to meet investment in lifecycle replacements and our legislative obligations in our homes.

- 4.13 Our financial projections remain subject to notable cost pressures despite an easing in the rate of general CPI inflation. A large element of our annual expenditure is made up of repairs and maintenance costs and staff delivering housing and neighbourhood environmental service for our customers. Repairs inflation continues to run higher than general inflation with costs increasing by almost 5% in the year to September.
- 4.14 The recent budget announcement of an extra 1.2% on employers' national insurance and a lowering of the threshold at which contributions start being paid on employee salaries from £9,100 a year to £5,000. This change has a direct impact on our projections increasing our staff costs by £0.1m and the costs to provide services such as repairs, environmental services and housing management to tenants. This increase in national insurance contributions was not previously anticipated in our financial projections and the resulting direct increase to our cost base has been a factor in considering our rent proposals for 2025/26.
- 4.15 In considering the rent increase for 2025/26 our process has been informed through our ongoing engagement with tenants and their consistent message on how important the overall quality of their home and neighbourhood is to them. When developing our Asset Management Strategy, we engaged Customer Voice panels on the key themes and drivers and collated feedback on investment priorities through our network of staff who work with customers in their communities.
- 4.16 Our approach to energy efficiency investment is informed by customers too, with a clear theme in our Asset Management Strategy on the delivery of energy efficiency improvements to reduce heating costs, as well as meeting the proposed requirements of the Scottish Government's Social Housing Net Zero Standard (SHNZS).
- 4.17 This information has informed the prioritisation and approaches in our more detailed Strategic Asset Investment and Management Plans. In turn, this has informed our rent considerations and the level of funding required to increase investment in our homes and neighbourhoods beyond compliance and lifecycle replacements.
- 4.18 We have updated our financial projections for the most recent market predictions for future inflation and interest rates. Our inflation assumptions reflect a longer return towards the Bank of England's 2% inflation target and a stabilisation thereafter. Reductions in interest rates from the current level of 4.75% to 4.5% in 2025/26 and 2026/27 are assumed but with the longer-term rate assumption prudently held at 5.0%.
- 4.19 Taking all of these factors into account, our rent proposals for 2025/26 are based on an increase of 6.9%. This would allow us to:
- Continue to grow the planned funding for our legislation and lifecycle replacement investment programme;
 - Create a funding provision to deliver our neighbourhood plans and a programme of environmental improvements which would see 10 blocks of flats benefit from a programme of external fabric and environment maintenance and improvements and a further 3 blocks receive more intensive fabric improvements each year;

- Create capacity to build a programme of energy efficiency improvements to meet the zero targets in the new SHNZS; and
- Cover the increase in our cost base from the additional 1.2% in employers' national insurance and the higher level of repairs and maintenance cost inflation.

4.20 As part of our April 2025 rent proposals we will continue to assist our tenants who struggle to pay their rent and have assumed a provision of £45k in the Wheatley Foundation for a 2025/26 Helping Hand Fund.

4.21

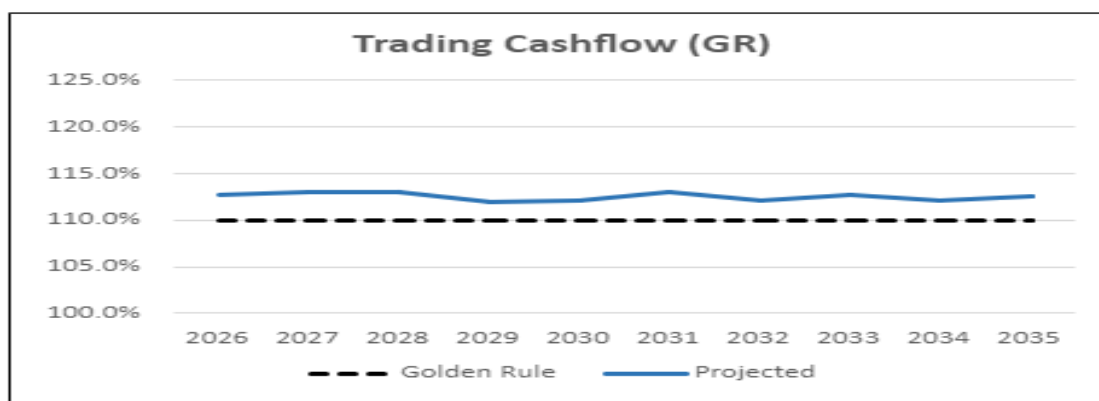
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[REDACTED]

4.22

[REDACTED]



Consultation and approval – timing and approach

- 4.23 The consultation with tenants has in previous years set out the proposed increase. Last year we provided two options for the increase launched to initial focus groups followed by writing to all tenants.
- 4.24 It is proposed that the focus groups would again be independently facilitated discussions on:
- Two options of 6.9% and 7.9% and why the base level is necessary;
 - The proposed approach to the options – community investment with the additional money; and
 - The draft rent brochure and how well it explains the above.
- 4.25 The key outcomes we will be seeking from the focus groups would be:
- Qualitative feedback on the proposed rent increase range;
 - Clear messaging in the final brochure on why the base level is what it is; and
 - Clear, specific proposals in the final brochure on how additional options would be deployed in practice.
- 4.26 It is intended that we will engage two focus groups, with tenants drawn from across our communities in Loretto. The focus groups will be a mix of in person and online, daytime and evening, to allow more opportunities to participate. The attendees will be drawn from our Customer Voices, with priority given to those who have not previously attended.
- 4.27 A draft rent consultation booklet is attached in Appendix 1. Based on feedback last year from our tenant focus groups we have continued to reduce the amount of text whilst retaining the key messages.

- 4.28 In terms of the formal consultation and when and how we agree where within the 6.9%-7.9% range we consult the proposed approach is as follows:

Key action	Timescale
Group Board approves rent increase range	Complete
Board approves the rent increase range and delegate authority to the Chair to agree final level (between 6.9%-7.9%)	Today
Independently facilitated rent Focus Groups	23/11 to 5/12
Group Board approve final consultation levels – taking into account focus group feedback and available comparability data	18/12
Chairs confirm to RSL Boards consultation increase options	18/12
Consultation with tenants (subject to mail drops but a minimum of 2 weeks)	13-27 January 25

- 4.29 As with previous years we will engage with Civica electoral services to independently administer the consultation process and verify the results. Following the high uptake levels last year, we will again offer the option to respond online or via text message as well as by post.
- 4.30 Again, as with last year, in order to allow us to ensure that the final notification to tenants on the rent increase arrives in time it is proposed that RSL Boards are delegated authority to approve the increase at their February meetings where it is within the agreed range i.e. the Group Board agreed range in December.
- 4.31 This will mitigate the risk that the letters are delayed awaiting Group Board approval and do not arrive in time to give sufficient, including a legal minimum of four weeks, notice to tenants. This will also allow us longer to engage with tenants once they receive the notification, particularly those who are required to update their Universal Credit portal with the 2025/26 rent levels.

5. Customer Engagement

- 5.1 The rent focus groups will seek customer feedback on the main mechanism for customer engagement, the rent consultation booklet. Thereafter every tenant will be formally consulted as part of the rent setting process.

6. Environmental and sustainability implications

- 6.1 No implications noted.

7. Digital transformation alignment

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

8. Financial and value for money implications

- 8.1 We consider a rent increase range of between 6.9% and 7.9% provides an appropriate balance between affordability for our tenants and the preservation of appropriate levels of investment in our homes and neighbourhoods. It also starts to build capacity for the investment required to meet proposed SHNZS energy efficiency targets. This is within the context of our financial projections which already included the identification of cost efficiencies.

9. Legal, regulatory and charitable implications

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

10. Risk Appetite and assessment

- 10.1 The Group's risk appetite in relation to business planning assumptions such as rent increases is open. This is defined as "*willing to choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward*".
- 10.2 In relation to the statutory requirement in consulting and engaging tenants on any rent increase, our risk appetite is averse, that is "avoidance of risk and uncertainty is a key organisational objective".
- 10.3 The proposed approach to consultation includes writing to all tenants and this mitigates the risk that we do not meet our statutory obligation in relation to consultation.

11. Equalities implications

- 11.1 As part of both the tenant focus groups and the consultation process, we will take into account tenant communication preferences and needs as appropriate. This includes, for example, where we need to provide the consultation documentation in a different way for tenants who may be blind, deaf or not read English.

12. Key issues and conclusions

- 12.1 As we set out rents for 2025/26, we must balance the economic climate and associated cost pressures, our ongoing and future obligations in relation to building compliance and what will be necessary to deliver the increased investment in their homes tenants continue to tell us they want.
- 12.2 Taking this into account it is proposed that we agree on a range for the rent increase, delegating authority to the Chair to finalise where within this range we will consult in December. This will allow us to consult based on the most up-to-date information on the economic climate, the initial feedback from the tenant focus groups and the conditions of our wider operating environment.
- 12.3 Our analysis shows that most of our average rents are currently within the range of affordability and that they are not amongst the highest within the relevant comparator groups.

13. Recommendations

13.1 The Board is asked to:

- 1) Agree that we undertake an initial consultation with rent focus groups on a 6.9% increase with an additional option of 7.9% for the 2025/26 rent and service charge increase;
- 2) Note that the final approval of the rent increase within the range will be presented for approval at the Group Board December 2024 meeting following the completion of the tenant focus groups and delegate authority to the Chair to agree the final level (between 6.9% - 7.9%);
- 3) Subject to the approval of the above, note that the Board will be updated on the decision on the proposed increase on 18 December 2024; and
- 4) Note that this Board has delegated authority to agree the 2025/26 rent and service charge increase where it is within the agreed range.

LIST OF APPENDICES:

Appendix 1: [REDACTED]

Report

To: Loretto Housing Board

By: Neil Addie, Director of Group Health and Fire Safety

Approved by: Laura Pluck, Group Director of Communities

Subject: Health and Safety Performance update

Date of Meeting: 25 November 2024

1. Purpose

- 1.1 The purpose of this report is to provide the Board with an update on health and safety performance across the first two quarters of 2024/25.

2. Authorising and Strategic Context

- 2.1 Under the Group Standing Orders the Group Board is responsible for approving Group Policies and their designation as applicable to all Group partners. The Group Health and Safety Policy was approved by the Board and designated as a Group Policy.
- 2.2 Under our Terms of Reference, our Board has the responsibility for monitoring our performance and corporate risks. This report supports us with those responsibilities.
- 2.3 Health and safety management arrangements and their contribution to enhancing our health and safety culture are clearly aligned with our Group Strategy for developing our capability that provides a platform for delivering excellent customer service.

3. Background

- 3.1 The current Group Health and Safety (H&S) Policy was approved by the Group Board in August 2018, and last reviewed in January 2023, and provides the foundations for our H&S Management system and a positive health and safety culture.
- 3.2 Our Group H&S Policy is part of our overall safety architecture as shown below, along with our Group H&S Management System, H&S Management Arrangements and Operational Safety Manuals.
- 3.3 Monitoring arrangements are in place to maintain the validity and accuracy of the documents described below, based on feedback from the operational activities of the business, changes to the legislative environment and advances in best practice.



4. Discussion

Group Health and Safety Policy

- 4.1 The Group H&S Policy was last reviewed in January 2023 and is due for review in December 2024. This review will reflect updates to our approach to H&S during the preceding 12 months and will include consultation with relevant parties across the Group including Trade Unions. The existing Policy is available to all members of staff and located on WE Connect in digital format. It has been uploaded as a mandatory read for all Managers, Supervisors and Team Leaders.

Group Health and Safety Management System

- 4.2 Organisations have a legal duty to put in place suitable arrangements to manage health and safety. Our Group H&S Management System continues to be based on Health and Safety Executive (HSE) Guidance document HSG 65 'Managing for Health and Safety'.

Group Health and Safety Management Arrangements (HSMAs)

- 4.3 We are progressing with the integration of existing H&S procedures across all Group subsidiaries in the form of new H&S Management Arrangement (HSMA) guidance documents. These documents allow us to share best practice and maintain consistency of approach to H&S management across the Group. They are further supported by a legal register of applicable H&S legislation. Documents that have been completed to date include:

- Asbestos;
- Construction Design and Management;
- Electrical Safety;
- Fire Safety;
- Gas Safety;
- Control of Legionella;
- Administration of Medication;
- Control of Vibration;
- First Aid at Work;
- Personal Safety; and
- Safe Driving.

- 4.4 Our schedule for the development and implementation of additional documents is listed in Appendix 1, with a planned completion date of March 2025.

Operational Safety Manuals (OSMs)

- 4.5 Operational Safety Manuals have been established for our staff and are reviewed every 2 years, or more frequently where a significant change in legislation, best practice or safe systems of work are identified.

Health and Safety Training

- 4.6 Progress with mandatory e-learning for our employees during this period is noted below.

Course	Complete		In Progress		Not Started	
Fire Safety Awareness	16		0		0	
H&S Awareness	16		0		0	
Intro to First Aid	16		0		0	
Loneworking	16		0		0	
Personal Safety Awareness	16		0		0	

- 4.5 Health and Safety is discussed at team meetings, senior managers' meetings and across Group at the Strategic Health and Safety meeting attended by the Managing Director and operational meetings attended by the Head of Housing.

Home Working Self- Assessment

- 4.7 Each year our agile home-based employees complete a self-assessment that is reviewed by their line manager. This allows managers to assess any additional measures that may be required to ensure the health, safety and wellbeing of our employees, while working from home. All of our employees have an up-to-date assessment.

New Audit Programme

- 4.8 During this period a new Management Arrangement on Audit and Inspection was drafted and issued for consultation, which outlines our approach to carrying out a new programme of H&S Audits. This will commence in our properties during Q3, starting at one of our HMOs in Burns Drive.
- 4.9 The commencement of this new audit programme reflects HSE guidance and industry best practice for achieving the highest possible safety standards and will be similar to the existing programme of Fire Risk Assessment visits already in place. Progress with the programme and with any issues identified for action as a result will be included in future reports to the Board.

Accident and Incident Reporting/ WE Notify

- 4.10 We have had no RIDDOR accidents involving Loretto employees during Q1/2, nor has any working time been lost from accidents of all types, including minor accidents.

- 4.11 Our new Notify Incident Reporting System went live on 01 April 2024 following a process of consultation, engagement, and training with staff. Notify is an on-line system which allows rapid completion and reporting of incidents, self-completion of reports by employees, and more effective record keeping by the H&S Team. Going forward, this will allow additional reporting with our intention being to report data on minor accidents, violent incidents and near misses to the Board.
- 4.12 The new system has been effectively adopted by our employees/ managers with additional support and briefings in respect of its use provided by our union representatives.

Employers Liability Claims Experience

- 4.13 There are currently no open Employers Liability (EL) Claims for Loretto employees and no new EL claims have been received during the first half of this year.

5. Customer Engagement

- 5.1 All Group Health and Safety Policy, Management Arrangement and OSM documents are subject to ongoing consultation with recognised Trade Unions in line with our statutory obligations.
- 5.2 The Group H&S Committee structure ensures that we comply with the requirements for consultation and more specifically, our legal obligation under the Safety Representatives and Safety Committee Regulations and the Health and Safety (Consultation with Employees) Regulations.
- 5.4 During this period a new Operational H&S Meeting structure was put in place to create separate forums for Group functional areas, including Housing. The first meeting under this new structure for Housing staff took place on 23 October 2024. It is anticipated that this new approach will enable greater focus and attention to be given to Housing specific safety issues. The agenda of this meeting will in addition be guided and informed by the creation of a new Housing H&S Action Plan which will follow the requirements of HSG 65 'Managing for Health and Safety'.

6. Environmental and Sustainability Implications

- 6.1 Our revised H&S Policy is a necessary and key part of ensuring the success of our operating model. This operating model, which includes agile home working, has positive environmental and sustainability implications including through:
- Reducing unnecessary travel to an office location;
 - Encouraging staff to meet, when necessary, in our hub locations that include measures to reduce our carbon footprint such as solar PV; and
 - Piloting the use of electric vehicles and power tools, and encouraging active travel, where appropriate.

