

**WHEATLEY HOMES GLASGOW
BOARD MEETING**

**Friday 22 March 2024
Wheatley House, 25 Cochrane Street, Glasgow**

AGENDA

A stock tour will take place at 10.30am, before the meeting

1. Apologies for absence
2. Declarations of interest
3. a) Minute of 9 February 2024 and matters arising
b) Action list

Main business

4. Neighbourhood management: Neighbourhood and Anti-social Behaviour policies
5. Group Engagement Framework
6. Home Safety building compliance update
7. a) 2024/25 Budget
b) Finance report
8. Strategy Workshop: structure and approach

Other business

9. [redacted]
10. [redacted]
11. Equity, Diversity and Inclusion and Human Rights Action Plan
12. Group Procurement – annual strategy and policy updates
13. AOCB

Date of next meeting: 17 May 2024

Report

To: Wheatley Homes Glasgow Board

By: Laura Pluck, Group Director of Communities

Approved by: Steven Henderson, Group Chief Executive

Subject: Neighbourhood Management: Neighbourhood and Antisocial Behaviour Policies

Date of Meeting: 22 March 2024

1. Purpose

1.1 To seek approval of our Antisocial Behaviour (“ASB”) Policy and Neighbourhood Management Policy.

2. Authorising and strategic context

2.1 Under our Terms of Reference we are responsible for approving policies that relate specifically to our business. This includes our ASB Policy and Neighbourhood Management Policy.

2.2 Within our strategy, we have made a commitment that *‘Over 70% of our customers live in neighbourhoods categorised as peaceful’*. Implementation of our ASB Policy and Neighbourhood Management Policy will support us in achieving this target.

3. Background

3.1 As part of our strategic project to ***‘Redesign our approach to safer communities’***, we have undertaken work to review the end-to-end processes for dealing with ASB. The project included a review of how we manage noise complaints that do not constitute ASB and how we manage wider neighbourhood concerns.

3.2 A key focus of the project was to seek the views of customers, ensuring our policies and approach reflect their wishes and expectations, in addition to reflecting best practice across the sector.

3.3 As a result of the review and feedback from customer voices, the Group Scrutiny Panel and staff across the organisation, we have set out three distinct documents that capture our approach and procedures for managing these types of concerns:

- An overarching group-wide ASB Framework that sets out our approach and principles for managing ASB as an internal staff-facing document;
- An RSL-specific ASB Policy setting out how we respond to complaints about ASB, clearly detailing incident types and categorisation which constitutes ASB and the action we will take; and
- An RSL-specific Neighbourhood Management Policy that sets out how we proactively manage neighbourhoods, what incidents would constitute a neighbourhood management concern and the action we will take.

3.4 The ASB Framework was approved by the Group Board in December 2023 in line with the Standing Orders, following which, individual ASB and Neighbourhood Management Policies have been prepared for our Board's consideration and approval.

4. Discussion

4.1 We know from listening to and engaging with our customers that our response to and management of ASB and wider neighbourhood issues remains a key priority. Having three distinct documents that set out our approach, the principles of how we work and the practical steps we will take when concerns are raised provides us with a strong structure for the management of our neighbourhoods.

4.2 The design of bespoke, separate policies for ASB and Neighbourhood Management ensures that there is clarity for our tenants on:

- What constitutes ASB and can be dealt with under the enforcement powers available to us as an RSL; and
- What constitutes a neighbourhood management concern.

4.3 There are clear benefits to having distinct ASB and Neighbourhood Management policies, which include:

- Provides clarity for staff and customers on the correct route to deal with incidents reported;
- Better meets customer expectations around the process, powers available and potential resolutions;
- Improved customer satisfaction levels when cases are being dealt with within the most effective process; and
- Improves staff confidence to have dedicated policies and processes for effective handling of management of neighbourhood concerns.
- Gives cognisance to the recommendations from the English Housing Ombudsman report on noise nuisance and effective handling of cases.

4.4 To support the process of determining which policy to use, we have developed a case triage methodology. This allows staff handling any concerns, to use the information provided from the affected person(s), alongside some factors for consideration. This process will support the routing of cases and help better manage the expectations of the customer. The triage process is highlighted below:

Triaging methodology – factors for consideration	
1	What is the nature of the issue or concern?
2	When is the activity, action or behaviour taking place (e.g. time of day)?
3	How often is the activity, action or behaviour taking place (e.g. hourly, daily, weekly, monthly)
4	How long does the activity, action or behaviour last (e.g. 30 minutes, one hour, all morning/evening, all day)?
5	What impact is the action, activity or behaviour having on the person affected by this?
6	Are there any underlying reasons to explain the activity, action or behaviour?
7	Is the activity, action or behaviour unreasonable?

4.5 The triaging process is a guide for both customers and staff, outlining factors that should be considered to ensure the concerns are responded to appropriately. However, every concern raised will be responded to in a person-centred way and considered on its own merits. Our staff will communicate clearly with customers which route their concern is being dealt with under - neighbourhood management or antisocial behaviour.

Antisocial Behaviour Policy

4.6 In line with customer and staff feedback, we have written the ASB Policy to detail what they expect to see within it. This includes an outline of what comprises ASB, how to report it, our time commitments to customers in handling the concerns and what support those impacted can expect to receive.

4.7 In terms of what is considered ASB, we have taken the opportunity to simplify this categorisation from the categories outlined within the original ASB Framework. This has meant a reduction in categories from 15 distinct categories to 10. No categories have been removed, only subsumed within the remaining categories.

4.8 The updated categories are as follows:

Category	Definition incident type
A	<ul style="list-style-type: none"> ▪ A conviction or criminal charges of drug dealing (supply or intent to supply) or production of a controlled drug. ▪ Criminal behaviour involving serious incidents of violence or threats of violence (including possession of weapons, serious assault, culpable and reckless conduct) ▪ Hate Crimes ▪ Wilful fire-raising
B	<ul style="list-style-type: none"> ▪ Threatening / Abusive behaviour ▪ Nuisance Noise (ASB) ▪ Common Assault ▪ Threats (verbal, written or via telecommunications) ▪ Vandalism ▪ Dog Fouling (communal areas)

4.9 The timescales for investigating and resolving complaints of ASB have remained the same, however as per the request of customers and staff, have clearly been outlined within the policy for clarity. Our commitment is to respond to Category A complaints within 1 working day and Category B within 3 working days. Our commitment is to resolve all complaints across both categories, within 10 days of the report being received.

4.10 Details of the support available for those impacted by ASB have an area of focus within the policy as this is something our customers told us was missing from the original ASB Framework. Alongside this we've covered how to report ASB and details of our five-stage investigation process to ensure detail is provided transparently.

Neighbourhood Management Policy

- 4.11 This is our first dedicated policy for supporting with identification of issues or concerns that impact good neighbourhood management. The development of the Neighbourhood Management Policy will allow us to provide clarity around the management of our neighbourhoods and support our ambition for our neighbourhoods to be thriving spaces for all.
- 4.12 While this is our first dedicated policy, proactive and reactive neighbourhood management practices are well established and a core role of housing teams. Housing officers are responsible for knowing their neighbourhoods, ensuring effective proactive estate management, and responding to concerns raised by customers in respect of their neighbourhoods. They draw down support from other teams such as environmental staff, repairs staff or ASB staff as required.
- 4.13 The policy allows us to clearly outline what we define to be issues or concerns that compromise good neighbourhood management and to communicate this clearly with our customers and staff. This will ensure these types of concerns are not being addressed under the wrong process (e.g., the ASB process) and this should have a positive impact on potential outcomes for customers and satisfaction levels. Examples of neighbourhood management concerns are outlined in the policy and are as follows:

Neighbourhood management issue	Examples of activity
Nuisance Noise (Non-antisocial behaviour)	<ul style="list-style-type: none"> ▪ Children Playing (e.g., within the property, kicking a ball off a wall). ▪ Babies/children crying. ▪ Animals (e.g., birds chirping, dogs barking – within the property, in the garden or on the veranda). ▪ DIY. ▪ Domestic Noise (e.g., washing machines, hoovering, walking within the property, flushing toilet, showering, creaky floorboards). ▪ Musical Instruments. ▪ Lifts. ▪ Door/window closing (including common close/stairwell door).
Environmental	<ul style="list-style-type: none"> ▪ Fly Tipping (e.g., rubbish or bulk in a public area). ▪ Garden Maintenance (e.g., overgrown trees/hedges, rubbish not being put in bins, cutting of grass). ▪ Litter/Rubbish (e.g., being thrown from property or left in common close/stairwell area, in gardens, being dropped by people (including children), feeding the birds/keeping in veranda, use of other's bins). ▪ Dog fouling (private place) – (e.g., where this takes place within an individual's garden that isn't a shared space). ▪ Street Parking (e.g., parking on the street, parking in disabled bays). ▪ Smells – (e.g., cooking).

- 4.14 We have outlined our customer commitments within the Neighbourhood Management Policy, which ensures our customers are clear about what level of service they should expect from us when they raise any issues pertaining to the management of their neighbourhood. We will respond to all neighbourhood management concerns within 3 days of the report being made and have committed to communicating any action within 10 days.
- 4.15 Through our safer communities recording platform, we will be able to raise cases involving concerns with the management of our neighbourhoods in one place. This includes ASB cases and those issues of neighbourhood management concern. This will provide the benefit of giving oversight around the full picture of our neighbourhoods and the types of issues impacting them. At present, we capture activity taken to resolve neighbourhood management concerns on individual customer records, which doesn't allow the benefit of capturing and monitoring trends.
- 4.16 We will report on wider neighbourhood management as part of our performance reporting which will allow housing officers and housing leads to have full oversight of their neighbourhoods. This will help identify any trends or thematic issues arising and support service design and delivery, as well as the allocation of resources. This information will be considered when we engage customers in Neighbourhood Planning.
- 4.17 Extensive work is ongoing across the housing sector to develop improved policies and processes in relation to the management of neighbourhood issues and concerns that do not constitute ASB. We will continue to monitor this and emerging best practice and revise our approach accordingly.
- 4.18 Following approval of the policies, we intend to hold dedicated sessions with all relevant staff, including those working in our Housing teams, the Customer First Centre, NETs and repairs to launch the policies.

5. Customer Engagement

- 5.1 For both the ASB Policy and Neighbourhood Management Policy we have engaged and sought feedback from Customer Voices and the Group Scrutiny Panel.
- 5.2 Significant feedback was gathered that has informed the final drafts of the documents. Feedback focused on:
- Simplification of the documents, less information, ensure information is what customers need to know;
 - Clear categorisation of what types of incidents belong in ASB and Neighbourhood Management; and
 - Outline action that will be taken when concerns are raised, and time commitments detailed where possible.
- 5.3 Our Protecting People and Communities 'Community of Excellence', where staff across all service areas come together to share and implement best practice and innovate, have had extensive involvement in developing the content for both policies.

6. Environmental and sustainability implications

- 6.1 Development and implementation of the ASB Policy and Neighbourhood Management Policy helps us meet three of the seventeen UN Sustainable Development Goals, which include:

Goal 3	Good health and wellbeing	We know that ASB and experiencing concerns within neighbourhoods can have a negative impact on people's well-being. A robust approach to responding to and managing reports of ASB and neighbourhood management concerns in our communities supports our tenant's overall health and well-being.
Goal 10	Reduced inequalities	Our approach is trauma-informed and responsive and recognises that those living in the most socially deprived areas and within specific social groups are more likely to experience ASB. This can be either through engaging in it or being impacted by it. By having a person-centred approach to ASB and neighbourhood management, with a greater understanding of the challenges faced through deprivation and reduced inequality, we can achieve greater equality for our tenants.
Goal 16	Peace, Justice, and strong institutions	By robustly tackling ASB we support the UN Goals of reducing violence across the globe and operating as a transparent, effective, and accountable institution. Our policy clearly outlines the enforcement action we're able to take to resolve ASB and obtain effective resolution for those impacted.

7. Digital transformation alignment

- 7.1 As part of the '**Redesign our approach to safer communities**' project we have improved the functionality of our platform for recording all ASB case details. As well as using the platform to record ASB cases, pending approval of the Neighbourhood Management Policy, from May 2024 we will start recording incidents reported under this policy. The changes to the system have been well received by staff across the business.
- 7.2 The policies will be available digitally for staff to access on WE Connect and available for our customers via our website. Our digital communication channels of WE Connect and Talk Together will be utilised to raise awareness of the policies and their importance and to encourage staff engagement with them.

8. Financial and value for money implications

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

9. Legal, regulatory, and charitable implications

- 9.1 The ASB Policy and Neighbourhood Management Policy have been developed taking into consideration relevant legislation, such as the Anti-Social Behaviour etc (Scotland) Act 2004.

- 9.2 We report on ASB and neighbourhood management to the Scottish Housing Regulator through the Annual Return of the Charter (ARC). Details of the ARC indicators concerning the management of neighbourhoods have been included in the respective policies.

10. Risk Appetite and assessment

- 10.1 The ASB Policy and Neighbourhood Management Policy support our ambitions across all five of our strategic themes. Our risk appetite in relation to operational delivery for these themes ranges from open to hungry.
- 10.2 By developing our ASB Policy and Neighbourhood Management Policy we ensure that:
- These documents reflect our customer expectations; and
 - Customers and stakeholders are clear on our approaches, how they should report concerns or issues and the response they can expect.

11. Equalities implications

- 11.1 Our approach towards the management of our neighbourhoods is supportive of our strategic vision that we want to create thriving neighbourhoods where all customers feel part of their community, that people look out for each other, and they feel safe and secure.
- 11.2 In Scotland there is recognition of the links between inequality, poverty, and adverse experiences in childhood with the risk of offending, reoffending and/or being a victim of crime. It is through this recognition that our Prevention and Solutions model within the CIP, which is outlined within the ASB Policy, states that we will take a trauma-informed and person-centred approach towards dealing with ASB and ensure that the appropriate levels of support feature as a key tool in dealing with the behaviour and conduct.
- 11.3 An Equality Impact Assessment has been completed for both the ASB Policy and Neighbourhood Management Policy. A copy of either full assessment is available on request.

12. Key issues and conclusions

- 12.1 As part of our strategic project to redesign our approach to safer communities, we have undertaken work to review the end-to-end processes for dealing with ASB. This included a review of our overarching ASB Framework, how we manage ASB, noise complaints and neighbourhood management concerns.
- 12.2 As a result of the review, we have three distinct documents that capture our approach and procedures for managing these types of concerns:
- An overarching group-wide ASB Framework that sets out our approach and principles for managing ASB as an internal staff-facing document;
 - An RSL-specific ASB Policy setting out how we respond to complaints about ASB, clearly detailing incident types and categorisation which constitutes ASB and the action we will take, and;
 - An RSL-specific Neighbourhood Management Policy that sets out how we proactively manage neighbourhoods, what incidents would constitute a neighbourhood management concern and the action we will take.

- 12.3 The ASB Framework was approved by the Wheatley Group Board in December 2023 following our specific ASB and Neighbourhood Management Policies have been prepared.
- 12.4 The documents proposed set out clearly and concisely the specific incident types that will be considered under each policy, the approach we will take to understand what the potential solutions are and the action we will take when responding to the concerns. A clear triaging process will assist staff in determining what policy concerns should be managed under.
- 12.5 For the first time, neighbourhood management issues will be captured in our safer communities recording system providing a much more detailed picture of the range of concerns being raised in our communities. Thus, allowing us to understand trends not only with respect to ASB but also other issues which can impact how our tenants feel about their homes and neighbourhoods.
- 12.6 Subject to Board approval the policies will be launched with staff across the organisation between April and June.

13. Recommendations

- 13.1 The Board is asked to:
- 1) Approve the Wheatley Homes Glasgow ASB Policy; and
 - 2) Approve the Wheatley Homes Glasgow Neighbourhood Management Policy.

LIST OF APPENDICES:

Appendix 1 – [redacted] available [here](#)

Appendix 2 – [redacted] available [here](#)

Report

To: Wheatley Homes Glasgow Board

By: Hazel Young, Group Director of Housing and Property

Approved by: Steven Henderson, Group Chief Executive

Subject: Group Engagement Framework

Date of meeting: 22 March 2024

1. Purpose

1.1 This report provides the Board with an overview of our first review of the *Stronger Voices, Stronger Communities* Customer Engagement Framework. This review was considered by the Group Board in February 2024 and an updated Customer Engagement Framework was approved. The updated Framework is attached at Appendix 1 for noting.

2. Authorising and strategic context

2.1 Under the Group Standing Orders, the Group Board has a strategic role in determining the overall direction and objectives of the Group. It is responsible for approving the Group policies and frameworks, including the Group's Customer Engagement Framework. Our Board is responsible for implementing the Framework within Wheatley Homes Glasgow.

2.2 Our Strategy, *Your Home, Your Community, Your Future*, is committed to co-creation with our customers. It specifies that we will provide customers with increased control and choice, empowering them to self-direct their services.

2.3 Our Customer Engagement Framework focuses on the strategic themes of *delivering exceptional customer experience; making the most of our homes and assets; and changing lives and communities*.

3. Background

3.1 Our *Stronger Voices, Stronger Communities* Customer Engagement Framework ("the Framework") was originally approved by the Group Board in December 2020 and implemented across Wheatley Homes Glasgow during 2021, albeit with some limitations due to the Covid environment during that year. Our new approach to engagement was endorsed by 89% of our customers in 2021 as part of our consultation on the new operating model at that time.

- 3.2 The Framework aimed to widen the scope of customer engagement by creating a model of engagement that is accessible, flexible, and diverse. In essence, we set out to shift the balance of power and control towards the customer.
- 3.3 Our approach to customer engagement is supported by four key pillars:
- **We listen, You are heard** – customers can give their views through focus groups, panel meetings, surveys, and complaints, and we will respond and take action;
 - **We consult and co-create, You influence and design with us** – customers can influence service delivery and strategic direction through focus groups, surveys, panels, and conferences;
 - **We give power to, You decide** – customers are empowered to make decisions about their environment. For example, through the You Choose Challenge in communities; and
 - **We support, Your voice is stronger, and people listen** – we support individuals to develop their potential and widen the opportunities available to them.
- 3.4 Our Framework has been reviewed in accordance with our 3-year policy review cycle and the key findings of the review are discussed below.

4. Discussion

- 4.1 Our customers were at the heart of our extensive review. A key achievement of the Framework implementation is that we have recruited over 1050 customers to our Customer Voice programme – against a target of 1000. We asked our Customer Voices for their feedback on the Customer Voice programme, and the engagement activities that they have experienced. We facilitated three in-person focus groups with 22 participants, in addition to an online survey, in which the response rate was 10%, to gather their views on our refreshed approach to customer engagement. We then carried out subsequent engagement with Customer Voices which focused on the barriers faced by customers with protected characteristics to inform our Equalities Impact Assessment (EIA).
- 4.2 Our review also included input from staff members from a wide cross-section of the business. The review was driven by our *Stronger Voices* Community of Excellence, and informed by staff members from our RSLs, Wheatley Care, Wheatley Foundation, Customer First Centre, Governance and Development.
- 4.3 Our review found that the Framework has been, and continues to be, extremely successful at delivering a flexible and diverse engagement model that is more accessible to our customers. It highlighted that our customers strongly value our approach to engagement. Since the approval of the Framework in 2020, we have achieved the following:

- Our 2023 tenant satisfaction survey carried out for WHG showed that 98% of our customers were satisfied with the opportunities given to participate in decision-making processes. This is a significant improvement from the results prior to the Framework introduction which was 86%;
 - The high satisfaction with engagement has contributed to overall satisfaction levels of 87% for WHG in the same survey;
 - Our approach to engagement received a CIH award for ‘Excellence in Customer Service’ in 2023;
 - 70% of Customer Voices would recommend the programme to others;
 - We held over 700 engagement events in WHG over the course of 2022/23;
 - Over 1000 WHG customers have been engaged in research, testing and co-design;
 - We introduced *My Voice*, an instant feedback tool, across a variety of service areas;
 - We collected Equality, Diversity and Inclusion data for Customer Voices, to ensure diversity of engagement. The analysis of this showed the diversity of Customer Voices was broadly comparable with our tenant base; and
 - We continue to learn from customer feedback and complaints resulting in changes in service delivery. For example, the introduction of *Book it, Track it, Rate it* in our repairs service.
- 4.4 The Framework has provided the basis for several new developments where customers have been at the heart of shaping outcomes. We carried out a comprehensive review of our Housing Information, Advice and Letting Policy, in which we engaged with customers on our housing lists, on how we could improve how we allocate homes. Customer feedback resulted in key changes being made to the Policy, including creating a new band for Livingwell properties and moving towards a bespoke matching service for applicants experiencing homelessness in Band B.
- 4.5 We have also carried out significant customer engagement across the Group with our customers who have families. We worked with an independent consultant, Neil Morland & Co, to understand the satisfaction of families with our services. We gathered feedback from approximately 1,800 customers who responded to our survey, and a further 44 customers who participated in a focus group, or individual interview.
- 4.6 Customer feedback shaped the recommendations from the families’ research, which included improving repairs and communication around repairs work and improving satisfaction with antisocial behaviour processes. We have already addressed many of these recommendations. For example, we have introduced *Book it, Track it, Rate it*, which is an app that will enable customers to track their repairs operative and give feedback on the work. The ‘Track it’ functionality has resulted in a positive improvement in communication, with customers receiving text message reminders and updates about repairs. In feedback through the ‘Rate it’ functionality, customers have rated our service highly, at 4.5/5 for Wheatley Homes Glasgow. The engagement continues to influence our direction, including the change to our development programme to develop a higher percentage of larger homes – a key priority for our customers.

- 4.7 We continue to develop and refine our approach to antisocial behaviour (ASB). We have a 'preventions and solutions' approach to ASB, which is focused on achieving prompt and sustainable solutions for customers. We also continue to deploy our Community Improvement Partnership (CIP) in communities where there are significant levels of ASB.
- 4.8 We also carried out customer engagement to develop our Hate Crime Policy, in which we used our Equality, Diversity and Inclusion (EDI) data to host a female-only ethnic minority focus group. The outcome of these groups has helped us to simplify our Anti-Social Behaviour Framework and improve our communications approach.
- 4.9 Our approach to engaging customers on the rent setting consultation has been refined during the implementation of the Framework. We have developed a co-creation approach with our customers, with our Customer Voices working with us as part of focus groups to develop our messaging to all customers around rent setting, options for wider consultation, clear tenant priorities and explanation of how the rent pound is spent. The final part of the consultation is the invitation to all customers to express their views by making a choice on the rent level option and providing qualitative feedback if desired.
- 4.10 The outcome of the consultation was previously reported to the Board – and has reaffirmed tenant views (already expressed in the Customer Voice focus groups) that investment, repairs and NETs are critical service priorities, with an understanding that in the current economic climate, a higher level of rent is required to maintain service levels and carry out desired levels of investment in homes.
- 4.11 Our approach to scrutiny has been enhanced and expanded over 2023. There are over 30 members of the Group Scrutiny Panel from all RSLs (14 from WHG) who attend quarterly performance meetings and spotlight meetings on key service areas. As the Board are aware, members of our Group Scrutiny Panel chose to carry out a thematic review of repairs communication to identify areas for improvement; the review was carried out from July to November 2023. As part of their review, members of the thematic group met with key staff members and had a tour of the Customer First Centre. They assessed key documents such as customer journey maps, complaint case studies, national performance, and CFC call transcripts.
- 4.12 Members of the thematic group developed a report on their review. This had 18 recommendations and customers have met with key staff to discuss this and to proactively co-create solutions. Representatives from the group attended our last Board meeting to discuss their experience of the review. The review will be promoted with customers and progress with the recommendations will be monitored by the group at their meeting in June 2024. The next thematic review by the Panel will be on the environment, as chosen by Panel members, and work has already started on this.

- 4.13 Our review has concluded that our approach to engagement, and the key pillars to customer engagement referenced above, have, and continue to be, extremely successful in driving up customer satisfaction and creating positive changes both within the organisation and in our communities. It is therefore proposed that we retain our approach to customer engagement, and our Customer Voice programme, which continues to flourish.
- 4.14 Our customers strongly value our approach to engagement, and feedback indicates that we should continue with our approach. They welcomed the accessibility of our approach which provides a range of methods, times, and locations for participation. Customer Voices suggested some operational improvements could be made to further enhance our already-high levels of satisfaction with the programme. These include:
- Ensuring feedback is consistently provided on the outcome of engagement events – this was already in development at the time of the review and a consistent framework for feedback has now been rolled out;
 - Providing customers with an agenda, or discussion points, in advance of a Customer Voice Panel or Focus Group – this has now been rolled out across our engagement events;
 - Providing customers with a regular newsletter or magazine, detailing information on services and engagement opportunities. Community newsletters were distributed in most areas towards the end of last year, with a specific newsletter for Customer Voice participants issued in November/December 2023. Further newsletters will be issued throughout 2024; and
 - Ensure people are aware of events in smaller, harder-to-reach areas, bringing engagement opportunities to these communities (mostly relevant to Wheatley Homes South) - and of other options to participate in larger events.
- 4.15 We carried out additional engagement which explored the impact of our engagement on protected characteristics. These Customer Voices were again supportive of our approach to customer engagement and recognised the actions we already take to remove barriers for customers taking part in engagement. For example, we provide customers with a range of options to engage, including a mixture of online and in-person opportunities at various times and dates to accommodate different circumstances.
- 4.16 Our customers involved in the focus groups made the following suggestions to improve the experiences of those with protected characteristics:
- Improve acoustics for in-person meetings for customers who are hard of hearing or are affected by deafness;
 - Include the options of one-to-one calls or visits for customers who want to engage with us, but who are prevented from doing so in a group setting;
 - Ensuring that we are mindful of the space or room we choose for engagement events (for example, we should be mindful that accessible toilets are nearby); and
 - As above, continue to provide a range of times and dates for customers to engage with us.

- 4.17 Based on the feedback and the success of the Framework to date, the review does not propose any substantive changes. However, some minor items have been updated to reflect the current context, particularly in relation to digital services. For example, we have included reference to our new real-time feedback options such as *MyVoice* and *Book it, Track it, Rate it* which did not exist when the Framework was first established

5. Customer Engagement

- 5.1 This report outlines our review of our Group Customer Engagement Framework. We carried out extensive customer engagement to inform the review of the Framework. Our customer engagement consisted of:

- **Online survey to all Customer Voices** in which 10% of WHG Customer Voices responded;
- **Three focus groups** with 22 participants involving customers from WHG. These took place both in person and online; and
- Wider customer engagement through our **2023 tenant satisfaction survey** in each RSL.

- 5.2 We subsequently carried out customer engagement to inform our Equalities Impact Assessment for the Framework. This focused on identifying any barriers for our customers with protected characteristics that could prevent them from participating in in-person, or online, engagement events. This assessment involved a sample of customer voices across the Group. The figures haven't been broken down for each RSL due to the smaller numbers and sensitivity of discussion topics. This consisted of:

- **Online survey to sample Customer Voices** with an 11% return rate;
- **Two customer focus groups** with 9 participants, which took place in person and online; and
- **Individual phone calls** with a small number of customers who requested a conversation about the EIA with members of staff in a private setting.

6. Environmental and sustainability implications

- 6.1 Customer engagement will seek to deliver sustainable outcomes for communities. You Choose Challenge is a key tool to empower customers to affect change in their local new-build community, and this is now aligned to our 'Greener Homes, Greener Lives' Sustainability Framework.

7. Digital transformation alignment

- 7.1 Customer engagement will inform key areas of digital transformation. The engagement may indicate other areas of digital change or transformation, and these will be incorporated into project proposals and reported as appropriate.

8. Financial and value for money implications

- 8.1 There are no financial or value for money implications from this report. Implementation of the Framework is contained within existing budget resources. Our engagement with customers may result in proposals which require further resources, but these will be incorporated within the appropriate project proposals.

9. Legal, regulatory, and charitable implications

- 9.1 There are no legal or regulatory implications arising from this report.

10. Risk Appetite and assessment

- 10.1 Our risk appetite level for operational delivery in the strategic outcome Delivering Exceptional Customer Service is open. This means we are keen to pursue opportunities to use digital services and platforms to improve the customer experience.
- 10.2 Customer engagement and control is at the heart of our strategic approach. This is likely to result in new and innovative approaches to service delivery which will fit with our open risk appetite level.

11. Equalities implications

- 11.1 We continue to obtain equalities information during the process of registering, and re-registering, Customer Voices, where they are willing to share this. This will be used to try to ensure appropriate representation, particularly at project and RSL level. Where specific gaps are identified we will work with customers and appropriate organisations to seek to address these.
- 11.2 An Equalities Impact Assessment (EIA) has been carried out on our Customer Engagement Framework. The actions arising have been captured and will be monitored. In relation to engagement events, it is particularly important that we fully consider EDI issues when arranging meetings, for example by providing a range of date options, accessible venues, online and in-person meetings, and translations where required.

12. Key issues and conclusions

- 12.1 This paper sets out the findings from our review of the 'Stronger Voices, Stronger Communities' Customer Engagement Framework. It demonstrates that the Framework has considerably improved our approach to customer engagement and that this has positively impacted customer satisfaction with WHG. We have shifted the balance of power and control towards the customer through co-creating services and products with them and adapting our strategies in response to their feedback and involvement.

12.2 The review suggested minor changes to modernise the Framework, and some practical changes could improve the already high c

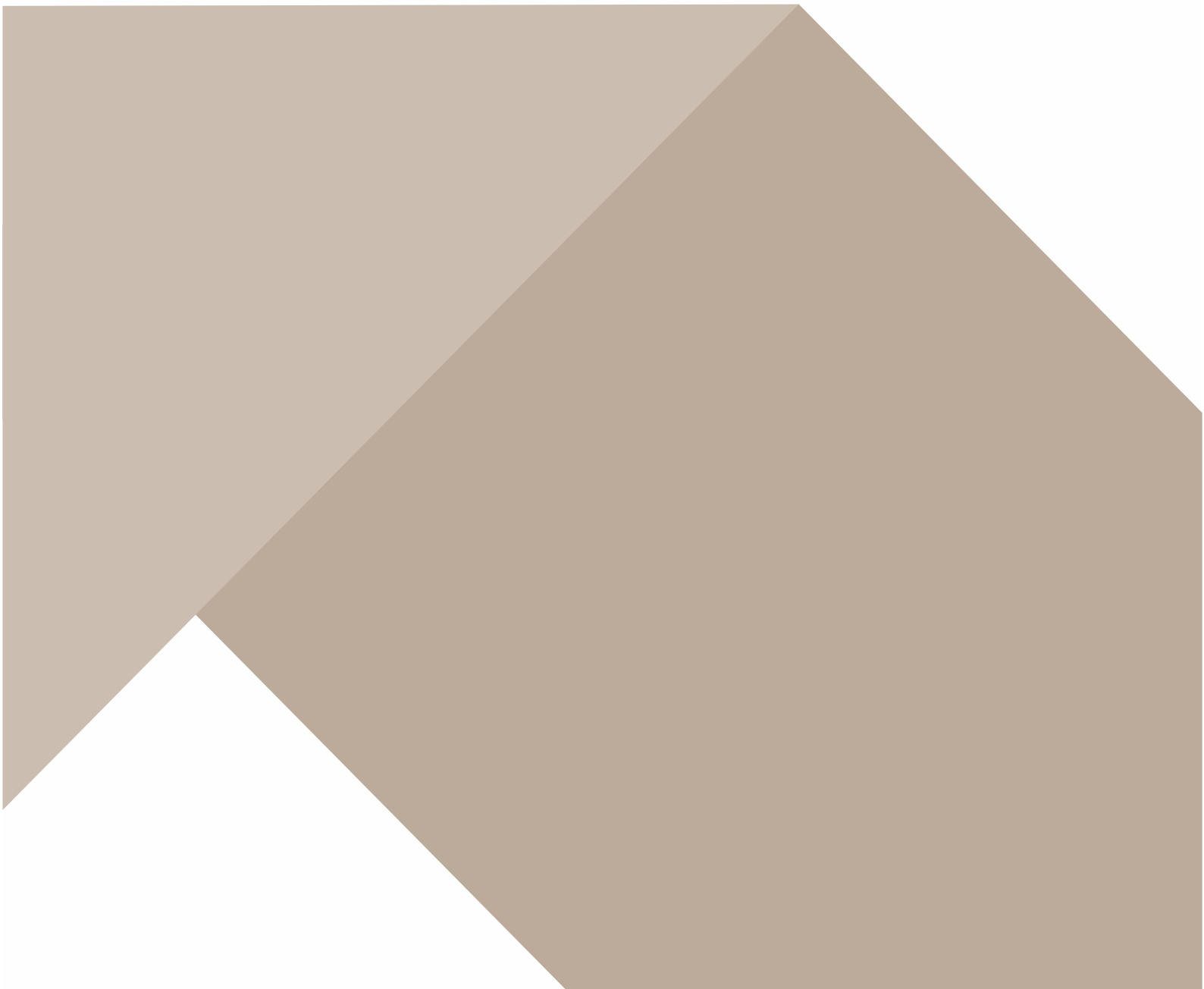
13. Recommendations

13.1 The Board is asked to note the updated Customer Engagement Framework.

LIST OF APPENDICES:

Appendix 1: [redacted]. Available [here](#)

Customer Engagement Framework



Stronger Voices, Stronger Communities

Vision

Our vision is to support our customers to reach their potential. Our strategy for making this real will deliver an unprecedented shift in the balance of power and control towards our customers, empowering them to make their own choices about the services they want.