7. Digital Transformation Alignment

- 7.1 Technology, including the recently introduced WE Notify system, is used where appropriate to support safe working arrangements.

- 7.2 E-Learning training is also being developed beyond our existing H&S Awareness and Fire Awareness courses, to include topics such as risk assessment.

8. Financial and Value for Money Implications

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

9. Legal, Regulatory and Charitable Implications

- 9.2 Failing to comply with statutory health and safety legislation and employers' general duties under the Health and Safety at Work Act and associated Regulations could lead to regulator intervention, enforcement action, prosecution and adverse reputational risk.

10. Risk Appetite and Assessment

- 10.1 The Group and subsidiary risk appetite relating to issues of technical compliance is 'averse', defined as avoidance of risk and uncertainty, and this is a key organisational objective.
- 10.2 Health and safety compliance risks and associated mitigations are included in the Group strategic risk register and in the subsidiary risk registers.

11. Equalities implications

- 11.1 There are no implications for Equalities associated with this report.

12. Key Issues and Conclusions

- 12.1 Key H&S developments during Q1/2 have included:
- The deployment of our Notify incident reporting system;
 - Continuing high completion levels for H&S E-Learning courses and, where applicable, Home Working Self- Assessments by employees;
 - A new schedule of Management Arrangements listed at Appendix 1;
 - A planned new H&S Audit programme commencing during Q3; and
 - New Operational H&S meeting for Housing
- 12.2 These developments build on our already well established and robust approach to health and safety.

13. Recommendations

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

LIST OF APPENDICES:

Appendix 1: H&S Management Arrangements Development Schedule

H&S Management Arrangements Development Schedule

Document Title	Planned Date of Completion	Progress
Audit and Inspection	Q3	Completed
Communication and Consultation	Q3	Drafted for consultation
Confined Space	Q4	
Control of Contractors	Q3	
Contractor Vetting	Q3	
COSHH / Pesticides	Q3	
Digging and Services	Q4	
DSE	Q4	Drafted for consultation
DSEAR	Q4	
Event Management	Q4	
Hot Works	Q3	
Incident Investigation & Reporting	Q3	Drafted for consultation
Infection Prevention and Control	Q3	Drafted for consultation
Manual Handling	Q3	Drafted for consultation
Moving and Assisting	Q4	
New and Expectant Mothers	Q4	
Noise at Work	Q4	
Occupational Health and Wellbeing	Q3	
OSM	Q4	
Passenger Assistance	Q4	
Personal Protective Equipment & RPE	Q4	
Personal Safety (Violence at work)	Q3	
Risk Assessment	Q3	Drafted for consultation
Safety Reps	Q3	Drafted for consultation
Security Threats	Q3	
Severe Weather	Q3	
Shift Work	Q3	Drafted for consultation
Smoking	Q3	
Stress	Q3	
Training	Q3	
Work Equipment / PUWER	Q4	
Work Experience and Volunteers	Q3	
Working at Height	Q3	
Workplace Welfare	Q4	
Young People	Q3	

Report

To: Loretto Housing Board

By: Neil Addie, Director of Group Health and Fire Safety

Approved by: Laura Pluck, Group Director of Communities

Subject: Fire Prevention and Mitigation update

Date of Meeting: 25 November 2024

1. Purpose

- 1.1 The purpose of this report is to provide the Board with an update on the performance of our Fire Prevention and Mitigation Framework (FPMF) including:
- The current rate of Accidental Dwelling Fires (ADFs);
 - The current rate of Person-Centred Risk Assessments (PCFRAs);
 - Progress with our Fire Risk Assessment (FRA) programme;
 - Completion of actions associated with FRA and PCFRA visits; and
 - Other developments in respect of fire safety.
- 1.2 This report focuses specifically on performance for the period of 1 April 2024 to 30 September 2024 and includes information on the findings from the Grenfell Inquiry.

2. Authorising and strategic context

- 2.1 Under the Group Standing Orders, the Wheatley Group Board is responsible for approving Group policies and frameworks and designating those as applicable to all the Group partners. The Group Board approved the updated Fire Prevention Mitigation Framework at their meeting on 24 April 2024.
- 2.2 Under our Terms of Reference, we are responsible for monitoring our performance and corporate risks. This report supports us with those responsibilities.
- 2.3 This report relates to our Strategic Theme, 'Changing lives and communities'. Within this, we have an outcome to develop peaceful and connected neighbourhoods. The Group Fire Prevention and Mitigation Framework supports us in our delivery of this outcome.

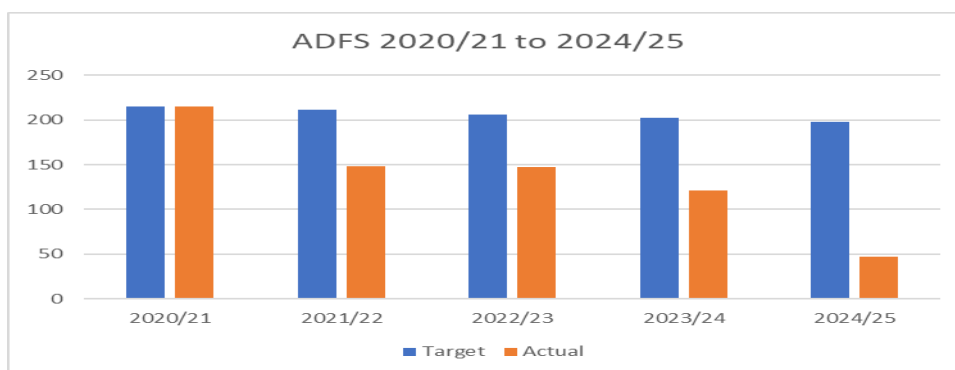
3. Background

- 3.1 Further to the Board update on the Fire Prevention and Mitigation Framework in May 2023, it was agreed there would be regular Board updates on ADFs, Fire Safety and our FRA programme.
- 3.2 Fire safety and keeping our customers and communities as safe as they possibly can be is of paramount importance to us. This is recognised within our 2021-2026 Strategy: Your Home, Your Community, Your Future, in which we clearly state that fire safety will remain a top priority. In addition, risk and mitigations relating to fire safety are included in our risk register, which is subject to ongoing Board review and approval.
- 3.3 Further to this, and in recognition of the importance we place on delivering unrivalled fire prevention and mitigation services, we have continued to set extremely challenging targets in relation to the reduction of ADFs.
- 3.4 During our 2021/26 strategy, we aim to build on the outstanding success already achieved and reduce the number of ADFs taking place within our Group stock portfolio by at least a further 10% over the 5 years.

4. Discussion

Accidental Dwelling Fires (ADFs)

- 4.1 During 2020/21 there were 217 ADFs in customer homes Group-wide. This number was chosen as a baseline for a targeted reduction in the number of ADFs by a further 10% between 2021 and 2026.
- 4.2 In the first 6 months of 2024/25, there were 47 ADFs in customer homes Group wide, against a target of 99 for that period. **Three** of these 47 ADFs took place in our homes.



- 4.3 It is believed that our Person-Centred Fire Risk Assessment (PCFRA) visit programme has contributed significantly to the ongoing reductions that have been seen during this period. These visits have enabled ADF reductions by:
- Providing additional fire safety equipment such as stove guards and air fryers;
 - Arranging for fire detection system upgrades for vulnerable individuals;
 - Identifying any fire safety repairs or systems defects in tenant homes;
 - Providing guidance to tenants on fire safety in the home; and
 - Arranging for tenant referrals/ assistance e.g. in respect of hoarding.

Person Centred Fire Risk Assessment

- 4.4 In the first 6 months of 2024/25, the Fire Safety Team has completed 11 PCFRAs within our properties. At the end of Q2 there were **no** mandatory PCFRA actions overdue/ outstanding.

Fire Risk Assessment

- 4.5 The completion of FRAs in our relevant premises extends to our Corporate Estate which includes, Houses of Multiple Occupancy(HMOs), care premises, offices, workshops and depots. as part of an ongoing planned programme.
- 4.6 During quarters 1 and 2, **three** FRA visits took place in our relevant premises. At the end of Q2 there were **no** overdue mandatory FRA actions associated with our relevant premises.
- 4.7 Currently, all our relevant premises have a valid FRA to satisfy the requirements and legal obligations set out in the Fire Safety Scotland Act 2005 and Fire Safety Scotland Regulations 2006.

Other Fire Safety Developments

- 4.8 Following publication of Part 2 of the Grenfell Inquiry in early September 2024, the Group Board received an update at its meeting on 25 September 2024.
- 4.9 Loretto does not have any MSF blocks that meet the characteristics considered by the inquiry. Our blocks at Queens Quay in Clydebank and Dumbarton Rd in Glasgow are below 18m, and neither have combustible cladding. Queens Quay is a brick system and Dumbarton Rd is an aluminium frame with steel rails, and non-combustible panels that are consistent with current building regulations.
- 4.10 Nevertheless, it is useful to consider the Grenfell Inquiry findings. This table below provides a summary of recommendations from Part 1 of the Inquiry, alongside the Scottish Government ("SG") and SFRS position and our Group position.

Recommendation from Phase 1 (2019)	SG/SFRS response (2020/2022)	Group position
Owner/ RSL to provide info to Fire Service in respect of MSF external wall design	Owner to survey/ identify MSF external wall issues (cladding) & advise SFRS of any dangers	<ul style="list-style-type: none">▪ No issues identified with MSF stock cladding▪ No issues required to be communicated to SFRS
Owner/ RSL to provide information to Fire Service on floor plans and location of fire systems and place in info boxes	The existing practice of provision of wall plates/ diagrams in situ is deemed adequate by SFRS	<ul style="list-style-type: none">▪ Wall plates/ diagrams provided at all MSF locations▪ Daily checks by NETS▪ Verified by 3 yearly FRA by Fire Team

Recommendation from Phase 1 (2019)	SG/SFRS response (2020/2022)	Group position
Owner/ RSL to carry out monthly inspection of fire- fighting lifts and lift control mechanisms and advise SFRS as well as check annual maintenance	Agreed RSLs should do this; OAV visits by SFRS also check these standards	<ul style="list-style-type: none"> ▪ Daily checks by on-site staff, including the functioning of lifts ▪ Annual maintenance by external contractor ▪ 3 yearly FRA review by our fire safety team Planned actions <ul style="list-style-type: none"> ▪ Audit of NETs checks by Fire Team
Owner/ RSL to put in place evacuation plans in understandable format	Confirmed continuation of 'stay put' policy is adequate for MSF	<ul style="list-style-type: none"> ▪ Fire evacuation information is located adjacent to lifts and on each floor within our MSFs
Owner/ RSL to create PEEPS for residents with impairments	Confirmed only required for higher risk properties and not MSF properties	<ul style="list-style-type: none"> ▪ PEEPs are not mandatory in any of our properties but are in place for individuals in two Loretto facilities due to the vulnerable nature of residents
Owner/ RSL to provide floor number signage at lobbies and floors	Confirmed required and incorporated into SG/ SFRS guidance. Clear floor number signage is required in lobbies and stairwells.	<ul style="list-style-type: none"> ▪ We provide the required signage and this is checked by SFRS during their quarterly operational assurance visits ▪ Daily checks by NETS ▪ Verified at 3 yearly FRA visits by the fire safety team
Owner/ RSL to carry out urgent inspection of MSF internal fire doors/ self-closers and thereafter put in place a minimum 3 monthly check	<p>The 2022 Scottish Government MSF guidance recommends 6-monthly checks of internal fire doors (including dwellings).</p> <p>Note the England and Wales requirement is that flat front doors within MSFs be checked annually, and internal doors in common parts quarterly.</p>	<ul style="list-style-type: none"> ▪ We have been scaling up our fire door technical inspection programme, and plan to have carried out an inspection of all flat and common fire doors this financial year. Thereafter, we will move to a 6-monthly cycle. ▪ If we do not obtain access we will organise 2 further appointments. Should we not receive access after the third appointment we propose to force access. ▪ We will offer private owners a free door check, and undertake visual checks on all doors. If any are identified which do not appear to be fire doors, we

Recommendation from Phase 1 (2019)	SG/SFRS response (2020/2022)	Group position
		<p>will inform the owner of this and will offer assistance to allow this to be upgraded.</p> <ul style="list-style-type: none"> ▪ 3 yearly FRA door checks by the Fire Team including 10% of front doors. ▪ Daily checks by on-site staff of common area fire doors <p>Proposed action:</p> <ul style="list-style-type: none"> ▪ Liaison with SFRS regarding implementation approaches for front door checks ▪ Audit of NETS daily checks of all other internal fire doors

4.11 Part 2 of the Inquiry examined the underlying causes of the fire and how Grenfell Tower came to be in a condition which allowed the fire to spread. It also investigated the response of the authorities to the emergency. Given that the inquiry findings have just been released, the Scottish Government is still considering its findings and may, in due course, produce further guidance, amend existing guidance or introduce new legislation.

4.12 We have, however, identified several themes within the findings relevant to us and have set out our position in respect of these in more detail below.

Lack of Transparency to Kensington and Chelsea Borough Council (KCBC) Board on Fire Safety Matters

4.13 The Inquiry noted that fire safety information had not been properly communicated to KCBC Board. As detailed in this report, fire safety is embedded within our governance and risk management arrangements.

Insufficient Business Continuity and Response Planning by KCBC

4.14 We have a business continuity and response event each year. This scenario event is detailed, testing staff understanding of roles and responsibilities, customer communications, planning for dealing with displaced tenants including accommodation, food and water and transport and engaging with statutory and voluntary sector partners. This covers both any fire event and the days and weeks following any such event.

4.15 A further review of written business continuity arrangements associated with this type of scenario, and ongoing communication and understanding of these, is now ongoing.

Competence of Staff/Contractors in Respect of Fire Safety

4.16 The Inquiry noted that the competence of individuals employed by KCBC to carry out FRAS, had not been verified/ checked.

- 4.17 Wheatley Group have an in-house Fire Safety Team with 6 Fire Safety Officers and 1 SFRS secondee, all of whom have completed certified/ verified FRA training and are competent to carry out Fire Risk Assessments. We will continue to ensure that this competence is maintained, and also ensure that any new member of this team is suitably qualified.

Monitoring of standards and follow up action

- 4.18 The inquiry identified weaknesses in the way that fire safety standards were monitored and the way in which actions identified, as part of any FRA, were followed through and monitored to implementation.
- 4.19 We have a clear process in place for identifying, tracking and monitoring actions identified in FRAs, which has recently been refined to create priority categories. High risk actions are dealt with as an emergency repair and called through to the CFC immediately. Lower risk actions, which are more commonplace, are now categorised as mandatory actions with an agreed timescale agreed by the Fire Safety Team. Our process relating to this is as follows:
- All mandatory actions are monitored on a weekly basis by a report issued to all subsidiaries and services;
 - Any overdue actions are highlighted separately;
 - 4 weekly meetings chaired by the Director of Assets and Sustainability to ensure any issues raised are addressed;
 - Monthly update on H&S/ Fire Safety to Executive Team and attendance by Director of Group Health and Fire Safety to discuss ongoing issues;
 - Audits of completed actions are undertaken by the H&S team; and
 - Regular updates are provided to appropriate Boards.
- 4.20 The performance of our FRA programme is part of our standard quarterly performance reports for all RSL Boards.
- 4.21 Loretto employees are also able to report fire safety concerns via our Group Whistleblowing Policy available on WE Connect. This is supported by videos explaining the content which are also available to staff through WE Connect, and the Group's Business Ethics e-learning module also contains links to the Policy.

Poor tenant engagement, communication and complaint handling

- 4.22 One of the themes in the findings of the inquiry was poor communication and engagement with tenants. This manifested particularly in a lack of engagement with tenants over issues they raised, work that was being undertaken and complaints not being handled appropriately or resolved. It was also found that multiple and/or recurring complaints about the same issue were not a trigger for escalation or urgent action.
- 4.23 The Group has a robust and thorough complaints process overseen by a central team to ensure we are engaging appropriately with our tenants. Analysis of our complaints confirms that we have not had a pattern of complaints from multiple tenants in relation to fire safety.