The development of our approach has been informed by feedback from our customers and by the research project carried out for us by The Democratic Society “Democracy Starts at Home”.

We want to challenge ourselves in our approach to engagement – to create that unprecedented shift in power to the customer. Our 2021-26 strategy **Your Home, Your Future, Your Community** emphasises co-creation with our customers and promoting their ability to be in control and self-direct their services. By 2026 our customers will be empowered to make their own choices about the services they want, be properly equipped to do things for themselves and be involved in the design of products and services from start to finish.

This shows how a Wheatley Customer will personally experience our engagement with them in 2026 – how it looks and feels to them.

I feel in control and have choices

- I take charge of my life, I self-direct my services.
- I have access to training, life skills, employability, support.
- I see a brighter future for myself and my family.

I shape the services I receive

- I influence the things that matter to me.
- I can give instant feedback.
- I understand performance from both a customer and business perspective.
- I can get involved through crowdsourcing ideas, designing, voting, on/offline discussions.

I have access to the information I need

- Online access provides me with all info about my home and community at my fingertips – account, costs, maintenance history, investment plans etc.

Each customer is an individual who will want and/or need different levels of engagement to feel this experience. Our engagement approach is designed to support customers' choices for the experience they want. The emphasis will not be on expecting customers to form constituted groups, meeting in specified locations at set times. Instead, the approach will be to encourage **accessibility** – anyone can volunteer for an activity without further commitment – and **flexibility** – people can express views at a time and in a way that suits - online, 24/7, from home, or in person.

By making our engagement options more flexible for customers we seek to improve the opportunities for engagement which are available to our customers and widen the diversity of customers who are actively involved in shaping services. We will support our customers and communities to feel more in control of their personal and collective well-being, inspired to raise their aspirations and able to realise their potential.

The Framework

The engagement framework consists of 4 pillars which support our engagement with customers, as illustrated in Figure 1 below.

Figure 1 – The Stronger Voices framework



1. We Listen **You are heard**

Processes

This is a very open form of engagement which we would expect all customers can and will access at some point in their relationship with us. It enables customers to put forward ideas which are not driven by our agenda. Currently, we engage with customers under this pillar in a variety of ways. Our **Think Yes culture** means that any staff member engaging with a customer listens and responds to what the customer is saying to find a positive solution. **Customer conversations** carried out by Housing Officers are an example of this – where the customer can bring up anything which is important to them, and the Housing Officer listens to understand what our role might be and how we can help. Often this is about opening service options for customers, but it might also be about supplying information or developing

insight which will help for example to create a community project or influence a service change. **Social media** can also be used by customers to express what is on their mind rather than responding to any focused question we have asked.

Voice of the Customer is the process we use to identify online feedback on various service areas or topics. This type of process will become increasingly important to customers as online self-service increases.

Community groups/meetings are another way in which customers can raise issues which matter to them, for example, a staff member might attend a community meeting where the main topic of conversation is the lack of public transport. While we do not have a direct role in this it helps us to build community insight and we may be able to help influence other community partners or support grant funding applications.

Learning from complaints analysis is also an important way in which we listen to what our customers are saying and change the way we deliver our services as a result of their feedback.

Key Roles

Our main job roles who engage with customers in this way are our front-line staff

- Housing Officers
- Stronger Voices Officers
- Foundation Team
- Care Workers and Managers
- Customer Service Centre staff
- Lettings Advisors
- Repairs and Investment staff
- NETs staff
- Locality Directors/Heads of Housing

Outcomes

The main purpose of this pillar of engagement is to provide solutions to our customers for the issues they raise. This is a cornerstone of our Think Yes culture.

The outcomes are increased customer satisfaction; faster complaint resolution; lower levels of waste demand, and better customer relationships.

Another outcome is the ideas and innovation that customers can bring to our business. Insight gathered through this form of engagement is collected and structured through the locality planning process, complaints analysis and survey feedback.

2. We consult and co-create You influence and design with us

Processes

As part of this pillar we currently use several consultative processes. These include **rent consultation** or other **policy proposals**, **project proposals**, and **surveys** ranging from small/local, service-specific e.g. repairs, to wide-ranging such as our annual customer satisfaction surveys. **Focus groups** are a method we also use to seek more qualitative responses which can still be used to provide structured and representative views.

We work alongside any **Registered Tenants Organisations (RTOs)** to improve local communities. Our Stronger Voices Officers and Housing Officers can also support the establishment of RTOs.

Our **Group Scrutiny Panel** is another way customers can get involved. ‘Scrutiny’ is all about reviewing performance, through a partnership approach, and working with officers to identify improvements for services.

These are important processes, but our ambition is to support more opportunities for customers to become proactively involved in working with us to design services. We believe some customers will find this very rewarding although we recognise it will not appeal to all customers as it requires a greater degree of time and effort. So, the key processes focus on design – service design; estate design; system design; and home design.

We have introduced the concept of **Customer Voices**. These are customers who will work alongside officers to inspect, advise on and design how we deliver services and projects. We have designed an annual programme for our Customer Voices which will be informed by our Group strategic delivery plan so the customer voice is at the heart of our strategic projects. The programme is designed to continually strengthen the voice of the customer.

One of the activities our Customer Voices are involved in is **customer journey mapping**. When we explored this as a concept with our customers during our International Conference on Engagement it was one of the most popular activities with our customers and brings huge insight as to how our processes and systems can be improved to deliver a better customer experience.

We have introduced **My Voice**, a digital tool that enables us to gain instant feedback on a particular service. We have also introduced **Book it, Track it, Rate it**, as a direct result of customer feedback on repairs. It enables our customers to book a repair, track a repairs operative and give feedback on the repair.

On a more individual basis, our Health & Wellbeing Assistants work with individual care customers using an **Outcome Star method** which supports the people we work for to identify the aspects of their life they want to improve and how to go about it.

Key roles

Our main job roles who engage with customers in this way are those with a responsibility for service and strategy development:

- Community of Excellence Leads
- Business Leads
- Investment Managers
- Development Managers
- Project Officers
- Service Improvement staff
- Stronger Voices Officers

Outcomes

The main purpose of this pillar of engagement is to test and consult on proposals; identify what doesn't work in current processes or policies; co-design new services or products; and challenge our collective thinking to improve. The outcomes are increased customer satisfaction; fewer complaints; lower levels of waste demand; and better value for money as resources are deployed in accordance with customer priorities.

Ensuring that the customer voice is heard and enabling co-design as an early milestone in our strategic projects will deliver innovation and fresh thinking in our delivery. Customer-focussed design has always been important to us, but the process of co-creating with customers in the design process is a new part of our approach.

3. *We give power to... You decide*

Processes

The processes for this pillar focus on ways in which we can safely empower our customers to make decisions on their own homes and environments and to make decisions on priorities and resources. Our development of online, self-service tools

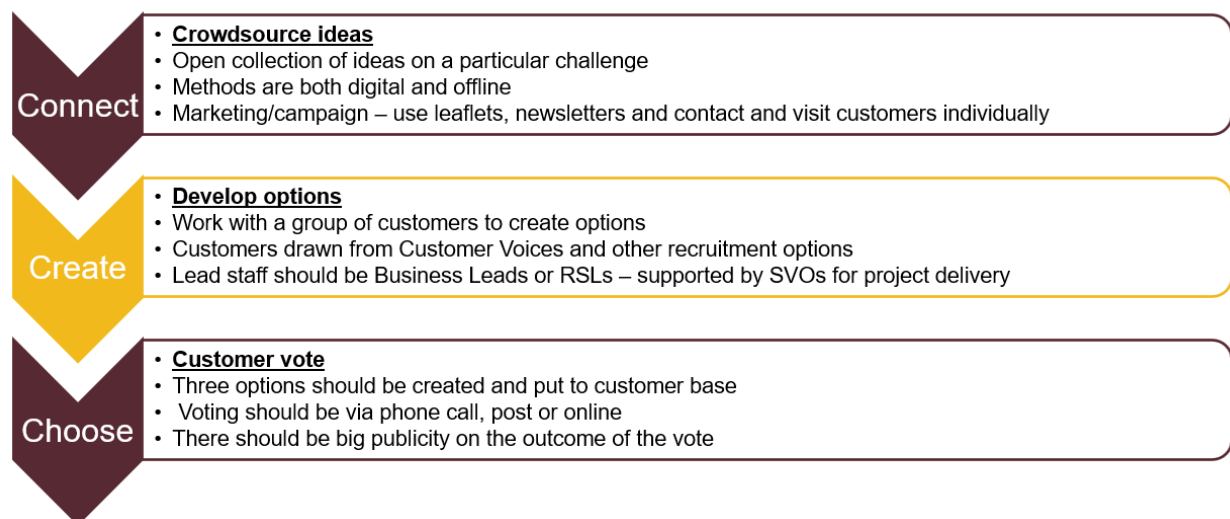
helps to promote this for the individual customer - for example, they can decide and track when and where they want a repair carried out; and use a budget calculator to decide whether they can afford their tenancy.

The LivingWell model for older people uses supportive technology to give people more control and independence in their homes and communities.

You Choose Challenge will be one of the key methods we use to engage customers to make collective decisions about priorities and resources. You Choose Challenge should be deployed in new-build communities. This method is illustrated in Figure 2.

You Choose Challenge is linked to our *Greener Homes, Greener Lives* Sustainability Framework, and projects should be focused on making communities greener and more sustainable. However, You Choose Challenges should be driven by local need and choice.

Figure 2 – You Choose Challenge



Key roles

The key staff roles involved in this pillar will mainly be those which carry budget responsibility and decision-making power as this power will need to be appropriately devolved. However, frontline staff will assist in delivering projects.

- Executive Team
- Director of Finance
- MDs
- All Directors
- Housing Officers
- Stronger Voices Officers
- Foundation Team
- Development Team

Outcomes

The main purpose of this pillar of engagement is to empower customers to make decisions and choices about what matters to them. Our customers and communities will feel more in control of their personal and collective well-being, inspired to raise their aspirations and able to realise their potential. Self-directed services, and innovative approaches such as Outcome Star, LivingWell for older people and Housing First help build the trust, confidence and ability of individuals to make the changes that are important to them, giving people more power and control over their lives and their futures.

The outcomes are increased ideas and innovation; increased customer satisfaction; fewer complaints; more customers feeling involved in decision-making; and better value for money as resources are deployed in accordance with customer priorities.

4. We support Your voice is stronger and people listen to you

Processes

The processes for this pillar focus on ways in which we can support people to develop their potential and raise aspirations. We have experience using many of these processes already, especially within Wheatley Care and other support services provided throughout the Group. Encouraging volunteering, as in the LivingWell service; encouraging individual expression through music and art; and supporting youth development projects are all ways that we currently support people to develop their potential.

The support provided through the Wheatley Foundation to access employment, training opportunities and bursaries is another method by which we support capacity development. This Engagement Framework provides an opportunity to integrate this support and develop it further through wider engagement opportunities. We will provide a learning suite and potential accreditations for those customers who become Customer Voices, helping them to develop their skills to assess information, challenge approaches and express their views. This will form one of the pathways for customers who may be interested in positions as Board members.

Key Roles

Our main job roles which will support customers to develop their potential are:

- Stronger Voices Officers
- Care and Support Staff
- Health and Wellbeing Assistants
- Wheatley Foundation Officers
- Academy staff

Outcomes

The main purpose of this pillar of engagement is to support people to develop their potential and build capacity and resilience in our communities.

Digital Engagement

The Engagement Framework is based on a blended approach which understands the value of face-to-face interaction but also the opportunities that can come through digital methods of engagement. We have significantly developed our digital approach, and continue to work with our customers to develop other additional tools that are conducive to engagement. Figure 3 illustrates how these tools support the four pillars of the Engagement Framework.

Figure 3 – Digital tools to support engagement



Digital engagement can replace or supplement off-line community activity such as a meeting to discuss investment in a block. This should enable a wider range of input by increasing the methods by which people can take part in sharing information and views; building community consensus; and reaching decisions. Importantly, we will ensure that digital engagement is used to increase the range of customers who are able to participate. We will support customers to engage online but we will also ensure that no-one is excluded from involvement because they are unable to participate in this way.

Other digital methods which we will develop include the **integration of feedback within the customer service journey**. The opportunity to provide feedback will be available at different points in the service journey – for example to provide feedback on-line through text, web or app feedback after ordering a repair; then again after receiving the repair. This can also be developed for example to contact a customer after they have completed their first year of tenancy with us, to seek feedback on their experience.

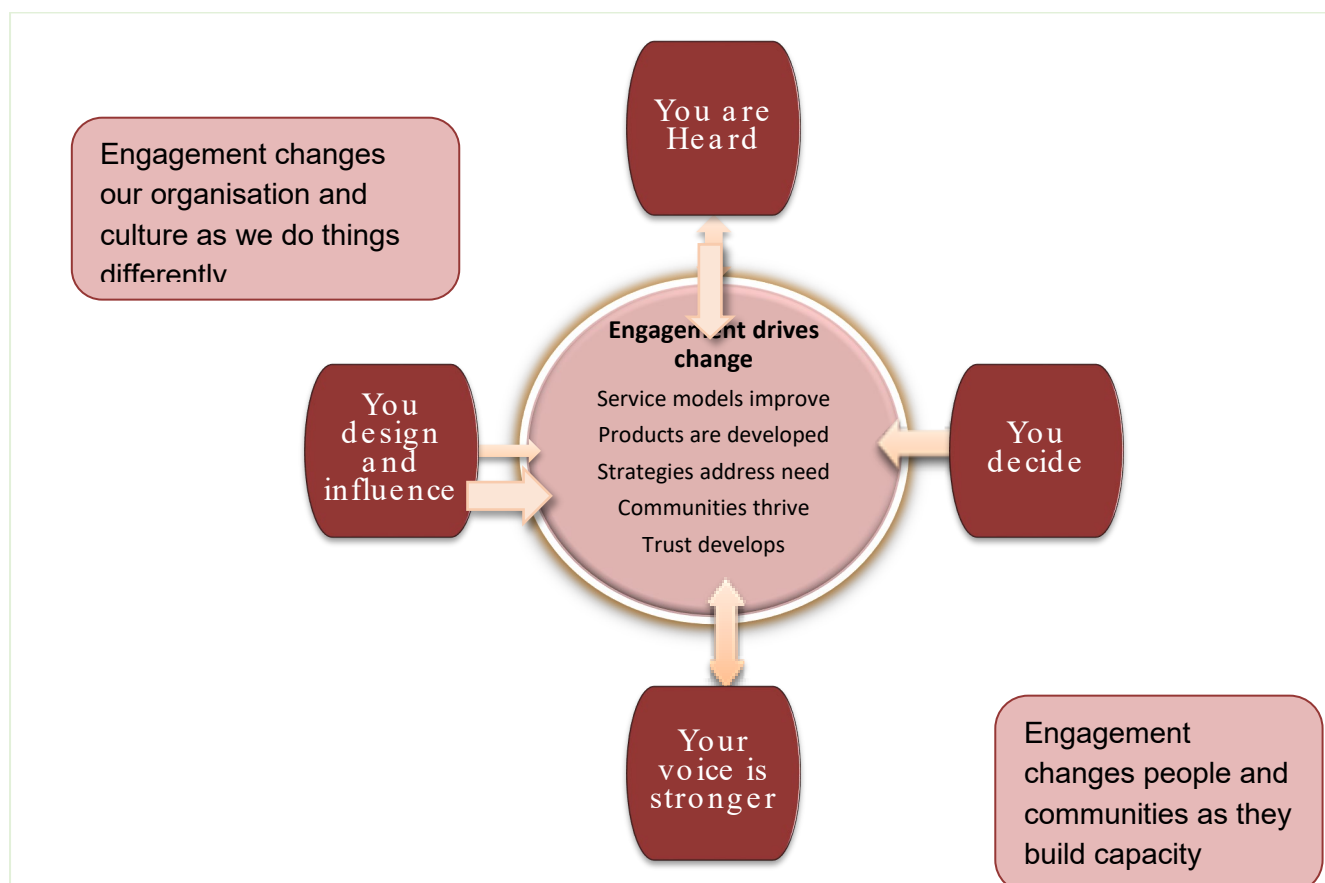
Staff resources

Every member of staff in Wheatley Group has a role in promoting engagement and responding to the customer voice in all our activities. The Stronger Voices team will support business leads to ensure this happens and will oversee the annual engagement programme which supports the customer voice throughout our strategic activities.

Framework outcomes

This Engagement Framework is designed to support our ambition to promote a culture which places the customer voice at the heart of everything we do. Through our strategy **Your Home, Your Future, Your Community**, we have set out to challenge ourselves in our approach to engagement – to create that unprecedented shift in power to the customer. Our 2021-26 strategy emphasises co-creation with our customers and promoting their ability to be in control and self-direct their services. By 2026 we hope that our customers will be empowered to make their own choices about the services they want, be properly equipped to do things for themselves and involved in the design of products and services from start to finish. Through this journey with our customers we hope that our communities will become stronger; more resilient; and able to make their voices and their expectations heard more widely.

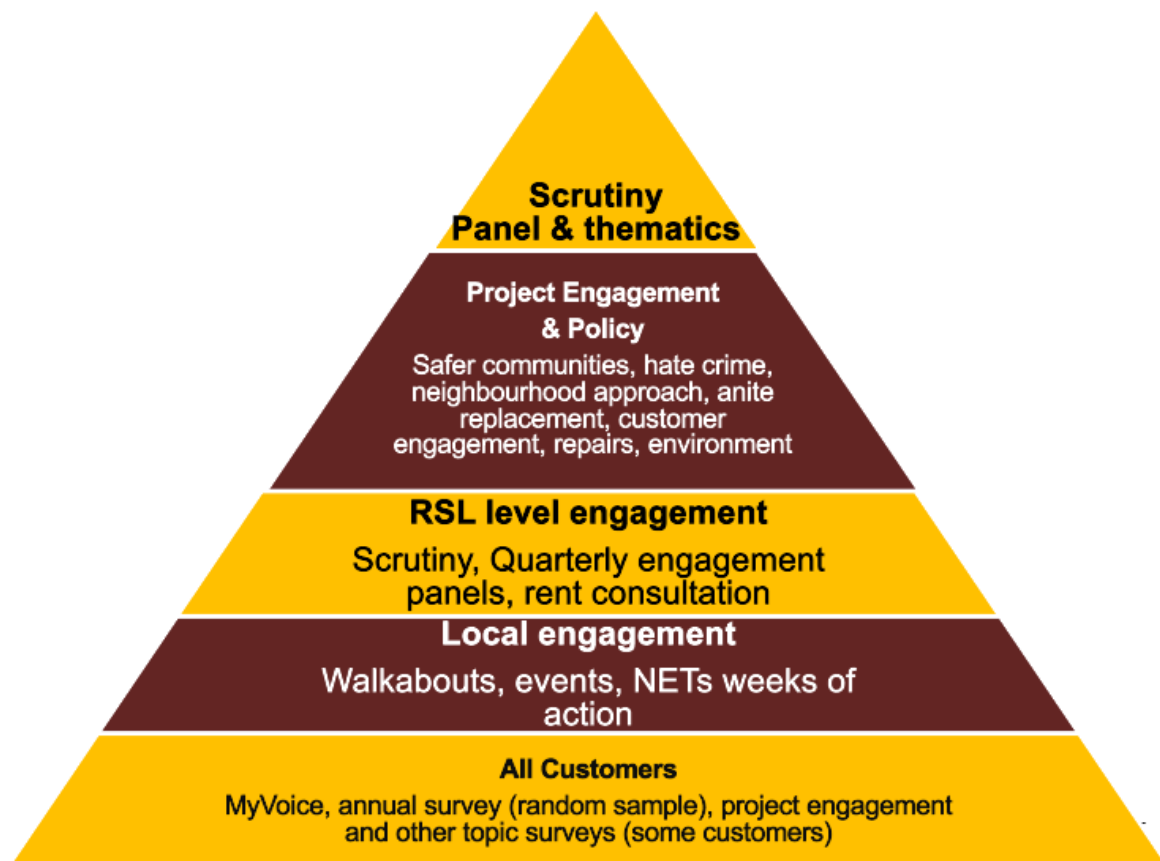
Figure 4 - Framework outcomes



KEY PERFORMANCE INDICATORS

- Overall customer satisfaction above 90%
- Over 90% of Care customers satisfied with the overall service
- Overall satisfaction amongst households with children improved to 90%
- 90% of customers feel they can participate in the landlord's decision making
- 95% of customers actively engaged in shaping services feel they participate in decision making
- 50% of strategic delivery plan projects include customer engagement as an early milestone
- Maintain 1550 Customer Voices
- Each RSL to deliver three Customer Voice Panel events per year
- All customer facing strategic projects will include customer engagement

Our Customer Engagement



Report

To: Wheatley Homes Glasgow Board

By: Frank McCafferty, Group Director of Assets and Repairs

Approved by: Steven Henderson, Group Chief Executive

Subject: Home Safety Building Compliance Update

Date of Meeting: 22 March 2024

1. Purpose

1.1 This report provides an update on our home safety building compliance work streams during 2023/24.

2. Authorising and strategic context

2.1 Under our Terms of Reference, the Board is responsible for monitoring our performance. This report provides the Board with an update on our compliance work programmes and our performance against the programme targets.

2.2 In line with our strategy, we have a commitment to “make the most of our homes and assets”. Our home safety compliance programme helps to ensure that we protect and maintain our existing assets.

3. Background

3.1 Our compliance work programmes include gas servicing, lift servicing, thermostatic mixing valves (TMVs), water management including legionella prevention and electrical works such as electrical inspections and smoke and heat detector renewals/replacements.

3.2 Landlords have a legal duty to repair and maintain gas pipework, flues and appliances in a safe condition, to ensure an annual gas safety check on each appliance and flue, and to keep a record of each safety check.

3.3 Landlords also have other obligations under legislation or approved codes of practice (ACOPs) for a variety of building maintenance and inspection activities for example firefighting equipment (dry risers/sprinklers), lifting equipment, and alarm systems.

3.4 Landlords also have a mandatory responsibility for electrical safety including carrying out electrical inspections, commonly referred to as Electrical Installation Condition Reports (EICR) or Fixed Installation Testing (FIT).

3.5 The arrangements for how we meet our obligations through our compliance work programmes are illustrated in the table below.

Work Stream	Cycle	Status
TMV maintenance and Installation	Annual	Rolling programme ongoing
Smoke and Heat Detector re-life programme	Every 10 years but is dictated <i>annually</i> by build date / LD2 install date	Rolling annual programme ongoing
Electrical (EICR)	Maximum Every 5 years	Rolling annual programme ongoing
Gas Servicing	Annual (10-month cycle)	Rolling programme ongoing
Lift Insurance Inspections	Six monthly	Rolling programme ongoing
Proactive Lift Maintenance	Monthly Checks	Ongoing programme
Mechanical and Electrical Works	Subject to asset requirements: examples include CCTV, pumps, aerials, and alarms	Ongoing programme
Common window inspections	Annual	Ongoing
Dwelling windows and doors MSFs	5 yearly 20% per year	Rolling programme ongoing
Emergency Lighting Maintenance (MSFs)	Annual	Rolling programme
Asbestos surveying	Annual	Ongoing programme

3.6 The key objectives for our home safety compliance work are to:

- Ensure customer safety within their homes by undertaking both statutory and good practice compliance activities in line with lifecycles/recommendations;
- Increase access levels for our Joint Venture partners, and other specialist contractors such as Equans;
- Package up home safety visits where practical and minimise the number of visits to decrease inconvenience to the customer while enhancing value for money and productivity;
- Increase the visibility of compliance works with frontline staff, particularly colleagues who can engage with customers while raising day-to-day repairs on their behalf;
- Promote the value of home safety works to our customers through regular marketing campaigns on our social media channels and website; and
- Abide by guidance and requirements including those set by the Scottish Housing Regulator for mandatory work programmes such as Gas and Electrical.

One and done approach

- 3.7 Our approach to delivering compliance activities is embedded in our Repairs and Maintenance Policy and is to “offer a one-stop shop service through compliance trades teams for compliance events required within a customer’s home.... The aim of this service is to minimise disruption to the customer and to provide assurance on the safety of our homes.”
- 3.8 To that end, working with City Building Glasgow (CBG), we have a dedicated Home Safety delivery team to work collaboratively with our Asset Landlord Compliance team at the joint venture. This Home Safety Team consists of key leads across, gas, electrical, water management, multi-storey flat (MSF) works and lift safety. Our mechanical and electrical (M&E) contractor Equans also mirror this approach.
- 3.9 The one-and-done approach is tailored to meet all compliance activities within our tenanted properties. Wherever practical for similar related compliance activities within our stock, we will endeavour to package works together taking cognisance of asset compliance cycles, property attributes and individual customer requirements.

Type of Package	Stock Targeted	Type of works
Home Safety Bundle 1: Gas and Water Management works	Gas properties	<ul style="list-style-type: none">▪ Annual gas servicing▪ Temperature checks at water outlets▪ TMV works▪ Test/servicing of smoke/heat/carbon monoxide detectors▪ Complete all certification
Home Safety Bundle 2: Electrical installs and servicing	All properties	<ul style="list-style-type: none">▪ Installation of S + H detectors (re-life programme)▪ Carry out EICR inspections
Home Safety Bundle 3: Joinery and electrical	MSF & electric properties	<ul style="list-style-type: none">▪ Test/servicing of smoke and heat detectors▪ Service MSF dwelling windows and doors

- 3.10 When one of our properties is vacant, we will also use the opportunity to carry out any required compliance activities. The purpose of the void compliance works is to ensure that every new customer moves into a home that is safe and secure, while also maximising the access opportunity to undertake as many cyclical or capital compliance works as possible while the property is vacant.

4. Discussion

Gas Safety

- 4.1 Our gas maintenance service has been recognised nationally, including through City Building Glasgow winning Gas Contractor of the Year on two separate occasions. Achieving this compliance requires an annual inspection of every property with gas. We have **28,963** homes on the gas servicing contract. This year again we maintained our 100% performance position and have no failed CP12s.

- 4.2 In addition to the formal appointment letters we send to customers, we also carry out proactive outbound calling to maximise access to our customers' homes. Customers can change appointments to suit their needs by speaking with our call handlers. We also have a team of nine Housing Compliance Officers who manage individual cases where there are complex issues or housing management challenges that impact access.
- 4.3 Only as a last resort after we have exhausted all reasonable efforts to obtain access through communication and liaison, we move to a forced appointment, to guarantee we maintain 100% compliance and ensure the safety of our tenants and the protection of our assets.

Total Gas Services required	Total Complete	Percentage complete to date
28,963	28,963	100%

Water Management

- 4.4 Legionella testing is part of our overall water management strategy and is part of a year-round rolling programme of works.
- 4.5 Our regime varies on a site-by-site basis taking into consideration the water system installed, the type of property and the customer demographic. Works can visual inspections of the tanks, risk assessments, temperature checks of both the water inlet and of resting water within the tank, bacterial testing which checks the water supply for various bacteria including e-coli and legionella and chemical testing for metal and mineral contents to ensure that water meets the relevant water quality standards as set by the Water Supply (Water Quality) (Scotland) Regulations 2001.
- 4.6 There was some managerial restructuring during Quarter 3 within our contractor Equans, which impacted delivery for a proportion of this workstream. The management and resources were re-aligned in Quarter 4, and sufficient additional resources have since been dedicated to completing the programme on time. The table below provides details of current progress against the rolling annual programme. Equans has trebled its water management trade resource in order to ensure compliance for our water tank, legionella, and bacterial testing. Equans are aiming to complete the programme by the end of March 2024.

Inspections/tasks completed so far	Total Inspections/tasks Required	Percentage completion
5,322	6,269	84.89%

TMV Servicing for qualifying households

- 4.7 Our TMV programme is a best practice approach that involves a rolling annual programme and includes potentially vulnerable customer groups within qualifying households (e.g. those containing under 5s or over 75s and some other Care sites / specialist housing locations).

- 4.8 Of the 6710 properties in the programme we have completed 5400 inspections so far. This is a completion rate of 80.48%. From the initial no access, two further letters are issued, and this is followed up with a Housing Officer visit. We continue to work with housing colleagues to gain access.
- 4.9 To reduce the number of visits to customers' homes and to aid access we are now carrying out TMV servicing at the same time as the gas service.
- 4.10 The programme is reliant on individual customer access. Our efforts to encourage access include utilising gas servicing appointments, flexibility to amend appointments, proactive contact and up to three access attempts. Where access is not achieved, letters are sent to customers informing them of our attempts and inviting them to contact us to make an appointment. Forced access is not undertaken in keeping with the non-mandatory nature of the programme.

Smoke and Heat Detectors

- 4.11 All of our **42,136** properties, except one, have compliant LD2 smoke and heat detectors. These were installed at the time the home was constructed (for newly built homes) or as an upgrade as part of our rolling programme of re-life works (10-year cycle). We are working with the customer in the one property that does not have an interlinked arrangement to install a product that meets her particular circumstances. All customers are offered a minimum of two appointments to enable the work to be completed at a convenient time for them. As a last resort, we move to a forced appointment, to ensure we maintain 100% compliance in this area.

Periodic Electrical Testing (EICR)

- 4.12 Periodic electrical inspections are required to be undertaken in all properties on a cycle of no more than 5 years. Landlords must make "reasonable efforts" to ensure that homes are accessed to carry out the inspection.
- 4.13 The outstanding addresses are currently being managed by our Housing Team to find solutions to the current housing management issues preventing the EICR from being carried out. Once resolved these addresses can be quickly programmed for completion.

Qualifying Addresses*	EICRs: current number that is out with 5 years	Percentage complete to date
42,089	51	99.87%

**Excludes long term voids*

Lift Inspections and Maintenance

- 4.14 Proactive servicing of our lifts are carried out monthly via our approved insurance company.

- 4.15 Lift performance, such as time to complete any minor defects or major repairs, is routinely monitored and managed within set Service Level Agreement (SLA) timescales. Examples of these SLAs include 1 hour for trapped passengers and all other emergencies within four hours.

No. of lifts	Total Inspections complete	Percentage complete to date
280	279*	99.64%

One external lift at 756 Crow Road is now isolated / not in active use

Mechanical and Electrical Works

- 4.16 **5,503** M&E service visits were carried out by our M&E contractor Equans to meet respective servicing and statutory requirements including, wet and dry riser pressure testing, sprinkler systems, fire alarm maintenance and tests, lighting conductors, ventilation, automatic opening vent (AOVs) and closed-circuit television (CCTV) repairs and general maintenance.
- 4.17 Performance monitoring shows that emergency call-outs are being dealt with within timescales and that all compliance tasks are being managed and delivered.

Asbestos Surveying

- 4.18 Asbestos management survey inspections of communal areas are undertaken through an annual programme by the CBG asbestos team. Following inspections, the report for each block is uploaded to our asset management system PIMSS. An archetype-based approach is taken reflecting the number of properties we have, the broadly similar nature of many and the HSE's (Health and Safety Executive) view that a sample of housing archetypes and cloned surveys can be applied for the purpose of identifying and managing asbestos in common areas.
- 4.19 To date we have carried out 1,392 inspections (c 33% of all communal areas). This provides good coverage of all archetypes and a robust basis for cloning. During 2024/25, we plan to continue surveying with another 400 surveys to further enhance our data and as part of our routine reinspection. All relevant staff have access to asbestos information relating to our properties through PIMSS. These staff also provide asbestos information to contractors when they are required to work in our properties and this work is monitored by our Compliance Team.
- 4.20 Where asbestos is identified that requires removal, a process is followed that ensures this is managed and correct safe working procedures are followed. If there is ever uncertainty on the presence of asbestos, sampling is undertaken before work begins using a licenced asbestos contractor, with remedial works carried out as necessary.

5. Customer Engagement

- 5.1 Experience tells us the value of proactively engaging our customers, and emphasising the importance of our compliance work programmes through our annual "Stay Safe" Messaging and use of social media and our website.

- 5.2 Our Housing Teams also emphasise the importance of allowing access for compliance programmes during routine contact with our customers and at the annual tenant visit.
- 5.3 We reinforce key messages where appropriate in all our communications to customers:
- The safety of our customers is important to us as a landlord; and
 - Compliance activities are essential work aimed at keeping you and your home safe.
- 5.4 We also supplement these key messages, where appropriate with details of the individual project or work being carried out, using a range of methods including telephone calls, online, web and social media.