Personal Emergency Evacuation Plans - PEEPs

- 4.24 The Scottish Government, as part of its Building and Fire Safety Working Group, did not support the general use of PEEPs in high rise domestic buildings. However, we are currently in discussion with SFRS nationally regarding the issue of PEEPs together with other potential improvements, including Home Fire Safety Visits, signage and information boxes. We will continue these discussions and have offered to pilot any proposals in partnership with SFRS who are critical to any potential use of PEEPs, since it will be their officers making use of them in the event of a fire evacuation.

Ongoing Fire Safety Improvement and Monitoring

- 4.25 While much of the discussion above is concerned with fire safety in multi storey tower blocks over 18m, the findings also have general applicability. To take this forward, we have developed a new Group-wide Fire Safety Action Plan that will be progressed and monitored via our existing Fire Working Group.

5. Customer engagement

- 5.1 Our Fire Prevention and Mitigation Framework has a very clear focus on customer engagement through our Person-centred Fire Risk Assessment programme. Our Fire Safety Team also undertake post-fire investigation visits to tenant homes to identify if any lessons can be learned to reduce the risk of further fires occurring.

6. Environmental and sustainability implications

- 6.1 The environmental impact of a house fire and building fires presents a negative outcome to the environmental commitment of the group in our efforts to reduce our carbon footprint and promote sustainability.
- 6.2 The immediate short-term effects of house fires and building fires are the obvious risk and displacement to customers, release of toxic gas, smoke and other by products that contaminate the local environment, that can also impact air quality because of the release of greenhouse gases such as carbon monoxide and carbon dioxide.
- 6.3 The negative consequences of a building fire can also endanger the health and well-being of our customers, their neighbours and our communities.
- 6.4 Targeting PCRAs for vulnerable customers and ensuring our fire safety arrangements remain effective, including our robust fire risk assessment programme, contributes to the overall commitment of the Group to positively impact our environmental and sustainability responsibilities.

7. Digital transformation alignment

- 7.1 In support of our Digital Transformation, we have developed a Fire Risk Assessment Dashboard. This provides real-time data on the current progress and status of our FRA programme, ADFs, PCFRAs and Fire Investigation Notes.
- 7.2 Access to Power BI Dashboard and PIMSS is shared with Duty Holders and Relevant Persons for access, visibility and updating progress.

8. Financial and value for money implications

- 8.1 The Group Board approved our Group Asset Management Strategy in June 2024 and the Loretto Board approved its Strategic Asset Investment Strategy in September 2024. Within these tenant safety and compliance, including fire safety, is stated as our top priority and is therefore always prioritised in our budget allocation process.
- 8.2 The measures set out in this report are fully funded in our business plan through our repairs and maintenance programme budget allocations.

9. Legal, regulatory and charitable implications

- 9.1 Our approach to fire risk assessment in a legal context is one of a statutory nature for relevant premises that protects the group from unwanted enforcement action, potential prosecution, and reputational risk.
- 9.2 The Fire Safety Scotland Act 2005 and Fire Safety Scotland Regulations 2006 place legal obligations on duty holders to conduct Fire Risk Assessments in Relevant Premises (Non- Domestic Premises).
- 9.3 Relevant Premises are those premises that are covered by fire safety legislation and enforced under current legislation by SFRS. Premises such as HMOs, care premises, offices, workshops and depots are legally required to have a current FRA in place.

10. Risk Appetite and assessment

- 10.1 This report most closely aligns with our strategic outcome of investing in existing homes and environments. Within this, our risk appetite for legal/regulatory compliance is minimal and we have a commitment to ensuring strong fire safety precautions throughout our homes.
- 10.2 The Group Board approved “Your Home, Your Community, Your Future”: Our five-year strategy covering 2021-2026. This report provides the Board with assurance in relation to the ongoing implementation of the strategy and our ability to respond to new guidance and legislation.

11. Equalities implications

- 11.1 There are no equalities issues arising from the content of this report.

12. Key issues and conclusions

- 12.1 Accidental dwelling fires continue to reduce across the Group and within our homes.
- 12.2 The Group Fire Safety Team carried out 11 PCFRAs in our homes during this period.
- 12.3 FRAs within our relevant premises in accordance with Scottish Government guidelines and best practice maintains the Group’s position of strong legal compliance for fire safety.

- 12.4 All Loretto relevant properties have had a Fire Risk Assessment carried out within our programme dates.
- 12.5 All mandatory actions previously raised by the PCFRA/ FRA process have been completed.
- 12.6 A new Fire Safety Action Plan has been created for oversight by the Fire Safety Working Group, which will continue to be attended by our staff.

13. Recommendations

- 13.1 The Board is asked to note the update and progress of our Fire Prevention and Mitigation Framework for the period 01 April 2024 to 30 September 2024.

LIST OF APPENDICES:

None

Report

To: Loretto Housing Board

By: Laura Henderson, Managing Director

Approved by: Alan Glasgow, Group Managing Director of RSLs

Subject: Performance Report

Date of Meeting: 25 November 2024

1. Purpose

1.1 The purpose of this report is to provide an update on:

- Sector comparisons for Annual Return on the Charter ("ARC") indicators following the publication of 2023/24 sector-wide data by the Scottish Housing Regulator ("SHR"); and
- Performance against targets and strategic projects for 2024/25 to the end of quarter two.

2. Authorising and strategic context

2.1 Under our Terms of Reference, the Board is responsible for monitoring performance against agreed targets. We measure progress with the implementation of our five-year strategy via the Group Performance Management Framework.

2.2 The Group Board agreed an updated programme of strategic projects and performance measures and targets at its meeting in April 2024. Our Board subsequently agreed our own specific performance measures and targets at its meeting on 20 May 2024.

3. Background

3.1 This report outlines our performance against targets and strategic projects for 2024/25. Unless specified otherwise, results for all measures are based on year-to-date figures. This includes progress with those measures that will be reportable to the Scottish Housing Regulator ("SHR") as part of the Annual Return on the Charter 2024/25.

4. Discussion

Charter 2023/24 Sector Comparison

- 4.1 The SHR published the national report including Scottish averages for 2023/24 in late August 2024. The comparison with our performance provides a very positive picture of our 2023/24 performance, with 93% (25/27) of the total number of tenant-related indicators considered better than the Scottish average. This includes all tenant satisfaction figures sourced from our independent satisfaction surveys undertaken by Research Resource during 2023/24.

Table 1

Number of ARC indicators above 2023/24 Scottish average	% above Scottish average
25	93%

- 4.2 Several of these Scottish average 2023/24 comparisons are referenced through this paper for the relevant Charter indicators, alongside an update to quarter two.
- 4.3 The following sections present a summary of key measures and strategic projects. Strategic measures can be found in Appendix 1 and Strategic projects are found in Appendix 2. SPSO and ARC complaints can be found in Appendix 3.



Delivering Exceptional Customer Experience

Customer First Centre

- 4.4 Year-to-date results as of the end of quarter two for our core CFC measures are presented in Table 1:

Table 2

Measure	2024/25		
	Value YTD	Target	Status
Loretto - CSAT score (customer satisfaction)	4.5	4.5	
Loretto - Call abandonment rate	5.00%	5%	
Loretto - Call abandonment rate - those waited over 30secs and abandoned	3.48%	4%	
Group - % of contacts to CFC resolved within CFC	88.88%	93%	





- 4.5 Customer satisfaction with the CFC (known as CFC CSAT) remains the key measure, ensuring we place our customers' voices at the heart of performance management. Our overall CFC CSAT score is now achieving target at 4.5 at the end of quarter two with July to September consistently at 4.7 or above. This is also an improvement from 4.4 at the end of quarter one. Overall, customers tell us that they value the service they receive and consistently report that staff are friendly, helpful and polite.

- 4.6 The call abandonment rate for our customers has increased during quarter two to 5%, from 4.55% in quarter one, however is still within the 5% target. The call abandonment rate after 30 seconds, whereby our customers waited over 30 seconds and then abandoned their call, better represents the aspect of the service that may be in the CFC's control. This improves to 3.48%, against a 4% target.
- 4.7 The percentage of contacts to the CFC resolved within the CFC, without the need to be passed to either Housing Teams or MyRepairs, was at 88.88% at the end of quarter two, an improvement from the 87.68% at the end of quarter one. This includes resolution on the phone, with specialist teams and via digital contact.
- 4.8 We moved to a geographic approach within the CFC in September, with a small dedicated team answering Loretto specific calls between the core hours of 8am - 6pm. Along with a designated housing specialist, this will help to build local knowledge and relationships, which we anticipate will reduce the need for cases to be raised or passed to the local housing team. While there was a noticeable increase in Loretto abandonment rates this was as a result of the geographic approach and our aim to have calls managed by a small dedicated team. The CFC's daily monitoring allowed us to swiftly amend overflow rules to address this.

Complaints

- 4.9 We continue to be very responsive to complaints, exceeding our Stage 1 and Stage 2 targets of 5 and 20 days respectively, as set out in the table below. Further results are presented in Appendix 3.

Table 3

Charter - average time for a full response to complaints (working days) Stage 1 - 5-day , Stage 2 – 20-day target				
Subsidiary	2023/24		2024/25 – YTD	
	Stage 1	Stage 2	Stage 1	Stage 2
Loretto	3.48 	15.17 	3.62 	15.90 

- 4.10 There is a slight downward trend in complaints this year compared to the same months for last year. This indicates that the service improvements and introduction of new ways of working from April this year are having an impact. These changes were influenced by lessons learned from repair complaints in areas such as ensuring the right operative for the right task and delivering the repair right first time, are having a positive impact.
- 4.11 We have focused on identifying the root cause of complaints, as well as from negative real time feedback and engagement discussions, and are taking appropriate action to address this. Key action comprise:
- Continuing to improve the number of **repairs completed first time** – in the customer's view; and
 - Responding to the need for **reasonable adjustments** to support customers with particular needs.

- 4.12 The introduction of the new POD model, which focuses on **completing the repair right first time**, is believed to have already contributed to the reduction in complaints this quarter. This is achieved through ensuring that our vans are better equipped to resolve likely repairs, the option of getting parts delivered by courier to a customer's home and the reallocation of later appointments to allow operatives to complete repairs on the first visit.
- 4.13 Despite this there is still room for further improvement and the next phase of improvement work includes:
- Ensuring our planners are highly skilled in communicating with customers where appointments need to be rearranged;
 - Reducing the number of repairs where Inspectors are sent as the first visit;
 - Reviewing outstanding and ongoing repairs to identify any blockages; and
 - Reviewing options to make it easier for staff to identify multiple requests for the same issue.
- 4.14 Increasingly our customers ask for **adjustments** to be made to our services to meet their personal needs, both when they complain and when requesting other services. We also see cases where we want to make these adjustments, even where this has not been requested, to be proactive in supporting customers. A large part of the response to this issue will be addressed through our personalised services approach. As an initial step, we have drafted staff guidance on reasonable adjustments to help ensure that they can consider the full range of potential adjustments and what is reasonable in the context.
- 4.15 There is also work underway to support our complaint handling. This includes:
- Reviewing our staff support, guidance and training, taking into account feedback from customer focus groups which highlighted communication and delivering commitments as a key priority;
 - Increasing the level of quality assurance of both written responses and CFC calls;
 - Updating our data classification of repairs to allow better analysis of the root cause of the complaint; and;
 - Increasing the frequency and profile of complaints reporting within operational performance meetings as well as senior staff meetings (e.g. Executive Team).

Tenancy Sustainment

- 4.16 Tenancy Sustainment is a measure of new tenancies commenced in the previous reporting year where the customer remains in their home for more than a year. As well as new customers benefiting from remaining in their tenancy for longer, improvement in this measure reduces lost rent.
- 4.17 We continue to support our new customers to sustain their tenancies and to deliver strong performance in the Charter measure and our revised indicator (which excludes deaths and transfers to other homes in the Group).
- 4.18 We consistently exceed the target for both these measures and we are better than the Scottish average of 91.2% for 2023/24.

Table 4

Tenancy Sustainment	Charter – All lets	2024/25 Target Charter	Charter – Homeless Lets	Revised	2024/25 Target Revised
Loretto	93.70%	90%	93.46%	93.55%	91%

Allocations CSAT

- 4.19 Our Allocations MyVoice survey commenced on 1 August 2023 to measure our customers' satisfaction with the process of getting their new home. Satisfaction for the rolling year is 4.6.

Table 5

Allocations CSAT	2024/25 – Rolling year	2024/25 Target
Loretto	4.6	4.5



Making the Most of Our Homes and Assets

Development Programme

- 4.20 Our target is to deliver 48 new social homes in 2024/25. Year-to-date to the end of quarter one we had no handovers profiled or handed over. Work however continues on our pipeline.
- 4.21 Progress on site at Croy is ahead of programme with potential for completions in 2024/25.

Volume of Emergency Repairs

- 4.22 The table below shows our position against the strategic result to reduce the volume of emergency repairs by 10% by 2026 compared to the updated baseline year of 2022/23. The target for 2024/25 is a reduction of 3.5%.
- 4.23 Emergency repair numbers are 194 more than the same point in 2023/24, a variance of 10.92% and above target. For context, 1,970 emergency repairs in 2024/25 is 30.7% of all responsive repairs completed and compares to 26.8% at the same point last year.
- 4.24 Emergency repairs volumes are a consequence of customer reports and are affected by external factors such as weather conditions. We will continue to review the raising of emergencies locally with the CFC teams to ensure that repairs being raised are appropriately diagnosed as emergencies.

Table 6

Completed repairs	emergency	YTD 23/24	YTD 24/25	Variance
Loretto		1,776	1,970	10.92%

Repairs Timescales and Right First Time

- 4.25 Our average time taken for emergency repairs is 2.89 hours at the end of quarter two, within the 3-hour target. This is an improvement on 3.07 in 2023/24 and compares favourably with the Scottish average of 4 hours.
- 4.26 The table below also shows the average time taken for non-emergency repairs at 9.11 days, above this year's target of 7.5 days. This is a significant improvement on quarter one (10.36 days) yet remains above our average for 2023/24 of 8.61 days and the Scottish average of 9 days.
- 4.27 The MyRepairs team ("MRT") continues to actively engage with our customers on existing repairs, ensuring their concerns are addressed promptly. MRT are also overseeing complex repairs referred by the Housing Team, providing customers with a single point of contact for these cases and making the whole process smoother and more efficient.
- 4.28 Moreover, we are committed to gathering valuable insights which are instrumental in driving our service improvement actions. City Building plays a crucial role in delivering our repairs service, and their performance is key to improving tenant experience and satisfaction. Through a performance review, several primary issues affecting repair delivery were identified and targeted action is now underway as follows to ensure a more efficient and satisfactory repairs service for our customers:
- 4.29
- 1) Availability of Resources – Repairs have been handled by a limited group of trades resources dedicated to our repair works, which has occasionally been insufficient to meet service demand. We are now addressing this by utilizing the full POD repairs system to ensure we do not have a resource availability issue;
 - 2) Geography – The geographical spread of our stock necessitates efficient work planning to maximize productivity and minimize travel time. Again, with access to the full POD repair system, we can greatly reduce any impact the geographical challenges create for Loretto customers; and
 - 3) Materials – Our stock includes some non-standard materials, impacting the prompt and first-visit completion of repairs. The van stock replenishment and ordering arrangements in place through our suppliers for all trades will minimize any issues.

Table 7

Repairs completion timescales (Charter)	Emergency (hours)		Non-emergency (days)	
	Target	YTD Value	Target	YTD Value
Loretto	3.00	2.89 	7.5	9.11 

- 4.30 Right first-time performance to the end of quarter two is at 87.23%. An improvement on 86.37% last quarter but remains below the 90% target and the position reported last year (89.92%). The Scottish average in 2023/24 was 88%. As acknowledged at the complaints section, we know that for some customers it does not feel to them that we get it "right first time". This is often to do with the repair requiring a number of visits with actions to address this outlined earlier in this report.