6. Environmental and sustainability implications

- 6.1 There are no direct environmental and sustainability implications associated with this report.
- 6.2 Our approach to carrying out associated compliance works in one visit wherever practical will as a result lead to fewer travel visits by engineers and trade staff across our assets.

7. Digital transformation alignment

- 7.1 We will look to align our compliance activities work programmes with our overall group digital transformation strategy. We will give customers more choices over appointment timeframes and offer a digital self-serve method for the customer to arrange compliance works in their homes once that channel shift is fully developed and available for home safety compliance activities.

8. Financial and value for money implications

- 8.1 Funding for our compliance workstreams is included as part of our agreed 5-year capital investment asset plan.

9. Legal, regulatory and charitable implications

- 9.1 Our compliance activities support us to meet our legal obligations as a landlord. At this time, we do not expect any additional compliance requirements to be introduced, although we will maintain a forward look including through our relationships with the Scottish Government and the SHR.

10. Risk Appetite and assessment

- 10.1 Our risk appetite relating to building compliance work streams is minimal” i.e. preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.
- 10.2 The compliance activities and the progress against them discussed in this report ensure that the risk is managed in line with our agreed risk appetite.

11. Equalities implications

- 11.1 Specific work programmes have been developed and put in place to address potential vulnerabilities due to age i.e. the TMV Servicing programme. When undertaking works we will carry these out in ways that minimise inconvenience to all of our customers such as by offering a range of appointments that suit their needs and offering a one-stop shop service through compliance trades teams for compliance events required within a customer's home.

12. Key issues and conclusions

- 12.1 We will continue to complete all essential compliance activities keeping our homes and customers safe. We will also continue to develop our approach to maximising access for compliance works through our new operating model.
- 12.2 Our "one and done" approach will continue to be offered where possible for similar related compliance activities subject to asset cycles, property attributes and customer requirements. Ensuring we remain agile and alert to any changing legislation or best practice is key to maintaining our commitment to provide a robust level of landlord assurance across the various compliance activities.
- 12.3 We will continue to robustly monitor and manage the performance of our JV partners and our M&E contractor to ensure tasks are delivered on time and to the required standards.

13. Recommendations

- 13.1 The Board is asked to note the content of this report and the ongoing approach to managing and delivering our compliance-related works.

LIST OF APPENDICES:

None

Report

To: Wheatley Homes Glasgow Board

By: Pauline Turnock, Group Director of Finance

Approved by: Steven Henderson, Group Chief Executive

Subject: 2024/25 Budget

Date of Meeting: 22 March 2023

1. Purpose

1.1 The purpose of this paper is to seek approval for our 2024/25 budget.

2. Authorising and strategic context

2.1 Under our Terms of Reference, we are responsible for approving our annual budget.

3. Background

3.1 At the meeting in February 2024 the Board approved the 2024/25 financial projections and agreed that the first year would form the basis of the 2024/25 annual budget, which is presented in Appendix 1. This report provides additional detail and commentary.

4. Discussion

4.1 The budget is summarised below and compared against the financial projections.

	Budget 2024/25		
	Financial Projections £m	Budget £m	Variance £m
Turnover	262.4	265.9	3.5
Operating expenditure	(218.0)	(218.0)	-
Operating surplus	44.4	47.9	3.5
<i>Operating margin</i>	16.9%	18.0%	
Net interest payable	(54.3)	(54.3)	-
Deficit	(9.9)	(6.4)	3.5
Net Capital Expenditure	93.6	97.1	(3.5)

- 4.2 The 2024/25 budget reports an operating surplus of £47.9m and a statutory deficit of £6.4m, both £3.5m higher than the financial projections approved in February 2024. The movement is due to:
- The recognition of £3.2m of gift aid paid to us from Wheatley Developments Scotland (WDS) with corresponding higher costs reported in new build spend. This is an intra-group item which has a nil effect on the consolidated results for both the RSL Borrower Group and the full Wheatley Group;
 - Agreement of the cost-of-living uplift for staff at 4.5% slightly higher than the 4% assumed in the financial projections. The overall cost impact is managed within the parameters of the financial projections agreed in February;
 - A review of the provision for void losses and bad debts which has been undertaken in preparing the budget. This has provided some additional capacity while still retaining a prudent level of headroom reflecting:
 - current letting performance and void loss rates and;
 - a prudent provision for bad debt costs which accommodates the migration of all remaining tenants onto Universal Credit in the year;
 - The allocation of the additional financial capacity available within the approved projections to repairs. This allows an increase of £2.0m in the repairs budget compared to the projections to reflect a higher level of prudence in this area when preparing the annual budget.
- 4.3 The adjustments to the budget compared to the financial projections have no impact on the underlying surplus as shown on page 3 of Appendix 1.
- 4.4 Over recent times our business has accommodated higher levels of inflation on our operations while keeping rent increases low to help tenants with the initial impact of the cost-of-living crisis, reducing our financial capacity for capital investment. The investment programme spend of £53.8m allows us to start to build capacity back into the business for re-investment into capital and energy efficiency improvements in our existing properties. Tenants have told us this is important to them through the 2024 rent consultation feedback.
- 4.5 The budget also recognises the higher demand and cost pressures on repairs experienced in 2023/24 with an increase £53.3m provision for revenue repairs and maintenance included in the 2024/25 budget. Through our collaboration with City Building Glasgow, we remain focussed on improvements to the customer journey, utilising technology to align our services, improve monitoring of service levels and modernise the delivery of the repairs service.
- 4.6 Our frontline housing, customer first centre and neighbourhood environmental teams and the Wheatley 360 wraparound service remain key elements of our service provision. Support for vulnerable customers is prioritised through our Wheatley Foundation, and our Livingwell offer for older customers. Our “Helping Hand Fund” will continue to offer support to customers with this particularly focused on help with paying rent.

5. Customer Engagement

- 5.1 This report relates to our 2024/25 budget and therefore there is 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 financial projections incorporate cost efficiency measures, which are a key element of continuing to demonstrate value for money. These are reflected in the annual budget and performance will be monitored against budget each month.

8.2 Financial covenants are assessed for the RSLs within the WFL1 borrowing group as a whole. In preparing the 2024/25 budgets across the RSL borrower group, the overall budgeted operating surplus and covenant compliance for the WFL1 borrowers is in line with the RSL financial projections.

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". 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 report presents the proposed 2024/25 budget. The key issues are set out in section 4 of this report.

13. Recommendations

13.1 The Board is requested to approve the 2024/25 budget.

LIST OF APPENDICES:

Appendix 1: 2024/25 Budget



2024-25 Budget



Operating statement



	2024/25 Financial Projections	2024/25 Budget	Variance Budget to FP
	£m	£m	£m
INCOME			
Rental Income	225.3	225.3	0.0
Void Losses	(2.8)	(2.7)	0.1
Net Rental Income	222.5	222.6	0.1
Grant Income New Build	20.5	20.5	0.0
Grant Income Other	8.0	8.0	0.0
Other Income	11.4	14.8	3.4
TOTAL INCOME	262.4	265.9	3.5
EXPENDITURE			
Employee Costs - Direct	32.4	32.5	(0.1)
Employee Costs - Group Services	16.0	15.9	0.1
ER/VR	0.8	0.8	0.0
Running Costs - Direct	19.1	19.1	0.0
Running Costs - Group Services	9.6	9.6	0.0
Revenue Repairs & Maintenance	51.3	53.3	(2.0)
Bad Debts	4.6	2.6	2.0
Depreciation	84.2	84.2	0.0
TOTAL EXPENDITURE	218.0	218.0	(0.0)
NET OPERATING SURPLUS/(DEFICIT)	44.4	47.9	3.5
<i>Operating Margin</i>	<i>16.9%</i>	<i>18.0%</i>	
Net Interest payable	(54.3)	(54.3)	0.0
SURPLUS/(DEFICIT)	(9.9)	(6.4)	3.5
INVESTMENT			
Total Capital Investment Income	51.0	51.0	0.0
Investment Programme Expenditure	53.5	53.8	(0.3)
New Build Expenditure	82.1	85.3	(3.2)
Other Capital Expenditure	9.0	9.0	0.0
TOTAL CAPITAL EXPENDITURE	144.6	148.1	(3.5)
NET CAPITAL EXPENDITURE	93.6	97.1	(3.5)

Comments:

- The 2024/25 budget shows a net operating surplus of £47.9m and statutory deficit of £6.4m, which are both £3.5m favourable to the financial projections. The movement is due to the recognition of gift aid payable to WH Glasgow from Wheatley Developments Scotland Ltd (WDS).
- Budgeted **net rental income** of £222.6m is £0.1m higher than the financial projections with the provision for void losses reduced to reflect current performance.
- Grant Income** recognised on completion of new build units is budgeted at £20.5m with completion of 47 social rent units at Shandwick Street and 123 MMR units at Calton Village, in addition
- Other Grant Income** of £8.0m for 65 social rent acquisitions and adaptations is provided for in the budget.
- Other Income** includes the recognition of a gift aid payment from WDS of £3.2m, with corresponding higher costs in new build spend, in addition to £0.2m additional MMR lease income from Lowther Homes. This is an intra-group item and has a net nil impact at an RSL Borrower Group level.
- Direct and Group services employee** costs are in line with the financial projections and reflect the cost of living uplift. The impact of the higher annual cost of living uplift assumed in the budget (4.5% vs 4.0%) is offset by a reduction in the Group services recharge. ER/VR costs of £0.8m will help us deliver the cost efficiency targets in the financial projections.
- Direct and group services running** costs are budgeted at £28.7m, which is in line with the financial projections. The budget includes insurance, NETs running costs, office and property running costs.
- Repairs and maintenance** costs of £53.3m are £2.0m higher than the financial projections and have been uplifted to make additional provision whilst operating within the overall income and expenditure position in the financial projections.
- Bad debt** costs of £2.6m are £2.0m lower than the financial projections, with the reduction reflecting current performance but still taking account of the final stages of migration of remaining tenants to Universal Credit.
- Depreciation** costs, which are a non-cash accounting adjustment, in line with the financial projections.
- Investment** expenditure has been budgeted at £53.8m, which includes provision for continued investment in our housing stock and capitalised employee costs in relation to investment staff. A small additional provision has been accommodated within the overall financial envelope for the kitchens and window programme.
- New build** expenditure of £85.3m has been included in the budget, £3.2m higher than the financial projections due to recognition of a 5% management charge on the design and build services provided by WDS. These additional costs are reimbursed to WH Glasgow through gift aid recognised in Other Income.
- Capital Investment Income** (grant) of £51.0m is expected to be received in the year for the new build programme and adaptations.

Underlying surplus

- 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, gift aid and depreciation, but including capital expenditure on our existing properties.
- An underlying surplus of £0.3m is budgeted which is £13.6m favourable to the forecast underlying position for 2023/24. This is due to the additional income generated from the 2024/25 rent increase and the profile of the investment programme. The business plan shows an improvement in underlying surplus from year 2 and a movement in interest cover to above 1 times cover from then onwards.

WH Glasgow Underlying surplus/ deficit			
	2023/24 Q3 Forecast £m	2024/25 Projections £m	2024/25 Budget £m
Net operating surplus	22.9	44.4	47.9
add back:			
Depreciation	76.6	84.2	84.2
less:			
Grant income new build	(6.0)	(20.5)	(20.5)
Gift aid income	(1.0)	0.0	(3.2)
Net interest payable	(50.7)	(54.3)	(54.3)
Total expenditure on Core Programme	(55.1)	(53.5)	(53.8)
Underlying surplus/(deficit)	(13.3)	0.3	0.3

Rental Income and Other Income

Rental Income	2024/25 Budget £m
Rent Receivable	225.3
Void Losses	(2.7)
Net Rental Income	222.6
Average stock (nos)	42,223
Average annual rent per property (£)	5,336
Other and Grant Income	2024/25 Budget £m
Commercial Property e.g. offices, radio masts	1.9
District Heating	0.6
Furnished Lets	0.3
Gift aid income - WDS	3.2
Management Fee - Wheatley and Lipton House	1.7
MMR Lease Income	5.3
Other Income	1.0
Service Charge Income e.g. Heat with Rent, Garages	0.8
Other Income	14.8
Grant Income New Build	26.7
Grant Income Other	1.8

Comments:

- The 2024/25 net rental income budget has been set at £222.6m. The budget applies the approved rent increase of 7.5% for the forthcoming year.
- 2024/25 budgeted void losses of £2.7m includes a blended void loss assumptions of 1.2%; comprised of 1.16% for mainstream stock, which is the majority, and 11% for ex Cube supported stock. Our assumption on supported voids is prudent as some of the properties rely on Local Authority referrals.
- Other Income is budgeted at £14.8m for 2024/25 and includes recognition of gift aid paid to WH Glasgow from Wheatley Developments Scotland Ltd (WDS). This is an intra-group item and has a net nil effect on the operating surplus at an RSL Borrower Group level.
- MMR lease income is budgeted to increase by £1.0m in 2024/25, driven by new build MMR properties completed during 2023/24. WH Glasgow lease the properties to Lowther for onward letting to tenants.
- Other revenue streams include:
 - Commercial property income of £1.9m relating to our commercial units (offices and shops) as well as income from our radio masts on MSF blocks.
 - Management fee income from Wheatley Solutions and Lowther for use of Wheatley and Lipton House.
 - Service Charge Income relates to income from other services offered to tenants; including heat with rent and lock up rental.
 - District heating tariff and RHI income.
 - Other income includes solar panels and home contents insurance.
- New build grant income is recognised in the Operating Statement upon completion of units. During 2024/25, we expect to complete 47 social rent units at Shandwick Street and 123 MMR units at Calton Village, in addition to 65 social rent acquisitions.
- Other grant income of £1.8m mainly relates to medical adaptations funding from GCC.

Employee and running costs

Employee Costs	2024/25 Budget £m
Employee Costs - Direct	32.5
Employee Costs - Group services	15.9
Employee Costs (net of capitalisation)	48.4
ER/VR Costs	0.8
Total employee Costs	49.2

Running and Property Costs	2024/25 Budget £m
Employee related	1.3
Running costs	4.6
Property costs	7.1
Housing Property Utilities	4.8
Bank Charges	0.2
Initiatives	1.1
Total Running Costs - Direct	19.1
Running Costs - Group services	9.6
Total Running Costs	28.7

Initiatives	2024/25 Budget £m
Helping Hand Fund - Living well	0.2
Furnished Lets	0.3
Starter Packs	0.1
Stronger Voices	0.2
Think Yes	0.3
Total Cost of Initiatives	1.1

Comments:

Employee Costs

- The total 2024/25 budget for **employee costs** (net of capitalisation) has been set at £48.4m.
- The 2024/25 budget reflects the cost of living uplift of 4.5% for both direct and group services employee costs, and the reduction in SPF employer pension contributions agreed for 2024/25.
- Direct employee costs include the Nets service (£20.9m), Frontline housing staff (£9.5m), W-360 services (£1.0m), Compliance & investment team (£0.9m) and WHG's apprenticeship levy (£0.2m).
- Provision for ER/VR costs of £0.8m has been included in 2024/25. This funding will help us achieve our cost efficiency targets laid out in the financial projections.

Running Costs

- Total running costs (Direct and Group services) are budgeted at £28.7m for 2024/25.
- Approximately £2.8m (net of recharges) of the running costs budget relates to the NETs service and includes vehicle rental/fuel and equipment, with another £1.2m relating to payment to Wheatley Care of Livingwell service charge income (for the services provided by Wheatley Care at these sites) less related property costs paid by WH Glasgow on Wheatley Care's behalf.
- Other key running costs include a contribution to Lowther for operation of the Common Repairs Team and management of WH Glasgow owners capital billing and stock condition survey costs.
- Insurance comprises a significant proportion of property costs. Other key property costs include costs associated with offices (hubs, touchdown points and depots) and district heating scheme costs.
- Initiatives costs include provision for Think Yes and Stronger Voices. Here For You support will continue through existing Wheatley Foundation resources in 2024/25.

Repairs and Maintenance and Borrowing Costs

Repairs & Maintenance Costs	2024/25 Budget £m
Responsive Repairs	32.1
Cyclical (local)	0.9
Overhead and central charges	8.4
Share of JV Profits	(7.2)
Compliance Revenue	19.1
Total Repairs & Maintenance Costs	53.3

Financing Costs	2024/25 Budget £m
Interest payable	54.3
Total Financing Costs	54.3

Comments:

Repairs and Maintenance

- Budgeted repairs and maintenance expenditure on our properties is £53.3m for 2024/25.
- The budget reflects an inflationary uplift in cost.

Financing Costs

- Financing costs are budgeted at £54.3m, after capitalisation of £1.0m of interest relating to the financing of new build spend.
- Interest receivable on the Lowther convertible debt is be paid in full directly to the Wheatley Foundation as WHG's contribution to its activities. In return, the Foundation will deliver a number of initiatives including the provision of the welfare benefits and money advice service.

Capital expenditure

Capital Expenditure	2024/25 Budget £m
Investment Works - Grant - Adaptations	1.6
Investment Works	
Core Investment Programme, Overhead and Fees	26.6
Disabled Adaptations	2.9
Capitalised Repairs and Voids	18.5
Capitalised Employee Costs	5.8
	53.8
New Build Development - Grant	49.4
New Build Costs	
New Build Development Programme	69.9
Property Acquisitions	10.9
Development Fund	0.2
Capitalised Employee and Interest Costs	4.3
	85.3
Other Fixed Assets	
IT Contribution	6.9
Office Accommodation	1.5
Other	0.6
	9.0
Net Capital Expenditure	97.1

Comments:

- This capital expenditure budget provides for investment in new build and existing properties and other fixed asset additions.
- Net capital expenditure is budgeted at £97.1m for 2024/25 and includes a significant new build programme in 2024/25.
- **Investment works of £53.8m** includes £26.6m for core programme works (low rise fabric, kitchens, bathrooms etc.) inclusive of related overhead and fees, and provision for capitalisation of large repair jobs and void repairs, including the NETs void squad.
- Core programme includes funding of £1.0m for our customer led Customer Voice and Think Yes projects.
- The total budget includes capitalised employee costs of £5.8m, which relates to staff who are directly linked to the investment programme or maintaining the value of our housing stock, and capitalisation of a proportion of the CBG fixed overhead charge.
- **New build spend** and grant income are budgeted at £85.3m and £49.4m, respectively. Spend includes £3.2m for a 5% management charge on the design and build services provided by WDS.
- The budget includes developments at Calton Village, Kelvin Wynd, North Toryglen, Shandwick Street, Shawbridge Arcade and Sighthill.
- **Other capital expenditure** encompasses other fixed asset investment by WHG, namely IT capital projects, work carried out to refurbish our offices and any capitalised works at our commercial properties. The 2024/25 budget is £9.0m reflects our progression with our digital strategy.



Report

To: Wheatley Homes Glasgow Board

By: Pauline Turnock, Group Director of Finance

Approved by: Steven Henderson, Group Chief Executive

Subject: Finance Report

Date of Meeting: 22 March 2024

1. Purpose

1.1 The purpose of this paper is to provide Wheatley Homes Glasgow Board with an overview of the Finance Report for the period to 29 February 2024.

2. Authorising and strategic context

2.1 Under the terms of the Intra-Group Agreement between Wheatley Homes Glasgow and the Wheatley Group and this Board's Terms of Reference, our Board is responsible for the on-going monitoring of performance against agreed targets. This includes the performance of our finances.

3. Background

3.1 Financial performance

The results for the period to 29 February are summarised below.

	Year to Date (Period 11)		
	Actual £000	Budget £000	Variance £000
Turnover	210,964	207,041	3,923
Operating expenditure	(192,948)	(189,216)	(3,732)
Operating surplus	18,016	17,825	191
<i>Operating margin</i>	8.5%	8.6%	
Net interest payable	(42,511)	(41,985)	(526)
Deficit	(24,495)	(24,160)	(335)
Net Capital Expenditure	74,526	82,335	7,809

4. Discussion

4.1 Period to 29 February 2024

A statutory deficit of £24,495k has been reported for the period to 29 February 2024, £335k unfavourable to budget. The key driver of the variance is the higher level of demand for repairs increasing spend to deliver the service. Demand and spend levels, while higher than budget, remain in line with our forecast full year out-turn. The increased repairs spend is offset by unbudgeted grant income for adaptations to existing properties and additional new build grant due to timing of completion of the properties. Funding for Wheatley 360 and Group Protection has been provided by the Wheatley Foundation which has reduced employee costs and to a lesser extent running costs.

4.2 The key points to note are:

- Underlying letting performance remains strong with net rental income £177k favourable to budget due to improved void performance; the year to date void rate of 1.17% compares to the budgeted rate of 1.27%;
- New build grant income of £4,910k relates to grant recognised on completion of 36 MMR units at Sighthill and 35 units at Shawbridge street;
- Other grant income includes Scottish Housing Net Zero (SHNZ) and adaptations grant. Income is £1,932k higher than budget with unbudgeted adaptations funding and property acquisition grants reported in the year to date results;
- Other income is £1,013k higher than budget, due to the receipt of additional wayleave income and receipt of L & A damages for Sighthill.
- In operating expenditure, total costs are £3,732k unfavourable to budget, reflecting the net impact of the higher spend in revenue repairs and maintenance;
 - Total employee costs are £1,755k less than budget, mainly due to Wheatley 360, CIP and Group Protection services being funded through the Wheatley Foundation;
 - Revenue repairs and maintenance spend is £7,325k higher than budget. The variance primarily relates to a higher than budgeted spend across responsive repairs; demand for repairs is 4.4% higher than the comparable period last year. The improvement plan put in place earlier in the year has seen a reduction in the average cost of repairs jobs in the third quarter;
 - Bad debts are £1,704k lower than budget with improved performance continuing to February 2024;
- Net capital expenditure is £7,809k lower than budget. Net investment in our existing homes after taking account of fully funded SHNZ, energy efficiency and adaptations work is £48,836k which is £3,067k higher than budget. Included in the spend to date is the release of planned core investment projects which were previously deferred; and
- Net new build spend is £5,123k lower than budget principally linked to the timing of the commencement of regeneration works and lower than budgeted property acquisition opportunities.

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 29 February 2024 is £335k unfavourable to budget. Our cost efficiency targets are built into the budget and delivery of these 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 deficit of £8,052k is reported which is £4,203k unfavourable to budget.

- 8.2 While an underlying deficit is reported for WH Glasgow, an overall RSL underlying surplus is reported for the financial year to date within the context of the RSL Borrower Group. Financial performance is managed within the overall budget parameters and covenants for the RSL Borrowers and these continue to be met.

9. Legal, regulatory and charitable implications

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

10. Risk Appetite and assessment

- 10.1 The Board's agreed risk appetite for business planning and budgeting assumptions is "open". This level of risk tolerance is defined as "prepared to invest for reward and minimise the possibility of financial loss by managing the risks to a tolerable level". 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 29 February 2024.

13. Recommendations

- 13.1 The Board is requested to note the finance report for the period ended 29 February 2024.

LIST OF APPENDICES:

Appendix 1: Period 11 – 29 February 2024 Finance Report



Period to 29 February 2024 Finance Report



1a. Operating statement – Period to 29 February 2024



	Period To February 2024			Full Year Budget £ks
	Actual £ks	Budget £ks	Variance £ks	
INCOME				
Rental Income	192,531	192,543	(12)	210,343
Void Losses	(2,252)	(2,441)	189	(2,666)
Net Rental Income	190,279	190,102	177	207,677
Grant Income New Build	4,910	4,109	801	4,109
Grant Income Other	5,147	3,215	1,932	5,044
Other Income	10,628	9,615	1,013	11,505
Total Income	210,964	207,041	3,923	228,335
EXPENDITURE				
Employee Costs - Direct	30,905	32,433	1,528	35,363
Employee Costs - Group Services	15,849	16,076	227	17,237
ER / VR	3,333	3,333	(0)	4,820
Direct Running Costs	12,096	12,186	90	11,687
Running Costs - Group Services	7,976	8,153	177	8,895
Revenue Repairs and Maintenance	50,711	43,386	(7,325)	45,386
Bad debts	1,756	3,460	1,704	3,774
Depreciation	70,189	70,189	0	76,569
Demolition	133	0	(133)	0
TOTAL EXPENDITURE	192,948	189,216	(3,732)	203,731
NET OPERATING SURPLUS / (DEFICIT)	18,016	17,825	191	24,604
<i>Net operating margin</i>	8.5%	8.6%	-0.1%	11%
Interest payable & similar charges	(42,511)	(41,985)	(526)	(50,084)
STATUTORY SURPLUS / (DEFICIT)	(24,495)	(24,160)	(335)	(25,480)
INVESTMENT				
	Actual £ks	Budget £ks	Variance £ks	Full Year Budget £ks
Total Capital Investment Income	16,131	12,192	3,939	15,557
Investment Programme Expenditure	48,836	45,769	(3,067)	55,281
New Build Programme	35,200	40,323	5,123	46,447
Other Capital Expenditure	6,621	8,435	1,814	9,506
TOTAL CAPITAL EXPENDITURE	90,657	94,527	3,870	111,234
NET CAPITAL EXPENDITURE	74,526	82,335	7,809	95,677

Key highlights period to date:

Net operating surplus of £18,016k is £191k favourable to budget. Statutory deficit for the period to 29 February is £24,495k, which is £335k unfavourable to budget. The main driver of the variance is higher than budgeted repairs spend linked to a higher demand offset by a favourable income position and reduced employee costs.

- Net rental income is £177k favourable to budget. Void losses are £189k lower than budget and represent a 1.17% void loss rate compared to the budgeted rate of 1.27%.
 - New build grant income is £801k higher than budget, with 36 MMR units completing at Sighthill including 16 units delayed from 2022/23. All units in this current phase at Sighthill are now complete. 35 units have completed at Shawbridge Street by the end of February.
 - Other grant income is £1,932k higher than budget with unbudgeted grant being recognised for 2023/24 medical adaptations and property acquisitions.
 - Other income is £1,013k favourable to budget linked to higher Wayleave income, additional furnished lets income (offset by additional costs) and receipt of L&A damages in relation to the Sighthill, which is partially offset by a reduction in MMR income due to the Sighthill delay.
 - Total employee costs (direct and group services) are £1,755k favourable to budget, mainly due to W-360 CIP and Group Protection services having funding provided through Wheatley Foundation.
 - Total running costs (direct and group services) are £267k favourable to budget with Group recharges £177k favourable to budget due to lower costs in Wheatley Solutions.
 - Revenue repairs and maintenance spend is £7,325k unfavourable to budget and within this spend across responsive repairs £6,931k higher than budget. Demand for repairs is 4.4% higher compared to the same period last year. Repairs spend remains in line with the forecast full year out-turn.
 - Net Interest payable is £526k unfavourable to budget linked to the timing of balances drawn than assumed in the budget and a higher variable rate than assumed in the budget.
- Net capital expenditure of £74,526k is £7,809k lower than budget.
- Capital investment income (grants) is £3,939k higher than budget linked to unbudgeted medical adaptations grant of £1,500k, in addition to £2,439k of new build grant income linked to the timing of claims.
 - Investment programme spend is £3,067k unfavourable to budget with higher spend in capitalised repairs and overhead, partially offset by reduced core programme spend. Core programme spend includes the release of planned core investment works previously deferred to assist with higher repairs costs. An improvement is in place to monitor the drivers of costs, improve efficiency and keep investment spend within the forecast spend.
 - New build spend is £5,123k lower than budget following a delay in the commencement of regenerations works and lower than budgeted property acquisition opportunities.
 - Other capital expenditure of £6,621k is £1,814k lower than budget mainly driven by a reprofiling of planned works on corporate offices including Nets depots and concierge stations and IT projects.

1b. Underlying surplus

- 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 but including capital expenditure on our existing properties.
- At February, an underlying deficit of £8,052k has been generated using this measure which is £4,203k unfavourable to budget. This includes the agreed release of capital works in the final quarter which had previously been deferred. The variance is driven by higher customer demand for responsive repairs and higher capital investment spend, partially offset by favourable variances across income and expenditure..

WHG Underlying Surplus February 2024				
	YTD Actual £ks	YTD Budget £ks	YTD Variance £ks	FY Budget £ks
Net operating surplus	18,016	17,825	191	24,604
add back:				
Depreciation	70,189	70,189	0	76,569
less:				
Grant income	(4,910)	(4,109)	(801)	(4,109)
Net interest payable	(42,511)	(41,985)	(526)	(50,084)
Total expenditure on Investment Programme	(48,836)	(45,769)	(3,067)	(55,281)
Underlying deficit	(8,052)	(3,849)	(4,203)	(8,301)

2a. Repairs & Investment Programme

Repairs	YTD P11			FY budget £ks
	Actual £ks	Budget £ks	Variance £ks	
Responsive Repairs	27,722	20,791	(6,931)	22,983
Cyclical (local)	550	820	270	1,022
CBG credit/JV Share of profits	(4,113)	(4,113)	0	(7,067)
Compliance/Overhead	26,552	25,888	(664)	28,448
Total Repairs	50,711	43,386	(7,325)	45,386

Repairs & maintenance:

- Repairs and maintenance costs are £7,325k higher than budget at the end of February.
- Responsive repairs are higher than budget by £6,931k, due to an on-going increase in customer demand, with an 4.4% increase in completed jobs YTD compared to the same period in 2022/23.
- Cyclical repairs are £270k under budget following a re-profile of the programme.
- Overall compliance expenditure is £664k unfavourable to budget. This is mainly driven by the timing of the delivery of gas servicing which has led to higher costs in the financial year.
- To address the increase in demand for repairs a number of mitigating actions and business rules have been put in place by the My Repairs team to control repairs spend and keep it within the forecast out-turn.

Investment Programme Grant Income	YTD P11			FY budget £ks
	Actual £ks	Budget £ks	Variance £ks	
SHNZ	2,823	2,823	0	4,617
Medical adaptations	1,500	0	1,500	0
Total	4,323	2,823	1,500	4,617
Investment Programme	Actual	Budget	Variance	FY Budget
Core programme (excl SHNZ)	13,262	15,992	2,730	21,149
SHNZ	2,823	2,823	0	4,317
Capitalised Voids	9,530	9,548	18	10,552
Adaptations	2,494	2,357	(137)	2,773
Capitalised staff	5,886	5,234	(652)	5,718
City Building ovh allocated	7,137	6,255	(882)	6,795
Capitalised Repairs	7,703	3,560	(4,143)	3,977
Total	48,836	45,769	(3,067)	55,281
Net Investment Spend	44,513	42,946	(1,567)	50,664

Investment programme:

- Net investment in our existing homes, after taking account of funded SHNZ energy efficiency works and adaptations, was £44,513k which was £1,567k higher than budget. The variance mainly relates to higher capitalised repairs, partially offset by receipt of grant income for adaptations and re-profile of the core programme.
- Core programme expenditure of £13,262k is £2,730k favourable to budget, following the reprofiling of several programmes and also includes the release of planned core investment works previously deferred to assist with higher repairs costs.
- Spend of £2,823k on SHNZ projects is reported by end of P11, which is fully funded by grant from Scottish Government.
- Void costs, which include the cost of the NETs void squad, are capitalised in line with Group policy.
- Adaptations spend of £2,494k has been reported at the end of February, against a budget of £2,357k with £1,500k of spend covered by grant income recognised.
- To address the increase in spend in capitalised repairs a number of mitigating actions and business rules have been put in place by the My Repairs team to control capitalised investment spend within the forecast spend.

2h. New Build Programme Spend

	*Status	Contractor	YTD P11			Full Year
			Actual £ks	Budget £ks	Variance £ks	FY Budget £ks
Springfield Rd	Feasibility	-	17	0	(17)	221
Abbotshall Avenue	Feasibility	MCTAGGART	408	59	(349)	310
99 Main St Baillieston	Not Progressing	-	0	0	0	5
Damshot	Complete	CCG	44	70	26	70
Auchinlea	Complete	ENGIE	4	129	125	129
Shandwick St	On site	CCG	4,183	0	(4,183)	0
Kelvin Wynd	On site	-	3,824	5,307	1,483	6,260
Total Social rent			8,480	5,565	(2,915)	6,995

[redacted]

Total Mid Market rent			23,499	25,857	2,358	28,551
Development Fund	-	-	0	0	0	353
Acquisitions	-	-	250	5,850	5,600	6,500
Capitalised Insurance			30	0	(30)	0
Capitalised Interest	-	-	0	0	0	714
Capitalised staff	-	-	2,943	3,054	111	3,334
Total New Build Investment			35,200	40,323	5,123	46,447

Grant Income			11,771	9,332	2,439	10,900
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Net new Build cost			23,429	30,991	7,561	15,037
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Grant Income completions (recognised in OPS)			4,910	4,109	801	4,109
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Net spend on new build properties of £23.4m has been incurred by end of February. This is £7.6m lower than budget.