Table 8

Percentage of repairs right first time (Charter)	2023/24	2024/25 Y T D	Target
Loretto	89.92%	87.23%	90%

Rate It

- 4.31 Our 'Book It, Track It, Rate It' app aims to improve visibility and communication during the repair journey. Year-to-date this quarter, our Rate It score is 4.6/5 (from 577 responses).
- 4.32 Local teams have full access to overall scores from Rate It as well as the breakdown by trade/operative/work type to ensure feedback is used to continually review and improve performance.

Responsive repairs: Damp and mould

- 4.33 We continue to monitor repairs in relation to mould, with updates provided to help facilitate greater scrutiny over these types of repairs. The CFC raises every job related to damp, mould, condensation or rot as a mould inspection line.
- 4.34 We have attended 78.73% of mould inspections within 2 working days in quarter two. We are now able to report that over half (53%) of inspections that took more than two days related to customer choice of the appointment time. The table below details the inspections with category of severity. We have had no severe cases.

Table 9

Inspection completed	Category				
	No	Mould Found	3 (mild)	2 (moderate)	1 (severe)
204	41		161	2	0

- 4.35 In this quarter, 71.5% of remedial mould repairs were completed within 15 working days. In future, as with inspections, we will report what proportion of those outwith 15 working days related to customer requests. In September, the in month average time was only 10.2 days to complete these repairs.
- 4.36 We have continued to strengthen our internal processes and capability in relation to responding to and resolving occurrences of damp and mould. We have strengthened the technical skills of staff, including within CBG, through specialist training. We are also exploring training which would be specifically tailored to the CFC which would, also include a diagnostic questioning set which will allow better diagnosis of the issue when it is first reported.
- 4.37 In addition to this we are developing the sophistication of how we approach remedial work. This includes the development of data driven diagnosis based on archetype, standard remediation by archetype, and detailed analysis of case data to better match the work required with the skillset of the tradesperson. This will also support our improvements in response to the issues customers raise through repairs complaints.

- 4.38 We are also taking several actions to support our response to damp and mould reports over the winter months, including:
- contacting customers who have reported issues with damp and mould on two or more occasions this year to identify and put in place any individual support that is needed to mitigate reoccurrence;
 - running our 'Damp and mould, we need to be told' campaign to the frontline delivery teams, reiterating our messaging around the seriousness of damp and mould in tenants' homes and their responsibility when in tenants' homes to identify and report immediately any issues relating to damp or mould to ensure we respond timeously; and
 - increasing the level of resources within our My Repairs team for follow-ups with customers to ensure issues have been resolved to their satisfaction.

Medical Adaptations

- 4.39 Time to complete medical adaptations remains within the 25-day target year-to-date, with the average days to complete at 21.09 days. We have completed 47 adaptations year-to-date and have four household waiting.

Table 10

Medical Adaptations (Charter)	Current Households Waiting	Number Completed YTD	Average Days to Complete YTD	Target
Loretto	4	47	21.09	25

Gas Safety

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

Compliance

- 4.41 We have made good progress in the first quarter of the year. All of our relevant properties (51) are compliant with Legionella assessment requirements. All safety checks have been completed on passenger and domestic lifts.
- 4.42 We are making excellent progress with inspections of electrical installation certificates due to expire before the end of 2024/25, with 89.14% already complete. At the end of quarter two, we however had three properties without a valid EICR. This has now reduced to one and related to a complex case which is now progressing to court action.

Health and Safety

- 4.43 We continue with the positive position of no reportable RIDDOR incidents in 2024/25. We have not lost any days this year due to work-related accidents.
- 4.44 We also have no Health and Safety Executive or local authority environmental team interventions this year, the same position that we have maintained since the measure started in 2021.
- 4.45 We have received no new employee liability claims during quarter two, and none during 2024/25.

Workplace Fires

- 4.46 We have not had any workplace fires in quarter two and have not recorded any since the measure started in 2021.



Changing Lives and Communities

Peaceful Neighbourhoods

- 4.47 Since 2021 we have had in place a strategic measure on the number of tenancies categorised as Peaceful. This is based on the Police Scotland Safe, Calm and Peaceful methodology and the definitions are as follows:
- **Peaceful** – datazones assessed to be minimal to low priority with a recommendation of regular service delivery;
 - **Calm** – datazones assessed as moderate to high priority and carry a recommendation of regular service delivery or monitoring; and
 - **Safe** – datazones assessed to be very high to extremely high priority with a recommendation for a prioritisation for enforcement measures.
- 4.48 The Safe, Calm and Peaceful ratings are calculated by Police Scotland using the Police Scotland Business Intelligence Toolkit (BIT). This tool considers each SIMD datazone, the SIMD deprivation score for the datazone and public reported incidents of ASB which occurred within or near to Wheatley RSL properties (within 25 meters) within the datazone.
- 4.49 The SIMD score is only updated every three or four years and was last updated in 2020. As such, it generally remains static each period and the only variable element is the monthly reports of ASB incidents to Police Scotland.
- 4.50 Our strategic measure is for over 80% of customers across our Group to live in neighbourhoods categorised as peaceful by the end of the strategy period. At the end of quarter two, the Group-wide percentage of tenancies categorised as Peaceful decreased slightly from 76.92% in quarter one to 75.87%. We are, however, still performing better than this year's target of 75%. It should be noted that we also monitor our own repeat ASB cases measure by RSL, reported later in this section and showing the relatively low number we have.

Anti-Social Behaviour (ASB) Resolved

- 4.51 By the end of quarter two, the resolution rate for Loretto ASB cases was 98.82%, just below the target of 100%.

Table 11

ASB Resolution Rate	YTD	2024/25 Target
Loretto	98.82%	100%

- 4.52 ASB resolution and timescales remain a strong performance focus over the coming periods.

Repeat Anti-Social Behaviour cases – number of repeat addresses

- 4.53 Year-to-date to September, ASB was recorded at 24 repeat addresses within Loretto. This compares to 45 for the full year 2023/24. Less than 1% of our properties have issues with repeat incidences of ASB.

Accidental Dwelling Fires

- 4.54 Year-to-date to September, we have had three accidental dwelling fires. We had only one during 2023/24, a reduction from 6 in 2022/23.

Table 12

Number of recorded accidental dwelling fires	2024/25 YTD	2023/24
Loretto	3	1

- 4.55 Our position contributes towards a Group Strategic result to reduce RSL accidental dwelling fires (ADFs) by 10% by 2025/26, against the baseline of 215 ADFs in 2020/21. We achieved this target in each year of the strategy to 2023/24 and to the end of quarter two across the group we have had 47 accidental dwelling fires.
- 4.56 Our additional strategy measure aims to ensure 100% of applicable properties have a current fire risk assessment in place. This continues to be achieved.

Table 13

Fire Risk Assessments	2024/25 YTD	Target
The percentage of relevant premises - HMOs that have a current fire risk assessment in place	100%	100%

- 4.57 As at the end of September, we had no outstanding/ overdue mandatory actions arising from three FRA visits that took place during quarter one and two.

Reducing Homelessness

- 4.58 We have provided 47 homes to homeless households this year-to-date. Our percentage of relevant lets made to homeless applicants in the first half of the year has improved from 48.15% in quarter one to 55% and we are now meeting our 50% commitment (relevant lets exclude mutual exchange, transfers and LivingWell lets for which we are limited to let to homeless applicants).

Table 14

Reducing Homelessness	2024/25 Number of lets to homeless applicants (ARC) - YTD	2023/24 Number of lets to homeless applicants (ARC) – full year
Loretto	47	99

Neighbourhood environmental customer satisfaction (Ad-hoc)

- 4.59 Our NETs MyVoice survey commenced in October 2023 to measure our customers' satisfaction with an ad-hoc service they requested, such as bulk uplift, tree work or weeding from our Neighbourhood Environmental Teams ("NETs"). Satisfaction for the rolling year is 3.8 against a 4.3 target.

Table 15







NETs CSAT (Ad-hoc)	2024/25 – Rolling year	2024/25 Target
Loretto	3.8	4.3

- 4.60 We are in the process of exploring and agreeing the future NETs survey question set to focus on core services such as close cleaning. This will be informed by the Group Scrutiny Panel's recent thematic review of environmental services, in which customers decided to focus on NETs and waste management.
- 4.61 This review involved a range of fieldwork including scrutiny of processes, performance and customer insight sources, and engagement with local environmental staff and a Keep Scotland Beautiful representative.
- 4.62 The thematic group developed a customer survey to better understand priorities around environmental services which informed four focus groups, facilitated by TPAS and observed by the thematic group. This customer engagement from the thematic emphasised that customers place high value on the environmental service, reinforcing themes from other sources of customer insight such as our most recent satisfaction surveys.
- 4.63 The Scrutiny Panel members have finalised their thematic report with recommendations focused on key themes that emerged from the review. This includes increasing communication and clarity of information about environmental services to ensure customers are kept informed about upcoming NETs services and engagement, and that responsibilities are clear.
- 4.64 We have worked with the Panel members to agree actions to address the recommendations from their review and will meet again with them in April 2025 to review progress. In the meantime, the report will be published and promoted both internally and externally including through video content to hear directly from the customers involved. An update will be brought to the Board early in 2025.

Jobs and Opportunities

- 4.65 30 children and young people from our homes have been supported this year through the Imagination Library and the Click & Connect Youth Access sessions.
- 4.66 To the end of September, the Wheatley Works staff have supported 16 training and employment opportunities for people in our homes and communities including Plumber and Gas Engineering Apprenticeship, Construction Placements with McTaggart's Construction and Web Design Training Academy with our partner, Generation UK.
- 4.67 Over 200 people from our homes and communities accessed support to alleviate the impacts of poverty. This has included support through Welfare Benefits Advice, Starter Packs and our My Great Start service.

Table 16

Indicator	Target (YTD)	Current Performance YTD	2023/24
Loretto - Number of children and young people benefiting from targeted Foundation programmes in Wheatley Communities	25	30 	42 
Loretto - Total number of jobs, training places or apprenticeships created for customers and communities	6	16 	14 
Loretto - Number of people accessing services which help alleviate poverty in Wheatley Communities	151	209 	371 





Developing our Shared Capability

Sickness Absence

- 4.68 We are currently outperforming the 3% sickness target at 0.66% year-to-date. This is a slight decrease from the position at the end of 2023/24 (0.45%).

Table 17

Sickness Rate	Target	2024/25 YTD	2023/24
Loretto	3%	0.66% 	0.45% 

- 4.69 Employee Relations are continuing to audit short-term sickness to check that all available support is being offered and that, where appropriate, formal sickness absence management processes are being applied. This will be supported by refresher training for managers. The ER team has also been realigned and a dedicated team focusing on absence has been created.
- 4.70 The Supporting Staff Through Bereavement, Financial Wellbeing and Stress & Anxiety workshops will continue to run throughout 2024 and will complement existing support services for stress and anxiety offered through our Employee Assistance Provider, our bespoke counselling services and through e-learning modules.

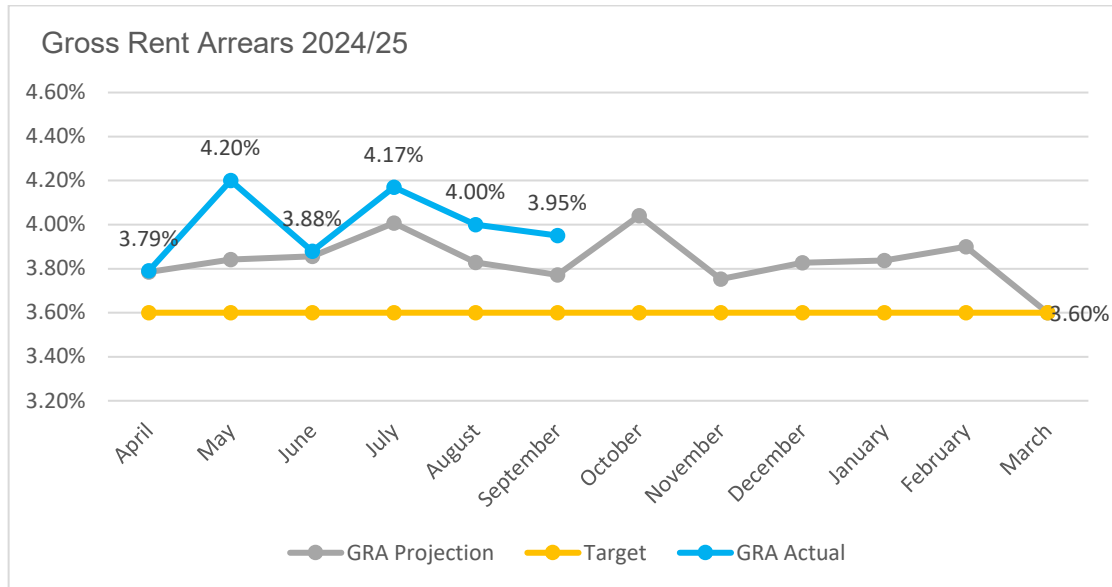


Enabling our Ambitions

Gross Rent Arrears

- 4.71 Our GRA has improved in the last two months from 4.17% to 3.95%, albeit above our projection for this point in the year. The SHR Scottish average for 2023/24 was 6.7%, which we continue to outperform.

Chart 1



- 4.72 To ensure we are on track to meet our year-end target and in order to continue to drive the necessary performance levels, we are working on an enhanced income action plan to focus on year-end income. Our annual Rent Campaign has commenced and will only heighten this attention.
- 4.73 This year's message is "Pay your rent. It keeps the roof over your head". Over 10 weeks, the campaign focuses on ways we can support customers, including Universal Credit, employability, Welfare Benefits and paying by Direct Debit.
- 4.74 For our Rent Campaign we have a cross-patch working approach targeting higher arrears patches with visits, phone calls, utilising CFC and GDRT to make out of hour and weekend calls along with increasing our wrap around support to customers.
- 4.75 As well as visits and phone calls, we also write to customers with arrears to encourage them to get in touch if they are struggling. This is supported by a social media campaign to remind customers of the importance of paying their rent, while highlighting the ways we can help make their money go further.
- 4.76 There has been a strong focus for Housing Officers on escalation of cases, including a focus on rejected Direct Debits and payment in full. This supported positive outcomes with payments made to clear arrears and affordable payment plans made where payments in full could not be made.
- 4.77 New UC managed migration awareness training has been delivered to the team to support learning and awareness of how this will impact our tenants. Managed migration is a key discussion at our team meetings to ensure we are able to support and signpost our tenants who will be impacted by the changes and minimise the impact on our performance.

Average Days to Re-Let (Charter)

- 4.78 Our average days to re-let at 11.35 days for the year-to-date is an improvement on the 15.57 days reported at the end of quarter one.

- 4.79 The Scottish average increased from 55.6 days in 2022/23 to 56.7 days in 2023/24, indicating the sector continues to face letting issues when compared to the 31.5-day average in 2019/20. We continue to significantly surpass this benchmark.

Table 18

Average days to re-let (Charter)	2024/25 YTD	2024/25 Target	2023/24 Results	Charter revised YTD (no meter amendments)
Loretto	11.3 	16	10.87	11.35

Invoice Payments

- 4.80 Year-to-date, 96.26% of invoices were paid in 30 days or fewer in quarter one, an increase from the end of 2023/24 (93.57%).

Procurement

- 4.81 By the end of quarter two, 99.04% of contracted expenditure was compliant with procurement rules and just above the 99% target, about the same as the end of 2023/24 (99.56%).



Summary of Strategic Project Delivery

- 4.82 A full update on progress with strategic projects is attached at Appendix 2. The following table summarises the current status of projects.

Table 19

Complete	On track	Slippage	Overdue
1	4	0	0

- 4.83 One project completed during quarter two:
- *Customer insight driven services.*
- 4.84 The Group Board discussed the personalised services strategic project at its meeting in September. Following this, we have clarified that the focus in the remaining period of our current strategy will be on the following activities:
- 1) Developing and delivering refreshed training on how staff (including City Building staff) recognise and respond to potential indicators of customer vulnerability (for example, hoarding or suicidal ideation) for relevant staff groups, by 31 March 2026. This will include how to refer to partner organisations such as local authority social work teams; and
 - 2) Developing an updated approach to Reasonable Adjustments for customers, by April 2025.
- 4.85 As we develop our new strategy for 2026-31, personalised service delivery will continue to be an important theme. Boards will be fully engaged in the development of the strategy and associated strategic projects.
- 4.86 All remaining projects are currently on track.