Social Rent

- **Abbotshall Avenue (SR/67):** Site start remains 2024/25 as budgeted however feasibility work has commenced resulting in spend ahead of budget. Planning submitted September 2023. Working towards acquiring land by March 2024.
- **Shandwick St (SR/47):** The site was fully acquired on 31st March 2023 and the acquisition offer of grant was accepted and drawn down in 2022/2023. The project was budgeted to start on site in 2024/25 but following board approval works commenced in September and are progressing well.
- **Kelvin Wynd:** The demolition tender was approved and works commenced in August 2023, later than budgeted. Rehousing has now been completed in the 4 blocks.

[redacted]

3. Balance Sheet



	29 February 2024	31 March 2023
	£ks	£ks
Fixed Assets		
Social Housing Properties	1,607,405	1,583,777
Other tangible fixed assets	55,066	58,227
Investment properties	71,940	71,940
Investments - other	12,073	12,073
Fixed Assets	1,746,484	1,726,017
Debtors Due More Than One Year		
Inter Company Loan	18,325	18,325
Pension Asset	2,505	2,505
Current Assets		
Trade debtors	1,015	1,108
Rent & Service charge arrears	12,953	12,167
less: Provision for rent arrears	(7,919)	(7,619)
Prepayments and accrued income	8,279	2,851
Intercompany debtors	9,533	11,266
Other debtors	6,032	5,760
	29,893	25,533
Bank & Cash	773	4,270
Current Assets	30,666	29,803
Current Liabilities		
Trade liabilities	(3,789)	(3,671)
Accruals	(23,740)	(29,664)
Deferred income	(17,457)	(10,864)
Rents & service charges in advance	(11,638)	(10,794)
Intercompany creditors	(33,469)	(34,232)
Other creditors	(9,368)	(12,683)
	(99,461)	(101,908)
Net Current Assets	(68,795)	(72,105)
Long Term Liabilities		
Contingent efficiencies grant	(47,914)	(47,914)
Bank finance	(1,021,203)	(972,703)
Provisions	(1,645)	(1,872)
Deferred income	(14,431)	(14,431)
Long Term Liabilities	(1,085,193)	(1,036,920)
Net Assets	613,326	637,822
Capital & Reserves		
Retained Income b/fwd	272,956	207,150
Income & Expenditure	(24,495)	(6,915)
Revaluation Reserves	364,865	437,587
Funding Employed	613,326	637,822

Key Commentary:

The balance sheet reported reflects the 31 March 2023 year end statutory adjustments, including the revaluation of both housing and investment properties, actuarial valuation of the defined benefit pension scheme and the fair value of the Scottish Government loan.

- **Fixed assets:** movements from the year end reflects investment in existing properties, the new build programme, and any other fixed asset additions, less depreciation to date.
- **Current Assets (excluding cash)** are £4.4m higher than the March 2023 position, due to an increase in prepayments, due to timing, which has been partially offset reductions in other lines due to timing.
- **Debtors due after more than one year:** The intercompany loan debtor relates to the convertible debt with Lowther Homes Limited and is revalued on an annual basis as part of the statutory accounts.
- **Short-Term Creditors:** Amounts due within one year are £2.5m lower than the March 2023 position mainly due to reduction in accruals and timing of intercompany settlements.
- **Long term bank finance loans** net of amortised fees are £1,015.7m and relate to funding drawn down from WFL1.



Report

To: Wheatley Homes Glasgow Board

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

Approved by: Steven Henderson, Group Chief Executive

Subject: Strategy Workshop: structure and approach

Date of Meeting: 22 March 2024

1. Purpose

1.1 This report provides the proposed outline for the May strategy workshop and seeks the Board's feedback and agreement to the planned approach.

2. Authorising and strategic context

2.1 Under the Group Standing Orders the Group Board is responsible for the approval of the overarching Group strategy. Under our Terms of Reference, this Board is responsible for approving our 5-year strategy, within the strategic context of the overarching Group strategy.

2.2 This Board annually undertakes a strategy review through consideration of our strategy and its wider contribution to the Group strategy.

3. Background

3.1 As part of our strategy renewal and refresh cycle the Board holds an annual strategy workshop in May. This year, this will be a strategy refresh. This follows the more detailed strategy renewal undertaken last year during the mid-year of our strategy period. The updated strategy was subsequently approved by the Board at its meeting in August 2023.

3.2 As part of last year's strategy renewal, the Board agreed on the areas of the strategy that should be updated as part of creating our first Wheatley Homes Glasgow strategy. This reflected the Customer First Centre and its role in providing exceptional services, our vision for neighbourhoods with reference to our planned regeneration areas (Wyndford, Milton and Cranhill), a clearer focus on how we use data and technology to support asset management, and our focus on channel choice rather than channel shift in relation to digital.

3.3 Customer priorities such as repairs, the CFC and neighbourhoods were made more prominent within the strategy. Alongside this, we updated a range of our strategic measures to reflect progress to date and our updated five-year plans in relation to development and investment.

4. Discussion

Our approach

- 4.1 As part of our annual review process, the Group Board will consider and approve the 2024/25 Group Delivery Plan at its meeting on 24 April 2024. This will comprise strategic projects, strategic measures and targets. These remain subject to any feedback from Boards across the Group.
- 4.2 In advance of the workshop the Board will have been issued papers with the 2023/24 year-end performance as well as the proposed relevant strategic projects and measures and targets for 2024/25. This allows the Board to have relevant performance information and proposals as context for the strategy workshop discussion. Our strategy workshop will precede our Board meeting and is scheduled for 17 May 2024, which in turn allows the review of the proposed 2024/25 measures within the context of the workshop discussions.
- 4.3 Our Board workshop discussion will shape our strategy refresh for 2024. In addition, our feedback will inform the Group Board strategy workshop in June and help shape the refresh of the overarching Group strategy.

Proposed structure

- 4.4 We have refined our approach each year based on feedback from previous strategy workshops, what the Board has already considered in detail over the year and any relevant factors within our operating environment.
- 4.5 Taking these factors into account it is proposed the workshop be structured as follows:
- Recapping our current strategic context / external operating environment – including customer insight, financial considerations and strategic risks;
 - Reflecting on our key achievements during 2023/24;
 - Thematic discussion - asset strategy and its integration with our overarching strategic neighbourhood plans;
 - Thematic discussion - 2024/25 priority areas - e.g. neighbourhoods, major regeneration projects, vulnerability, repairs and data; and
 - Pathway to 2026 – reflection on progress with the strategy overall, the biggest advances expected by this time next year and any proposed changes.
- 4.6 Immediately following the strategy workshop, the Board will also engage in a thematic discussion on risk.
- 4.7 A number of the discussions will be informed by papers for the May Board meeting, such as the 2024/25 Delivery Plan (2024/25 priorities) and Five-year investment programme (asset strategy).
- 4.8 The focus on our asset strategy will broadly focus on: our key asset management principles; understanding our assets; asset strategy key drivers; financial considerations including the link to our future rent setting; and how we will develop our asset plan.

4.9 As we draw closer to the end of our strategy it is proposed that we consider our pathway to delivering our strategy by 2026. As part of this, we would also reflect on any areas of the strategy we want to amend.

5. Customer Engagement

5.1 The strategy workshop content will draw on customer feedback and insight we have generated through customer engagement over the year. Customer engagement is a central element of our strategy overall and as part of any discussions how we would propose to engage customers will be considered.

6. Environmental and sustainability implications

6.1 There are no specific environmental or sustainability implications associated with this report. The strategy refresh process will ensure our strategy considers recent developments in this area.

7. Digital transformation alignment

7.1 There are no specific digital transformation implications associated with this report.

8. Financial and value for money implications

8.1 There are no direct financial implications associated with this report, which are covered via the approved 2024/25 business plan.

9. Legal, regulatory and charitable implications

9.1 There are no specific legal or regulatory implications associated with this report.

10. Risk Appetite and assessment

10.1 We do not have a single risk appetite with respect to strategy. Our risk appetite seeks to consider a range of factors which may impact the delivery of our strategy.

10.2 To reflect this our strategy workshop includes a specific thematic discussion on risk. This includes the risks which may have implications for or arise from the planned delivery of our strategy.

11. Equalities implications

11.1 Equalities and tailoring our services to the diverse needs of customers and communities is a key theme threaded throughout our strategy.

11.2 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 Our annual strategy review, which is this year a refresh, provides us with the opportunity to reflect on progress to date and consider key strategic issues in more depth.

12.2 The proposed structure reflects the stage of the strategy we are at, with several areas already delivered or well progressed and a narrowing number of areas which would benefit from more detailed discussion.

13. Recommendations

13.1 The Board is asked to consider and approve our proposed approach and workshop structure.

LIST OF APPENDICES:

None

Report

To: Wheatley Homes Glasgow Board

By: Anthony Allison, Group Director of Governance and Business Solutions

Approved by: Steven Henderson, Group Chief Executive

Subject: Equity, Diversity and Inclusion and Human Rights Action Plan

Date of Meeting: 22 March 2024

1. Purpose

1.1 The purpose of this report is to provide an update on our Group Equity, Diversity and Inclusion (EDI) Action Plan, *One Group Many Voices 2024/25*.

2. Authorising and strategic context

2.1 Our strategy recognises that our customers and communities are diverse; as such we have a desire to increasingly tailor services to suit the needs of our customers and diversify our Customer Voices to ensure 'we hear from a diverse range of voices in a diverse range of ways'. The Board has also previously emphasised its strong commitment to ensuring that we embrace EDI and a human rights approach in our work, for the benefit of our tenants, customers, staff, and other stakeholders.

2.2 Under the Group Standing Orders and their Terms of Reference, Wheatley Solutions has been tasked with supporting us to drive a strong EDI culture and human rights approach by agreeing and monitoring the implementation of an Action Plan. Our Board receives an annual update on the work undertaken.

3. Background

3.1 We received a detailed update on our EDI approach in November 2023. This included an update on the implementation of our first Action Plan and how this has supported us to enhance our progress about EDI and Human Rights. With the vast majority of the actions already delivered it has been refreshed, building on the progress we have made.

4. Discussion

Refreshed plan – areas of focus

4.1 The areas of focus for the refreshed plan are as follows:

- **Different Together with you** – customer and community focus;
- **Different Together in our Group** - staff and internal culture focus; and
- **Evolving our data** – whole journey approach and embedding it into decision-making

- 4.2 These areas form the three Outcomes for our updated action plan. In considering the themes, we have reflected on the shifting of our use of language towards equity. This shift in language is in keeping with the wider practice in EDI, though does not fundamentally change our approach in terms of actions.
- 4.3 The updated Action Plan is attached at Appendix 1. The Action Plan was refined following extensive staff and Trade Union engagement. It has also been informed by best practice research and externally reviewed by an Inclusion Advisor at Business in the Community (BITC) who welcomed the detail and level of activity.
- 4.4 The reviewed Action Plan focuses on embedding and sustaining all the progress and structures built since the first action plan was approved in November 2022. A summary of the key updates, the three Outcomes and how we plan to measure success with these are detailed below with further detail contained within the Action Plan document.

Updating 'EDI' definitions

- 4.5 The terminology we use is important to appropriately convey our commitments and aspirations to our staff and customers. We recognise the importance of providing our customers, staff and stakeholders with fair opportunities to access our jobs, homes and services. As such, it is recommended that we update our 'EDI' definitions.
- 4.6 This focus on 'equity' rather than 'equality' follows a changing language in diversity and inclusion and has been endorsed by BITC. While equality focuses on treating everyone the same, equity acknowledges that treating everyone the same can actually serve to reinforce barriers faced by some groups.
- 4.7 Instead, equity has a focus on allowing everyone to achieve a level of parity. In some cases, this may mean taking additional steps to support customers. For example, ensuring equity of opportunity to access social housing would not just mean giving everyone a copy of an allocations policy; it could mean taking additional steps to have this translated for someone unable to read English.
- 4.8 This aligns with our updated face-to-face training being delivered in partnership with Diversity Scotland. As such, when we now refer to 'EDI', for us this means:
- *Equity* – people with different characteristics are treated fairly and have access to the same opportunities to fulfil their potential;
 - *Diversity* – respecting and valuing individual differences and unique characteristics, both in our organisation and our communities; and
 - *Inclusion* – making sure our employees and customers feel comfortable being themselves and that they feel valued, respected and heard.

Outcome 1: Different Together with you

- 4.9 Our first Action Plan had a strong focus on developing staff knowledge and initiatives to enhance our EDI culture and awareness. This has been driven through our staff Community of Excellence (CoE).

- 4.10 'Different Together with you' extends this approach by introducing a CoE network group that focuses on customer and community actions. The network group will include representatives from frontline teams and will allow those teams to provide insight into opportunities we have to improve EDI, based on their insight and experiences they have from working with our customers.
- 4.11 'Different Together with you' also aims to identify opportunities to improve access to housing by building on research from Shelter in relation to race and social housing. It also has a strong focus on ensuring that EDI considerations are at the forefront of our approach to communications.
- 4.12 A key priority over the next year will be how we understand and respond to customer vulnerability. Learning from the English Housing Ombudsman and our complaints has identified that the lack of vulnerability information can be a limiting factor in our ability to deliver personalised services.
- 4.13 Over the next year, we will develop a definition for vulnerability, agree on what data we will collect, how we will collect it (including security and data protection implications) and how we will use it. Reflecting this, vulnerability is a priority workstream within the Group Data Strategy.
- 4.14 An area of very strong focus on this outcome, which reflects the vulnerability theme, will be how we enhance our approach in relation to customers whose first language is not English, or who have specific communication needs relating to disabilities such as blindness or deafness.
- 4.15 In particular, we will look to improve and embed strong processes at the sign-up stage and after a translation is requested which triggers strong customer support. This will include things such as bespoke translated welcome packs for customers with very clear information on basic things like how to request a repair, make a complaint, report any issues such as ASB, or engage the Housing Officer or CFC with a translator. We would also send this pack automatically to any existing customer who requests a translation.
- 4.16 We know we also need to consider how this information is accessible to staff, for example, repairs staff going to the home of a customer who does not speak English, is deaf or is blind. We are currently engaged with an external organisation who are undertaking a review of our translation provision, with a focus on repairs.

Outcome 2 - Different Together in our Group

- 4.17 The actions within this section of the plan will help us to build on the foundations we have laid through our staff Different Together CoE, focus groups, and EDI initiatives, particularly in relation to building a strong awareness and positive EDI culture.
- 4.18 A priority is that we continue to ensure we are a supportive and inclusive employer. We must continue to attract a diverse group of talented staff who reflect our communities. This begins with the way we recruit being inclusive and in turn attractive to a diverse range of prospective applicants.

- 4.19 We already have some examples of how our EDI approach has helped us to attract new members of staff. For existing staff, an important part of this outcome will be the introduction of a staff survey question set that helps us to measure whether staff feel included and supported in relation to EDI.
- 4.20 Our established network groups, supported by Executive Directors, will each lead a high-profile engagement event aligned to development opportunities and/or training delivery, to reinforce our commitment to EDI and demonstrate that our agenda is set from the top.
- Outcome 3 - Evolving our data
- 4.21 This outcome focuses on data; which links in with our overall approach to making data-enabled decisions. We already have good examples of where we have used our EDI data to help inform decision-making, such as through the development of our approach to Hate Crime.
- 4.22 We will scope ways to capture EDI data relating to complaints. This will provide insight into whether there are trends from particular customer groups and allow us to review our services or processes to address any issues.
- 4.23 We will also look to measure the impact our EDI and human rights approach has had on customers; for example, through a question as part of our next customer equality data survey. Given the volume of data, we will be particularly cognisant of data security.

Next steps

- 4.24 Following Wheatley Solutions Board approval at their meeting on 12 February 2024, the Action Plan has been designed and updated under Different Together branding, published on our website (and our Group partner's websites). Progress will be monitored and reported at each Wheatley Solutions Board meeting, with regular updates also provided to our Executive Team and an annual update for this Board.

5. Customer Engagement

- 5.1 'Enhancing our Stronger Voices approach through Different Together' is a section within the revised action plan, under Outcome 1. Customer engagement is a key part of embedding our EDI approach, for example, engaging with groups of people who have different characteristics to inform policy development and Equality Impact Assessments. Recently this has included the development of our Group Hate Crime Policy, our Group Engagement Framework review and our Group Anti-social behaviour framework review.
- 5.2 The collection of equality data required extensive customer engagement as we were required to ask all waiting list applicants, new tenants and existing tenants for protected characteristic data. Our next customer EDI survey is scheduled for 2025 and as detailed in the updated Action Plan we will co-create our approach towards this with customers taking into consideration vulnerabilities and additional support needs.

6. Environmental and sustainability implications

- 6.1 There are no direct environmental or sustainability implications arising from this report. Diversifying our engagement structures will support our Group Sustainability Framework implementation by engaging customers with our sustainability priorities, ensuring different perspectives are involved.

7. Digital transformation alignment

- 7.1 We have developed digital platforms to allow for easier analysis and utilising of our customer equality data. Evolving our data to help identify opportunities to increase access to our services is a focus within the updated Action Plan.

8. Financial and value for money implications

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

9. Legal, regulatory and charitable implications

- 9.1 Our Group EDI and Human Rights policy, and the updated Action Plan, support us to comply with our legal and regulatory obligations.

10. Risk Appetite and assessment

- 10.1 Our agreed risk appetite for the legal and regulatory compliance of our 'W.E. Think' strategic outcome is "cautious" as although '*Wheatley staff are trusted advisors, it is essential that mitigations are in place to help keep customers safe*' In terms of EDI, our mitigation is to engage independent external advice as part of evolving our approach to demonstrate and evidence how we meet our equalities regulatory obligations.

11. Equalities implications

- 11.1 The report our approach to developing the next iteration of our Group EDI Action Plan, *One Group, Many Voices*. These actions will support us to assess equality implications in our decision-making.

12. Key issues and conclusions

- 12.1 As the Board has previously affirmed, we are strongly committed to ensuring we deliver services EDI. This is demonstrated through our Action Plan and the oversight of our EDI being a formal responsibility of the Wheatley Solutions Board. We have a strong focus on continuous improvement and ensuring this is reflected in our organisational culture – this can be seen through our focus on equity and social mobility, and continued EDI data analysis.

13. Recommendations

- 13.1 The Board is asked to note this update and the refreshed Action Plan at Appendix 1.

LIST OF APPENDICES:

Appendix 1: [redacted] available [here](#)

Report

To: Wheatley Homes Glasgow Board

By: Anthony Allison, Group Director of Governance and Business Solutions

Approved by: Steven Henderson, Group Chief Executive

Subject: Group procurement – annual strategy and policy updates

Date of Meeting: 22 March 2024

1. Purpose

1.1 This report presents the annual updates to the Group Procurement Strategy, Group Procurement Policy, Group Sustainable Procurement Policy and Group Community Benefits Statement.

2. Authorising and strategic context

2.1 Under its Terms of Reference, set out in the Group Standing Orders, the Wheatley Solutions Board has delegated authority to approve the Group procurement strategy and policy.

2.2 Under the Intra Group Agreement any policies designated as Group-wide, as is the case with the procurement policies, are required to be implemented by all partners across the Group.

2.3 Our procurement strategy and policy are a lever to support us in achieving strategic objectives within our strategy, such as sustainability, creating job and training opportunities more widely maximising value for money.

3. Background

3.1 As a Registered Social Landlord we are deemed to be a Contracting Authority and must comply with legislative requirements for procurement and contracting arrangements. We draw on Wheatley Solutions to provide the strategic and policy frameworks to do this and to support us in implementing them.

3.2 Our approach is to wherever possible leverage the strength of the wider Group in our procurement to allow us to procure at scale and achieve the best price-quality mix. This is primarily in areas where our needs are not distinct from our group partners or where any such needs can be met within a wider group approach. This allows us to share, rather than fully fund on our own, the costs in areas such as technology platforms where our needs are fully met and part of the initial options assessment.

- 3.3 There are also projects that are distinct to us where we have used the expertise within our partner Wheatley Solutions to procure goods and services over the last year, such as:
- In the delivery of the Calton Village appointed to McTaggart Construction Ltd in 3 phases 254 new homes from Generation 3 New Build Framework. And appointments to CCG Ltd for 48 new homes at Ashgill Road and 47 new homes at Shandwick Street; and
 - The appointment of Minibems Ltd for the installation and management of Smart Control systems to improve the efficiency of our distributed heating networks.

4. Discussion

- 4.1 The Procurement Strategy 2024 is a legislative reporting requirement for all large Scottish contracting authorities. As a minimum, the strategy must include the following elements:
- 12-month retrospective review of contracts awarded;
 - 24-month forward plan of future contract opportunities;
 - Community Benefit Delivery;
 - Proposed Sustainability requirements; and
 - Embedded compliance with legislation.
- 4.2 The procurement strategy is developed in a way that allows it to enable and support the delivery of our 2021-26 Strategy *Your Home, Your Community, Your Future*. In particular the procurement of new homes and creating community benefits for our tenants and communities.
- 4.3 The strategy, updated in track change from the previous version, is attached at Appendix 1. We have also updated the: Procurement Policy 2024 (Appendix 2), Sustainability Procurement Statement 2024 (Appendix 3), and Community Benefits Statement (Appendix 4) in compliance with statutory requirements.
- 4.4 The strategy is the roadmap towards achieving organisational objectives and meeting the Scottish Government's commitments to efficient and effective procurement.
- 4.5 It also reflects Fair Work practices, ensuring that our approach is in line with Scottish Government procurement legislation and best practice. Procurement is an element of the Scottish Government's Fair Work action plan to support its overarching objective of making workplaces fairer and more inclusive.
- 4.6 To support us in achieving standardised procurement practices and procedures, the Policy, Sustainability Statement & Community Benefit Statement are developed to deliver the overall Procurement Strategy. To ensure these documents remain relevant they require to be reviewed on an annual basis.
- 4.7 There has been limited change across the suite of procurement documents this year. This is in keeping with us having a clear longer-term view on procurement that we would expect to refine rather than renew each year. The UK Government is currently reviewing the UK Procurement Legislation, which is an impact of post-Brexit trade agreements. We would anticipate a large-scale review and reform over the coming year as the focus moves to a more consistent approach to procurement regulations across the different nations within the United Kingdom.

Procurement Strategy

- 4.8 The updated strategy incorporates changes to tender commercial thresholds. From 1 January 2024 for all Works the threshold is £5,372,609, this was previously £5,336,937; for Goods and Services the threshold is now £214,904, previously £213,477; and the 'Light Touch Regime' Services threshold unchanged remains at £663,540. For clarity, all threshold values are exclusive of VAT.
- 4.9 The strategy pipeline has also been updated to reflect contracts procured in the last 12 months and the upcoming procurements for the next 24 months. A role of the strategy is leveraging our scale and purchasing power to effect change in our supply chain. For the current strategy, we have enhanced the focus on Equality, Diversity and Inclusion ("EDI") and cyber security. Additionally, Environmental, Social, and Governance are more prominent features in our strategy and are identified as an increasingly important element of our decision-making. This is reinforced by the Sustainable Procurement Statement.

Procurement Policy

- 4.10 We have further strengthened the procurement approach to our Ethical, Social and Environmental responsibilities, ensuring that our tendering approach is further defined to ensure the best outcomes for our communities.
- 4.11 During 2024 we will undertake the necessary work to gain accreditation as a 'Real Living Wage' employer. This will ensure all contracted suppliers comply with the payment of the Living Wage (currently £12.00/per hour and reviewed annually) to their staff that undertake work on our behalf. This will become part of the Procurement Policy and be a mandatory requirement when contracting in the future. The first contract to benefit from this change will be our corporate cleaning contract with ISS Ltd which will see all their staff working at our premises offices paid the Real Living Wage from May 2024.

Group Sustainable Procurement Statement

- 4.12 The updated Sustainable Procurement Statement now provides further detail on the corporate carbon footprint. It now reflects the work already delivered and reported via Planet Mark. It also includes the outcomes from the Group Sustainability Framework action plan.
- 4.13 This year, an electric van trial will commence. This will comprise approximately 20 small vans, increasing throughout the year to include larger vans and pool cars. A fleet decarbonisation delivery group, which will focus on staff engagement and feedback, will be set up to run in conjunction with the trial. We are also exploring options for reducing emissions associated with the grey fleet.
- 4.14 Our wider long-term sustainability objectives include: becoming carbon neutral across our corporate estate; reducing fuel poverty; and reducing carbon emissions from our homes by at least 4000 tonnes per year. Procurement will take an active role in supporting these ambitions through sustainable sourcing of goods services and materials, as well as ensuring our supply chains also work towards these targets. Consideration of social, ethical, environmental, and economic impacts will be a feature in our procurement activity. Suppliers will be asked to record their CO2 emissions which will be measured, monitored, and recorded ensuring that reductions of emissions are captured.

- 4.15 Through collaboration with our partners across the Group we shall continue to seek to reduce, where possible, the use of single-use plastics, pesticides and chemicals that may cause harm to the environment, as part of all procurement activity. The commitment to zero waste going to landfill will also be a contracting consideration.

Community Benefits Statement

- 4.16 The formation of this statement reflects Scottish Government Guidance, legislation and the need for requirements to be proportionate. This is in line with Scottish Procurement Legislation and Regulations.
- 4.17 We seek to lever the delivery of new jobs, apprenticeships, training opportunities and supply chain development activities for the community. We monitor compliance of construction-related contracts and the obligation of the Contractor therein in relation to Community Benefits. We have created 282 jobs, training and apprenticeship opportunities in WHG from the community benefits captured within contracts.
- 4.18 We support our EDI aims by using customer equality data and Wheatley Foundation equality data to inform our Community Benefits approach through analysis of our employability programmes as reported to this Board. We have seen positive outcomes in the last year here.
- 4.19 For example, as part of the Community Benefit approach we met with legal services provider Shepherd and Wedderburn (S&W) to exchange good practice working in terms of EDI. This resulted in representatives from S&W's employee equality groups attending one of our Different Together Communities of Excellence to share their successes and barriers faced within their organisation with our staff.
- 4.20 Following this, the Foundation also supported S&W to identify a pupil from one of our community schools to take part in the PRIME work experience programme for S5/6 children. The pupil received excellent feedback from S&W. S & W then visited a school to speak to all the pupils that had applied for PRIME work experience through the Foundation but were placed on a waitlist (around 25 pupils). These pupils are still on the waitlist and will be invited to the next available PRIME work experience around April time.

Contract Management System (CMS)

- 4.21 We have continued the implementation of our CMS to digitise our contracts and assist Contract Owners with their contract management responsibilities. A contract management mandatory online training course has also been rolled out for contract owners. All supplier changes (bank details, addresses) and additions are now undertaken via the CMS and are subject to the two-part authentication.
- 4.22 Wider business intelligence is being gained from our supply chain through sending Requests for Information ("RFIs") regarding their compliance on matters such as Health and Safety, Equality, Diversity and Inclusion and adherence to policies such as No Purchase Order, No Pay. Further RFIs will be issued on Sustainability and Cyber Security in the coming months.

Challenges for Procurement 2024 - Market Conditions

- 4.23 As we entered 2023/24 inflationary pressures continued to have a significant impact on us and our customers and the economic outlook in the UK remains under pressure. Inflation has proven to be more resistant to interest rate increases than expected, with a strong labour market and higher wage settlements helping to maintain higher prices. While the current CPI rate is 4.0%, it has been on a slow downward reduction from its peak of 11.1% in 2022. According to most recent market expectations, the unwinding of inflation to the long-term Bank of England target of 2% is now not likely to be achieved until the first half of 2025.
- 4.24 Increases in the cost of fuel, utilities, insurance and repairs and maintenance costs have had a notable impact on our cost base. Fuel and utilities costs have stabilised to some extent. However, insurance and repairs and maintenance costs are still subject to notable price increases. An update on some key areas of ongoing focus within our supply chains is provided below.

New Build - Developers

- 4.25 The recent administration of Stuart Milne and Merchant Homes has created market uncertainty due to the risk that others will follow due to the knock-on effect. Contractors are therefore cautious about whom they contract with, to minimise risk. Subcontractors who historically worked with the private sector are now keen to work with affordable housing clients, as they are seeking continuity and guaranteed payment.

New Build - Material Price Increases

- 4.26 Contractors have now seen their supply chain increase their material supply quotes by up to 10%. Generally, materials availability appears to be consistent. However, there is a fulfilment risk associated with materials from the Far East and due to the uncertainty of the conflict developing in the Red Sea. Our contractors are utilising alternative supply chains where necessary.

New Build - Labour/Trades

- 4.27 In relation to procuring labour and trades rates have remained steady over the last two quarters, and availability has stabilised. Site Managers and site staff are reported to be a stable market. Professional Services (technical consultants) appear to be in demand, particularly Quantity Surveyors, who can command their price.

Fleet

- 4.28 The renewal of some elements of our existing fleet has encountered some challenges. The war in Ukraine and the disruption to shipping lanes have resulted in a delivery delay until April 2024 for all our new diesel vehicles that were purchased in 2022. We also continue to work to mitigate any impact on our decarbonisation commitment.
- 4.29 Supply chain issues for spares/parts are anticipated to improve during 2024 which, in turn, should ease some of the inflationary pressure on these items.

5. Customer Engagement

- 5.1 Each procurement exercise will take into consideration customer engagement. Customer consultation will be carried out when applicable. Community Benefit delivery aspirations also involve customer engagement activities.

6. Environmental and sustainability implications

- 6.1 Our aim is to be carbon neutral in our corporate activities by 2026. Scotland has set a target to phase out the sale of new fossil fuel vehicles by 2032. To ensure delivery of these requirements we have a dedicated fleet team to oversee the transition of fleet to carbon neutral where possible by 2026.
- 6.2 Sustainability outcomes will continuously be measured against our agreed targets. How we procure will play an important role in supporting these ambitions through sustainable sourcing of goods services, materials and different supply chains.

7. Digital transformation alignment

- 7.1 The Contract Management System (CMS) allows for the integrated use of IT systems and acts as a central repository for all contracts replacing an Excel spreadsheet-based contracts register. This gives rise to time savings as well as making contract management and performance analysis more effective.

8. Financial and value for money implications

- 8.1 We seek wherever possible to leverage our own and the wider Group's size and scale to ensure the delivery of greater value for money. Effective procurement is an element of delivering our business plan, sustainability targets and identified savings targets.

9. Legal, regulatory and charitable implications

- 9.1 By publishing the Group Procurement Strategy, we are meeting our legal obligation and adhering to government requirements. All procurement within the takes into account and reflects legislative requirements.

10. Risk Appetite and Assessment

- 10.1 Our agreed risk appetite relating to laws and regulations is "**Averse**". This level of risk tolerance is defined, as "Avoidance of risk and uncertainty is a key organisational objective".
- 10.2 The key procurement risk is non-compliance with current Scottish Procurement Legislation/Regulation relating to procurement and award of contracts. In order to mitigate any risks the following measures are embedded:
- Compliance with Group standing orders;
 - Annually reviewed Group procurement policy;
 - Visibility of our Contract Register;
 - Mandatory training for all staff authorised to procure;
 - Procurement plans for above-threshold procurements; and
 - Staff with specialist knowledge/training and legal advice as required.

10.3 The Procurement Policy 2024 and the updated Procurement Strategy 2024, Sustainable Procurement Policy 2024, and updated Community Benefits Statement 2024 help us mitigate the risks of non-compliance with regulation and legislation.

11. Equalities Implications

11.1 Through our procurement approach, relationships with suppliers, and awareness of equality legislation, we promote equality across all areas of our procurement.

11.2 Updates made to our Procurement Policy and Community Benefits approach support our EDI aims and the implementation of our Group EDI and Human Rights policy.

11.3 Our procurement strategy outlines how we will work to ensure our procurement process is inclusive for example through: Equal Treatment, Non-Discrimination, Transparency and Proportionality; Prevention of Modern Slavery; Fair and Ethical trading; the Living Wage; and Supporting SMEs and social enterprises.

12. Key issues and conclusions

12.1 We must comply with legislative requirements for procurement and contracting arrangements due to the classification of Contracting Authority. Our strategy and policy set out how we will achieve this compliance.

12.2 Our focus is however wider than just compliance and we use the way we procure to support our wider strategic aims such as promoting sustainability, EDI and delivering community benefits to ensure our customers and communities benefit from our purchasing power.

13. Recommendations

13.1 The Board is asked to note the following documents:
1) Group Procurement Strategy (2024 – 2026);
2) Group Procurement Policy 2024;
3) Group Sustainability Procurement Statement 2024; and
4) Group Community Benefits Statement 2024.

LIST OF APPENDICES:

Appendix 1 – [redacted] available [here](#)

Appendix 2 – [redacted] available [here](#)

Appendix 3 – [redacted] available [here](#)

Appendix 4 – [redacted] available [here](#)