5. Customer engagement

- 5.1 We have several strategic projects that facilitate opportunity for customer engagement, as do new customer feedback channels such as MyVoice and Book It, Track It, Rate It. This is directly impacting the way we deliver services, the way they can be drawn down by customers and how customers can share their views on these services.

6. Environmental and sustainability implications

- 6.1 Our Group sustainability framework includes a refined sustainability performance framework overseen by the Wheatley Solutions Board.

7. Digital transformation alignment

- 7.1 Our strategy is underpinned by digital transformation. The strategic projects for 2024/25 have been developed and prioritised with IT, digital and data interdependencies a key factor.

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

- 9.1 The Scottish Housing Regulator requires an Annual Return on the Charter from each RSL. Key indicators within this return are also included in quarterly performance reporting. We are also required to involve tenants in the scrutiny of performance, which we do through the Group Scrutiny Panel, and to report to tenants on performance by the end of October each year, which we have.
- 9.2 The Group Scrutiny Panel considered our draft Report to Tenants and in advance of being published we took on board their feedback to:
- include that alternative versions/formats and translations into different languages are available upon request; and
 - signpost to support available.

10. Risk appetite and assessment

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

11. Equalities implications

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

12. Key issues and conclusions

- 12.1 We have strong performance against our targets for 2024/25 in several key areas including tenancy sustainment, CFC and allocations CSAT scores, emergency repair timescales, medical adaptation completion timescales, lets to homeless applicants, jobs and training places created, the number of children and young people benefitting from targeted Foundation programmes, the number of people accessing services to help alleviate poverty, sickness absence and re-letting times. Average time to complete non-emergency repairs and arrears remain key areas of focus.

13. Recommendations

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

LIST OF APPENDICES:

Appendix 1: Strategic Measures Dashboard
Appendix 2: Strategic Projects Dashboard
Appendix 3: SPSO and ARC Complaints












Appendix 1 - Loretto Housing Board - Delivery Plan 24/25 - Strategic Measures

1. Delivering Exceptional Customer Experience












	2023/24	YTD 2024/25		
Measure	2023	2024		
	Value	Value	Target	Status
% new tenancies sustained for more than a year - overall	93.88%	93.7%	90%	✓
% new tenancies sustained for more than a year - homeless	94.55%	93.46%	Contextual	
% new tenancies sustained for more than a year - revised	94.52%	93.55%	91%	✓
Group - % of contacts to CFC resolved within CFC		88.88%	93%	⚠
CFC CSAT	4.3	4.5	4.5	✓
Allocations CSAT	4.7	4.6	4.5	✓
Abandonment Rate	5.33%	5%	5%	✓
Call abandonment rate after 30 secs		3.48%	4%	✓

2. Making the Most of Our Homes and Assets

	2023/24	YTD 2024/25		
Measure	2023	2024		
	Value	Value	Target	Status
Reduce the volume of emergency repairs by 10% by 2025/26 (target -3.5% for 2024/25)	Apr to Sep 23/24 – 1,776	1,970	10.92%	✗
Average time taken to complete emergency repairs (hours) – make safe	3.07	2.89	3	✓
Average time taken to complete non-emergency repairs (working days)	8.61	9.11	7.5	✗

	2023/24	YTD 2024/25		
Measure	2023	2024		
	Value	Value	Target	Status
% reactive repairs completed right first time	89.92%	87.23%	90%	
Number of gas safety checks not met	0	0	0	
Average time to complete approved applications for medical adaptations (calendar days)	18.09	21.09	25	
Legionella - percentage of applicable properties with a valid risk assessment in place	100%	100%	100%	
Percentage of EICR certificates due to expire by end of financial year now renewed	100%	89.14%	100%	
Percentage of properties with an EICR certificate up to 5 years old	99.89%	99.89%	100%	
Percentage of domestic stair and through floor lifts with a valid safety inspection	100%	100%	100%	
Percentage of passenger lifts with a valid safety inspection	100%	100%	100%	
New build completions - Social Housing	24	0	0	
Number of RIDDOR	0	0	Contextual	
Number of HSE or LA environmental team interventions	0	0	0	
Number of accidental fires in workplace	0	0	0	
Number of accidental dwelling fires recorded by Scottish Fire and Rescue	1	3	Contextual	
Number of new employee liability claims received	0	0	Contextual	
Group - Number of open employee liability claims	13	8	Contextual	
Number of days lost due to work related accidents	NEW	0	Contextual	

3. Changing Lives and Communities

	2023/24	YTD 2024/25		
Measure	2023	2024		
	Value	Value	Target	Status
% ASB resolved	100%	98.22%	100%	
Number of lets to homeless applicants	99	47	Contextual	
% Lets Homeless Applicants - overall	62.26%	57.32%	Contextual	
% Relevant lets to Homeless Applicants	60.2%	55%	Contextual	
Group - Percentage of Community Benefit job and training opportunities arising through the spend associated with new home construction and our investment programme that have been secured by Wheatley customers	45.58%	70%	30%	
Group - % planned jobs, training places or apprenticeships created which are secured by our customers	72.57%	68.1%	60%	
Total number of jobs, training places or apprenticeships created for customers and communities	14	16	6	
Number of children and young people benefiting from targeted Foundation programmes in Wheatley Communities	42	30	25	
Number of people accessing services which help alleviate poverty in Wheatley Communities	371	209	151	
Group - Repeat antisocial behaviour cases in period – number of repeat addresses	952	498	475	
NETS Adhoc CSAT	3.9	3.8	4.3	
Group - % of our customers live in neighbourhoods categorised as peaceful	76.16%	75.87%	75%	
Group - The percentage of HMOs that have a current fire risk assessment in place	100%	100%	100%	
Group RSLs - Number of accidental dwelling fires (reduce by 10% by 2025/26) (Upper limit 195 for 2024/25)	120	47	195	


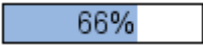


4. Developing Our Shared Capacity


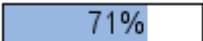

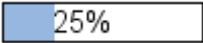
	2023/24	YTD 2024/25		
Measure	2023	2024		
	Value	Value	Target	Status
Sickness Rate	0.45%	0.66%	3%	✓


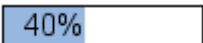
5. Enabling Our Ambitions

	2023/24	YTD 2024/25		
Measure	2023	2024		
	Value	Value	Target	Status
% lettable houses that became vacant	5.52%	5.98%	8%	✓
Average time to re-let properties	10.87	11.35	16	✓
Loretto C - Gross rent arrears (all tenants) as a % of rent due	3.67%	3.95%	3.6%	⚠
% of payments made within the reporting period which were paid in 30 days or fewer (from the date the business receives a valid invoice)	93.57%	96.26%	96%	✓
% of contracted expenditure compliant with procurement rules	99.56%	99.04%	99%	✓

Appendix 2 - Loretto Housing Board - Delivery Plan 24/25 - Strategic Projects

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Defining and agreeing our approach to vulnerability and personalised services (b)	31-Mar-2025			01. Vulnerability strategy and plan developed	30-Jun-2024	Yes	Update provided in cover paper
				02. Customer engagement concluded	31-Aug-2024	Yes	
				03. Board approval of strategy and implementation plan	30-Sep-2024	Yes	
				04. Implementation plan commenced	31-Oct-2024	Yes	
				05. Update to Board on implementation	31-Mar-2025	No	
				06. Review and refine plan phase 2	31-Mar-2025	No	
Customer insight driven services (b)	30-Sep-2024			01. Agree the top 3 priority areas for customer journey mapping based on analysis of customer insight on key satisfaction drivers	31-May-2024	Yes	The findings of three customer journey mapping priorities have been presented to the Executive Team.
				02. Agree our pulse and thematic survey programme	31-May-2024	Yes	
				03. Undertake customer journey mapping, including through direct engagement with customers	31-Aug-2024	Yes	The agreed actions and reflection of wider learning from the strategic project is now shaping service improvement activity.
				04. Group Executive team agree service, process and technology changes required to improve the customer journey and respond to the pulse survey findings	30-Sep-2024	Yes	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
Asset strategy (b)	28-Feb-2025			01. Asset strategy featured as a key theme in Group partner Board strategy workshops	31-May-2024	Yes	RSL Boards approved their respective strategic asset investment plans at their respective meetings in September 2024
				02. Customer and staff engagement session	31-May-2024	Yes	
				03. Internal review and sign-off	31-May-2024	Yes	
				04. Group Board approval of Group Asset Management strategy	30-Jun-2024	Yes	
				05. Group partner asset management plans approved	30-Sep-2024	Yes	
				06. Staff launch of group asset management strategy and group partner asset management plans	31-Oct-2024	No	
				07. Agreed approach through strategy informs 2025 investment plans	28-Feb-2025	No	
Develop a data and technology enabled approach to managing and monitoring building compliance (b)	31-Dec-2024			01. Review our existing compliance cycles, data management, integration and management information arrangements	31-Jul-2024	Yes	Work is progressing to plan. Existing cycles, integration and MI has been reviewed across key compliances areas for each group partner. Work will now continue to summarise and present findings, which will support development of our desired future compliance model.
				02. Build our future building compliance model including desired compliance cycles, key data, data flows, degree of integration, required management information and desired customer touchpoints and functionality	31-Oct-2024	No	

Delivery Plan Project	Delivery Date	Status	% Progress	Milestone	Due Date	Completed	Progress Note
				03. Undertake a gap analysis and options appraisal including costs and benefits of the change between current arrangement and desired future model	30-Nov-2024	No	
				04. Develop detailed implementation proposal and plan and update Executive Team including on timescales and anticipated benefits	31-Dec-2024	No	
Improving and evolving our multi-channel customer first centre (b)	28-Feb-2025			01. Customer Engagement on service improvement opportunities via Stronger Voices team	30-Jun-2024	Yes	Geographic teams are now in place from September across group for all subsidiaries after Executive team approval.
				02. Agree approach and workplan for geographical subsidiary service delivery	31-Jul-2024	Yes	
				03. Pilot customer call transcription and automated quality assurance	31-Dec-2024	No	Discussion is ongoing with Content Guru to agree proof of concept dates for four distinct enhancements/ trials. Business cases have been devised for these.
				04. Scope and develop an approach for automation of identification and verification (IDV)	31-Dec-2024	No	
				05. Year 1 update of the Executive Team including customer feedback and Year 2 enhancement plan	28-Feb-2025	No	

Appendix 3 – Q2 2024/25 - ARC and SPSO measures





- 1.1 This appendix provides ARC and SPSO measures up to Q2 2024/25.
- 1.2 For Group RSLs, ARC measures include complaints received from all customers who receive a service provided by the Group RSL or on their behalf. This includes factoring services delivered by Lowther Homes on behalf of RSLs.
- 1.3 For Group RSLs, SPSO measures include all complaints relating to the RSL, irrespective of the source of the complaint.

Charter (ARC) Measures

- 1.4 ARC measures are reported to SHR for each Registered Social Landlord (RSLs) in the Group. Performance is for all RSL customers, including those factored owners who receive a service from Lowther Homes on behalf of RSLs.
- 1.5 Charter - number of complaints received:

Charter – complaints received						
* excluding complaints carried over						
	*2023/24			2024/25 YTD		
	Stage 1	Stage 2	All	Stage 1	Stage 2	All
Loretto	355	28	383	156	21	177

- 1.6 The table below outlines the average time for a full response (working days) for Stage 1 and Stage 2 complaints. All targets are being met for this measure. Performance for Loretto exceeds the 2023/24 SHR Scottish average of 5.1 days for S1 complaints and the Scottish average of 17.5 days for S2 complaints. Performance is for the RSL, including Lowther Factored homeowners who receive a factoring service from Lowther on behalf of that RSL.

Charter - average time for a full response to complaints (working days)				
Subsidiary	2023/24 Stage 1 - 5-day target, Stage 2 – 20-day target		2024/25 – YTD Stage 1 - 5-day target, Stage 2 – 20-day target	
	Stage 1	Stage 2	Stage 1	Stage 2
Loretto	3.48 	15.17 	3.62 	15.90 

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

Charter - average time for a full response to complaints (working days)		
Subsidiary	2023/24 Target – not targeted	YTD 2024/25 – not Targeted
Loretto	4.39	5.02

SPSO Measures

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

1.9 Stages of complaints are defined as:

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

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

Indicator 1 - total number of complaints received.

1.11 Complaints numbers have decreased compared to the same period in 2023/24. At the end of Q2 2023/24 Loretto had received 169 Stage 1 and two Stage 2 complaints. In Q2 2024/25 Loretto had received 156 Stage 1 and one Stage 2 complaint.

SPSO Indicator 1 - total number of complaints received - YTD		
Subsidiary	Stage 1 (this includes escalated complaints as they were first received at Stage 1)	Stage 2 (directly received as Stage 2, i.e. not escalated from Stage 1)
Loretto	156	1

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

1.12 Loretto are achieving target of 95% for stage 1 and 100% for stage 2 for quarter 2.

SPSO Indicator 2 - number and % of complaints at each stage that were fully closed within timescales of 5 and 20 working days						
Subsidiary	Stage 1 - responded to within 5 working days		Stage 2 - responded to within 20 working days		Escalated complaints - responded to within 20 working days	
	2023/24	YTD 2024/25	2023/24	YTD 2024/25	2023/24	YTD 2024/25
Loretto	96.82%	100.00%	100.00%	100.00%	96.15%	100.00%

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

1.13 Loretto are achieving target of 5 days for stage 1 and 20 days for stage 2 for quarter 2.

SPSO Indicator 3 - the average time in working days for a full response to the complaints at each stage – YTD 2024/25			
Subsidiary	Stage 1 - responded to within 5 working days	Stage 2 - average time in working days to respond to complaint	Escalated complaints - Average time to respond to complaints after escalation from Stage 1 to Stage 2
Loretto	3.62	13.00	16.05

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

SPSO Indicator 4 - the outcome of complaints as a % of overall complaints				
Subsidiary	Stage 1 - upheld	Stage 1 - partially upheld	Stage 1 - not upheld	Stage 1 - resolved
Loretto	34.84%	7.10%	18.71%	39.35%
	Stage 2 - upheld	Stage 2 - partially upheld	Stage 2 - not upheld	Stage 2 - resolved
Loretto	0.00%	0.00%	100.00%	0.00%
	Escalated complaints - upheld	Escalated complaints - partially upheld	Escalated complaints - not upheld	Escalated complaints - resolved
Loretto	57.90%	21.05%	21.10%	0.00%

To: Loretto Housing Association Board

By: Lyndsay Brown, Director of Financial Reporting

Approved by: Pauline Turnock, Group Director of Finance

Subject: Finance Report to 30 September 2024

Date of Meeting: 25 November 2024

1. Purpose

1.1 The purpose of this report is to provide the Loretto board with:

- An overview of the management accounts for the period to 30 September 2024 and Q2 forecast; and
- An update on the Group's funding and security arrangements.

2. Authorising and strategic context

2.1 Under the terms of the Intra-Group Agreement between Loretto Housing and the Wheatley Group, as well as the Terms of Reference, 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. Background

3.1 Financial performance

The results for the period to 30 September 2024 are summarised below.

	Year to Date (Period 6)		
	Actual £000	Budget £000	Variance £000
Turnover	8,471	8,424	47
Operating expenditure	(7,952)	(8,070)	118
Operating surplus	519	354	165
<i>Operating margin</i>	<i>6.1%</i>	<i>4.2%</i>	<i>1.9%</i>
Net interest payable	(1,825)	(1,956)	131
Deficit	(1,306)	(1,602)	296
Net Capital Expenditure	7,021	6,702	(319)

4. Discussion

4.1 Period to 30 September 2024

A statutory deficit of £1,306k has been reported for the period to 30 September 2024, which is £296k favourable to budget with the main drivers being the favourable position on void losses, operating costs and interest payable.

Key points to note:

- Within income, a year-to-date void rate of 1.87% is reported compared to the budgeted rate of 2.5%.
- In operating costs, total costs are £118k favourable to budget with lower running costs, revenue and repairs costs and a favourable bad debt position.
 - Total running costs are £67k favourable to budget, linked to savings in cleaning and council tax on voids, the timing of direct spend and lower group recharges due to savings in IT running costs and several departments currently reporting lower costs across Wheatley Solutions.
 - Revenue repairs and maintenance spend is £35k lower than budget with responsive repairs reporting a favourable variable of £81k, which is offset by higher spend on compliance costs due to the timing of the programme. Completed jobs are broadly in line with the same period last year and average costs are in line with our budget expectations to date.
- Net capital expenditure is £319k higher than budget, mainly due to the timing of spend at South Crosshill, noting that the accelerated spend is not offset by higher income as the full grant for South Crosshill was received in the previous year. The higher spend at South Crosshill is being partially offset with lower spend at Duke Street and Forfar Avenue, due to the timing of the budget.

4.2 Q2 Forecast out-turn

	FY Out-turn (Q2)		
	Actual £000	Budget £000	Variance £000
Turnover	23,401	23,378	23
Operating expenditure	(16,326)	(16,335)	9
Operating surplus	7,075	7,043	32
<i>Operating margin</i>	<i>30.2%</i>	<i>30.1%</i>	<i>(0.1%)</i>
Net interest payable	(4,002)	(4,157)	155
Surplus	3,073	2,886	187
Net Capital Expenditure	16,369	13,909	(2,460)

The forecast reports a statutory surplus of £3,073k for the full year out-turn to March 2025, which reports a favourable variance of £187k to budget.

Key points to note:

- Total income is forecast to be £23k favourable to budget resulting from improved void performance of £60k, partly offset by a decrease in gift aid income of £37k from Wheatley Developments Scotland, linked to the lower forecast new build spend. This is an intra group item only and as such does not impact the overall financial performance at a group level.
- Total operating costs are forecast to be £9k favourable to budget due to value for money savings realised in IT contracts in Wheatley Solutions. Revenue repairs and maintenance are forecast in line with budget. The repairs team are closely monitoring spend, average job costs and volumes as the year progresses.
- Interest is forecast to be £155k lower than budget with the earlier than budgeted receipt of the fixed rate £125m private placement at a lower interest rate, timing of the drawdowns and a lower base rate charged on the variable loans than budgeted.
- Net capital expenditure is forecast to be £2,460k higher than budget. Net investment spend is forecast to be £50k higher than budget, due to additional capacity available within the RSL Borrower Group interest cover covenant for works to be delivered in Loretto. Net new build spend is forecast to £2,410k higher than budget due to the full grant receipt for South Crosshill being received in the prior year.

The forecast variations to budget are managed within the overall parameters of the RSL Borrower Group budget for 2024/25 of which Loretto is part. The RSL borrower group continues to remain compliant with covenants.

4.3 Funding & Security Update

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

5. Customer Engagement

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

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8. Financial and value for money implications

- 8.1 The statutory deficit for the period to 30 September 2024 is £296k favourable to budget. Delivery of our cost efficiency targets embedded within the 2024/25 budget is a key element of continuing to demonstrate value for money. After adjusting the net operating surplus for new build grant income, depreciation, one off payments not related to underlying surplus and including capital expenditure in our properties, an underlying surplus of £223k is reported which is £178k favourable to budget due to lower operating costs, interest payable and core programme spend.
- 8.2 The forecast underlying statutory surplus for the year to 31 March 2025 is £174k favourable to budget mainly due to the favourable forecast interest position, partly offset by the agreement to increase expenditure on the investment programme following the change to the interest cover covenant recognised in line with our objective to provide high quality housing and invest to improve the energy efficiency of our homes.

9. Legal, regulatory and charitable implications

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

10. Risk Appetite and assessment

- 10.1 The Board's agreed risk appetite for business planning and budgeting assumptions is "open". This level of risk tolerance is defined as "prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level".
- 10.2 Delivery of financial results within approved budgetary limits is a key element in delivering our strategy and maintaining the confidence of investors.

11. Equalities implications

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

12. Key issues and conclusions

- 12.1 This paper presents the financial performance for the period to 30 September 2024 and the Q2 forecast for 2024/25.

13. Recommendations

13.1 The Board is requested to:

- 1) Note the Finance Report for the period ended 30 September 2024 and Q2 forecast at Appendix 1; and
- 2) Note the funding and security update.

LIST OF APPENDICES:

Appendix 1: Period 6 – 30 September 2024 Finance Report



Loretto
Housing

**Period to 30 September
2024**
Finance Report



1a. Operating Statement – Period to 30 September 2024

	Period To 30 September 2024			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
INCOME				
Rental Income	8,539	8,545	(6)	17,103
Void Losses	(160)	(214)	54	(423)
Net Rental Income	8,379	8,331	48	16,680
Grant Income	0	0	0	5,766
Other Grant Income	37	37	0	117
Other Income	55	56	(1)	815
Total Income	8,471	8,424	47	23,378
EXPENDITURE				
Employee Costs - Direct	625	625	0	1,246
Employee Costs - Group Services	448	446	(2)	885
ER / VR	0	0	0	0
Direct Running Costs	898	946	48	1,905
Running Costs - Group Services	224	243	19	507
Revenue Repairs and Maintenance	2,130	2,165	35	4,464
Bad debts	68	86	18	172
Depreciation	3,559	3,559	0	7,156
TOTAL EXPENDITURE	7,952	8,070	118	16,335
OPERATING SURPLUS / (DEFICIT)	519	354	165	7,043
<i>Net operating margin</i>	<i>6.1%</i>	<i>4.2%</i>	<i>1.9%</i>	
Interest Payable	(1,825)	(1,956)	131	(4,157)
STATUTORY SURPLUS / (DEFICIT)	(1,306)	(1,602)	296	3,124

Income and Expenditure account – key points

Net operating surplus of £519k is £165k favourable to budget. Statutory deficit for the period is £1,306k and is £296k favourable to budget with the main drivers being the favourable position on void losses, operating costs and interest payable.

- Net rental income is £48k favourable to budget due to lower than budgeted voids. Void losses in the period are £54k favourable with a rate of 1.87% against a budget of 2.50%.
- Total running costs are £67k favourable to budget, linked to savings in cleaning and council tax on voids, the timing of direct spend and lower group recharges due to efficiency savings in IT running costs and several Wheatley Solutions departments currently reporting lower costs.
- Revenue repairs and maintenance is £35k favourable to budget. Responsive repairs are £81k favourable to budget and compliance spend is £46k over budget due to timing of the programme.
- Net Interest payable is £131k favourable due to the timing of loan drawdowns compared to budget and a lower base rate on the variable loans compared to budget.

Net capital expenditure of £7,021k is £319k higher than budget.

- Capital investment income (grant) is £3,301k lower than budget due to the phasing of new build grant claims; Constarry Road and Bank street have claimed higher grants YTD than budgeted which is offset with Forfar Avenue, which is not yet on site, and for South Crosshill, which was received in full in the prior year.
- New build spend is £3,021k lower than budget due to the timing of spend for Forfar Avenue and Duke Street, which is partially offset with spend at South Crosshill, Bank Street and Constarry Road being ahead of budget.
- Investment programme expenditure of £2,030k relates to core programme works, capitalised repairs and voids. Capitalised repairs and void repairs both report spend slightly higher than budget and is being closely monitored to align spend to budget for the full financial year.
- Other capital expenditure of £115k relates to Loretto's contribution to Wheatley Group IT costs, with the favourable position reflecting the timing of IT projects being undertaken.

	Period To 30 September 2024			Full Year Budget £k
	Actual £k	Budget £k	Variance £k	
INVESTMENT				
Total Capital Investment Income	4,425	7,726	(3,301)	14,933
Investment Programme	2,030	1,912	(118)	3,496
New Build Programme	9,301	12,322	3,021	24,959
Other Capital Expenditure	115	194	79	387
TOTAL CAPITAL EXPENDITURE	11,446	14,428	2,982	28,842
NET CAPITAL EXPENDITURE	7,021	6,702	(319)	13,909

1b. Underlying surplus – Period to 30 September 2024

Key comments:

- The Operating Statement (Income and Expenditure Account) on page 2 is prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2014).
- However, the inclusion of grant income on new build developments creates volatility in the results and does not reflect the underlying cash surplus/deficit on our letting activity.
- The chart below therefore shows a measure of underlying surplus which adjusts our net operating surplus by excluding the accounting adjustments for the recognition of grant income and depreciation, including capital expenditure on our existing properties.
- At September, the underlying surplus is £223k, £178k favourable to budget. The variance to budget is primarily driven by an improved net operating surplus due lower void losses and lower expenditure and interest costs offset by higher investment spend on capitalised repairs and voids.

Loretto Underlying Surplus - September 2024				
	YTD Actual £k	YTD Budget £k	YTD Variance £k	FY Budget £k
Net operating surplus	519	354	165	7,043
add back:				
Depreciation	3,559	3,559	0	7,156
less:				
Grant income	0	0	0	(5,766)
WDS gift aid income	0	0	0	(703)
Net interest payable	(1,825)	(1,956)	131	(4,157)
Total expenditure on Investment Programme	(2,030)	(1,912)	(118)	(3,496)
Underlying surplus	223	45	178	77

2a. Repairs & Investment Programme – YTD September 2024

Repairs & Maintenance Expenditure	1 April 2024 - 30 September 2024		
	Actual £k	Budget £k	Variance £k
Responsive Repairs	1,139	1,220	81
Cyclical (local)	23	23	-
Compliance Revenue	968	922	(46)
Total	2,130	2,165	35

2024/25 Budget £k
2,439
94
1,931
4,464

Repairs and maintenance

- Revenue repairs and maintenance spend of £2,130k is £35k favourable to the budget of £2,165k.
- Responsive repairs are £81k favourable to budget, noting that completed jobs are broadly in line with the same period last year and job numbers in line with our expectations.
- Overall revenue compliance costs are £46k unfavourable to budget with most lines showing spend ahead of the budgeted programme at this point in the year due to the planning of the annual programme.

Investment Programme	1 April 2024 - 30 September 2024		
	Actual £k	Budget £k	Variance £k
Investment Programme Grant Income			
Adaptations	37	37	0
Total	37	37	0
Investment Programme Expenditure			
Adaptations	92	61	(31)
Core programme	1,348	1,348	0
Capitalised repairs	178	143	(35)
Capitalised staff	187	181	(6)
Void repairs	225	179	(46)
Total	2,030	1,912	(118)

2024/25 Budget £k
117
117
117
2,394
287
362
336
3,496

Investment Programme

- Investment Programme expenditure of £2,030k in the year is £118k unfavourable to the budget, linked to additional adaptations, capitalised repairs and void repairs. Our repairs and housing teams are closely monitoring the spend to reduce the spend and align to budget for the full financial year.
- Core programme works are in line with the budgeted spend.

2b. New Build Programme – Period to 30 September 2024

	*Status	Contractor	Period To September 2024			Full Year
			Actual	Budget	Variance	Budget
Vellore Road	Complete	Lovell	0	0	0	36
East Lane	On site	JR Group	3,209	3,785	576	5,054
Forfar Avenue	Approved	McTaggart	16	1,987	1,971	4,793
South Crosshill	On site	BWD Trading	3,136	2,584	(552)	4,804
Constarry Road, Croy	On site	Miller Homes	1,900	1,122	(778)	2,149
Barrhill	Feasibility	Cala West	0	0	0	2
Dargavel North	Feasibility	Taylor Wimpey	0	13	13	1,151
Bank Street	On site	McTaggart	664	265	(399)	1,936
Jackson Green	Feasibility	Avant Homes	0	0	0	32
Manse Avenue	Not Progressing	Not Progressing	0	2	2	342
Duke St	TBC	TBC	42	2,197	2,155	3,813
Prior Year	-	-	30	0	(30)	0
Total Social Rent			8,997	11,955	2,958	24,112
Land Acquisition	-	-	0	50	50	100
Capitalised Insurance	-	-	4	5	1	10
Capitalised Interest	-	-	0	0	0	114
Capitalised Staff Costs	-	-	300	312	12	623
Total New Build Investment			9,301	12,322	3,021	24,959

Grant Income			4,388	7,689	(3,301)	14,816
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Net New Build Costs			4,913	4,633	(280)	10,143
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Grant Income Completions (Recognised in OPS)			0	0	0	5,766
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Capital Investment Income

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

New Build Expenditure

East Lane, Paisley: 48 units social rent. Board approved in November 2022 and an above benchmark grant was awarded. The project started on site in May 2023, but then paused to deal with additional Council queries. Works resumed in November 2023. Works are progressing well.

Forfar Avenue: 30 units for Livingwell. Board approved in November 2023 and grant funding approved in February 2024. Building warrant and planning Consent received in June 2024. Grant to fund the development is not available in 2024/25 so site start has been deferred pending availability of future funding being agreed with GCC.

South Crosshill Rd, Bishopbriggs: s75 project with Barratt Homes for 44 social rent units. Board approved in August 2023 with grant awarded February 2024. Full grant funding from Allia received mid-May. Second/final Golden Brick payment made in April 24 ahead of budget.

Constarry Road, Croy: 15 units social rent. Board approved in November 2023 and grant awarded February 2024. Site start was March 2024 and all three tranches of golden brick stage have now been achieved. Works are progressing well and are ahead of programme with a potential 2024/25 completion.

Barrhill: s75 project with Cala (West) for 18 social units. Public consultations took place in 2023. Site start now expected 26/27.

Dargavel North: s75 opportunity for 20 social rent units with Taylor Wimpey who now intend buying the site in tranches (first tranche in Q2 24/25 and affordable land tranche in Q2 25/26). Plan remains to conclude contracts in 24/25.

Bank Street, Coatbridge: 17 units social rent. Board approved in February 2024 for the land acquisition and tender. Grant funding now approved. Land acquisition and building contract concluded in August 2024 with works on site also starting August 2024.

Duke Street: 19 units social rent. Spend behind budget due to further works identified during enabling stage which commenced in January 2024. Hub appointed Reigart to cost external envelope works and City Building to cost fit out and completion works. Due to additional works identified the full costs to be considered by WDS Board when they are quantified.

Manse Avenue, Coatbridge: Project is no longer progressing

Dargavel Phase 3: Potential for additional grant allocation from Renfrewshire Council. Discussions have started with site owner and developer Dundas Estates.

3. Balance Sheet

	30 September 2024 £k	31 March 2024 £k
Tangible Fixed Assets		
Housing Properties	168,882	160,975
Investment Properties	1,190	1,190
Other Assets	1,359	1,378
	<u>171,431</u>	<u>163,543</u>
Current Assets		
Rent and service charge arrears	712	551
less: Provision for rent arrears	(400)	(385)
Prepayments and accrued income	242	3
Intercompany balances	273	43
Other debtors	1,881	2,650
	<u>2,708</u>	<u>2,862</u>
Cash at Bank and in Hand	736	714
	<u>3,444</u>	<u>3,576</u>
Short Term Creditors		
Trade creditors	(214)	(254)
Accruals	(1,947)	(2,581)
Deferred income	(7,477)	(3,611)
Rent and service charges in advance	(1,228)	(1,294)
Intercompany balances	(6,221)	(3,562)
Other creditors	(491)	(485)
	<u>(17,578)</u>	<u>(11,787)</u>
Net Current Assets	(14,134)	(8,211)
Long Term Creditors		
Amounts due after one year	(80,678)	(77,928)
Deferred Income	(5,653)	(5,132)
Pension Liability	(3,304)	(3,304)
	<u></u>	<u></u>
Net Assets	67,662	68,968
Capital and Reserves		
Share Capital	-	-
Revenue Reserve - b/fwd	72,272	59,987
Current year surplus/(deficit)	(1,306)	12,285
Pension Reserves	(3,304)	(3,304)
	<u></u>	<u></u>
Association's Funds	67,662	68,968

Key Comments

The balance sheet as at 31 March 2024 reflects the audited position.

- **Fixed Assets** - Expenditure is capitalised in accordance with our accounting policy.
- **Investment Properties** –Barclay Street Mid-Market Rent properties, leased to Lowther Homes.
- **Current Assets (excluding cash)**– Currents assets are £154k lower than the March 2024 position, due to the timing of other debtors settlements, partly offset by an increase net rent arrears (due to the timing of HB receipts and prepayments).
- **Short Term Creditors** – Amount due within 1 year are £5,791k higher than the March 2024 position, mainly due to the timing of intercompany settlements and the increase in deferred income, partially offset by a reduction in accruals due to timing.
- **Deferred income (ST and LT)** – This relates to grant income for schemes currently on site. Upon completion of the properties this income will be released to the I&E as grant income.
- **Long-Term Creditors** - This includes £80.7m of loans due to Wheatley Funding No 1 Ltd, excluding deferred loan fees.

4a. Q2 2024/25 Forecast

	Full Year 2024/25		
	Forecast £k	Budget £k	Variance £k
INCOME			
Rental Income	17,103	17,103	0
Void Losses	(363)	(423)	60
Net Rental Income	16,740	16,680	60
Grant Income New Build	5,766	5,766	0
Grant Income Other	117	117	0
Other Income	778	815	(37)
Total Income	23,401	23,378	23
EXPENDITURE			
Employee Costs - Direct	1,246	1,246	0
Employee Costs - Group Services	891	885	(6)
ER / VR	0	0	0
Direct Running Costs	1,905	1,905	0
Running Costs - Group Services	492	507	15
Revenue Repairs and Maintenance	4,464	4,464	0
Bad debts	172	172	0
Depreciation	7,156	7,156	0
TOTAL EXPENDITURE	16,326	16,335	9
OPERATING SURPLUS / (DEFICIT)	7,075	7,043	32
<i>Net operating margin</i>	<i>30.2%</i>	<i>30.1%</i>	<i>0.1%</i>
Interest Payable	(4,002)	(4,157)	155
STATUTORY SURPLUS / (DEFICIT)	3,073	2,886	187

	Full Year 2024/25		
	Forecast £k	Budget £k	Variance £k
INVESTMENT			
Total Capital Investment Income	7,082	14,933	(7,851)
Investment Programme	3,546	3,496	(50)
New Build	19,518	24,959	5,441
Other Capital Expenditure	387	387	0
TOTAL CAPITAL EXPENDITURE	23,451	28,842	5,391
NET CAPITAL EXPENDITURE	16,369	13,909	(2,460)

Comments:

The forecast operating surplus of £7,075k is £32k favourable to budget. After taking account of financing costs, the statutory surplus of £3,073k is £187k favourable to budget.

- Net rental income is £60k higher than budget due to the favourable void performance noted to P6.
- Other income is £37k lower than budget due a decrease in gift aid income from Wheatley Developments Scotland, linked to the lower forecast new build spend. This is an intra group item.
- Group services employee costs are forecast to be £6k higher than budget linked to planned changes in the staffing structure in Wheatley Solutions, noting that this is offset by the forecast reduction in group services running costs of £15k due to value for money savings realised in IT contracts in Wheatley Solutions.
- Revenue repairs and maintenance are in line with budget. The repairs costs to date are trending in line with expectations in both cost and demand levels as the improvement plan continues to be a focus.
- Interest is forecast to be £155k lower than budget with the earlier than budgeted receipt of the fixed rate £125m private placement at a lower interest rate than budgeted, timing of the drawdowns and a lower base rate charged on the variable loans than budgeted.

Net capital expenditure is forecast at £16,369k and is £2,460k lower than budget.

- Capital investment income is forecast £7,851k lower than budget due to receipt of the full grant for South Crosshill in March 2024 and the re-profiling of the development programme, in particular Forfar Avenue.
- Investment programme is forecast to be £50k higher than budget with the RSL borrower group interest cover covenant change creating additional capacity for works to be delivered in Loretto.
- New build investment expenditure is forecast to be £5,441k lower than budget due to re-profiling of various developments, in particular South Crosshill, Forfar Avenue and Duke Street.

4b. Underlying surplus – Q2 forecast 2024/25

Key comments:

- As with the year to date results to 30 September 2024, the Q2 Forecast full year out-turn Operating Statement (Income and Expenditure Account) is prepared in accordance with the requirements of accounting standards (Financial Reporting Standard 102 and the social housing Statement of Recommended Practice 2014).
- An underlying surplus of £191k is expected for the full year as shown in the chart below after adjusting to exclude the accounting adjustments for the recognition of grant income, group gift aid and depreciation, but including capital expenditure on our existing properties to reflect the underlying cash surplus/deficit on our letting activity.
- The forecast underlying surplus is £174k higher than the budgeted full year surplus. The variance is due to the favourable forecast interest position, partly offset by additional investment spend, approved to use additional financial capacity from the covenant change in April 2024, recognising our objective to provide high quality housing and invest to improve the energy efficiency of our homes. The movement in the underlying surplus in Loretto is favourable and contributes to the RSL Borrower Group position, where an overall underlying surplus is reported for the financial year to date. Financial performance continues to be managed within the overall budget parameters and covenants for the RSL Borrowers.

Loretto Underlying Surplus - Q2 forecast 24/25			
	Forecast £k	Budget £k	Variance £k
Net operating surplus	7,075	7,043	32
add back:			
Depreciation	7,156	7,156	0
less:			
Grant income	(5,766)	(5,766)	0
WDS gift aid income	(666)	(703)	37
Net interest payable	(4,002)	(4,157)	155
Total expenditure on Investment Programme	(3,546)	(3,496)	(50)
Underlying surplus	251	77	174

Report

To: Loretto Housing Board

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

Subject: Governance update

Date of Meeting: 25 November 2024

1. Purpose

- 1.1 To seek Board approval to remove Association members from the register of members and to update the register of members.

2. Authorising and strategic context

- 2.1 Our Association Rules, our Terms of Reference and our membership policy direct the authorising context for the above governance-related matters. The management of our register of members is a matter for the Board in accordance with our Rules and membership policy.

3. Background

- 3.1 At the Board meeting on 19 August 2024, the Board agreed to review our register of members to remove members who were no longer Loretto tenants or otherwise eligible to be a Loretto Housing member.

4. Discussion

- 4.1 The members of the Association comprise 55 tenants, Board members and the Parent member. Our Rules (Rules 7-12) set out the basis for management of the membership of the Association. Rule 11.1, in conjunction with Rule 11.1.4, states that:

“membership of the Association will end and the Board will cancel your share and record the ending of your membership in the Register of Members if (11.1) for five annual general meetings in a row you have not attended or appointed a representative to attend and vote on your behalf by proxy (11.1.4)”.

- 4.2 There are a number of members of the Association who have not engaged with us at an AGM. This reflects a wider trend in which tenants have not sought to engage through or participate in more formal structures.
- 4.3 In total 34 members have not complied with the Rules and as such the Board is asked to cancel their shares and agree that we record the ending of their membership as per the requirements of our Rules.

- 4.4 Following the ending of these 34 memberships we will have a total of our 21 members comprising tenants, Board members and the Parent member.

5. Customer engagement

- 5.1 The content of the report is reserved to the Board and is of an internal focus and as such no customer engagement has been appropriate.

6. Environmental and sustainability implications

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

7. Digital transformation alignment

- 7.1 There are no digital transformation implications related to the matters in this report.

8. Financial and value for money implications

- 8.1 There are no direct financial and value for money implications arising within this report.

9. Legal, regulatory and charitable implications

- 9.1 Our Rules are lodged with the Financial Conduct Authority and we require each year to declare to the Scottish Housing Regulator (“SHR”) that we comply with our Rules.

10. Risk appetite and assessment

- 10.1 Our risk appetite in relation to governance is cautious, which is defined as “Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward”.
- 10.2 We mitigate this risk by regularly reporting to the Board on governance-related matters and routinely reviewing our records and compliance with our Rules to ensure that our governance records remain up-to-date and accurate.

11. Equalities implications

- 11.1 There are no direct equalities implications in regard to this report.

12. Key issues and conclusions

- 12.1 It is critical that we comply with our Rules to ensure that we comply with our wider obligations under the SHR Regulatory Framework and maintain the wider group status as materially compliant.

13. Recommendations

- 13.1 The Board is asked to agree the removal of 34 members from the register of members for non-compliance with Rule 11.1.4.

LIST OF APPENDICES: None

Report

To: Loretto Housing Association Board

By: Laura Henderson, Managing Director

Approved By: Laura Pluck, Group Director of Communities

Subject: Risk Register

Date of Meeting: 25 November 2024

1. Purpose

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

2. Authorising and strategic context

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

3. Background

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

- A. Risks outwith risk appetite;
- B. Risks with a residual risk score of 12 or more or an inherent risk score of 20 or more, for which the Board has not received an update on the operation of the controls in the last 6 months; and
- C. Risks highlighted by management for consideration. This will include new risks, risks to be removed from the Risk Register, or risks with a significant change in scoring. It also includes brief details of any significant changes to the external environment that may impact on the Board's risk profile ("horizon-scanning").

4. Discussion

- 4.1 The chart below shows all risks within the Risk Register. These are colour-coded as follows:
- Red font – risks highlighted for Member consideration (as set out in paragraph 3.1) and discussed further below;

- Purple font – risks with a high residual risk or inherent risk score where Boards have received an update on the operation of the controls in the last 6 months; and
- Black font – lower scoring risks that have remained stable within the current period.

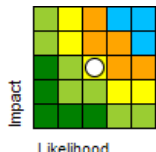
Impact					
	1	2	3	4	5
5					
4			<ul style="list-style-type: none"> Ability to meet Scottish Government legislative requirements for energy efficiency (A) 	<ul style="list-style-type: none"> Reduced availability of financial support from SGov't/Local Govt 	
3	<ul style="list-style-type: none"> Insufficient Group Development Programme pipeline 	<ul style="list-style-type: none"> Care and Support Services Business Continuity Senior staff recruitment Staff development and succession planning Damp and Mould Fire Safety Group Credit Rating Customer Satisfaction (tenants) Rent arrears management Governance Structure 	<ul style="list-style-type: none"> Impact on our customers of reduced public funding Laws and Regulations Staff behaviour enables a cyber-attack Compliance with funders' requirements Repairs supply chain disruption Fire Event (A) Securing new fundings and adverse market changes Political and Policy changes impact on strategic key partnerships (C) Underperformance of main delivery partner 	<ul style="list-style-type: none"> Climate change impact on Group assets and services 	
2	<ul style="list-style-type: none"> Impact of housing emergency on RSLs (C) 		<ul style="list-style-type: none"> Non- achievement of sustainability targets 		
1					
	1	2	3	4	5
	Likelihood				

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

Section A - Risks outwith risk appetite

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

Risk	Residual Risk Score	Risk Appetite Level	Commentary
[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]	[REDACTED]
RISK 004: Ability to meet Scottish Government legislative requirements for energy efficiency		Cautious	The description of this risk has been amended slightly to clarify it is about the financial capacity needed to fund the required investment. The Scottish Government is currently consulting on energy efficiency targets for social housing with a view to updating requirements for social landlords. While our assets remain in good condition and deliver a high level of customer satisfaction, there is a risk that the level of grant

Risk	Residual Risk Score	Risk Appetite Level	Commentary
			funding available will be insufficient to meet the Standard in line with timelines set out by the Government. To address this, we are taking steps to increase available resources for asset investment through business planning with a focus on investment in areas that matter most for customers and our business, including energy efficiency, through the development of our asset management strategy and related asset investment plans. We are also continuing to work with the Government and others to identify the additional funding that will be needed in the longer term to meet decarbonisation ambitions.
RISK 089 – Fire Event		Minimal	This is focused on the risk of a fire event within a customer property. It is out with risk appetite due to the limited control the Group has over the actions of third parties to minimise fire risk. Despite best efforts we cannot eliminate all risk of accidental dwelling fires. We have reduced these year-on-year, through proactive engagement with our customers and rigorous fire safety inspections of our assets on a rolling programme basis and mitigating measures, but we will continue to experience accidental dwelling fires due to the actions of customers.

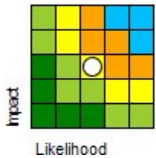
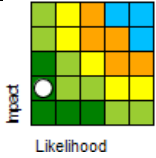
- 4.4 The implementation of any identified actions will be monitored by management and residual risk scores will be reviewed as part of the scheduled quarterly review of all risks.

Section B – High scoring risks with controls due for review

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

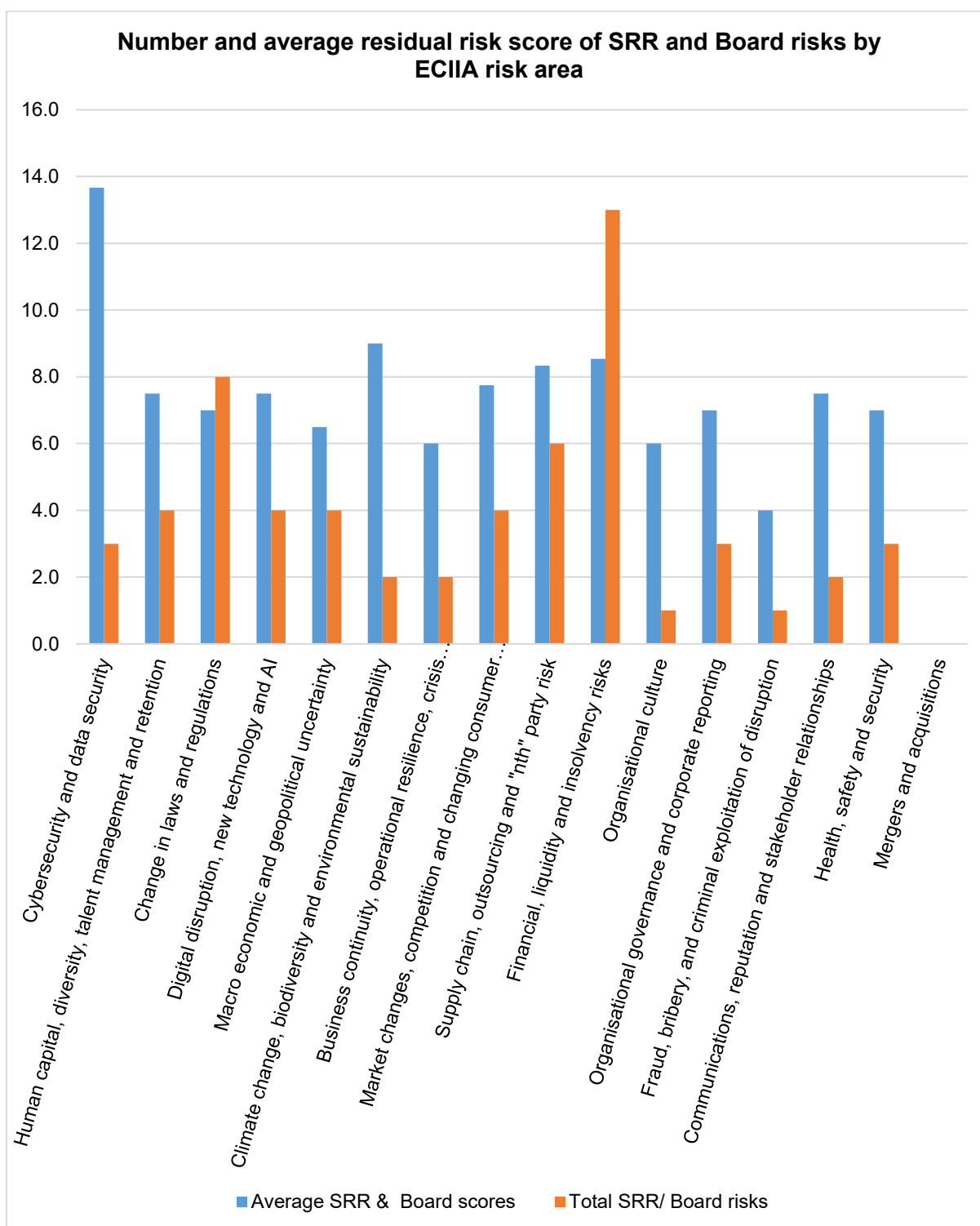
Section C- Horizon Scanning

- 4.6 The table below summarises two risks highlighted by management for the Board's attention, including any key changes to the risks in the Risk Register.

Risk	Residual Risk Score	Risk Appetite Level	Commentary
AMENDED RISK: RISK014 Political and Policy changes impact on strategic partnerships		Open	The original Political and Policy changes risk has been updated to reflect the impact that any such changes may have on the effectiveness of the Group's working relationships with key strategic partners.
PROPOSED FOR REMOVAL: RISK249 Impact of housing emergency on RSLs		Open	Given the low residual score, it is proposed that this risk is removed from the Risk Register and monitored at a local level.

Risk in Focus 2025

- 4.7 In addition to the information presented in relation to existing risks, the Internal Audit team has also reviewed the Group's Strategic Risk Register and Subsidiary Board Risk Registers against the European Confederation of Institutes of Internal Auditing's (ECIIA's) annual publication "Risk in Focus". This publication summarises the results of a survey of Chief Audit Executives (CAEs) in which they are asked to rank the risks that are of most concern to their organisation.
- 4.8 The chart below shows the ECIIA's 16 risk categories in order of descending risk when read from left to right. The chart also shows the total number of risks within either the Strategic Risk Register or Subsidiary Board Risk Registers (in orange) and the average residual risk score of those risks (blue).



4.9 This demonstrates that the Group has risks in all categories assessed by the ECIIA, except for mergers and acquisitions – this reflects the lack of recent activity in this area, with the risk “Implementation of Partnership Promises” being removed from the Group Risk Profile in 2024.

4.10 The chart also shows that there are only 3 cybersecurity risks within the combined Strategic and Board Risk Registers, but these 3 have the highest residual risk scores. The greatest number of risks (13) is in the Financial, liquidity and insolvency risk category, but the average residual risk score for these risks is 8.5.

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

5. Customer Engagement

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

6. Environmental and sustainability implications

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

7. Digital transformation alignment

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

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

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

10. Risk Appetite and assessment

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

11. Equalities implications

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

12. Key issues and conclusions

- 12.1 Management's review of the Risk Register has identified four risks that are outwith risk appetite, no risks with high inherent or residual risk scores that have not been reviewed by management; and a further two risks highlighted for Board consideration.

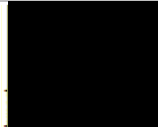


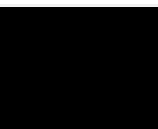


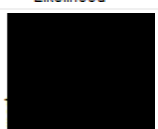
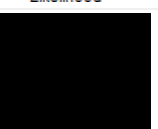
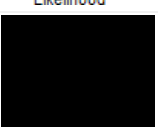
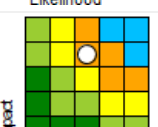

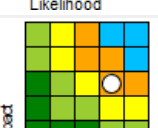

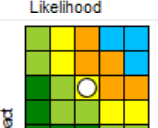
13. Recommendations


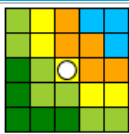
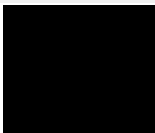
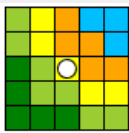
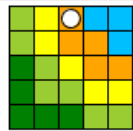
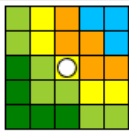
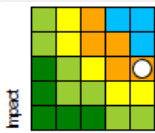
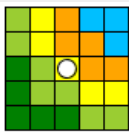
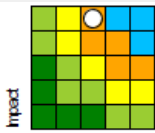
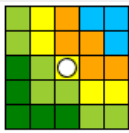
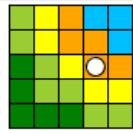
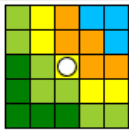
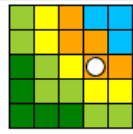
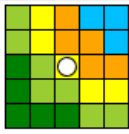
- 13.1 The Board is asked to:
- 1) Approve the updates in this report; and
 - 2) Identify any further changes required to the Risk Register.

LIST OF APPENDICES:

Appendix 1: Summary status of Loretto Housing Risk Register
Appendix 2: Loretto Housing Detailed Highlighted Risks

Appendix 1 – Summary status of Loretto Housing Risk Profile

Code	Title	Original Score	Risk Appetite	Current Risk Score	Owner	Strategic Outcome	Ref to Appendix 2
		 Likelihood		 Likelihood			
		 Likelihood		 Likelihood			
RISK 021	Reduced availability of financial support from Scottish Government and / or local government	 Likelihood	Risk Appetite is <u>OPEN</u> (Orange)	 Likelihood	Group Director of Finance	Raising the funding to support our ambitions	N/A
RISK 004	Ability to meet Scottish Government legislative requirements for energy efficiency	 Likelihood	Risk Appetite is <u>CAUTIOUS</u> (Yellow)	 Likelihood	Group Director of Repairs and Assets	Investing in existing homes and environments	P14 A – outwith risk appetite
RISK 023	Climate change impact on Group customers, assets and services	 Likelihood	Risk Appetite is <u>OPEN</u> (Orange)	 Likelihood	Group Director of Repairs and Assets	Setting the benchmark for sustainability and reducing carbon footprint	N/A
RISK 001	Impact on our customers of reduced public funding	 Likelihood	Risk Appetite is <u>OPEN</u> (Orange)	 Likelihood	Group Director of Communities	Supporting economic resilience in our communities	N/A

Code	Title		Risk Appetite		Owner	Strategic Outcome	Ref to Appendix 2
RISK 016	Laws and Regulations		Risk Appetite is <u>CAUTIOUS</u> (Yellow)		Group Director of Governance and Business Solutions	Progressing from Excellent to Outstanding	N/A
RISK 019.1 F	Staff behaviour enables a cyber-attack		Risk Appetite is <u>CAUTIOUS</u> (Yellow)		Group Director of Governance and Business Solutions	Maintaining a strong credit rating and managing financial risk	N/A
RISK 008	Compliance with funders' requirements		Risk Appetite is <u>OPEN</u> (Orange)		Group Director of Finance	Raising the funding to support our ambitions	N/A
RISK 018	Repairs supply chain disruption		Risk Appetite is <u>OPEN</u> (Orange)		Group Director of Governance and Business Solutions	Investing in existing homes and environments	N/A
RISK 089	Fire Event		Risk Appetite is <u>MINIMAL</u> (Light Green)		Group Director of Repairs and Assets	Developing peaceful and connected neighbourhoods	P15 A – outwith risk appetite
RISK 011	Securing new funding and adverse market changes		Risk Appetite is <u>OPEN</u> (Orange)		Group Director of Finance	Raising the funding to support our ambitions	N/A
RISK 014	Political and Policy changes impact on strategic key partnerships		Risk Appetite is <u>OPEN</u> (Orange)		Group Director of Governance and Business Solutions; Group CEO	Influencing locally and nationally to benefit our communities	P16 C– Amended risk

Code	Title	Original Score	Risk Appetite	Current Risk Score	Owner	Strategic Outcome	Ref to Appendix 2
RISK 100	Underperformance of main delivery partner		Risk Appetite is <u>OPEN</u> (Orange)		Group Director of Repairs and Assets	Investing in existing homes and environments	N/A
RISK 005	Care and support services		Risk Appetite is <u>MINIMAL</u> (Light Green)		Group Director of Communities	Shaping Care Services for the future	N/A
RISK 012	Business Continuity		Risk Appetite is <u>OPEN</u> (Orange)		Group Director of Repairs and Assets	Progressing from Excellent to Outstanding	N/A
RISK 031	Senior staff recruitment		Risk Appetite is <u>HUNGRY</u> (Blue)		Group Director of Finance	W.E. Work – strengthening the skills and agility of our staff	N/A
RISK 032	Staff development and succession planning		Risk Appetite is <u>HUNGRY</u> (Blue)		Group Director of Finance	W.E. Work – strengthening the skills and agility of our staff	N/A
RISK 053	Damp and Mould		Risk appetite is <u>MINIMAL</u> (Light Green)		Group Director of Repairs and Assets	Investing in existing homes and environments	N/A
RISK 003	Fire Safety		Risk Appetite is <u>MINIMAL</u> (Light Green)		Group Director of Repairs and Assets	Investing in existing homes and environments	N/A

Code	Title	Original Score	Risk Appetite	Current Risk Score	Owner	Strategic Outcome	Ref to Appendix 2
RISK 010	Group Credit Rating		Risk Appetite is MINIMAL (Light Green)		Group Director of Finance	Maintaining a strong credit rating and managing financial risks	N/A
RISK 006	Customer Satisfaction (tenants)		Risk Appetite is OPEN (Orange)		Group Managing Director of RSLs	Enabling customers to lead	N/A
RISK 007	Rent Arrears management		Risk Appetite is OPEN (Orange)		Group Managing Director of RSLs	Enabling Customers to Lead	N/A
RISK 009	Governance Structure		Risk Appetite is CAUTIOUS (Yellow)		Group Director of Governance and Business Solutions; Group CEO	W.E. Work– strengthening the skills and agility of our staff	N/A
RISK 137	Non-achievement of sustainability targets		Risk Appetite is OPEN (Orange)		Group Director of Repairs and Assets	Setting the benchmark for sustainability and reducing carbon footprint	N/A
RISK 172	Insufficient Group Development Programme pipeline		Risk Appetite is MINIMAL (Light Green)		Group Director of Repairs and Assets	Increasing the supply of new homes	N/A
RISK 249	Impact of housing emergency on RSLs		Risk Appetite is OPEN (Orange)		Group Managing Director of RSLs	Increasing the supply of new homes	P17 C– Proposed removal from Board Risk Register


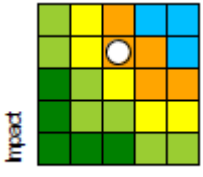
Appendix 2 – Detailed risks highlighted for Board consideration

[REDACTED]		[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]		[REDACTED]	
[REDACTED]		[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Likelihood		Likelihood	[REDACTED]

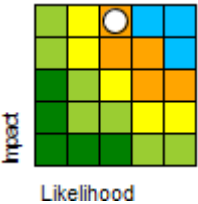
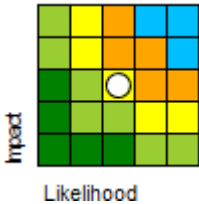
RISK 019.3 F Disruption following a cyber attack on a key system provider (Above risk appetite)

The diagram illustrates a system architecture or data flow. It is organized into a grid-like structure with various colored rectangles and labels. The top section features several black rectangles, some with blue labels. The middle section is a large white area, possibly representing a central processing or data storage unit. The bottom section includes a black rectangle on the left, a red rectangle in the middle, and a black rectangle on the right. Arrows indicate the flow of data or information between these components.

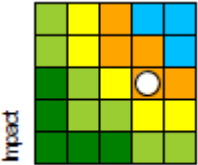
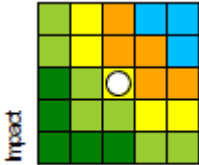
RISK 004 Ability to meet Scottish Government legislative requirements for energy efficiency (Above risk appetite)

Strategic Outcome	Investing in existing homes and environments	Risk type	Financial/VFM	Risk owner	Group Director of Repairs and Assets
Description		Controls			
<p>There is a risk that the combined cost impact of several years of high inflation and increasing regulatory / statutory compliance requirements results in assets which require significant investment in order to meet required standards and expectations without sufficient financial capacity to fund the required investment.</p>		<p>5-year business plan is reviewed annually 6 months in advance. Plan is developed through consultation with LHDs and after consideration of external regulations and environment. Group Asset strategy has been developed and subsidiary strategic asset investment plans are being developed to clearly articulate investment need and priorities. Having this will help ensure that our available investment is focused where it has greatest impact. The Group has developed a flexible approach to the rent consultation informed through our Stronger Voices group so that customers can provide their views in a way that is easiest for them. The Finance team has reviewed financial plans against a variety of assumptions and will continue to review business plans as additional information becomes available. Group Board approves the Business Plan, including key assumptions.</p>			
Inherent risk	Residual risk	Risk Appetite level:		Previous / Next detailed Board update on operation of controls listed above:	
 <p>Likelihood</p>	 <p>Impact Likelihood</p>	<p>Risk Appetite is CAUTIOUS (Yellow)</p>		<p>Group Board asset strategy approved (June 2024). RSL Boards strategic asset investment plans in Autumn 2024. 5 year investment plans refreshed each year and considered by Boards in February. All Boards receive an update on financial performance at each meeting.</p>	

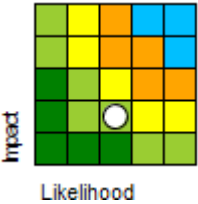
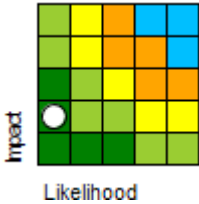
RISK 089 Fire Event (Above risk appetite)

Strategic Outcome		Risk type	Compliance: Legal/Regulatory	Risk owner	Group Director of Repairs and Assets
Developing peaceful and connected neighbourhoods					
Description		Controls			
<p>Actions and behaviours of customers or third parties which are outwith the Group's control lead to a fire within our buildings, resulting in the injury or fatality of individuals, damage to Group property, and reputational damage.</p>		<p>Fire Prevention and Mitigation Framework, including our approach to high rise block inspections and Livingwell. Fire Risk Assessments are completed on a rolling cycle and include assessment of Wilful Fire Raising. Person Centred Risk Assessments (Home Fire Safety Visits) undertaken by Fire Safety Officers where vulnerable customers identified. Daily, weekly and monthly inspections of high rise domestic premises maintained by Environmental Teams in between Fire Risk Assessments being completed. Statutory maintenance of Domestic Properties undertaken to include Gas Safety Installations, Electrical Installations and the provision of Heat and Smoke Detection. New Build properties are built with Water Suppression Systems as per new Building Standards requirements. Flats are designed to prevent the spread of fire. Extensive compliance and investment regime to achieve compliance with building safety regulations (as required) and best practice guidance. Fire Working Group attended by Snr Mgt Teams every 2 months that feeds into a Group Executive Fire Liaison Meeting chaired by Executive Lead and attended by Leadership Directors to review performance, emerging issues and escalate matters as required. Compliance Steering Group established to monitor and review compliance events that could contribute to risk of fire e.g. Gas Safety, Electrical Safety etc.</p>			
Inherent risk	Residual risk	Risk Appetite level:		Previous / Next detailed Board update on operation of controls listed above:	
		<p>Risk Appetite is MINIMAL (Light Green)</p>		<p>Standing item at Group Audit Committee meetings. (Ongoing). Annual report to RSL Boards on Fire Prevention and Mitigation Framework. (May 2024) Group, RSL and Lowther Boards - Fire safety performance related KPIs (ADFs and FRAs) as part of standing performance updates. (Ongoing) Board updates (6 Monthly in April/Oct) Weekly report of PCRA Outstanding Actions issued to Managing Directors, Locality Housing Directors and Heads of Housing for Action.</p>	

RISK 014 Political and Policy changes impact on strategic key partnerships (Proposed amendments)

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

RISK 249 Impact of housing emergency on RSLs (Proposed for removal from Board Risk Register)

Strategic Outcome	Increasing the supply of new homes	Risk type	Operational Delivery	Risk owner	Group Managing Director of RSLs
Description		Controls			
<p>The impact of the housing emergency (significantly increased allocation of lets to homeless) leaves the Group unable to effectively manage its housing and transfer lists as it has limited options to rehome customers living in unsuitable accommodation. This could result in operational pressures, customer dissatisfaction and reputational damage, as well as increased costs of paying for emergency accommodation for existing tenants.</p>		<p>We control the percentage of lets to homeless and can reduce this if necessary. Active engagement with Local Authorities, with senior representation at Housing Emergency meetings and workshops. Monthly performance monitoring of housing demand, voids and letting activity. New Build Programme in place to increase stock numbers.</p> <p>Planned Controls: Exploring options to incentivise downsizing (WH-Glasgow only)</p>			
Inherent risk	Residual risk	Risk Appetite level:		Previous / Next detailed Board update on operation of controls listed above:	
		<p>Risk Appetite is OPEN (Orange)</p>			